



STRATEGIC PLAN

(2013/14 - 2016/17)

FOREWORD

There have been many changes in the operational environment since the Competition Authority of Kenya (the Authority) was established as an independent Institution to regulate competition and consumer protection issues in Kenya. Hence it has become necessary to develop a Strategic Plan that is aligned to both the dynamic operating environment and the strategic priorities of the Government as outlined in the Kenya *Vision 2030*, the Constitutional dispensation, and other relevant regional and international policy documents.

I am therefore pleased to unveil the 2013/14-2016/17 CAK Strategic Plan, which provides a clear road map to enable us meet our Vision which is, *„A Kenyan economy with globally efficient markets and enhanced consumer welfare for shared prosperity`*. The development of this Strategic Plan (Plan), is based on a review of the Authority’s performance and experiences so far, and is culmination of an extensive consultative process among the Authority’s staff, board of directors and other key stakeholders.

Our vision and mission are geared towards realizing our mandate by clearly stipulating strategic objectives to pursue while conforming to our core values. The Plan also identifies five thematic areas to assist in enforcement of competition in the market and protection of consumer interests, while at the same time mobilize resources; enhance visibility and corporate image; capacity; research; advocacy and awareness framework.

It comes at a time when debate on good corporate governance, accountability, performance improvement and effective service delivery are key hallmarks for all organizations in the public sector, in line with our Constitution. We are aware that this can only be achieved if we continuously align to the dynamism of our operating environment with a view to facilitate fair and competitive trade practices, while catalyzing the ever-evolving creativity and innovation of Kenyan businesses.

Moving forward, I wish to acknowledge that we will face exciting challenges in the course of executing our mandate – which includes the effective management of this change initiative. The development of this Plan is therefore imperative as it avails an opportunity to outline strategies for tackling such challenges, identifying lessons learnt so far, and recognizing gaps witnessed during our brief period of existence; while effectively determining our critical success factors that should subsequently inform future planning. Based on this contextual analysis, we have formulated strategic objectives that the Authority will pursue over the next four years; while consistently engaging key stakeholders at all levels.

Additionally, I wish to highlight that this Plan is a step forward in our commitment to effectively realize our mandate through aggressive pursuit of our mission, *‘To enhance competition and consumer welfare in the Kenyan economy by regulating market structure and conduct in order to ensure efficient markets for sustainable growth and development’*.

The Board will oversee the setting up of institutional frameworks; requisite structures; policies; and operational procedures that will enable the Authority achieve its mandate.

We will regularly monitor and evaluate the implementation of this plan to ensure that any performance gaps are identified early and mitigation measures put in place.

While being optimistic that we shall all live up to the challenge bestowed upon us in pursuit of our goals and objectives, I pledge my personal and the Board's commitment to ensuring successful implementation of this Strategic Plan. I also encourage both the Board and staff to adhere to the principles of good corporate governance. To foster commitment and motivation, my Board will continuously provide an enabling environment for staff to realize their full potential. We will also endeavor to engage all key stakeholders as an imperative in sustained input and support.

Lastly, I take this opportunity to sincerely thank the entire team involved in the formulation of this Plan, including Board Members, Management and all staff for their unreserved commitment to the process. With commitment and teamwork at all levels, I have no doubt whatsoever that we will be successful in implementing this Plan.

David Otieno Ong'olo
BOARD CHAIRMAN

PREFACE

The unveiling of this inaugural Plan is part of the Authority's endeavor to deepen its enforcement activities while ensuring efficient and optimal utilization of resources. This is a manifestation of the broader Government's commitment to enhance effective service delivery – with reduced public expenditure, while enhancing transparency, accountability and predictability. It is expected that this Plan will fully operationalize the Competition Act, No. 12 of 2010 (the Act) and subsequently facilitate achievement of its object; '*...to enhance the welfare of the people of Kenya*'.

The Plan articulates the Authority's roadmap for the next four years and as earlier indicated, by the Chairman, its development process was highly consultative in order to ensure buy-in at all levels and subsequently facilitate effective implementation.

To inform the Plan, the Authority assessed developmental and operational challenges taking into consideration both internal and external environments, strengths, weaknesses as well as opportunities and threats while considering existing policy, political, economic, social, technological, environmental and legal frameworks.

Moreover, the Authority conducted stakeholder and risks analyses in order to identify and understand their expectations and functional relationships. This was instrumental in mapping out mitigation measures and strategic issues that need to be addressed. It also helped in the formulation of the Authority's *vision, mission and core values*.

The programmes and activities in the Plan will be financed by both internal and external sources. Anticipated internal sources of finance include *filing fees; Appropriation in Aid (AIA); and incidental payments*. Sources external of finance include *Exchequer and Development Partners' grants*.

The overall responsibility of implementation of the Plan lie with the Director-General supported by the Heads of Divisions – who are tasked with specific service delivery targets cascaded downwards into detailed Divisional/Units Annual Work Plans with the Medium Term Review and impact analysis informing future planning.

The Authority recognizes that successful implementation of this Plan will depend on the cooperation and commitment of key stakeholders and timely availability of resources. Towards this, the Authority will therefore continue to build coalitions with relevant stakeholders to ensure that planned activities are implemented within budget.

Premised on this, I posit that actualization of the coalitions, guided and supported by our highlighted core values and our dynamic culture, the Authority will accelerate realization of its Vision; '*A Kenyan economy with globally efficient markets and enhanced consumer welfare for shared prosperity*'.

In conclusion, I wish to sincerely appreciate the Authority's Board Members' guidance and support during the development of this Plan, and look forward to further guidance and support to inform its successful implementation. To my colleagues in the Management, I wish to express my gratitude in your role in the process of developing this Plan and assure you of my guidance, unfettered support and availability in order for us to actualize the Plan successfully; for the benefit of all Kenyans.

Wang'ombe Kariuki
DIRECTOR-GENERAL

ACRONYMS AND ABBREVIATIONS

| | |
|----------|--|
| ACF | African Competition Forum |
| AIA | Appropriation in Aid |
| CAK | Competition Authority of Kenya |
| COMESA | Common Market for Eastern and Southern African |
| EAC | East African Community |
| ERS | Economic Recovery Strategy |
| GDP | Gross Domestic Product |
| GoK | Government of Kenya |
| HR | Human Resources |
| IAS | International Accounting Standards |
| ICN | International Competition Network |
| ICT | Information and Communications Technology |
| IFMIS | International Financial Management Information System |
| IFRS | International Financial Reporting Standards |
| ISO | International Standardization Organization |
| KEBS | Kenya Bureau of Standards |
| KRAs | Key Result Areas |
| M&E | Monitoring and Evaluation |
| MTEF | Medium-Term Expenditure Framework |
| MTP | Medium-Term Plan |
| NEMA | National Environment Management Authority |
| OECD | Organization for Economic Co-operation and Development |
| PAS | Performance Appraisal Systems |
| PFMR | Public Financial Management Reforms |
| P-PESTEL | Policy, Political, Economic, Social, Technological, Environmental, and Legal |
| PPP | Public Private Partnership |
| SADC | Southern Africa Development Community |
| SWOT | Strengths Weaknesses Opportunities Threats |
| SWS | Single Window System |
| UNCTAD | United Nations Conference on Trade and Development |
| WPGE | Working Party on Government Expenditures |
| WTO | World Trade Organization |

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EXECUTIVE SUMMARY

This Strategic Plan is premised on the need for the Authority to align its activities and subsequently its resources to the operational environments. This is part of the on-going wider public sector initiatives to ensure efficient utilization of the available resources while ensuring effective delivery of services to drive the achievement of the national economic development Agenda and also meet the Constitutional obligations, in terms of service provision to the citizenry and utilization and management of public resources.

In actualizing this Plan, it is expected that the Authority will position itself strategically, in its activities aimed at enforcing the provisions of the Competition Act No. 12 of 2010. This will enable it build credibility while deepening its visibility as a result of enhanced performance and therefore meeting the expectations of its diverse stakeholders while facilitating the Government to achieve its overall development agenda. In order to facilitate the achievement of this goal, the Plan is alive to the objectives of the *Kenya Vision 2030*; the requirements of the Constitution and other relevant regional and international policy documents pertinent to competition policy.

The Plan is informed by various Stakeholders; the Board; the Management and all the other cadre of staff of the Authority. This participatory approach has enriched the programmes, projects and other initiatives proposed in the Plan while ensuring buy-in to facilitate successful implementation.

The development of the Plan has also been motivated by the Authority's need to pursue its Vision, uphold key operational Values and thereof realize its Vision, Mission and Core Values as articulated below.

Vision

A Kenyan economy with globally efficient markets and enhanced consumer welfare for shared prosperity

Mission

To enhance competition and consumer welfare in the Kenyan economy by regulating market structure and conduct in order to ensure efficient markets for sustainable growth and development

Motto

Create efficient markets for consumers

Core Values

The guiding principles in the operations of the Authority are:

- (i) Customer focus;*
- (ii) Integrity;*

- (iii) *Professionalism;*
- (iv) *Impartiality;*
- (v) *Teamwork;*
- (vi) *Innovation and Creativity.*

To inform the Plan, the process appreciated key achievements of the Authority and the challenges it has faced so far. The achievements include infrastructure development and development of some of the supportive guidelines and regulations. The challenges encountered include inadequate human capital and budgetary constraints. A detailed conspectus of these is highlighted in Chapter 1. To mitigate against the risk of failure to meet targets, the Plan is awake to lessons learnt to date and it is expected that this will inform future planning and execution. However, the Plan is also alive to the fact that the Authority's activities and engagement route is also influenced by external and internal socio-economic, legal and political factors, which explicitly and implicitly dictate the speed and the direction of its operations.

Therefore, the successful actualization of the Plan will largely depend on how the Authority buttresses its internal strengths, seizes the opportunities, and minimizes the weaknesses, while insulating itself against threats. In order to achieve this objective, the Plan has conducted SWOT and P-PESTEL analysis and mapped its entire stakeholders' portfolio; specifically highlighting their expectations. In addition, the Plan articulates lessons learnt so far and key success factors.

The Plan highlights five key result areas (KRAs) which the Authority will focus on during the Plan's period. The KRAs are articulated under the following Strategic themes;

- (i) Enforcement of competition and protection of consumers;
- (ii) Research, Advocacy and Awareness creation;
- (iii) Mobilization and Optimal utilization of resources;
- (iv) Infrastructure and Human Capital Development, and;
- (v) Visibility and Corporate image.

Arising from the Strategic themes and the Strategic issues that need to be addressed in each thematic area, the Authority will pursue five strategic objectives, namely:

- (i) To regulate anti-competitive practices and mergers, unwarranted concentration of economic power, and practices that affect consumer Welfare;
- (ii) To carry out market inquiries, advocacy and promote awareness;
- (iii) To mobilize adequate financial resources and enforce optimal utilization to ensure financial sustainability of the Authority;
- (iv) To build adequate infrastructure and human capital capacity to enable the Authority efficiently and effectively execute its mandate;
- (v) To enhance corporate image and visibility of the Authority.

The Plan articulates detailed activities to achieve the above objectives. The resultant implementation matrix further provides the actual framework through which the strategic objectives will be achieved and details the Budget required to roll-out the activities. The

Authority's Divisional/Units will be required to cascade the strategic goals into their work-plans and where necessary, inter-divisional teams will be constituted to address specific issues. Other professionals and experts will be engaged if and when necessary to fill skills gaps.

The budget to facilitate these activities has been outlined and will be financed from internal and external sources. The resources will be guided by rationalization and modernization of key processes, while cost saving measures, including the creation partnerships and strategic alliances, will be implemented to strengthen the Authority's financial resource base. It is important to highlight that while efforts will be made to rationalize the available resources in order to realize the stated objectives, the Plan acknowledges that the ability of the Authority to successfully implement its programmes depends heavily on the availability of adequate funding.

The Authority is cognizant of the fact that Monitoring, Evaluation and Reporting activities are fundamental in the achievement of the Plan's intended results. It is on this basis that the Plan provides for progressive monitoring on the basis of the expected outputs and measurable indicators set out in the implementation matrix. Moreover, a Medium Term Review process has been provided for, in order to identify the gaps, if any, in the implementation process.

The Plan is organized into Seven Chapters – Chapter One provides an introduction and background; Chapter Two endeavors to highlight the nexus of the Authority's mandate to the Kenya Vision 2030, the Constitution and other relevant policy documents; Chapter Three presents a Situational analysis; Chapter Four outlines the Strategic Model; Chapter Five gives the framework for co-ordination and implementation of the Plan; Chapter Six outlines the required and sources of finance and Chapter Seven provides the Monitoring, Evaluation and Reporting framework.

Overall, this Plan sets out a coherent, systematic and sustainable road-map on which to anchor the Authority's initiatives for the period 2013/14-2016/17. However, the Plan acknowledges that the operational environment is dynamic and therefore demands continuous monitoring and evaluation to ensure appropriate reviews in order to be adaptive to the changing circumstances. Towards this, the Authority will refocus and re-orientate the strategies for the Plan to be an effective guide to the Authority's operations over the next four years. In addition, while the Authority will ensure efficient operations through rationalization of resources and modernization of processes, the support of key stakeholders at all levels will be imperative in the Plan's full cycle.

CHAPTER ONE

1.0 INTRODUCTION

1.1 Mandate

The Competition Authority of Kenya (the Authority) is established under the Competition Act, No. 12 of 2010 (the Act). The Authority's mandate is generally to enforce the Act with the object of enhancing the welfare of the people of Kenya by promoting and protecting effective competition in markets and preventing misleading market conduct throughout Kenya, in order to: -

- a) Increase efficiency in the production, distribution and supply of goods and services;
- b) Promote innovation;
- c) Maximize the efficient allocation of resources;
- d) Protect consumers;
- e) Create an environment conducive for both foreign and local investment;
- f) Capture national obligations in competition matters with respect to regional integration initiatives;
- g) Bring national competition law, policy and practice in line with the best international practices, and;
- h) Promote the competitiveness of national undertakings in world markets.

The Authority endeavors to achieve the above outcome through control of mergers; unwarranted concentration of economic power; prohibition of abuse of dominance; regulation of concerted practices and prohibition of unfair and misleading market conduct. In addition, the Authority is the Government's principal advisor on competition and consumer protection issues.

1.2 Core Functions

To actualize its mandate, the Authority focuses on the following statutory core functions:

- a) Promotion and enforcement of compliance with the Competition Act;
- b) Receipt and investigation of complaints from legal and natural persons;
- c) Promotion of public knowledge and awareness;

- d) Promotion of creation of consumer bodies and establishment of proper rules and standards to be followed by such bodies;
- e) Recognition of duly-registered consumer bodies under the national Laws;
- f) Provision of consumer's information and guidelines relating to the Act and the rights and remedies available under the Act;
- g) Conduct of inquiries and sector studies on competition matters and protection of consumer interests;
- h) Study of government policies, procedures and programmes to assess their effects on competition;
- i) Investigation of impediments to competition including entry and exit from markets;
- j) Investigation of policies, procedures and programmes of regulatory authorities to assess their effect on competition and consumer welfare and publicity of the results;
- k) Participation in deliberations, proceedings of Government, Commissions, regulatory authorities and other bodies in relation to competition and consumer welfare;
- l) Liaison with regulatory bodies and public bodies in matters related to competition and consumer welfare, and;
- m) Advise to Government on matters of competition and consumer welfare.

