

**REPUBLIC OF KENYA**

**THE PRESIDENCY**

**MINISTRY OF PUBLIC SERVICE AND GENDER**

**PUBLIC SERVICE PERFORMANCE MANAGEMENT AND  
MONITORING UNIT**

**PERFORMANCE CONTRACTING GUIDELINES FOR THE FY  
2020/2021**

**MAY, 2020**

## Table of Contents

<b>PART ONE: PERFORMANCE CONTRACTING GUIDELINES FOR FY. 2020/21 .....</b>	
<b>1 Preamble.....</b>	<b>4</b>
<b>2 Purpose of Performance Contracting Guidelines .....</b>	<b>5</b>
<b>3 Roles and Responsibilities of Key Players in the PC Process .....</b>	<b>5</b>
<b>4 Key Elements of the Model Performance Contract .....</b>	<b>6</b>
<b>5 Performance Contracting Cycle and Timelines.....</b>	<b>9</b>
<b>51 Review of PC Guidelines .....</b>	<b>10</b>
<b>52 Pre- Negotiation Consultations and Negotiations.....</b>	<b>10</b>
<b>5.2.1 Pre-Negotiation Consultations.....</b>	<b>10</b>
<b>5.2.2 Negotiations of Performance Contracts.....</b>	<b>11</b>
<b>53 Vetting of Performance Contracts .....</b>	<b>11</b>
<b>54 Signatories to the Performance Contracts.....</b>	<b>12</b>
<b>55 Implementation of Performance Contracts .....</b>	<b>14</b>
<b>5.6.1 Performance Monitoring and Reporting .....</b>	<b>14</b>
<b>5.6.2 Mid-year Performance Review .....</b>	<b>16</b>
<b>57 Annual Performance Evaluation .....</b>	<b>16</b>
<b>PART TWO.....</b>	
<b>ANNEXES TO THE PERFORMANCE CONTRACTING GUIDELINES FOR FY. 2020/21.....</b>	<b>18</b>
<b>Annex I: Flowchart of the Annual Performance Contracting Cycle. ....</b>	<b>19</b>
<b>ANNEX II: Parties to the Negotiations and Vetting of Performance Contracts.....</b>	<b>20</b>
<b>ANNEX III: Definitions of Key Terms .....</b>	<b>22</b>
<b>ANNEX IV: Model Performance Contract and Matrices.....</b>	<b>24</b>
<b>Annex V: Description of Performance Indicators .....</b>	<b>32</b>
<b>Annex VI: Performance Reporting Formats .....</b>	<b>48</b>
<b>Annex VII: Format for Citizens' Service Delivery Charter.....</b>	<b>50</b>

## **List of Abbreviations**

BoD	Board of Directors
BoM	Board of Management
CAJ	Commission on Administrative Justice
CEO	Chief Executive Officer
COMESA	Common Market for Eastern and Southern Africa
CS	Cabinet Secretary
EAC	East African Community
EACC	Ethics and Anti-Corruption Commission
FY	Financial Year
GoK	Government of Kenya
HIV	Human Immuno-deficiency Virus
IEC	Information, Education and Communication
ISO	International Standards Organisation
MDAs	Ministries, Departments and Agencies
MTP	Medium Term Plan
NACC	National Aids Control Council
NCPWD	National Council for Persons With Disabilities
PC	Performance Contract
PDU	President's Delivery Unit
PLWDs	Persons Living with Disabilities
PPRA	Public Procurement Regulatory Authority
PS	Principal Secretary
PSPMMU	Public Service Performance Management and Monitoring Unit
SDGs	Sustainable Development Goals
SP	Strategic Plan
SPS	Sector Performance Standards

## **PART ONE: PERFORMANCE CONTRACTING GUIDELINES FOR FY. 2020/21**

### **1. Preamble**

The Government has used Performance Contracting since 2003 as a key accountability framework in its endeavour to improve service delivery in the public service. Performance Contracting is part of the broader public sector reforms aimed at improving efficiency and effectiveness in the management of the public service.

The Novel Coronavirus (COVID-19) is a global pandemic which has greatly impacted on Governments worldwide including Kenya where the country's economy and delivery of services to citizens has been affected. This is expected to lead to other challenges such as decline in growth, loss of employment and decline in productivity in key sectors of the economy. It is for this reason that the Government, as part of the national response and recovery plan, has committed to enact bold and transformative policies to revive the economy post the COVID-19 era.

To address the impact of COVID-19 pandemic, a National Committee was established by the Cabinet to define and prepare a recovery strategy. As part of initiatives to ensure a lean and efficient public service, the Government has embarked on developing strategies and plans for performance management effectiveness in the public service through re-engineering of the current performance management framework including performance contracting.