1.3 Milestones/Key achievements

In order to articulate the roadmap to the future, the Plan appreciates the current state of play, in terms of milestones covered and challenges encountered by the Authority, since the Act commenced on 1st August, 2011. During its period of existence, the Authority has covered some milestones in the areas of enforcement; advocacy activities; resource mobilization; infrastructure and human capital development and enhancement of corporate image and visibility. It is the object of this Plan to further deepen and expand these gains. Specifically, the Authority has: -

- a) Acquired office space and some infrastructure; developed a website; logo, and; physically delinked from the National Treasury;
- b) Mobilized some substantial resources, as technical assistance, from various Development Partners including The World Bank; the Kenya Markets Trust and the Financial Sector Deepening Programme;
- c) Fully populated the Board; recruited a Director-General; Head of Finance and Human Resource;
- d) Analyzed and determined 75 merger applications; 3 exemptions applications and 17 anticompetitive investigations, in various sectors, are in their final stages;

- e) Developed various guidelines including relating to market definition; public policy criteria test in merger analysis and exemptions guidelines.
- f) Undertaken various advocacy activities, targeting trade associations; Legal firms; sector and economic wide regulators;
- g) Facilitated various staff skills development initiatives and also some targeting the Board;
- h) Participated and shared our experiences in various regional and international competition forums, and;
- i) Progressed in development of the Code of Conduct, The Board Charter and Audit manuals.

1.4 Rationale for the Strategic Plan and Benefits

Notwithstanding realization of the above milestones, the Authority faces several challenges, particularly the ones inherent to young Agencies. These challenges can be classified into the following broad thematic areas: -

- a) **Human Capital:** The current establishment is not optimal, taking into account the expanded mandate under the Competition Act. This includes both front and back office staff and is further exacerbated by demand for skills development for the existing staff, especially in areas of merger simulation; forensic investigations, and; consumer protection. Secondly, the lengthy process of vetting and absorbing the staff deployed from the mainstream Civil Service has eroded the staff morale. There exists indispensable need of re-engineering in order to deepen dynamism and fresh culture in the Authority to enhance productivity and efficiency further.
- b) **Budgetary constraints:** Although the resource allocation from the Exchequer has increased from Kshs. 52 Million to Kshs. 252 Million in the last two years, this is quite a minimal allocation taking into account the Country's GDP of 33.62 billion US dollars, as at December, 2012. This minimal budget, especially, at this formative stage of the Authority may hamper the actualization of some activities, particularly of building the requisite infrastructure and human capital. This situation is further complicated by the difficulties in generating revenue internally without seemingly affecting the investment climate. The high threshold and convoluted process to access development partners' support has slowed initiatives geared towards ameliorating this situation.
- c) **Underdeveloped Systems:** The delinking of the Authority from the National Treasury demands the Authority to develop its various systems requisite to manage its resources (finances and human capital) in order to ensure efficient and prudent utilization of these resources. The adoption of these systems have been delayed by various factors ranging from the lengthy process of populating the Board, subsequently delaying the process

of recruiting the staff to champion the adoption and rolling out of these systems. Unfortunately, the adoption of the systems may be delayed further due to the minimal budget allocation which cannot support the acquisition of the Enterprise Resource Planning system, though a necessity.

- d) **The Expanded Mandate under the Act:** Although the expansion was a necessity and therefore justified, it demands for expansion of the current establishment and also deepening of human resource skills – specifically in consumer protection and legal affairs. The expanded mandate also requires up-scaling the awareness creation initiatives in order to facilitate the regulated to appreciate their obligations and the consumers, including potential market entrants, to understand their rights under the Act. To complement this, there is undisputed urgent need to support a strong consumer movement in the country which in the long-run will be expected to act as the Court of First Instance before the consumer matters are escalated to the Authority. This is expected to not only enhance private enforcement but also minimize the Authority's enforcement budget.

On the other hand, although the institutional dispensation under the Act is a modern one, the process of populating the Board is lengthy and the scenario exacerbated further by the fact that the Members' term cease on the same day. This exposes the Authority to the risk of operating without a Board to the detriment of service delivery. Therefore, there is need to stagger the appointment of the Board Members while also ensuring that the process of populating the Board is initiated on time.

- e) **Formative stage challenges:** As a young Agency, the Authority requires to build and sustain credibility and visibility in these formative years. It requires prioritization and focus on activities that have a higher impact on a larger percentage of the society. This may facilitate the impact of the Authority's interventions to be visible in most households of our economy and can be bolstered further by building a corporate image and a dynamic culture. Towards this, there is need of accelerating the initiatives of building coalitions with all stakeholders with continuous development of guidelines and appropriate legislation to enhance transparency and hence predictability in our decision making. Unfortunately the above could be hampered by lack of a competition culture in the economy.
- f) **Globalization and Regional Economic Communities (RECs):** We are faced with the reality of borderless markets while the Act's jurisdictional compound does not extend beyond borders. Therefore, to deepen the gains of globalization, countries have resulted to creating RECs and regional competition Authorities. These include COMESA and EAC; to deal with cross-border infractions. However, there is a lack of framework or criteria

of sharing information between the Authority and the RECs Competition Agencies, not to mention the need to ensure provision for exchange and handling of confidential information. This creates uncertainty to the investors who wish to invest in the RECs through mergers. The other challenge is in regard to different levels of competition law development and priorities among RECs Members leading to creation of non-tariff barriers to the detriment of trade, especially for our exports. This reality demands efforts towards actualizing advocacy activities across borders.

- g) **Requirements of the Constitution:** Implementation and specifically devolvement of the Constitution means less budget support from the Exchequer. Hence need to rationalize the Authority's activities. On the other hand, the Constitution sets a high threshold in regard to operations of the Authority, including other government agencies. These include enhancing transparency and accountability; leading to demand for publication of guidelines and other regulations to support the enforcement of the Act in a transparent and predictable manner. Secondly, the devolvement of the Government to the Counties demands the presence of the Authority in the Counties and at the same time actualize the performance management systems (PMS) to enhance service delivery. Moreover, the Constitutional requirements demand the Authority to develop systems to insulate it from risk of integrity issues. All the above require adequate budget outlay.
- h) **Information Asymmetry:** The cost of accessing information, in regard to time involved, is enormous. This challenge has been compounded by continuous dynamism in the market especially involving the new economy. It therefore requires continuous staff skills development to facilitate analysis of competition cases and collection of information including adequate resources outlay to develop knowledge management systems.
- i) **Overlapping Jurisdiction:** The Authority has some overlapping roles with some of the sector regulators. Although the Act provides that the Authority has primary jurisdiction in all competition and consumer welfare matters, lack of cooperation from some sector regulators has led to increased transactions costs for the regulated and also increasing the risk of contradictory decisions emanating from two government agencies.

It is in cognizant to the above challenges that this Plan is developed and consequently articulates strategies and activities to address them. The Plan will therefore enable the Authority to position itself optimally in its operational environment by maximizing

the anticipation of environmental changes and unexpected internal and competitive demands.

1.5 Key Focus Areas

In order to fully address the above challenges, the Plan will focus on the following priority areas over the Plan's period:-

- a) Enforcement of competition and protection of consumers;
- b) Research, advocacy and awareness creation
- c) Mobilization and optimal utilization of resources
- d) Infrastructure and human capital development, and;
- e) Visibility and Corporate image.

Details of the Strategies to be deployed and the activities to be undertaken in each of the above thematic areas are outlined in the Strategic Model presented in Chapter 4.

CHAPTER TWO

2.0 NEXUS OF THE AUTHORITY'S MANDATE TO THE NATIONAL DEVELOPMENT AGENDA AND THE CONSTITUTION

2.1 Background

The Authority's mandate is geared towards supporting the Government to achieve the objective of the Competition Policy (CP). CP generally refers to a set of measures and instruments used by governments to determine the overall conditions of competition that are likely to be met in specific markets. Therefore, for CP to be effective, it has to harmonize all government policies that affect the functioning of markets. These mainly include policies on investment, foreign direct investment, trade, industrial deregulation and to some extent intellectual property rights.

CP is premised on the fact that monopolies or firms with market power are capable of harming consumers' welfare. This can be through raising/fixing prices; reduction of output; sharing markets; reducing quality and choice/variety of products, among others. The quotation from Adam Smith in 1796 aptly summarizes this position, *...It is not from the benevolence of the butcher, the brewer, or the baker, that we can expect our dinner but from their regard to their own interest ... people of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices.* Therefore, it suffices to state that CP is aimed at mitigating against the ramifications of monopolies in the market and subsequently facilitate distribution of benefits of these markets to the consumers. Hence it is an important facet in *transforming our markets for shared prosperity*; the key message of the Budget Statement for the 2013/2014 Fiscal year.

Intuitively, we can conclude that it is on this basis that CP Management has been highlighted as a Key function of the National Treasury in the *Jubilee* Government's organizational structure. It is expected that CP, as the engine of markets, will drive innovation; enhance efficiency and increase productivity as firms compete for customers, who are expected to be well informed of their rights; in regard to quality of goods and services in markets void of any asymmetry. However, as J.J. Laffont stated in 1998 *... competition is not the automatic outcome of deregulation* therefore, and supported by Adam Smith's statement of 1796, the Authority appreciates that for Kenyans to share prosperity, there is utmost need of deepening competition regulation by strategically enforcing the Act.

2.2 The Competition Act

The Act, as a policy instrument, provides for the protection of the process of competition in order to maximize consumer welfare. The ultimate objective of the Act can be summarized as to level the playing field in markets while creating efficiency,

with an overarching aim of increasing consumer welfare. Therefore, it provides for regulation of markets structures and conduct with the aim of identifying impediments to competition both in and for the market. It also seeks to directly protect consumers from misleading advertisements; unsafe goods and unconscionable conducts, among others.

Generally, successful implementation of the Act is supposed to institutionalize the fundamental functions of an effective competition regime; which is also envisaged in the *Kenya Vision 2030* and the Constitution. Namely, the liberating function, which aims at guaranteeing the consumers and producers of goods and services, considerable freedom of choice and action; the adjustment and allocation function, which forces producers to adjust their supply and use of production factors to changes in the demand of customers; the progressive function which aims at accelerating economic growth and thus increase the prosperity of society because it provides a stimulus for economic progress, and; the distribution function which will contribute to fair distribution of income because it prevents non-performance based income from being generated.

2.3 The Kenya Vision 2030

The Vision 2030 explicitly outlines that the Government is cognizant of the fact that competitive and dynamic markets increase productivity and therefore contribute positively to the citizenry's welfare. The Vision witnesses that market based economy, oiled by effective competition, will be a means of facilitating growth in all the sectors of the economy. Consequently, the last Medium Term Programme [2008-2012] committed to fast-tracking of the review of the then Competition Law in Kenya. Therefore, the subsequent enactment of the Act positioned the Authority as an integral institution in driving the Vision 2030.

The former President, H.E. Mwai Kibaki, further reinforced this position, in his Memorandum to the Speaker of the 10th Parliament after rejecting the Price Control and Essential Bill. In the said Memorandum, he stated that Price Controls go against Kenya's general economic policy. In his view and which the Authority should take cognizant and appreciate is that the Authority is the driver of the country's current economic policy. This policy is based on unfettered principles of supply and demand and when there are externalities, which may be occasioned by structural failure or conduct, the Authority, through the Act, is expected to ameliorate their effects. The general principle behind this oversight role is that unfettered supply of goods and services will ensure availability of choice at demanded quantity and sufficient quality. This will also put the supply and demand at equilibrium meaning there are no shortages.

It is important to highlight that equilibrium, although a non-permanent feature, guarantees low interest rates and other rates/price stability. The opposite of this not only negatively affects macro-economic stability of our country but also makes

consumers unable to anticipate the flow and subsequent management of their income.

In addition, lack of macro-economic stability may portray Kenya as an unfavorable investment destination. Vision 2030 anticipates sustenance of a macro-economic stability as a necessary variable in the investment function and therefore, the Authority has an obligation to facilitate maintenance of a macro-economic stability.

In its mandate of ensuring that producers/ suppliers of goods and services do not distort the roles of supply and demand in the market, the Authority has an undisputed position of ensuring that the drivers of the Vision 2030 are availed at market prices, void of bid-rigging and collusive tendering. These drivers include the infrastructure projects for example the Ports; railway lines; road network; power transmission lines, among others. This will ensure savings, which can be utilized to achieve other Vision's commitments.

In addition, the attainment of functional objectives of the competition law, namely liberating; adjustment and allocation; progressive, and; the distribution functions will not only enhance consumer welfare but will also expand employment opportunities; lead to distribution of income and hence minimize the risk of insecurity within our vicinity. This means contribution to the attainment of the Social pillar under the Vision 2030.

2.4 The Constitution

The Constitution provides for consumer protection under the Bill of Rights; specifically Article 46. Therefore, the Article creates an explicit space for the Authority in the implementation of the Constitution. In summary, the Article highlights the consumers' rights in regard to quality, information, safety and compensation. The Article goes further to provide that Parliament shall enact a legislation to manage these rights. Although the Consumer Protection Act has been enacted, the provisions of section 5 of the Act mandate the Authority with the primary jurisdiction in competition and consumer protection matters. Therefore, the Authority will strategize to implement Article 46 cognizant of the fact that consumer protection can relatively be a *'low hanging fruit'* which will impact positively on the citizenry and at the same time facilitate the Authority to enhance its visibility and credibility much faster.

Also, the Fourth Schedule of the Constitution indicates competition regulation and consumer protection as a National government responsibility (Part 1- sections 9, 10 and 14) and also partly as a County government's responsibility (Part 2 – section 7). Being awake to this fact and to facilitate interaction between the enforcement at national level and at county level, there is need of establishing focal points officers, with the County governments, in the short-term, and in the long-run, premised on commercial expansion barometer, progressively establish some form of presence at County levels.

In addition, the Constitution recognizes the treaties ratified by the Government. These include treaties establishing the East Africa Community Common Market Treaty and

the COMESA treaty which have competition regulation provisions. Therefore, the Authority has a role to play in actualization of these treaties, but within the laid down legal procedures and as advised by the Attorney-General.

Lastly, the Constitution provides for, among others, expeditious administrative action; sets high standards for ethical behaviour and integrity, service delivery, good corporate governance, gender-mainstreaming, efficiency and effectiveness in procurement of goods and services, leadership and integrity. Towards this, the Authority will strive to develop systems and adopt policies to support achievement of the aforementioned. This will be coupled with the rolling out of guidelines and other regulations to ensure deepening of transparency and accountability in the Authority's decision making process, which is also a requirement of the Constitution.

The mandate of ensuring elimination of bid-rigging and collusive tendering makes the Authority a partner in regard to ethics; particularly in the Government's anti-corruption initiatives. It is important to note that successful enforcement in these areas will result in realization of substantial savings which is usually lost through corruption related activities. Moreover, reduction in monopoly power as a result of the Authority's enforcement activities will obviously result in elimination of monopoly rent, which is a gain without commensurate performance; in other words, corruption.

With this conspectus, it is gainsaid to reiterate that strategic enforcement of the Authority's mandate will not only facilitate implementation of the Constitution but will also support the Government's initiative to mitigate against development challenges, as highlighted in the Kenya Vision 2030. This include poverty and inequality; underdeveloped infrastructure; insecurity; good governance and conformity to the rule of law.

Therefore, this Plan is a strategic initiative to inform and guide the Authority's activities and processes in order to equip it to play its rightful place of actualizing Vision 2030 and the implementation of the Constitution.

CHAPTER THREE

3.0 SITUATION ANALYSIS

3.1 SWOT Analysis

The Authority recognizes that it operates in an environment not immune to external and internal socio-economic, legal and political factors, and; which directly and indirectly impact on its operations. This environment creates demand and challenges which the Authority must attend to.

The achievement of the Plan's objectives will largely depend on how the Authority enhances its' internal strengths, exploits the existing opportunities, and manages the weaknesses in its operations, while controlling those factors that pose a threat to the achievement of its planned programmes and activities. That is the reason that to develop this Plan, the Authority had to conduct an extensive situation analysis of its Strengths, Weaknesses, Opportunities and Threats (SWOT),

The Strengths are internal capabilities which the Authority can exploit towards achieving its mandate. While the Weaknesses comprise deficiencies in resources, which must be contained in order to realize the strategic objectives during the Plan period. On the other hand, the Opportunities are the operational potentials and external factors that the Authority will take advantage of in order to enhance its ability to achieve its stated goals and objectives while the Threats are the external operational challenges that make it difficult to realize the Authority's set objectives.

The aforementioned demanded an assessment of external environment to enable the Authority to identify strategic pathways and risks and also an analysis of internal environment to identify the organization's strengths and weaknesses.

Table 3.1: SWOT Analysis

| | |
|---|--|
| <p><u>Strengths</u></p> <ul style="list-style-type: none"> a) Relatively qualified and experienced staff on competition policy and law; b) Modern competition law; c) Conducive working environment in terms of ergonomics; d) Operational and functional autonomy; e) Goodwill and support from a strategic Parent ministry; f) A well informed, balanced and exposed Board | <p><u>Opportunities</u></p> <ul style="list-style-type: none"> a) Interaction/networking with regional/national competition agencies and other competition networks/forums; b) Political goodwill; c) Technological advancement; d) Support of the Authority’s mandate by the new Constitution (Article 46 on Consumer issues); e) A relatively liberalized market; f) Goodwill from Development Partners; g) New legislation which are consistent with competition principles; h) Collaboration/partnership with research institutions and universities. i) Inclusion of competition policy in the national economic agenda |
| <p><u>Weaknesses</u></p> <ul style="list-style-type: none"> a) Inadequate capacity in terms of numbers, skills in new areas (forensic investigations, consumer protection, research) b) Lack of adequate modern systems e.g. video-conferencing; c) Budget constraints; d) Underdeveloped knowledge management systems; e) Lack of risk management plan; f) Lack of appropriate committees to address work related issues; g) Lack of integrated systems; h) Underdeveloped performance management systems; i) Lack of relevant policy guidelines and operational manuals; j) Lack of all requisite subsidiary legislation; k) Lack of substantive organizational structure. l) Lack of prosecutorial powers m) Lengthy process of appointing the Board, and; n) Information asymmetry | <p><u>Threats</u></p> <ul style="list-style-type: none"> a) Over reliance on Exchequer funding; b) Low levels of competition and consumer awareness; c) Political risk/regulatory capture; d) Lack of co-operation from sector regulators; e) Jurisdictional overlap between the Authority and other sector regulators; f) Existence of laws that are impediments to competition principles; g) Existence of weak consumer bodies; and h) Life threatening conditions e.g. diseases i) Globalization and upcoming Regional Economic Communities (RECs); j) The Board appointment is not staggered k) Requirements by DPP/CID for prosecution l) Reversal of Government’s economic agenda through legislation. |

The above analysis, which has articulated the internal and external operating environments provide the context and also, serves as the departure point for the Authority’s strategy formulation process. It is in the wake of the above analysis that

the Authority will endeavor to continuously scan its operational environment and align its operations to changes occasioned by environmental dynamism. This will, therefore, enable the Authority to efficiently and effectively execute its expanded mandate.

3.2 P-PESTEL Analysis

3.2.1 Policy framework

Policy formulation by the Government may affect operations and programmes of the Authority because the Authority must focus its activities to the overall Government Policy framework. The Authority's operations have also to be aligned to relevant Government policies such as the Kenya Vision 2030, the Second Medium Term Plan, and the Strategic Plan of the National Treasury, among others. The Authority shall therefore need to:

- a) Facilitate investment in the economy by minimizing entry barriers;
- b) Increase awareness through competition advocacy while pursuing collaboration with stakeholders, and;
- c) Increase transparency and accountability by undertaking comprehensive development and documentation of various guidelines.

3.2.2 Political factors

- a) Insecurity may interfere with the business climate and therefore affect the performance of the Authority; and
- b) Implementation of the devolved governance structure may require the Authority to review its organization structure to comply with the County system of government. This could also lead to decreased budgetary allocation due to increased demand by other Government agencies.

3.2.3 Economic factors

Economic factors will affect the operations of the Authority due to the following reasons:

- a) Fluctuation in budgetary allocation to the Authority may affect planning and operational performance;
- b) Investment climate, for example recession may affect the performance of the economy and therefore that of the Authority;
- c) Macro-economic instability may likely discourage foreign direct investment, thereby hampering deepening of competition;
- d) Agreements on trade that the government enters into regionally or internationally may affect competition, and;
- e) Operationalization of COMESA and East African Community competition legislations will affect the enforcement process of the Authority.

3.2.4 *Social factors*

The following social factors are likely to affect the operations of the Authority:

- a) Low number of persons with skills on competition policy and law in the market;
- b) Low levels of competition and consumer protection culture;
- c) Information asymmetry and moral hazard;
- d) Low level of awareness on competition and consumer protection, and;
- e) Life threatening conditions.

3.2.5 *Technological factors*

The speed and rate of technological change is likely to affect the Authority because rapid technological changes taking place today require sufficient resources to invest in the latest ICT. It therefore calls for effective resource mobilization and planning to enable the Authority keep abreast with the latest technology in the market.

3.2.6 *Environmental factors*

There will be need for the Authority to comply with National Environment Management Authority (NEMA) and International environmental Policy guidelines and regulations e.g. in the area of sound and air pollution.

3.2.7 *Legal factors*

The Plan also takes cognizance of the following legal factors:

- a. Implementation of the new Constitution which entails devolved governance structure to the County level. This demands that the Authority has to appreciate and amplify its role in this process and conscientiously offer its services at both national and county levels.

Furthermore, the Fourth Schedule of the Constitution indicates competition regulation as a national government responsibility and partly as a County government responsibility. This means that to facilitate the interaction between the County and National governments, the Authority will establish some presence at County levels;

- b. Differing sectoral competition laws may lead to inconsistency in the application of the competition principles;

- c. Changing policy environment may necessitate review of the Authority's legal framework, and;
- d. Challenges within the judiciary and other Government Departments may hamper effective implementation of the Act.

3.3 Risk Analysis

The Authority has undertaken a comprehensive analysis of the anticipated risks likely to be faced at strategic, organizational, operational, financial and technological levels while implementing the Plan. For each risk, appropriate mitigation measures have been identified, and; these measures have subsequently informed the Strategic Model (Chapter 4). The risk analysis will also be an integral input in the subsequent development of a comprehensive risk management strategy to facilitate successful implementation of the Plan.

Table 3.3: Risk Analysis

| TYPE OF RISK | RISK ANTICIPATED | MITIGATION MEASURES |
|-------------------|---|---|
| Strategic Risks | Inadequate funding to support optimal staff levels | <ul style="list-style-type: none"> • Multi-tasking/skilling of existing staff; • Internship, and; • Young Professional Programs. |
| | Legislations not supportive of competition | <ul style="list-style-type: none"> • Advocacy to ensure that controls are confined to markets which are non-contestable. |
| | Ineffective organizational structure | <ul style="list-style-type: none"> • Undertake Job evaluation exercise, entailing review of the organization structure. |
| | Consolidation of Parastatals | <ul style="list-style-type: none"> • Justify the Authority's existence through exemplary performance and supporting the government's development agenda. |
| | Provision of remuneration structures by the Salaries and Remuneration Commission. | <ul style="list-style-type: none"> • Pursue non-monetary motivational aspects. |
| Operational Risks | Lack of co-operation from stakeholders. | <ul style="list-style-type: none"> • Undertake advocacy and awareness creation; • Enter into MOU's with stakeholders; • Continuous engagement of stakeholders. |

| TYPE OF RISK | RISK ANTICIPATED | MITIGATION MEASURES |
|----------------------|--|---|
| | Employee disputes | <ul style="list-style-type: none"> • Develop and enforce HR policy and manuals; |
| | Harm during dawn raids | <ul style="list-style-type: none"> • Adequate security and insurance; and • Maintain Confidentiality. |
| | Inadequate capacity | <ul style="list-style-type: none"> • Facilitate staff development and enhance staff numbers. |
| | Data/information security | <ul style="list-style-type: none"> • Develop and enforce IT security policy. |
| Financial Risks | Inadequate funds | <ul style="list-style-type: none"> • Source funds from other sources i.e. fees, development partners, among others, and; • Prioritization and prudent/efficient utilization of available resources. |
| | Poor absorption capacity | <ul style="list-style-type: none"> • Proper planning and scheduling of activities • Outsourcing |
| | Over reliance/ unconfirmed funding from Development Partners | <ul style="list-style-type: none"> • Prior confirmation of funding from development partners • Prioritization and approval of work plans |
| Technological Risks | Cybercrime and e-commerce | <ul style="list-style-type: none"> • Engage forensic investigation experts. • Keeping abreast with technological advancements • Business continuity planning |
| | Use of inappropriate technology | <ul style="list-style-type: none"> • Benchmarking • Continuous/ regular updates |
| Organizational Risks | Lack of capacity/skills and numbers | <ul style="list-style-type: none"> • Training, recruitment and acquisition of equipment. • Develop Knowledge Management Systems • Growth and learning |
| | Resistance to change(new ideas) | <ul style="list-style-type: none"> • Change management • Disengage the staff who are not willing to adapt to new order |

| TYPE OF RISK | RISK ANTICIPATED | MITIGATION MEASURES |
|--------------------------|-------------------------|---|
| | Low staff morale | <ul style="list-style-type: none"> • Ensure equity and fairness in all staff matters. • Competitive remuneration • Reward and Sanctions management policies |
| Security/Political Risks | Unfavorable legislation | <ul style="list-style-type: none"> • Build coalitions and other advocacy programmes • Consultation with the AG's office • Submissions to the National Assembly relevant Committees |

3.4 Stakeholder Analysis

Stakeholders are individuals, groups, organizations and institutions that have an interest in the Authority or are impacted on by the Authority's activities. An analysis of the stakeholders has been undertaken to clearly outline their roles/functions; their expectations from Authority; what the Authority should do to meet their expectations; and what the stakeholders should do to assist the Authority realize its mandate. The stakeholder analysis has further informed the strategic model (Chapter 4) and will be an integral input in other major planned activities during the Plan period e.g. Customer Satisfaction Surveys. As per table 3.4 below, the Authority's main stakeholders can broadly be categorized as:

Table 3.4: Summary of Stakeholder Analysis

| Stakeholder | Role/Functions of the Stakeholder | Stakeholder's expectations from the Authority | What the Authority should do to meet stakeholder's expectations | What the stakeholder should do to assist the Authority |
|-------------------------------|---|---|--|---|
| The Business Community | <ul style="list-style-type: none"> • Abide by the laid down law, regulations and guidelines. | <ul style="list-style-type: none"> • Creation of awareness; • Timely response to complaints and notification; • Impartiality, predictability, integrity ,accountability and transparency | <ul style="list-style-type: none"> • Create and promote public knowledge, awareness and understanding of the competition law and policy • Continuous consultation. | <ul style="list-style-type: none"> • Cooperation and provision of information |
| Consumers | <ul style="list-style-type: none"> • Forward complaints relating to market players | <ul style="list-style-type: none"> • Timely resolution of complaints; • Provide requisite advice | <ul style="list-style-type: none"> • Fast track cases, and; • Be transparent and predictable | <ul style="list-style-type: none"> • Provide adequate information regarding complaints. |
| Consumer Bodies | <ul style="list-style-type: none"> • Represent consumers before the Authority | <ul style="list-style-type: none"> • Timely resolution of complaints. | <ul style="list-style-type: none"> • Fast track cases • Promote the creation of and recognize consumer bodies and the establishment of good and proper standards and rules | <ul style="list-style-type: none"> • Provision of relevant information • Participate in the Authority's awareness creation activities • Disseminate information to their members |
| The National | <ul style="list-style-type: none"> • Policy formulation; and | <ul style="list-style-type: none"> • Execution of the mandate of | <ul style="list-style-type: none"> • Adhere to policies and statutory | <ul style="list-style-type: none"> • Provide enabling |

| Stakeholder | Role/Functions of the Stakeholder | Stakeholder's expectations from the Authority | What the Authority should do to meet stakeholder's expectations | What the stakeholder should do to assist the Authority |
|-------------------------|--|---|---|---|
| Treasury | <ul style="list-style-type: none"> • Provision of financial support and linkages with donors. | upholding competition and protection of consumers from unfair and misleading market conduct; and <ul style="list-style-type: none"> • Prudent financial management • Support achievements of the national economic policies | requirements; <ul style="list-style-type: none"> • Enhance performance • Execute mandate; and • Observe prudent financial services. | policy, legal and regulatory framework, <ul style="list-style-type: none"> • Technical and financial support. • Facilitate interaction with the National Assembly • Ensure functional and operational independence |
| Other Ministries | <ul style="list-style-type: none"> • Policy formulation | <ul style="list-style-type: none"> • Inform/advise the development of policies and regulatory framework. | <ul style="list-style-type: none"> • Provide timely and quality advice | <ul style="list-style-type: none"> • Invite and adopt the Authority's advice |
| Authority Staff | <ul style="list-style-type: none"> • Efficient and effective delivery of service as per the mandate of the Authority. | <ul style="list-style-type: none"> • Conducive working environment; competitive remuneration; job satisfaction; job security; career development and progression; • Support in learning and growth initiatives | <ul style="list-style-type: none"> • Create conducive working environment; • Develop sound performance management/appraisal system; • Ensure remuneration is based on performance and prevailing market rates, and; • Motivate staff. | <ul style="list-style-type: none"> • Exhibit commitment and right attitude; • Be Team-players; • Practice appropriate Corporate Culture; • Achieve set |

| Stakeholder | Role/Functions of the Stakeholder | Stakeholder's expectations from the Authority | What the Authority should do to meet stakeholder's expectations | What the stakeholder should do to assist the Authority |
|--|---|---|--|--|
| | | | | targets; <ul style="list-style-type: none"> • Enhance productivity. • Maintain corporate image |
| Competition Tribunal | <ul style="list-style-type: none"> • Hearing and determination of appeals | <ul style="list-style-type: none"> • Provision of relevant information | <ul style="list-style-type: none"> • Provide timely and adequate relevant information | <ul style="list-style-type: none"> • Timely, well researched and consistent decisions • Impartiality, accountability, integrity and, transparency. |
| Sector Regulators and economy wide regulators | <ul style="list-style-type: none"> • Promotion of effective economic regulation. • Promotion of de-regulation | <ul style="list-style-type: none"> • Liaison and cooperation | <ul style="list-style-type: none"> • Build and enhance cooperation, exchange of information and management of areas of overlapping jurisdiction. • Undertake education and awareness creation among various sector regulators. | <ul style="list-style-type: none"> • Develop mechanisms/ platform for consultations to ensure consistency and harmony in application of competition principles. |