Taking cognizant of the emerging realities of COVID-19, the Ministry of Public Service and Gender is developing a full and end-to-end platform for fully automating the performance contracting process. The platform will have a negotiation module, vetting module, monitoring & reporting and performance evaluation module. Once the platform is ready and has been piloted, it will be available to MDAs. In adopting full automation, the performance contracting process will become paperless where all the key processes will be done online for rapid decision making.

The PC guidelines have been reviewed and aligned to take into account the ongoing initiatives to improve and re-engineer Performance Management through adoption of the Commitment for Results (CFR) Framework.

MDAs, Constitutional Commissions and Independent Offices are encouraged to undertake self-reporting as a good governance practice. In addition, Cabinet Secretaries and Chairpersons of Constitutional Commissions and Independent Offices will publish and disseminate the results whose performance evaluation

will have been undertaken by the Public Service Performance Management and Monitoring Unit that is domiciled in the Office of the Cabinet Secretary, Ministry of Public Service to the stakeholders and citizens as envisaged by the Constitution of Kenya 2010.

## **2. Purpose of Performance Contracting Guidelines**

The purpose of Performance Contracting Guidelines is to support MDAs, Constitutional Commissions and Independent Offices in identification of the performance indicators and annual targets, negotiations, vetting and implementation of the Performance Contracts. The Guidelines are also intended to ensure clarity and standardization of the Performance Contracts.

A Model Performance Contract and a Performance Contract Matrix for each category of public institutions form part of these guidelines and are provided in ***Annexes IV A and IV B*** respectively. To ensure standardization, the structure of the model Performance Contract and matrix should not be amended or altered during negotiations and vetting of the Performance Contracts. Although undertaking customer satisfaction and work environment surveys is good management practice, it is not a requirement for inclusion in the performance contract.

## **3. Roles and Responsibilities of Key Players in the PC Process**

The effects of COVID-19 have necessitated changes to the process of implementing the performance contracting cycle. To this effect, the roles and responsibilities of the key players have been clearly identified to facilitate undertaking the various processes particularly the negotiations and vetting of Performance Contracts as follows:

### **a) Cabinet Secretary**

The Cabinet Secretary will have overall responsibility for negotiations, vetting, implementation and Monitoring and Evaluation of the Performance Contract for the Ministry and its State Corporations.

### **b) Principal Secretary/State House Comptroller/PAS- Office of the Deputy President/PAS – Cabinet Affairs Office/Solicitor General**

Identify performance targets and negotiate the Performance Contracts for the State Department/Office and its Agencies in consultation with the Cabinet Secretary. They will also be responsible for overseeing the cascading of the performance targets, monitoring and reporting; and performance evaluation.

**c) Chairpersons of Constitutional Commissions and Independent Offices**

Provide leadership for the performance contracting process including negotiations, vetting, performance monitoring and reporting; and performance evaluation.

**d) Principal Secretary, State Department for Public Service**

Provide any assistance sought by MDAs in complying with the PC guidelines so as to ensure seamless implementation and performance reporting.

**e) Secretary/CEO of State Corporations**

Identify performance targets and negotiate the performance contracts for the State Corporation in consultation with the Board of Directors. The Secretary/CEO will also be responsible for overseeing the cascading of the PC targets, monitoring and reporting of the performance.

**f) Principal Administrative Secretary, Public Service Performance Management and Monitoring Unit**

Development of Performance Contracting Guidelines, capacity building and technical support to MDAs, support to vetting, review of vetted PCs to confirm compliance with the guidelines, custodian of vetted PCs, quarterly performance monitoring, mid-year performance review and annual performance evaluation including compiling the annual performance evaluation report.

***NB: MDAs should in all cases be represented by officers who are trained and fully conversant with the performance contracting process during negotiations, vetting and evaluation of performance. The Cabinet Secretaries should appoint a ministerial team, preferably the led by the Head of Planning to coordinate the performance contracting process for the Ministry.***

**4 Key Elements of the Model Performance Contract**

The standard structure of the performance contract is provided in ***Annexes IV A and IV B*** (Model Performance Contract and Performance Matrices) of these guidelines. The following is an explanation of the key elements of the Model Performance Contract for which MDAs are required to provide relevant information when preparing their performance contracts in readiness for negotiations/vetting:

### **(a) Statement of Responsibility**

This is a formal statement of commitment to performance made to the appointing authority and the public at large.

### **(b) Vision Statement, Mission Statement and Strategic Objectives**

This part defines the desired future positioning of the MDA. It states the purpose of existence of the MDA and is derived from its mandate. The Vision Statement, Mission Statement and Strategic Objectives should be drawn from the Strategic Plan of the MDA. As much as is practical, the Strategic Objectives should range between three and six in order to avoid duplication.