| Stakeholder | Role/Functions of the Stakeholder | Stakeholder's expectations from the Authority | What the Authority should do to meet stakeholder's expectations | What the stakeholder should do to assist the Authority |
|--|---|---|--|--|
| State Law Office | <ul style="list-style-type: none"> • Legal advise • Preparation of legal documents | <ul style="list-style-type: none"> • Timely submission of documents | <ul style="list-style-type: none"> • Timely submission of the necessary documents; • Timely explanation of the underlying principles | <ul style="list-style-type: none"> • Provide timely legal interpretation and advice. |
| Judiciary | <ul style="list-style-type: none"> • Making rulings and judgments | <ul style="list-style-type: none"> • Provision of information • Respect to Judicial decisions | <ul style="list-style-type: none"> • Implement the decisions | <ul style="list-style-type: none"> • Timely and consistent rulings |
| Director of Public Prosecutions | <ul style="list-style-type: none"> • Prosecution | <ul style="list-style-type: none"> • Timely submission of documents | <ul style="list-style-type: none"> • Submit the necessary documents on time | <ul style="list-style-type: none"> • Provide effective representation • Consider Authority's professional advice |
| Parliament | <ul style="list-style-type: none"> • Enacting laws • Vetting of Members and the Director-General • Allocation of funds | <ul style="list-style-type: none"> • To implement the law • Prudent financial management | <ul style="list-style-type: none"> • Submit Annual Report • Ensure enhanced performance • Ensure prudent financial management | <ul style="list-style-type: none"> • Enact Legislation that is supportive of competition principles |
| Research Institutions | <ul style="list-style-type: none"> • Conduct research and policy analysis in various sectors of the economy, and serve as a point of contact for exchange of views on public policy. | <ul style="list-style-type: none"> • Partnership and Collaboration. | <ul style="list-style-type: none"> • Cooperate in joint research and provision of information | <ul style="list-style-type: none"> • Conduct relevant research • Transfer relevant knowledge |

| Stakeholder | Role/Functions of the Stakeholder | Stakeholder's expectations from the Authority | What the Authority should do to meet stakeholder's expectations | What the stakeholder should do to assist the Authority |
|--|--|--|--|---|
| Learning Institutions and Universities | <ul style="list-style-type: none"> • Introduce programmes and modules addressing competition and Consumer Law | <ul style="list-style-type: none"> • Participation in the trainings; and • Partnership and Collaboration • Conduct research in competition related areas | <ul style="list-style-type: none"> • Partner and Collaborate with the institutions • Provide market for their graduates | <ul style="list-style-type: none"> • Provide dynamic programs and collaborations • Transfer knowledge and output of the research |
| Regional Competition Agencies | <ul style="list-style-type: none"> • Promote and protect fair competition in the regions and to provide for consumer welfare | <ul style="list-style-type: none"> • Participation and Cooperation in the implementation of the regional Competition Laws and activities. | <ul style="list-style-type: none"> • Commitment, cooperation and participation in regional activities. | <ul style="list-style-type: none"> • Cooperate with and facilitate the Authority • Procedural operationalization of the regional laws • Engage competent staff |
| International Competition and Consumer Forums | <ul style="list-style-type: none"> • Promote the adoption of competition and consumer protection principles • Encourage the dissemination of competition and consumer experience | <ul style="list-style-type: none"> • To participate effectively in the activities of the Forums • To adopt the Forum's products/ toolkits/output • Host/ promote some of their activities • Support/ set some budget for selected forums | <ul style="list-style-type: none"> • Attend and participate in activities of the Forums • Support some of the activities of the agencies | <ul style="list-style-type: none"> • Cooperation in facilitating Authority's various activities |

| Stakeholder | Role/Functions of the Stakeholder | Stakeholder's expectations from the Authority | What the Authority should do to meet stakeholder's expectations | What the stakeholder should do to assist the Authority |
|--|--|--|--|--|
| | and best practices | activities | | |
| International Agencies dealing with Competition | <ul style="list-style-type: none"> Promote Competition | <ul style="list-style-type: none"> Cooperation ,support and participation in activities of mutual interest To adopt the Agencies' products/ toolkits/output Host/ promote some of their activities Support/ set some budget for selected forums activities | <ul style="list-style-type: none"> Cooperate and Participate in international activities | <ul style="list-style-type: none"> Support the Authority in identified activities |
| Development partners | <ul style="list-style-type: none"> Technical and financial support. | <ul style="list-style-type: none"> Good corporate governance; (efficient and effective utilization of allocated funds) Timely Reports | <ul style="list-style-type: none"> Exercise good corporate governance and ensure comprehensive consultation in relation to all projects undertaken. | <ul style="list-style-type: none"> Adhere to and respect the Authority's legal framework Take cognizance of Kenya's development agenda Provide technical and financial support. |
| Suppliers and Service | <ul style="list-style-type: none"> Supply of goods and services. | <ul style="list-style-type: none"> Conformity to the Public Procurement and Disposal | <ul style="list-style-type: none"> Ensure impartiality in the tendering process; | <ul style="list-style-type: none"> Ensure timely delivery of high |

| Stakeholder | Role/Functions of the Stakeholder | Stakeholder's expectations from the Authority | What the Authority should do to meet stakeholder's expectations | What the stakeholder should do to assist the Authority |
|------------------|---|---|---|--|
| Providers | | Act 2005 and the public Procurement Regulations of 2006, and; <ul style="list-style-type: none"> • Timely payments | <ul style="list-style-type: none"> • Timely payments | quality goods and services in conformity to the Authority's technical specifications <ul style="list-style-type: none"> • Ensure they are not involved in bid rigging and collusive tendering |
| Media | <ul style="list-style-type: none"> • Facilitation of positive external communication | <ul style="list-style-type: none"> • Provision of timely and accurate information, and; • Impartiality | <ul style="list-style-type: none"> • Ensure provision of timely and accurate information while maintaining confidentiality | <ul style="list-style-type: none"> • Conduct business professionally • Report factually, correctly and timely |

3.5 Lessons Learnt

During its period of existence and subsequent support by the highlighted SWOT, P-PESTEL, Risk and Stakeholder analyses, the Authority has identified the following key lessons which have guided the development of this Plan:

- a) The Management and the Board are indispensable to the Authority's functions and activities;
- b) What is planned is not necessarily what is achieved;
- c) There is need to develop a comprehensive knowledge management system to facilitate quick decision making and guard against poor cooperation from respondents;
- d) There is need to create awareness and conduct education campaigns aimed at building coalitions, eliminating fear of the unknown, capacity building and appreciation of the competition law to enhance compliance; and
- e) Work plans are pertinent for a focused/strategic execution of assignments. It may, however, be beneficial to be flexible within the Plan without digressing from the strategic objectives.

3.6 Key Success Factors

Arising from the contextual analysis, the following have been identified as the key success factors for the Authority:

- a) Development of the requisite subsidiary legislation;
- b) Adequate policy and operation manuals;
- c) Benchmarking with best international practices;
- d) Strengthening of institutional capacity;
- e) Advocacy and awareness creation;
- f) Effective market research and surveillance activities;
- g) Effective stakeholder engagement;
- h) Business process automation;
- i) Effective Monitoring and Evaluation;
- j) Effective mobilization and prudent utilization of resources;
- k) Good Corporate governance, and;
- l) Statutory compliance.

CHAPTER FOUR

4.0 STRATEGIC MODEL

The Authority recognizes that it must anchor its operations on certain principles and values and that the implementation of its objectives, strategies and activities will be guided by a Vision, Mission and Core Values. Towards this, the following shall guide the Authority during the Plan Period:-

4.1 Vision

Our vision

“A Kenyan economy with globally efficient markets and enhanced consumer welfare for shared prosperity”

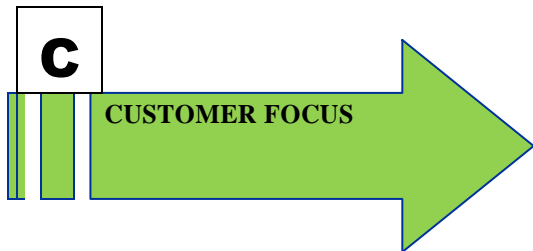
4.2 Mission

Our Mission

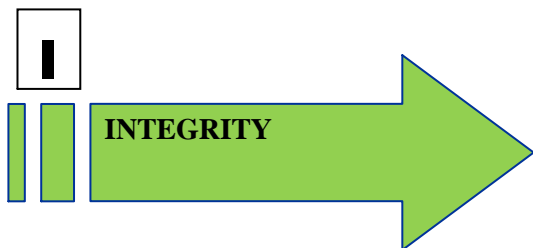
“To enhance competition and consumer welfare in the Kenyan economy by regulating market structure and conduct in order to ensure efficient markets for sustainable growth and development”

4.3 Core Values

The Authority is committed to upholding the following Core Values as the guiding principles for its operations in the medium and long-term:



The Authority commits itself to attaining the highest standards in service delivery to all stakeholders.



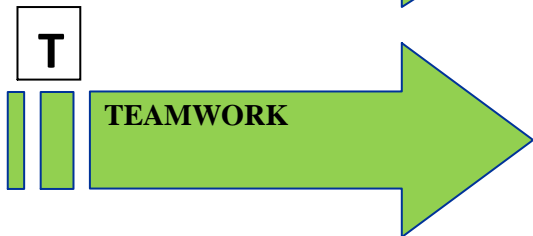
We commit ourselves to acting in an honest, transparent and responsible manner while implementing our programmes.



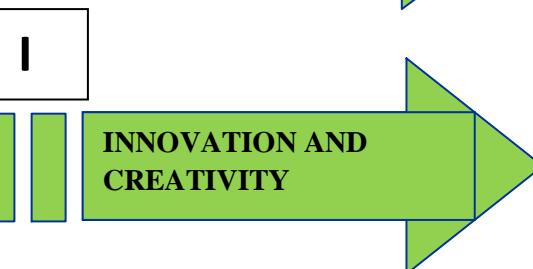
Our operations shall be guided by professional ethics aimed at building an appropriate corporate culture and creating the right corporate image.



We shall uphold the highest levels of equity by treating all stakeholders without any discrimination whatsoever.



We shall adopt a participatory approach and work together at all levels in the conduct of our business.



We shall be a learning organization that embraces change and continuously enhances creativity and innovation in its business processes.



4.4 Strategic Themes/Key Result Areas (KRAs)

The following have been identified as areas of focus/key result areas, which will enable the Authority to deliver more benefits to stakeholders and achieve its mandate:

- a) Enforcement of competition and protection of consumers;
- b) Research, advocacy and awareness creation;
- c) Mobilization and optimal utilization of resources;
- d) Infrastructure and human capital development; and
- e) Visibility and corporate image.

4.5 Strategic Themes, Issues, Objectives, Strategies and Activities

Focusing on the five key result areas/strategic themes, the Authority will endeavor to achieve results through the implementation of the following objectives, strategies and activities in the Plan's period:-

4.5.1 STRATEGIC THEME 1: ENFORCEMENT OF COMPETITION AND PROTECTION OF CONSUMERS

Strategic issue 1: The need to regulate mergers, unwarranted concentration of economic power, anti-competitive practices and practices that affect consumer welfare.

Strategic objective 1: To regulate mergers, unwarranted concentration of economic power, anti-competitive practices and practices that affect consumer welfare.

Strategy 1.1: Control of mergers

Activities

- a) Investigate/Analyze mergers notifications;
- b) Develop relevant merger guidelines;
- c) Review of merger notification and other relevant Forms;
- d) Develop merger notification filing fees regulations, and;
- e) Review merger handling procedures.

Strategy 1.2: Control of unwarranted concentration of economic power

Activities

- a) Investigate sectors that may feature unwarranted concentrations of economic power;
- b) Develop relevant regulations; and
- c) Develop case handling procedures.

Strategy 1.3: Regulate restrictive trade practices

Activities

- a) Investigate Restrictive Trade Practices (RTP);

- b) Develop RTP regulations;
- c) Develop RTP guidelines;
- d) Review of RTP enforcement forms;
- e) Review of RTP case handling procedures;
- f) Evaluate Exemption applications; and
- g) Secondment of officers from the Department of Criminal Investigations.

Strategy 1.4: Take action against Consumer Welfare cases/complaints:

Activities

- a) Investigate consumer protection cases;
- b) Develop appropriate regulations and guidelines;
- c) Develop working templates e.g. consumer complaint forms;
- d) Develop standards and rules for engaging consumer bodies in case handling;
- e) Establish Call Centre;
- f) Establish cooperation framework with regulators, and;
- g) Conduct a consumer awareness baseline survey.

Strategy 1.5: Ensuring compliance with decisions made by the Authority and ensuring compliance with legislative and regulatory requirements

Activities:

- a) Develop a framework to monitor compliance, and;
- b) Monitor compliance with decisions made by the Authority;
- c) Provide advisory opinions, in liaison with the State Law Office, and other relevant government agencies.

Strategy 1.6: Enhance enforcement of competition and consumer welfare through regional and international co-operation

Activities:

- a) Develop co-operation frameworks;
- b) Review and implement guidelines on participation in conference/workshop/seminars;
- c) Participate in relevant conferences and workshops, and;
- d) Subscription to relevant e-libraries and journals.

4.5.2 STRATEGIC THEME 2: RESEARCH, ADVOCACY AND AWARENESS CREATION

Strategic Issue 2: The need for deep understanding of the national markets, and the laws governing them, to enable the Authority's enforcement.

Strategic Objective 2: To carry out market inquiries, promote public awareness and understanding, to inform the Authority's work.

Strategy 2.1: Carry out Market inquiries/research

Activities

- a) Develop market inquiry guidelines and prioritize sectors;
- b) Conduct market inquiries/ research in the prioritized sectors and prepare reports, and;
- c) Implement findings and recommendations of the Study Reports

Strategy 2.2 Develop knowledge management system

Activities

- a) Identify and profile knowledge (tacit and explicit);
- b) Create and maintain database;
- c) Develop and implement knowledge transfer systems;
- d) Constitute committee to manage the knowledge, and;
- e) Promote the use of knowledge management.

Strategy 2.3: Assess impact of the Authority's interventions.

Activities

- a) Develop an impact assessment framework;
- b) Carry out impact assessment, prepare reports and disseminate the findings, and;
- c) Implement findings and recommendations of the report.

Strategy 2.4: Undertake economic analysis for identified competition cases

Activities

- a) Sensitize staff on economic analysis methodologies (merger simulations/econometrics), and;
- b) Develop and implement an appropriate analytical framework

Strategy 2.5: Promote awareness and understanding of the mandate, functions and activities of the Authority

Activities

- a) Carry out consumer awareness baseline survey;

- b) Develop and implement a communication policy, and;
- c) Develop an effective monitoring and evaluation framework.

Strategy 2.6: Ensure consistent application of competition and consumer protection principles

Activities

- a) Conduct Product Market Regulation (PMR) indicator study;
- b) Prioritize the laws to focus advocacy initiatives on; and
- c) Develop and implement relevant Advocacy programme,
- d) Develop Co-operation framework with other regulators.
- e) Devolve the Authority's functions to the County governments.

4.5.3 STRATEGIC THEME 3: MOBILIZATION AND OPTIMAL UTILIZATION OF RESOURCES

Strategic issue 3: The need to mobilize adequate financial resources and ensure optimal utilization for financial sustainability of the Authority.

Strategic objective 3: To mobilize adequate financial resources and ensure optimal utilization for financial sustainability of the Authority.

Strategy 3.1: Operationalize mechanisms to generate revenue internally

Activities

- a) Develop guidelines/mechanisms for raising revenue;
- b) Charge fees on merger filing, exemption applications, advisory services and collect penalties.

Strategy 3.2: Develop mechanisms to attract external funding

Activities

- a) Identify and prioritize projects/ programmes for funding;
- b) Profile the development partners and share the Plan;
- c) Prepare funding proposals, and;
- d) Access, utilize and account for donor funds.

Strategy 3.3: Ensure prudent utilization of resources

Activities

- a) Review and implement efficient financial management systems;
- b) Review and implement measures to reduce leakage of resources;
- c) Ensure proper management of assets, and;
- d) Ensure compliance with Public Finance Management Act and other relevant laws.
- e) Carry out Enterprise risk management (ERM)

4.5.4 STRATEGIC THEME 4: INFRASTRUCTURE AND HUMAN CAPITAL DEVELOPMENT

Strategic issue 4: The need to build adequate capacity to enable the Authority efficiently and effectively execute its mandate.

Strategic objective 4: To build adequate capacity to enable the Authority efficiently and effectively execute its mandate.

Strategy 4.1 Ensure there is adequate physical infrastructure, services and general supplies

Activities

- a) Acquire and maintain adequate office furniture, equipment and general supplies;
- b) Acquire and maintain transport facilities, and;
- c) Acquire and maintain contracted services.

Strategy 4.2 Ensure optimal staffing levels

Activities

- a) Carry out job evaluation;
- b) Carry out a suitability test to manage absorption/re-deployment of staff currently on deployment from The National Treasury, and;
- c) Develop and implement internship and Young Professional Programs.

Strategy 4.3: Ensure staff skills are deepened

Activities:

- a) Conduct training needs assessment;
- b) Develop and implement appropriate training programs, and;
- c) Develop a monitoring and evaluation system for training.

Strategy 4.4: Review and improve performance

Activities

- a) Develop a PMS, train staff and implement the System;
- b) Implement the Authority's annual performance contract

Strategy 4.5: Implement and ensure compliance with all statutory regulations

Activities

- a) Sensitize staff on relevant laws and regulations; and
- b) Establishment of relevant committees.

Strategy 4.6: Motivate Board Members and staff

Activities

- a) Provide competitive remuneration and emoluments;
- b) Develop and approve retirement benefit scheme(Pension and gratuity);
- c) Undertake employee satisfaction and work environment survey;
- d) Conduct Authority's team building activities;
- e) Establish a welfare association for staff, and;
- f) Implement a staff medical scheme.

Strategy 4.7: Pursue ISO 9001:2008 Certification

Activities

- a) Document systems, structures and processes in preparation for ISO 9001:2008 certification;
- b) Procure ISO 9001:2008 consultancy services;
- c) Create awareness on ISO 9001:2008 and the Quality Management System (QMS);
- d) Appoint and train internal quality auditors;
- e) Pre-audit the systems, procedures and processes;
- f) Procure certification body and carryout the pre-certification audits;
- g) Implement recommendations of the pre-certification audit and obtain certification, and;
- h) Continuous improvement and regular Quality management systems audit.

Strategy 4.8: Build capacity on Information and Communication Technology (ICT)

Activities

- a) Continuous skills development on utilization of ICT;
- b) Acquire and set up ICT infrastructure, including Enterprise Resource Planner (ERP), and;
- c) Develop a Business Continuity Plan

4.5.5 STRATEGIC THEME 5: VISIBILITY AND CORPORATE IMAGE

Strategic issue 5: The need to enhance corporate image and visibility of the Authority.

Strategic objective 5: To enhance corporate image and visibility of the Authority.

Strategy 5.1: Promote the Corporate Image

Activities

- a) Develop and implement a Service Charter;
- b) Develop and implement a Code of Conduct;
- c) Develop and adopt the Board Charter; and

- d) Adopt corporate colours, Power Point presentation slides and font
- e) Ensure compliance with all statutory requirements

Strategy 5.2: Enhance Visibility of the Authority

Activities

- a) Launch the Authority's Strategic Plan, Code of Conduct and Service Charter;
- b) Publish the Authority's decisions;
- c) Mark the Consumers' rights and Competition Days;
- d) Plan and undertake CSR activities, and;
- e) Participate in identified media forums.

CHAPTER FIVE

5.0 CO-ORDINATION FRAMEWORK AND IMPLEMENTATION OF THE STRATEGIC PLAN

5.1 The Strategic Plan Implementation Approaches

The implementation of the Plan will deploy the following approaches:

5.1.1 *Phasing and sequencing*

Implementation will be in tandem with the government budgeting cycle. The Authority will therefore develop subsequent Annual Work Plans from the Strategic Plan. The work plans will peg the Authority's operations on the financial, human and other resources available in each financial year. The Corporate annual work plans will be cascaded by the Divisions'/Units' work plans, which will assign specific responsibility to individual Members of staff. This approach is expected to enhance performance management at individual, Divisional/Unit/Section and Corporate levels.

5.1.2 *Quick wins*

In each annual work plan, the Authority will identify and implement activities that guarantee quick wins that will enable it to achieve rapid results. The quick wins approach will also give impetus to the implementing Divisions/functional units to roll out other strategic programmes.

5.1.3 *The Balanced Scorecard (BSC) Performance Management Framework*

The Authority envisages the use of the Balanced Scorecard (BSC) performance management framework, to facilitate successful implementation of the Plan. The BSC will help translate the corporate objectives, strategies and activities into Divisional objectives, strategies and activities and subsequently to the individual scorecard. This will facilitate successful implementation of the Plan through a sound performance management framework.

5.1.4 *Implementation Management Structure*

Within the top management team, a strategy implementation team will be established to coordinate implementation and make progress reports on a quarterly basis. The line managers will take responsibility within their functional areas and report on a monthly basis.

5.1.5 *Implementation Framework*

The implementation of the Plan will be in line with the performance contracting framework. The Director-General, with the support of Heads of Divisions will provide overall guidance for the implementation of the Plan. Regular Divisional meetings will be utilized for progress review to support the implementation. The Authority will also ensure harmony with other relevant Government initiatives and appropriate linkages

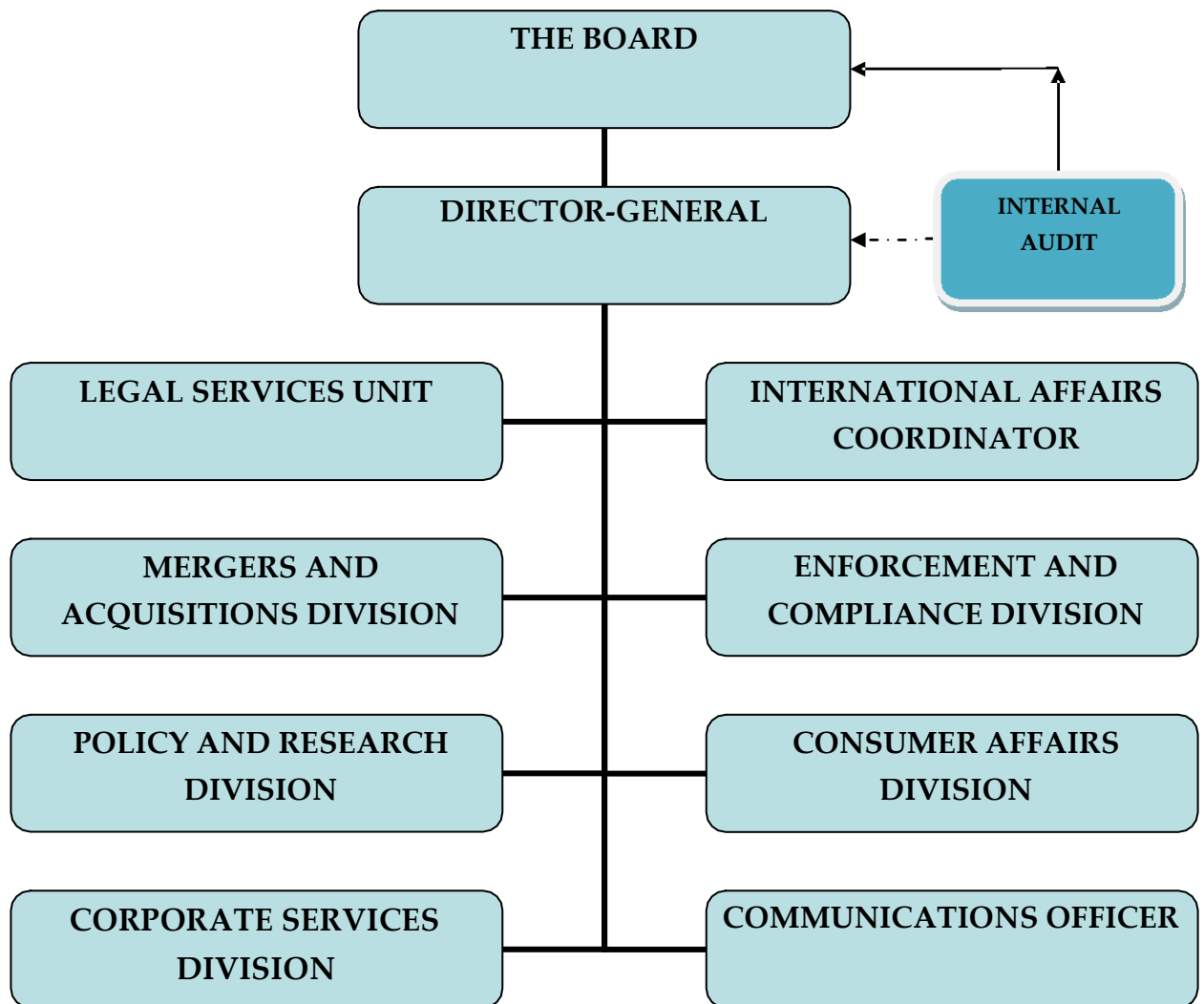
with stakeholders to enhance synergy as it seeks to realize the goals and objectives set out in the Plan.

5.2 Organizational Structure

For effective implementation of the Plan, the Authority has developed an interim organizational structure that seeks to facilitate effective delegation, management processes and information flow.

However, during the period of the Plan, the Authority will undertake a Job Evaluation exercise through which the organization structure will be established. The Job Evaluation exercise will facilitate work flow, develop job descriptions and specifications, establish job titles, and develop grading and remuneration structure, determination of optimal staffing compliment, placement and recruitment, amongst others.

Fig. 5.2.1 Interim Organization Structure



5.3 Mandate of Divisions/Units

5.3.1 Enforcement and Compliance Division

Investigates cases relating to: - agreements, concerted practices, Abuse of Dominance and evaluating exemption applications.

5.3.2 Legal Services Unit

Provides legal advice and ensures compliance with the applicable legal requirements; effective and efficient management of Board activities; compliance with all the statutory requirements; drafting and negotiating legal agreements; executing contracts and other instruments for the Authority.

5.3.3 Policy and Research Division

Undertakes sectoral/markets inquiries into matters relating to competition and protection of consumers; study of Government policies, procedures and legislations so as to assess their effects on competition and consumer welfare; advocacy and awareness creation; and liaison with sector and economy-wide regulators.

5.3.4 Mergers and Acquisition Division

Analyzes all merger applications and give recommendations; investigates all mergers that may have been consummated without approvals and give recommendations, and identifying and analyzing unwarranted concentrations of economic power.

5.3.5 Consumer Affairs Division

The Consumer Affairs Division is charged with the responsibility of ensuring that consumers are protected from unfair and misleading market conduct. Specifically, the conduct applies to misleading representation, unconscionable conduct and unsafe, unsuitable or defective products.

5.3.6 Corporate Services Division

This Division is responsible for all support functions including human resources; finance; information, communication and technology; records management, administration, and; procurement of goods and services.

5.3.6 International Affairs Coordinator

Advises on emerging national obligations with respect to Regional/International competition and consumer protection matters, and; coordinates mobilization of external resources initiatives and benchmarking activities with other competition agencies

5.3.7 Internal Audit Unit

The Unit ensures appropriate risk management, effective internal controls and governance processes to facilitate effective and efficient operations. This includes verifying that appropriate governance frameworks are deployed in order to achieve sound management control over all aspects of the Authority's operations, including accounting, financial, asset management and information management control systems.

5.4 Staff Establishment Levels

As at 1st July, 2013, the Authority's staff was at par with the Authority's predecessor's (Monopolies and Prices Commission) establishment save for three (3) Back office staff. Taking into account the expanded mandate, of the Authority, compared with the Monopolies Commission's, the establishment is not commensurate with the current mandate. This has affected service delivery, more so where specialized skills are demanded, and therefore there exists immediate need to fill the gap during the first year of this Plan.

Towards this, the Authority, informed by the job evaluation exercise, will undertake progressive staff capacity building initiatives particularly in the core technical departments to facilitate effective delivery of its mandate.

CHAPTER SIX

6.0 FINANCIAL RESOURCES

6.1 Projected Sources of Finance

The programmes and activities in this Plan will be financed by both internal and external sources. The anticipated sources of finance include:

Internal Sources

- a) Merger and exemption filing fees;
- b) Penalties;
- c) Advisory service fees, and;
- d) Incidental payments.

External sources

- a) Exchequer;
- b) Loans;
- c) Bequests;
- d) Donations, and;
- e) Grants.

6.2 Projected Financial Resource Requirements

The five strategic objectives will be achieved through various strategies and activities as outlined in the strategic model. The financial resources required for implementing the strategies and activities are outlined in the implementation matrix. The total amount required for the Plan's period 2013/14-2016/17 is Kshs. 1,516.22 Million. This will be financed through internal and external sources over the same period.

Table 6.1 outlines the financial resource requirements for all the strategic themes while Table 6.2 outlines the projected cash inflows over the Plan's period.

Table 6.1: Financial Resource Requirements

A. Implementation of Strategic Plan

| | STRATEGIC THEME | STRATEGIC OBJECTIVE | RESOURCE REQUIREMENTS (MILLION KSH.) | | | | |
|----|---|--|--------------------------------------|---------------|---------------|---------------|-----------------|
| | | | FY 2013/14 | FY 2014/15 | FY 2015/16 | FY 2016/17 | TOTAL |
| 1. | Enforcement of competition and protection of consumers | To regulate mergers, unwarranted concentration of economic power, anti-competitive practices and practices that affect consumer Welfare. | 82.10 | 31.10 | 28.10 | 24.70 | 165.92 |
| 2. | Research, advocacy and awareness creation | To carry out market inquiries, promote public awareness and understanding, to inform the Authority's work. | 49.50 | 35.90 | 32.60 | 36.10 | 154.00 |
| 3. | Mobilization and optimal utilization of resources | To mobilize adequate financial resources and ensure optimal utilization for financial sustainability of the Authority. | 7.20 | 1.00 | 1.50 | 3.00 | 12.70 |
| 4. | Infrastructure and Human Development | To build adequate capacity to enable the Authority efficiently and effectively execute its mandate. | 215.60 | 299.30 | 311.10 | 310.60 | 1136.60 |
| 5. | Visibility and corporate image | To enhance corporate image and visibility of the Authority. | 8.00 | 11.50 | 10.5 | 17.00 | 47.00 |
| | GRAND TOTAL | | 362.37 | 378.75 | 383.70 | 391.40 | 1,516.22 |

6.3 Projected Cash Inflows

Table 6.2: Projected Cash Inflows

| | | Projected Cash Inflows (Million Kshs.) | | | | |
|----|----------------------------|--|---------------|---------------|---------------|-----------------|
| | SOURCE | FY 2013/14 | FY 2014/15 | FY 2015/16 | FY 2016/17 | TOTAL |
| 1. | Exchequer | 284.07 | 315.20 | 336.56 | 350.60 | 1,286.43 |
| 2. | Merger filing fees | - | 10.00 | 20.00 | 20.00 | 50.00 |
| 3. | Donors | 77.80 | 53.05 | 26.50 | 20.0 | 177.35 |
| 4. | Penalties | - | - | - | - | - |
| 5. | Advisory service fees | - | - | - | - | - |
| 6. | Exemption application fees | - | - | 0.04 | 0.05 | 0.09 |
| 7. | Incidental Payments | 0.50 | 0.50 | 0.60 | 0.75 | 2.35 |
| 8. | Bequests | - | - | - | - | - |
| 9. | Loans | - | - | - | - | - |
| | TOTALS | 362.37 | 378.75 | 383.70 | 391.40 | 1,516.22 |

CHAPTER SEVEN

7.0 MONITORING, EVALUATION AND REPORTING

The Purpose of Monitoring, Evaluation and Reporting is to ensure that the Plan's implementation is according to schedule and in the event of any deviation, appropriate and timely action is taken. The Monitoring, Evaluation and Reporting process will be undertaken at both the Board and Management levels.