### **(c) Statement of Strategic Intent**

MDAs are required to provide a statement of strategic intent in the performance contract. The statement should reiterate the “Whole of Government Approach” (Linked-up Performance), establish the linkage to the National Vision and identify the broad organizational priorities. The strategic intentions are important in the broader scheme of national socio-economic development because they aim at ensuring that support mechanisms are in place and are operating efficiently and effectively at all times. In coming up with the Strategic Intent for FY. 2020/21, MDAs should also focus on the socio-economic impact of COVID-19 and as much as possible address relevant Post COVID Recovery Strategies and Plans.

### **(d) Commitments and Obligations of the Government**

These refer to any support that should be extended to MDAs by any other public agency to facilitate achievement of the performance targets. The commitments and obligations should meet the following criteria:

- i) Commitments of Government are largely facilitative and should therefore not feature where mechanisms to address them already exist.
- ii) The support should be relevant and related to fulfilling the agreed performance targets.
- iii) The nature, extent and timing of any obligation on the Government should be specific, measurable and agreed upon.
- iv) The required support should **NOT** include exemption from the

existing legal provisions.

- v) Any support related to social obligations should not be included unless they have been imposed by the Government. In this regard, any required support arising from voluntary actions by MDAs in the interest of good industrial or neighbourhood relations (Corporate Social Responsibility) does not qualify for inclusion. However, in appreciation of the socio-economic impact of COVID-19 pandemic, MDAs should be more innovative in identifying and implementing corporate social responsibility initiatives that cushion eligible community groups.
- vi) MDAs should ensure that annual targets for the identified performance indicators under the Core Mandate are based on the Post COVID-19 FY. 2020/21 approved budget. In instances where a commitment may require additional exchequer funding or the intervention of another public agency, concurrence of The National Treasury and Planning or that other agency must be obtained before committing the Government.
- vii) The Annual Performance Evaluation Report prepared at the end of the contract period will document status of the extent to which commitment and obligations made by the Government to an MDA but not fulfilled affected performance.

**(e) Assignment of Weights across Performance Criteria and Indicators**

The weights for various Performance Criteria categories should be applied as assigned here below:

<b>Performance Criteria</b>	<b>Weight (%)</b>
Financial Stewardship and Discipline	10
Service Delivery	10
Core Mandate	60
Implementation of Presidential Directives	2
Access to Government Procurement Opportunities	3
Promotion of Local Content in Procurement	2
Cross-Cutting	13
<b>Total</b>	<b>100</b>

MDAs should note the following:

- i) The performance criteria sub-weights have been pre-set and should not be altered. In addition, performance indicator weights have been pre-set for Financial Stewardship and Discipline, Service Delivery and Cross-Cutting criteria.
- ii) The sub-weight under the Core Mandate criterion should be distributed, in negotiated proportions to the various performance indicators and should reflect the relative importance of each performance indicator. MDAs should focus on the most critical output-based performance indicators guided by the hierarchy of results.
- iii) Ministries should ensure that they do not duplicate performance indicators and targets that are already included in the performance contracts of their respective downstream institutions in order to avoid “double counting” during the annual performance evaluation.

## 5. Performance Contracting Cycle and Timelines

The Performance Contracting Cycle is a detailed representation of the PC process that entails planning, implementation, review and planning for the subsequent cycle. The cycle comprises review of the guidelines; identification of performance targets; negotiations; vetting of the performance contracts; signing of the performance contracts; implementation of the contracts; monitoring and reporting of performance; Mid-Year performance review; performance evaluation; release of the results; and review of the performance contracting guidelines to inform the succeeding year’s performance contracting cycle.

The timelines for completion of the various phases of the performance contracting cycle are provided in the table below, with an illustration in the form of a flow chart provided in **Annex I**:

<b>Activity</b>	<b>Timeline</b>
Identification of Performance Targets	By 30 <sup>th</sup> May
Pre-Negotiation Consultations	1 <sup>st</sup> June-15 <sup>th</sup> June
Negotiation of Performance Targets	16 <sup>th</sup> June-22 <sup>nd</sup> June
Vetting of Performance Contracts	23 <sup>rd</sup> June-30 <sup>th</sup> June
Signing of Performance Contracts	1 <sup>st</sup> July-5 <sup>th</sup> July
Implementation of Performance Contracts	1 <sup>st</sup> July-30 <sup>th</sup> Jun of the following year
<b>Performance Evaluation</b>	
Submission of Performance Reports	By 15 <sup>th</sup> July
Evaluation/Moderation	16 <sup>th</sup> July -30 <sup>th</sup> August
Public Announcement/Release of Results	15 <sup>th</sup> September

## **5.1 Review of PC Guidelines**

Review of PC guidelines is carried out to incorporate emerging issues and factor in lessons learnt with a view to improve the process in the subsequent period. The review is carried out annually and is spearheaded by Public Service Performance Management and Monitoring Unit, through a consultative forum involving MDAs and other stakeholders.