7.1 At the Board Level

The Board will closely monitor implementation to ensure the set targets are met. The monitoring process will help determine whether the implementation is on course. Monitoring, follow-up and control systems will be established at all levels. These will include review meetings; budgets; budgeting control systems and progress reports from the Authority's Monitoring, Evaluation and Reporting Committee, through the Director-General.

Quarterly review meetings will be held between the Management and the Board. During these meetings, the Board will receive and review progress reports from the Director General, indicating overall progress made on key strategic objectives. The nature and scope of reporting will include:

- (a) Progress made against Plan;
- (b) Causes of deviation from Plan, if any;
- (c) Areas of difficulties and suggested solutions to problems that may adversely affect implementation, and;
- (d) Mitigate measures.

The input of these quarterly Board meetings will be the output from the Monitoring, Evaluation and Reporting Committee reports and periodic Management meetings.

7.2 At Management Level

The Plan alone does not mean the achievement or implementation of the objectives. Monitoring, Evaluation and Reporting provides the back-up necessary to ensure that the set objectives are achieved. During the formulation of the Plan, the implementation plan indicators and projections are sometimes based on past experiences. These however, may change in the course of the implementation and thus a management control system will be necessary to ensure the Plan implementation is sustained.

Monitoring will involve routine data collection and analysis on the progress of the implementation. The results from the analysis will then be used to inform decision-making, including taking corrective action where deviations in implementation have

been noted. Monitoring, Evaluation and Reporting mechanisms will be institutionalized by establishing a Monitoring & Evaluation (M&E) Committee, consisting of all Heads of Divisions/units and chaired by the Director-General. Funds will be allocated for M & E activities. The M & E Committee will coordinate collection of M&E data, analysis and reporting. It will provide technical support and facilitate M&E capacity building in liaison with the Corporate Services Division/Human Resources unit.

The M&E Committee will take full responsibility for overseeing the implementation of the Plan over the entire Strategic Planning period. The Committee will continuously monitor and evaluate all strategies, activities and outcomes with a view to advising the Management on the implementation status as well as offer feasible policy and strategy alternatives. This will be done on quarterly basis and the same will inform update of the Board by the Director-General. All staff will be required to keep records of the lessons learnt during implementation of the Plan and to the largest extent possible, ensure this information is available on real-time basis. A system of disseminating the lessons learnt to users will be developed as part of the M & E Strategy. The M & E Committee, as part of its overall M & E coordination, will be expected to monitor the documentation and effective utilization of lessons learnt. Annual service delivery/customer satisfaction surveys will be undertaken to gauge the achievement of the set objectives.

The Authority will also ensure ownership of the Plan by all Divisions/Units. The Divisions will monitor programmes and activities administered within their respective jurisdictions and subsequently submit quarterly and annual M&E reports. These reports will be reviewed regularly against the set targets to measure progress.

The Plan will be evaluated during and after implementation to gauge the extent of achievement of the intended results. The evaluation will be carried out using relevance, efficiency, effectiveness, sustainability and impact measures. A mid-term review will also be carried out. The implementation matrix will help track and monitor progress in the implementation of the Plan.

7.2.1 Management Control Function

In carrying out the management control function, the Authority will consider the following initiatives:

- a) Setting of Performance Standards and Targets;
- b) Setting of Performance Indicators and Measures;
- c) Regular Performance Evaluation/Appraisal;
- d) Linkage of Rewards and Sanctions to Performance;

- e) Budgets and Expenditure Review;
- f) Management Reports;
- g) Implementation Programme / Matrix; and
- h) Strategic Plan Review Meetings.

7.2.2 *Strategic control mechanism*

The control mechanisms that the Authority will deploy include:

- a) Development of annual Work plans, and;
- b) Assessment of whether results produced by the implemented activity/activities were those forecast as output and, whether they met expected performance standards/measures.

7.3 **Indicators for National Monitoring of the Performance of the Authority**

National Monitoring of the Performance of the Authority will be done on the basis of the following thirteen (13) indicators:

- 1) Publication of market enquiries and action(s) taken;
- 2) Create awareness to consumers in terms of engaging consumer bodies;
- 3) Levels of awareness on Competition and Consumer issues;
- 4) Number of website visits, enquiries, phone calls and physical visits;
- 5) Number of legislations, policies and programs aligned to the Competition Act;
- 6) Commentaries on competition and consumers topical issues;
- 7) Enforcement actions taken by the Authority, interim reliefs issued, settlements, cases forwarded to DPP, consumer savings etc.
- 8) Number of participations and representations in various forums;
- 9) Number of competition forums convened by the Authority to discuss competition and consumer issues;
- 10) Advocacy and advisory comments to stakeholders;
- 11) Promotion materials including brochures, media adverts, education days, among others;
- 12) ISO certification status, and;
- 13) Annual reports

7.4 Indicators for internal Monitoring of the Performance of the Authority

Internal Monitoring of the Performance of the Authority will be done on the basis of the following sixteen (16) indicators:

1. Number of studies carried out to identify violations of the provisions of the Act;
2. Toolkits that have been developed (Code of Conduct, Service Charter, Merger guidelines, including market definition, Merger Notification Form and other relevant forms, MOU's, Performance Management, etc.)
3. Number and timeliness of responses to local and international enquiries;
4. Training programs developed for capacity building;
5. Number of staff engaged/internships/Young Professional Programmes;
6. Cases and notifications that have been finalized in time;
7. Level of automation of business processes of the Authority;
8. State of working environment in the Authority;
9. ISO certification status;
10. Levels of compliance to enforcement actions taken by the Authority;
11. Annual reports;
12. Number of complaints received internally and externally;
13. Employee satisfaction levels;
14. Committees established to address special needs;
15. Number of promotional materials developed and disseminated; and
16. Prudent time management.

APPENDIX I: IMPLEMENTATION MATRIX

STRATEGIC THEME 1: ENFORCEMENT OF COMPETITION AND PROTECTION OF CONSUMERS

Strategic issue 1: The need to regulate mergers, unwarranted concentration of economic power, restrictive trade practices and practices that affect consumer welfare.

Strategic objective 1: To regulate mergers, unwarranted concentration of economic power, restrictive trade practices and practices that affect consumer welfare.

| Strategies | Activities | Responsibility Centre/Actors | Time Frame | Expected Output | Output Indicators | Expected Outcome | Budgetary Requirements (in Millions Kshs.) | | | | |
|---|---|------------------------------|--|--|--|---|--|------------|------------|------------|-------|
| | | | | | | | FY 2013/14 | FY 2014/15 | FY 2015/16 | FY 2016/17 | TOTAL |
| <i>Strategy 1.1: Control of mergers</i> | Investigate/Analyze mergers notifications | The Board and DG | Continuous | Mergers Determined | <ul style="list-style-type: none"> ▪ Mergers reports; ▪ Determinations issued. | Efficient markets | 2.0 | 3.5 | 4.0 | 4.5 | 14 |
| | Develop relevant merger guidelines | The Board and DG | June 2015 | Guidelines developed (Horizontal, Vertical, Conglomerate, merger threshold, Public interest criteria, Market definition) | <ul style="list-style-type: none"> ▪ Horizontal merger guidelines; ▪ Vertical merger guidelines; and ▪ Conglomerate merger guidelines; ▪ Merger Threshold; ▪ Market definition; ▪ Public Interest Criteria | Reduced transaction costs, enhanced transparency and clarity in merger analysis | 7.3 | 4 | 0 | 0 | 11.3 |
| | Review of merger notification and other | The Board and DG | First review June 2014 Second review June | Forms reviewed <ul style="list-style-type: none"> ▪ Merger notification forms; ▪ Confidentiality claim | <ul style="list-style-type: none"> ▪ Merger notification forms; ▪ Confidentiality claim forms ; | Reduction in transaction costs and enhanced efficiency in merger analysis | 0 | 0 | 0 | 0 | 0 |

| Strategies | Activities | Responsibility Centre/Actors | Time Frame | Expected Output | Output Indicators | Expected Outcome | Budgetary Requirements (in Millions Kshs.) | | | | |
|--|---|--|------------|--|--|--|--|------------|------------|------------|-------|
| | | | | | | | FY 2013/14 | FY 2014/15 | FY 2015/16 | FY 2016/17 | TOTAL |
| | relevant forms | | 2016 | forms; ▪ Merger withdrawal forms | ▪ Merger withdrawal forms | | | | | | |
| | Develop merger notification filing fees regulations | The Board , DG, The National Treasury, AG's Chambers | June 2014 | Merger notification filing fees regulations developed | Published Merger notification filing fees regulation | Increased Revenue | 3.0 | 0 | 0 | 0 | 3.0 |
| | Review merger handling procedures | DG | June 2015 | Merger handling procedures | Reviewed merger handling procedures | Enhanced efficiency and effectiveness in analysis of mergers | 0 | 0.7 | 0 | 0 | 0.7 |
| | Review merger reporting format | DG | June 2016 | Merger reporting format | Reviewed merger reporting format | Uniformity/ standard reports | 0 | 0 | 0.7 | 0 | 0.7 |
| | Investigate sectors that may feature unwarranted concentration of economic power | The Board and DG | Continuous | Sectors Investigated | Reports on Sectors investigated | Enhanced competition and consumer welfare | 1.0 | 2.5 | 3.0 | 3.0 | 9.5 |
| <i>Strategy 1.2: Control unwarranted concentration of economic power</i> | Develop relevant regulations to address unwarranted concentration of economic power | The Board, DG, The National Treasury, AG's Chambers | June 2017 | Regulations on unwarranted concentration of economic power developed | Regulations on unwarranted concentration of economic power | Improved awareness and understanding of the law and efficiency in its implementation | 0 | 1 | 1.2 | 1.2 | 3.4 |

| Strategies | Activities | Responsibility Centre/Actors | Time Frame | Expected Output | Output Indicators | Expected Outcome | Budgetary Requirements (in Millions Kshs.) | | | | |
|---|--|--|------------|---|---|---|--|------------|------------|------------|-------|
| | | | | | | | FY 2013/14 | FY 2014/15 | FY 2015/16 | FY 2016/17 | TOTAL |
| | Review case handling procedures | The Board and DG | June 2015 | Case handling procedures developed | Operational case handling procedures | Consistency in case handling | 0 | 0.4 | 0 | 0 | 0.4 |
| | Review case reporting format | DG | June 2016 | Case reporting format developed | Operational case reporting format | Consistency in case handling | 0 | 0 | 0.3 | 0 | 0.3 |
| | Investigate Restrictive trade practices cases | The Board , DG | Continuous | Cartels and abuse of dominance cases investigated | Cartels and abuse of dominance cases reports; Specific sector investigative reports | Improved consumer welfare | 2.5 | 3.5 | 4.0 | 4.5 | 14.5 |
| <i>Strategy 1.3: Regulate Restrictive trade practices</i> | Develop Restrictive trade practice regulations | The Board , DG, The National Treasury, AG's Chambers | June 2014 | Exemption regulations Advisory service fees regulations | Exemption regulations developed Advisory service fees regulations developed | Improved understanding of the law and efficiency in its implementation Increased Revenue | 1.0 | 0 | 0 | 0 | 1.0 |
| | Develop Restrictive Trade Practice guidelines | The Board , DG | June 2016 | 1.Unfair pricing Guidelines; 2. Intellectual property rights guidelines ; 3. Predatory practices guidelines ; 4. Alternative Case Resolution guidelines; 5. Anti-cartel enforcement guidelines; 6.Exemption Guidelines ; | Published: 1. Unfair pricing guidelines; 2. Intellectual property rights guidelines; 3. Predatory practices guidelines; 4. Alternative Case Resolution guidelines; 5. Anti-cartel enforcement guidelines 6.Exemption Guidelines | Reduced transaction costs, enhanced transparency, predictability and Clarity in restrictive trade practices analysis. | 20.5 | 2.0 | 0 | 0 | 22.5 |

| Strategies | Activities | Responsibility Centre/Actors | Time Frame | Expected Output | Output Indicators | Expected Outcome | Budgetary Requirements (in Millions Kshs.) | | | | |
|------------|---|------------------------------|------------|---|---|--|--|------------|------------|------------|-------|
| | | | | | | | FY 2013/14 | FY 2014/15 | FY 2015/16 | FY 2016/17 | TOTAL |
| | Review of restrictive trade practice enforcement forms | DG | Continuous | 1.Reviewed Complaint form 2. Reviewed exemption application form | Published: 1.Reviewed complaint form 2.Reviewed exemption application form | Enhanced clarity of information required | 0 | 0 | 0 | 0 | 0 |
| | Review of restrictive trade practice case handling procedures | DG | June 2015 | 1.Cartel case handling procedures reviewed 2.Abuse of dominance case handling procedures reviewed 3.Exemption case handling procedures reviewed | Published: 1.Cartel case handling procedures 2.Abuse of dominance case handling procedures 3.Exemption case handling procedures reviewed | Enhanced efficiency and effectiveness in investigation of cartels, abuse of dominance and exemption applications | 1.0 | 1.7 | 0 | 0 | 2.7 |
| | Evaluate exemption applications | The Board , DG | Continuous | No. of Exemption applications evaluated | Exemption applications reports | Enhanced public benefits and sustained competition in the markets | 2.0 | 3.0 | 3.0 | 3.0 | 11.0 |
| | Develop and implement guidelines for enforcing penalties | The Board , DG | June 2014 | Approved guidelines for enforcing Penalties enforced | Amount of income generated from penalties | Improved compliance with the Competition Act | 3.0 | 0 | 0 | 0 | 3.0 |
| | Secondment of Officers from the Criminal Investigation Department | The Board, DG, ISG of Police | Dec 2013 | Secondment Policy in place; Letters of Secondment | CID Officers attached | Speedy and thorough investigations of cases for prompt prosecution | 0 | 0 | 0 | 0 | 0 |

| Strategies | Activities | Responsibility Centre/Actors | Time Frame | Expected Output | Output Indicators | Expected Outcome | Budgetary Requirements (in Millions Kshs.) | | | | |
|--|---|--|------------|---|--|--|--|------------|------------|------------|-------|
| | | | | | | | FY 2013/14 | FY 2014/15 | FY 2015/16 | FY 2016/17 | TOTAL |
| | Investigate consumer protection cases | The Board , DG | Continuous | Consumer cases investigated | Consumer cases Reports | Enhanced levels of consumer protection | 3.0 | 3.5 | 4.0 | 4.5 | 15 |
| <i>Strategy 1.4: Take Action on consumer cases</i> | Develop appropriate Guidelines and Regulations | The Board , DG, The National Treasury, AG's Chambers | June, 2014 | Guidelines and Regulations developed | Published regulations on: 1. Unconscionable conduct; 2. Unsafe goods; 3. Misleading representations 4. Published consumer Case handling procedures | Reduction in transaction costs; Decreased time in handling cases | 6.0 | 0 | 0 | 0 | 6.0 |
| | Develop working toolkits | DG | June 2014 | Toolkits developed | Published toolkits in regard to: Consumer complaint forms; product and safety; information standards; notice of investigations, and; product ban | Transparency and predictability of consumer protection enforcement processes | 0.6 | 0 | 0 | 0 | 0.6 |
| | Develop Standards and Rules for engaging consumer bodies in case investigations | The Board , DG, Consumer Bodies | June 2014 | Rules and Standards for consumer bodies developed | Published: Standards and Rules | Developed Consumer bodies and their increased participation in case handling | 0.2 | 0 | 0 | 0 | 0.2 |
| | Develop | DG, KEBS | June 2014 | Cooperation framework | Signed Cooperation | Reduction in | 0.3 | 0 | 0 | 0 | 0.3 |

| Strategies | Activities | Responsibility Centre/Actors | Time Frame | Expected Output | Output Indicators | Expected Outcome | Budgetary Requirements (in Millions Kshs.) | | | | |
|--|--|------------------------------|------------|---|--|--|--|------------|------------|------------|-------|
| | | | | | | | FY 2013/14 | FY 2014/15 | FY 2015/16 | FY 2016/17 | TOTAL |
| | cooperation framework with Regulators | | | developed | framework | transaction cost and case turn around | | | | | |
| | Establish consumer call Centre | The Board , DG | June 2014 | Consumer hotlines launched and Call Centre equipped | Functional Consumer Call Centre | Reduction in transaction cost and case turn around | 2.4 | 0.5 | 0.5 | 0.5 | 3.9 |
| | Conduct consumer awareness baseline survey | The Board , DG | June 2014 | Consumer awareness survey carried out | Consumer awareness report Awareness creation matrix | well-informed consumers | 4.5 | 0 | 4.0 | 0 | 8.5 |
| | Develop a framework to monitor compliance | The Board , DG | June, 2014 | Compliance framework developed | Operational compliance framework in place | Enhanced level of compliance | 3.0 | 0 | 0 | 0 | 3.0 |
| <i>Strategy 1.5 Ensuring Compliance with legislative and regulatory requirements</i> | Monitor Compliance with decisions made by the Authority | The Board , DG | Continuous | Monitoring Conducted | Compliance Reports | Enhanced competition and consumer welfare | 0.25 | 0.30 | 0.35 | 0.5 | 1.4 |
| | Provide Legal advice in liaisons with State Law Office and other government agencies | DG | Continuous | Legal advice provided | Legal advisory Report | Laws supportive of competition process | 0.25 | 0 | 0 | 0 | 0.25 |
| | Develop co-operation | DG, Respective Sectoral, | June 2015 | Frameworks for co-operation developed | Operational frameworks for co- | 1.Consistency in the application of | 4.3 | 1.5 | 0 | 0 | 5.8 |

| Strategies | Activities | Responsibility Centre/Actors | Time Frame | Expected Output | Output Indicators | Expected Outcome | Budgetary Requirements (in Millions Kshs.) | | | | |
|---|---|---------------------------------|------------|---|---|--|--|-------------|-------------|-------------|---------------|
| | | | | | | | FY 2013/14 | FY 2014/15 | FY 2015/16 | FY 2016/17 | TOTAL |
| | frameworks | Regional & International Bodies | | | operation | competition principles 2.Efficiency resulting from generated synergies | | | | | |
| <i>Strategy 1.6: Enhance competition and consumer welfare through sectoral, regional and international co-operation</i> | Review and implement guidelines | DG | June, 2014 | Guidelines on participation in conference/workshop/seminars reviewed | Published Guidelines on participation in conference/workshop/Seminars Knowledge management systems developed | Enhanced clarity and direction regarding participation in conference/workshop/s/seminars; Decisions of the Authority based on International best Practice | 0 | 0 | 0 | 0 | 0 |
| | Participate in conferences and/ workshops and joint market research | DG | Continuous | Workshop/ Conferences attended Joint market research conducted | Conference and Workshop reports; Toolkits developed/adopted Joint market research Reports | Developed staff capacity; Increased adoption of international best practices in the enforcement process | 12.8 | 2.0 | 2.0 | 2.0 | 18.8 |
| | Subscription to e-libraries and journals, | DG | Continuous | Access to relevant data and information | No. of site visits Relevant data accessed and utilized to analyze cases | Effective analysis of competition and consumer cases | 1.17 | 1.0 | 1.0 | 1.0 | 4.17 |
| Total | | | | | | | 82.1 | 31.1 | 28.1 | 24.7 | 165.92 |

STRATEGIC THEME 2: RESEARCH, ADVOCACY AND AWARENESS CREATION

Strategic Issue 2: The need for deep understanding of the national markets, and enable the laws governing them, to enable the Authority's enforcement.

Strategic Objective 2: To carry out market inquiries, promote public awareness and understanding, to inform the Authority's work.

| Strategies | Activities | Responsibility Centre/Actors | Time Frame | Expected Output | Output Indicators | Outcomes | Budgetary Requirements (in Millions Kshs.) | | | | |
|---|--|------------------------------|---|--|--|--|--|------------|------------|------------|-------|
| | | | | | | | FY 2013/14 | FY 2014/15 | FY 2015/16 | FY 2016/17 | TOTAL |
| <i>Strategy 2.1: Carry out Market inquiries /Research</i> | Develop market inquiry guidelines and prioritize sectors | The Board , DG | June, 2015 | Market inquiry guidelines | Operational market inquiry guidelines | Effective market inquiries/research | 0 | 1.0 | 0 | 0 | 1.0 |
| | Conduct market inquiries/ Research in selected sectors and prepare reports | DG | Continuous (one market research per year) | Market inquiries /Research carried out | Published market inquiries/ Research reports | Effective analysis of cases and availability of information on sectors manifesting existence of competition constraints | 22.5 | 13.0 | 14.0 | 18.0 | 67.5 |
| | Implement findings and recommendations of the studies reports | The Board, DG | continuous | Implementation of the findings and recommendations carried out | Implementation reports. | Enhanced competition in the targeted sectors; Updating of data bank and awareness of competition and consumer protection | 0 | 0 | 0 | 0 | 0 |

| Strategies | Activities | Responsibility Centre/Actors | Time Frame | Expected Output | Output Indicators | Outcomes | Budgetary Requirements (in Millions Kshs.) | | | | |
|--|---|------------------------------|------------|-----------------------------------|---|---|--|------------|------------|------------|-------|
| | | | | | | | FY 2013/14 | FY 2014/15 | FY 2015/16 | FY 2016/17 | TOTAL |
| <i>Strategy 2.2</i> Develop knowledge management systems | Identify and profile knowledge (tacit and explicit) | DG | Continuous | Categorized knowledge | Categories of knowledge identified and stored | Reduced time and cost of investigations | 0 | 0.8 | 1.0 | 2.0 | 3.8 |
| | Create and maintain database | DG | Continuous | Database | Data base system in place | Reduced time and cost spent on cases | 1.0 | 1.0 | 1.0 | 3.0 | 6.0 |
| | Develop and implement knowledge transfer systems | DG | Continuous | Knowledge transfer systems | Operational knowledge transfer systems | Efficiency in handling cases | 0 | 0.05 | 0.05 | 0.1 | 0.20 |
| | Constitute a committee to manage the knowledge management system | DG | June 2014 | Knowledge management Committee | Working Knowledge management Committee in place | Efficient and effective knowledge management | 0 | 0 | 0 | 0 | 0 |
| | Promote the use of the knowledge management systems | DG | Continuous | Knowledge sharing forums in place | Increased number of knowledge sharing forums | Reduced cost of case handling Reduced cost of training | 0 | 0 | 0 | 0 | 0 |
| <i>Strategy 2.3:</i> <i>Assess impact of the Authority's interventions.</i> | Develop an impact assessment framework | DG | June 2015 | Assessment framework developed | An operational assessment framework | Efficiency and effectiveness in assessment of the impact of the Authority's interventions | 0 | 5.0 | 0 | 0 | 5.0 |
| | Carry out impact assessment and prepare report and disseminate the findings | DG | June 2016 | Impact assessment carried out | Published Impact assessment reports | Enhanced visibility | 0 | 0 | 5.0 | 0 | 5.0 |
| | Implement findings and recommendations of the reports | DG | June 2017 | Implementation | Implementation report | Enhanced visibility | 0 | 0 | 0 | 0 | 0 |

| Strategies | Activities | Responsibility Centre/Actors | Time Frame | Expected Output | Output Indicators | Outcomes | Budgetary Requirements (in Millions Kshs.) | | | | |
|--|--|------------------------------|------------|---|--|---|--|------------|------------|------------|-------|
| | | | | | | | FY 2013/14 | FY 2014/15 | FY 2015/16 | FY 2016/17 | TOTAL |
| <i>Strategy 2.4: Undertake economic analysis for identified competition cases</i> | Sensitize staff on economic analysis methodologies(merger simulations/econometrics) | DG | June 2014 | Sensitization conducted | Sensitization reports | Efficiency and effectiveness in analysis of cases | 1.0 | 0 | 0 | 0 | 1.0 |
| | Develop and implement appropriate analytical framework | DG | June 2015 | Analytical framework for economic analysis | Operational analytical framework | Efficiency and effectiveness in analysis of cases | 0 | 4.0 | 0 | 0 | 4.0 |
| <i>Strategy 2.5: Promote awareness and understanding of the mandate, functions and activities of the Authority</i> | Carry out a baseline survey and conduct awareness and education of consumers | DG | June 2014 | Baseline survey/ Consumer awareness and education carried out | Baseline survey and Consumer awareness and education reports | Level of awareness index | 9.5 | 0 | 0 | 0 | 9.5 |
| | Develop and implement a communication policy | DG | June 2014 | Communication policy developed | Communication policy | Enhanced visibility and corporate image | 2.0 | 0 | 0 | 0 | 2.0 |
| | Develop and implement an effective monitoring and evaluation framework | DG, Consultant | June 2014 | Monitoring and evaluation framework | Operational monitoring and evaluation framework | Reduced cost and effective awareness creation | 1.0 | 0 | 0 | 0 | 1.0 |
| <i>Strategy 2.6: Ensure consistent application of competition and consumer protection principles</i> | Conduct Product Market Regulation (PMR) indicator study | DG and World Bank | June 2014 | Product market regulation conducted | Product market regulation report | Effective advocacy | 9.0 | 0 | 0 | 0 | 9.0 |
| | Prioritize the laws to undertake advocacy | DG | June 2015 | Cooperation framework | Cooperation framework developed | Efficient and effective advocacy | 0.5 | 1.0 | 0 | 0 | 1.5 |
| | Develop and implement relevant advocacy programmes | DG | June 2015 | Programmes identified | Consistent application of completion principals | Reduced time and costs in advocacy | 1.5 | 5.0 | 4.0 | 3.0 | 13.5 |

| Strategies | Activities | Responsibility Centre/Actors | Time Frame | Expected Output | Output Indicators | Outcomes | Budgetary Requirements (in Millions Kshs.) | | | | |
|--------------|--|------------------------------|------------|--|---------------------|---------------------|--|-------------|-------------|-------------|--------------|
| | | | | | | | FY 2013/14 | FY 2014/15 | FY 2015/16 | FY 2016/17 | TOTAL |
| | Devolve the functions to the County government | DG | Continuous | Interactions /forums with County Governments | Interaction Reports | Competitive markets | 1.5 | 5.0 | 7.5 | 10.0 | 24 |
| Total | | | | | | | 49.5 | 35.9 | 32.6 | 36.1 | 154.0 |

STRATEGIC THEME 3: MOBILIZATION AND OPTIMAL UTILIZATION OF RESOURCES

Strategic issue 3: The need to mobilize adequate financial resources and ensure optimal utilization for financial sustainability of the Authority.

Strategic objective 3: To mobilize adequate financial resources and ensure optimal utilization to ensure financial sustainability of the Authority.

| Strategies | Activities | Responsibility Centre/Actors | Time Frame | Expected Output | Output Indicators | Expected Outcomes | Budgetary Requirements (in Millions Kshs.) | | | | |
|---|--|---|---------------|---|---|---|--|------------|------------|------------|-------|
| | | | | | | | FY 2013/14 | FY 2014/15 | FY 2015/16 | FY 2016/17 | TOTAL |
| <i>Strategy 3.1: Operationalize mechanisms to generate revenue internally</i> | Charge fees on merger filing; exemption applications, and; advisory Services. Impose penalties | The Board, DG, The National Treasury; AG's Chambers | Continuous | Revenue collection from merger filing, exemption applications and advisory Services | Amount of fees collected | Enhanced financial base for the Authority | 0 | 0 | 0 | 0 | 0 |
| <i>Strategy 3.2: Develop mechanisms to attract external funding</i> | Identify and prioritize projects/ programmes for funding | The Board , DG | December 2013 | Projects/ programmes for revenue generation identified and prioritized | No. of projects/ programmes for revenue generation identified | Increased external funding | 0.5 | 0 | 0 | 0 | 0.5 |
| | Profile the development partners and share the Plan | DG | December 2013 | Development partners identified | Database with profiles of potential development partners | Increased external funding and reduced duplication of donor funded activities | 0.5 | 0 | 0 | 0 | 0.5 |
| | Prepare | DG | Continuous | Funding | No. of funding | Increased Funding | 0.5 | 0 | 0 | 0 | 0.5 |

| Strategies | Activities | Responsibility Centre/Actors | Time Frame | Expected Output | Output Indicators | Expected Outcomes | Budgetary Requirements (in Millions Kshs.) | | | | |
|--|--|------------------------------|------------|--|---|---|--|------------|------------|------------|-------|
| | | | | | | | FY 2013/14 | FY 2014/15 | FY 2015/16 | FY 2016/17 | TOTAL |
| | funding Proposals | | | proposals for donors prepared | proposals for donors prepared No. of funding proposals for donors approved | and or commitments from development partners | | | | | |
| | Access utilize and account for donor funds | The Board , DG | Continuous | Full utilization of donor funds | Absorption rates of donor funds | Optimal utilization of donor funds on agreed activities | 0.5 | 0 | 0.5 | 0 | 1.0 |
| <i>Strategy 3.3: Ensure prudent utilization of resources</i> | Review and implement efficient financial management systems | The Board , DG | Continuous | Institutional needs assessed, documented and prioritized | Report of identification and prioritization of institutional needs Annual Work Plan Annual Programme Based Budget | Optimal utilization of finances | 0 | 0 | 0 | 0 | 0 |
| | Review and implement measures to reduce leakage of resources | DG | Continuous | Review of institutional core services carried out | Report of the review of institutional core services | Reduction on wastage and stranded investment | 0 | 0 | 0 | 0 | 0 |
| | Ensure proper management of Assets | DG | Continuous | Financial control procedures reviewed and implemented | Quarterly and Annual Audit Reports | Effective and efficient use of the Assets | 1.0 | 0 | 0 | 0 | 1.0 |

| Strategies | Activities | Responsibility Centre/Actors | Time Frame | Expected Output | Output Indicators | Expected Outcomes | Budgetary Requirements (in Millions Kshs.) | | | | |
|--------------|--|------------------------------|------------|---|--|---|--|------------|------------|------------|-------------|
| | | | | | | | FY 2013/14 | FY 2014/15 | FY 2015/16 | FY 2016/17 | TOTAL |
| | Ensure compliance with PMF Act and other relevant laws | DG | Continuous | Measures for reduction of wastage established | - Amount of money saved through cost saving measures - Cost savings as a percentage of the total budget | Efficiency and accountability in public expenditure | 0 | 0 | 0 | 0 | 0 |
| | Carry out Enterprise risk management | The Board, DG | Continuous | Risk Management matrix | Annual risk matrix | To enhance predictability and certainty | 4.2 | 1.0 | 1.0 | 3.0 | 9.2 |
| Total | | | | | | | 7.2 | 1.0 | 1.5 | 3.0 | 12.7 |

STRATEGIC THEME 4: INFRASTRUCTURE AND HUMAN CAPITAL DEVELOPMENT

Strategic issue 4: The need to build adequate capacity to enable the Authority efficiently and effectively execute its mandate.

Strategic objective 4: To build adequate capacity to enable the Authority efficiently and effectively execute its mandate.

| Strategies | Activities | Responsibility Centre/ Actors | Time Frame | Expected Output | Output Indicators | Expected outcome | Budgetary Requirements (in Millions Kshs.) | | | | |
|---|--|----------------------------------|---------------|---|---|--|--|------------|------------|------------|-------|
| | | | | | | | FY 2013/14 | FY 2014/15 | FY 2015/16 | FY 2016/17 | TOTAL |
| <i>Strategy 4.1</i> <i>Ensure there is adequate Physical Infrastructure, services and general supplies</i> | Acquire and maintain adequate office furniture, equipment and general supplies | DG | Continuous | Conducive working environment | Acquisition and maintenance of the equipment, furniture and supplies. | Motivated staff. | 20.0 | 10.5 | 13.0 | 16.0 | 59.5 |
| | Acquire and maintain transport facilities | DG | Continuous | Adequate transport facilities acquired and maintained | Transport facilities in place-three (3) vehicles in place | Efficient transport service. | 11.5 | 10.0 | 12.0 | 20.0 | 53.5 |
| | Acquire and maintain contracted services | DG | Continuous | Necessary services contracted | Relevant signed Contracts in place. | Efficient service delivery | 17.0 | 35.0 | 37.0 | 40.0 | 129.0 |
| <i>Strategy 4.2</i> <i>Ensure optimal staffing levels</i> | Carry out job evaluation | DG | December 2013 | Job Evaluation Report | Report encapsulating the following:- Optimal Staff establishment ; Job descriptions and specifications; Remuneration structure | Attract and retain a motivated workforce; Reduction in duplication of roles | 3.0 | 1.0 | 0 | 0 | 4.0 |

| Strategies | Activities | Responsibility Centre/ Actors | Time Frame | Expected Output | Output Indicators | Expected outcome | Budgetary Requirements (in Millions Kshs.) | | | | |
|------------|---|----------------------------------|----------------|--|--|--|--|------------|------------|------------|-------|
| | | | | | | | FY 2013/14 | FY 2014/15 | FY 2015/16 | FY 2016/17 | TOTAL |
| | | | | | Placement and deployment of staff on Secondment | | | | | | |
| | Develop and implement an internship and Young Professionals Programme (YPP). | DG | June, 2014 | Internship programme and YPP guidelines developed. | No. of interns and Young Professionals admitted to the programme annually. | 1. Development of courses relevant to the Authority; 2. Enhanced and effective performance of duties. | 3.1 | 3.2 | 3.5 | 4.5 | 14.3 |
| | Carry out Suitability test to absorb/redeploy staff currently on deployment | The Board DG, | December, 2013 | Suitability Test done to all staff. | Letters of staff absorption/ redeployment | Suitable staff absorbed | 0 | 0 | 0 | 0 | 0 |
| | Develop working manuals and toolkits (Code of Conduct, Service Charter, Financial and Procurement regulations, HR, Audit, and Records Management) | The Board , DG, HoDs | December 2013 | Toolkits and manuals developed | Operational Toolkits and Manuals | Efficiency in service delivery | 0 | 0 | 0.1 | 0.1 | 0.2 |

| Strategies | Activities | Responsibility Centre/ Actors | Time Frame | Expected Output | Output Indicators | Expected outcome | Budgetary Requirements (in Millions Kshs.) | | | | |
|---|--|----------------------------------|----------------|--|---|---|--|------------|------------|------------|-------|
| | | | | | | | FY 2013/14 | FY 2014/15 | FY 2015/16 | FY 2016/17 | TOTAL |
| <i>Strategy 4.3 Staff skills deepened.</i> | Conduct Training Needs Assessment, develop and implement training programmes | DG | Continuous | Training Needs Assessment Report and Training calendar | Training needs identified and Number of staff trained | Performance enhancement and skills gaps bridged | 20.0 | 17.0 | 13.0 | 14.0 | 64.0 |
| | Develop a monitoring and evaluation system for training | DG | December, 2013 | Monitoring and evaluation Toolkits | Toolkits developed | Efficiency and effectiveness in personnel development Enhanced service delivery | 0 | 0 | 0 | 1.0 | 1.0 |
| <i>Strategy 4.4: Review and improve performance</i> | Develop, train and implement PMS | DG | January, 2014 | Develop toolkit on performance management, appraisal and contracting | Toolkit developed and staff trained All staff under Performance Contract | Enhanced staff performance | 3.0 | 2.0 | 1.0 | 2.0 | 8.0 |
| | Implement the Authority's annual performance contract | The Board DG | Continuous | Quarterly reports | Timely submission of Quarterly reports | Efficient service delivery as per the mandate Achieve top ranking | 0 | 0 | 0 | 0 | 0 |
| <i>Strategy 4.5: Implement and ensure compliance with all applicable statutory regulations (Finance, Procurement,</i> | Sensitize staff on all statutory requirements | DG | Continuous | Staff sensitized on applicable statutory requirements | No. of staff sensitized on the applicable requirements | Full compliance to statutory requirements | 1.0 | 1.0 | 1.0 | 2.0 | 5.0 |
| | Establishment of relevant committees | DG | Annually | Relevant committees | Members appointed to relevant Committees | Full compliance to statutory requirements | 1.5 | 2.0 | 3.0 | 3.0 | 9.5 |

| Strategies | Activities | Responsibility Centre/ Actors | Time Frame | Expected Output | Output Indicators | Expected outcome | Budgetary Requirements (in Millions Kshs.) | | | | |
|--|--|----------------------------------|--|---|--|------------------------------------|--|------------|------------|------------|-------|
| | | | | | | | FY 2013/14 | FY 2014/15 | FY 2015/16 | FY 2016/17 | TOTAL |
| <i>Mergers HR etc.)</i> | | | | | | | | | | | |
| <i>Strategy 4.6 Motivate The Board Members and Staff</i> | Provide competitive remuneration and emoluments | The Board , DG | Continuous | Remuneration and emoluments packages developed | Remuneration and Emoluments packages in place | Motivated Staff | 90.0 | 99.0 | 110.0 | 120.0 | 419.0 |
| | Develop and approve Retirement Benefit Scheme (Pension and Gratuity) | The Board , DG | Continuous | Pension Scheme developed | Pension Scheme in place | Motivated Staff | 15.0 | 23.0 | 26.0 | 30.0 | 94.0 |
| | Undertake Employee Satisfaction and work environment Survey | The Board , DG | April 2014- Baseline Survey Satisfaction and work environment survey (June, 2016) | Surveys Undertaken | Employee Satisfaction and Work Environment Baseline and subsequent surveys reports | Enhanced staff performance | 2.0 | 2.5 | 3.0 | 2.0 | 9.5 |
| | Conduct team building activities | DG | Continuous | Team building activities held; Clear organizational objectives | No. of team building activities held | Increased teamwork and performance | 2.0 | 2.5 | 3.5 | 5.0 | 13.0 |
| | Establish a welfare association for staff | DG | March, 2014 | Welfare association for staff established | An operational staff Welfare Association | Optimal staff welfare | 0 | 0 | 0 | 0 | 0 |
| | Implement a | DG | November, | Staff Medical | Medical Scheme | To attract and | 10.5 | 15.0 | 17.5 | 20.0 | 63.0 |

| Strategies | Activities | Responsibility Centre/ Actors | Time Frame | Expected Output | Output Indicators | Expected outcome | Budgetary Requirements (in Millions Kshs.) | | | | |
|---|---|----------------------------------|----------------|---|---|---|--|------------|------------|------------|-------|
| | | | | | | | FY 2013/14 | FY 2014/15 | FY 2015/16 | FY 2016/17 | TOTAL |
| | Staff Medical Scheme | | 2013 | Scheme | in place | retain staff; A healthy workforce | | | | | |
| <i>Strategy 4.7: Pursue ISO 9001:2008 certification</i> | Document systems, structures and processes in preparation for ISO certification | The Board DG | June 2014 | ISO management structure and systems developed | An institutional ISO management team | Operational systems and processes | 0 | 0 | 0 | 0 | 0 |
| | Procure ISO Consultancy Services | DG | June 2014 | ISO consultancy services procured | ISO Consultant in place | Documented procedures and work instructions | 3.0 | 2.0 | 0 | 3.0 | 8.0 |
| | Create awareness on ISO and the Quality Management System (QMS) | DG, Consultant | December, 2014 | Staff trained/sensitized on ISO and the Quality Management System | No. of staff trained/sensitized on ISO and the Quality Management System | Informed staff on ISO quality management requirements | 0 | 1.5 | 1.0 | 0 | 2.5 |
| | Appoint and train Internal Quality Auditors | DG | June 2014 | Internal Quality Auditors appointed and trained | No. of Internal Quality Auditors appointed and trained | Certified ISO Quality Auditors in place | 0 | 4.0 | 0 | 0 | 4.0 |
| | Pre-audit the systems, procedures and processes | Internal Auditors, Consultant | August, 2014 | Systems, procedures and processes audited | Report of the pre-audit of the systems, procedures and processes by Internal Auditors | Up to date systems, processes and procedures in readiness for certification | 0 | 0.1 | 0 | 0 | 0.1 |
| | Procure Certification Body and carryout the pre- | DG | December, 2014 | Certification services procured | Consultant procured | Pre-certification audit report | 0 | 3.0 | 0 | 0 | 3.0 |

| Strategies | Activities | Responsibility Centre/ Actors | Time Frame | Expected Output | Output Indicators | Expected outcome | Budgetary Requirements (in Millions Kshs.) | | | | |
|---|---|----------------------------------|------------|--|--|----------------------------|--|------------|------------|------------|-------|
| | | | | | | | FY 2013/14 | FY 2014/15 | FY 2015/16 | FY 2016/17 | TOTAL |
| | certification Audits | | | | | | | | | | |
| | Implement recommendations of the pre-certification audit | QMS Auditors | June, 2015 | All recommendations of the ISO pre-certification audit implemented | 100% corrective actions and areas of improvement addressed | ISO Certification | 0 | 0 | 1.5 | 1.5 | 3.0 |
| | Continuous improvement and regular Quality management Systems Audit | QMS Auditors | Bi-annual | Continuous improvement | Number of corrective actions request raised | Quality Management Systems | 0 | 0 | 0 | 1.5 | 1.5 |
| <i>Strategy 4.8: Build capacity on Information and Communication Technology (ICT)</i> | Undertake Continuous skill development on utilization of ICT | DG | continuous | All staff trained on utilization of ICT resources | % of non-ICT staff trained on utilization of ICT resources | Dynamism in ICT | 0 | 0 | 0 | 0 | 0 |
| | Acquire and set up ICT infrastructure including Enterprise Resource Planner (ERP) | DG | continuous | Automated systems | No. of ICT equipment procured and installed; No. of ICT software procured and installed; Integrated system implemented | Enhanced efficiency | 8.0 | 55.0 | 55.0 | 20.0 | 138.0 |
| | Develop | DG | Continuous | System for | Operational | Efficient ICT | 5.0 | 10.0 | 10.0 | 5.0 | 30.0 |

| Strategies | Activities | Responsibility Centre/ Actors | Time Frame | Expected Output | Output Indicators | Expected outcome | Budgetary Requirements (in Millions Kshs.) | | | | |
|--------------|--------------------------|----------------------------------|------------|--|---|--|--|--------------|--------------|--------------|----------------|
| | | | | | | | FY 2013/14 | FY 2014/15 | FY 2015/16 | FY 2016/17 | TOTAL |
| | Business continuity Plan | | | maintenance of ICT resources established Regular maintenance of ICT resources carried out Disaster recovery plan | system for maintenance of ICT resources Quarterly and Annual reports of the maintenance of ICT resources carried out Disaster recovery plan | infrastructure and business continuity | | | | | |
| Total | | | | | | | 215.6 | 299.3 | 311.1 | 310.6 | 1,136.6 |

STRATEGIC THEME 5: VISIBILITY AND CORPORATE IMAGE

Strategic issue 5: The need to enhance corporate image and visibility of the Authority.

Strategic objective 5: To enhance corporate image and visibility of the Authority.

| Strategies | Activities | Responsibility Centre/Actors | Time Frame | Expected Output | Output Indicators | Expected Outcome | Budgetary Requirements (in Millions Kshs.) | | | | |
|--|---|------------------------------|------------|---|---|--|--|------------|------------|------------|-------|
| | | | | | | | FY 2013/14 | FY 2014/15 | FY 2015/16 | FY 2016/17 | TOTAL |
| <i>Strategy 5.1: Promote the Corporate Image</i> | Develop and implement a Service charter | The Board, DG | June 2015 | Service Charter developed | Service charter | Efficient service delivery | 0.25 | 0 | 0 | 0 | 0.25 |
| | Develop and implement a Code of Conduct | The Board, DG | March 2014 | Code of conduct developed | Operational code of conduct | Efficient service delivery and enhanced Corporate Governance | 0.3 | 1.0 | 0 | 0 | 1.3 |
| | Develop and adopt the Board Charter | The Board, DG | June 2014 | The Board Charter developed | Operational Board Charter | Enhanced corporate governance | 0 | 0 | 0 | 0 | 0 |
| | Adopt Corporate colours, Power point presentation slides and font | DG | June 2014 | Corporate colours, slides and font identified | Corporate colours, Presentation slides and font adopted | Enhanced Corporate image | 0 | 0 | 0 | 0 | 0 |
| | Ensure compliance with all relevant statutory requirements | DG | Continuous | Adherence to relevant statutory requirements | Adherence to relevant statutory requirements | Reduced audit queries and litigation | 1.5 | 0 | 0 | 6 | 7.5 |

| Strategies | Activities | Responsibility Centre/Actors | Time Frame | Expected Output | Output Indicators | Expected Outcome | Budgetary Requirements (in Millions Kshs.) | | | | |
|---|--|------------------------------|------------|--|--|---------------------|--|--------------|--------------|--------------|-----------------|
| | | | | | | | FY 2013/14 | FY 2014/15 | FY 2015/16 | FY 2016/17 | TOTAL |
| <i>Strategy 5.2 Enhance Visibility of the Authority</i> | Launch the Strategic Plan, Code of Conduct and Service Charter | DG | March 2014 | Launching ceremony | Published Code of Conduct; Strategic Plan and Service Charter; Launch Reports | Enhanced visibility | 1.0 | 3.0 | 3.5 | 4.0 | 11.5 |
| | Publish the Authority's Decisions | DG | Continuous | Decisions published | Decisions | Enhanced visibility | 1.0 | 2.0 | 2.0 | 2.0 | 7.0 |
| | Mark the Consumers' Rights, Competition Days and an Annual Competition event | DG | Continuous | Various activities | Activities held | Enhanced visibility | 4.0 | 2.0 | 2.0 | 2.0 | 10.0 |
| | Plan and undertake Corporate Social Responsibility | DG | Continuous | Various activities | CSR Report | Enhanced visibility | 0.5 | 1.0 | 1.0 | 1.0 | 3.5 |
| | Interaction with Media Houses | DG | Continuous | Participation in awareness creation forums | Report on participation activities | Enhanced visibility | 1.0 | 1.0 | 2.0 | 2.0 | 6.0 |
| Total | | | | | | | 8.0 | 11.5 | 10.5 | 17.0 | 47.0 |
| GRAND TOTAL | | | | | | | 362.4 | 378.8 | 383.8 | 391.4 | 1,516.22 |