The protocols and regulations for containment of COVID-19 affected actual convening of the stakeholders' forum since no inter-agency gatherings could be held. The guidelines have however incorporated key stakeholders' views gathered during the vetting of the FY. 2019/20 performance contracts and FY. 2018/19 annual performance evaluation.

Three new performance indicators have been introduced in the guidelines. These are: Prevention of Alcohol and Drug Abuse; Gender Mainstreaming; and Road Safety Mainstreaming.

The emerging issues emanating from the COVID- 19 effects, particularly regarding negotiations and vetting of FY. 2020/21 Performance Contracts and FY. 2019/20 performance evaluation and related processes have also been addressed in these guidelines.

## **5.2 Pre- Negotiation Consultations and Negotiations**

### ***5.2.1 Pre-Negotiation Consultations***

During this stage, MDAs are required to create a common understanding of the scope of their operations, core business, financial and human resources, emerging issues and other factors that may affect performance. The consultations should also involve other Institutions whose operations may affect achievement of the MDA's performance targets. It is also during this phase that consensus should be sought on the nature and level of commitments and obligations of one MDA to the other. The Principal Secretary, State Department for Public Service will provide any required support to ensure that the pre-negotiation consultations are undertaken seamlessly in order to comply with the stipulated timelines for the negotiations, vetting and review of the performance contracts.

Public Service Performance Management and Monitoring Unit will conduct intra and inter- agency consultations as part of its facilitative role of providing technical support to MDAs.

### **5.2.2 Negotiations of Performance Contracts**

During this stage, it should be ensured that performance indicators and targets are in line with priorities set by the Government for each MDA, they support achievement of the mandate of the organization and are aligned to MTP III, Sustainable Development Goals, relevant Sector Performance Standards, Post COVID-19 Recovery Strategies & Plans, and the approved budget estimates for the financial year. The negotiated performance contract should be endorsed and presented to the Cabinet Secretary for vetting (quality assurance) before submission to Public Service Performance Management and Monitoring Unit for Review.

The Cabinet Secretary will be responsible for negotiation of the performance contracts for the Ministry and all its Agencies. It is a requirement that The National Treasury, the parent Ministry and Specialized Agencies participate in the negotiations of the Performance Contracts for State Corporations. Similarly, Ministry of Education and Specialized Agencies should participate in the negotiations of the Performance Contracts for Tertiary Institutions. The Specialised Agencies will also be required to provide leadership in the PC process including negotiations, vetting, performance reporting and evaluation for their respective performance indicators. The Secretary/CEO of the relevant Specialised Agency will be responsible for ensuring that annual targets for the performance indicator are identified and communicated to the MDAs early for incorporation in the negotiated performance contracts.

### **5.3 Vetting of Performance Contracts**

The Cabinet Secretary will be responsible for the vetting of the Ministry's performance contract and those of its Agencies. The purpose of vetting is to ensure:

- a) Compliance with the performance contracting guidelines;
- b) The performance contract is anchored on MTP III, relevant Sector Performance Standards, SDGs, Strategic Plan, Post COVID-19 Recovery Strategies, MDA's priority performance indicators and other national development priorities;
- c) Performance indicators comprehensively address the mandate of the MDA and are aligned to the budgetary allocations;
- d) Performance targets are based on objective analysis of the levels of performance that will contribute to realisation of Post COVID-19 Recovery Strategies and Plans; and

- e) Performance targets should be output based and growth-oriented (unless in instances where the optimal target has been achieved and sustainability may apply).

All vetted performance contracts will be reviewed online by Public Service Performance Management and Monitoring Unit. Once targets have been negotiated, the PC vetted/reviewed/signed, it cannot be changed midstream. MDAs should ensure that implementation of the performance contract starts as soon vetting and review has been undertaken and electronically endorsed.

***NB: Due to the prevailing directives on the protocols to safeguard against COVID-19, MDAs should make use of the Virtual Platforms to undertake pre-negotiation consultations, negotiations and vetting.***

#### **54 Signatories to the Performance Contracts**

The envisaged automation of the performance contracting process will provide features for online signing of the vetted performance contracts.

The following section stipulates the persons who shall sign the contract at the various levels within an MDA.

##### **I. Ministry/State Department/ Department**

<b>Level</b>	<b>For and on behalf of the Government</b>	<b>For Ministry/State Department</b>
1 <sup>st</sup> – Ministry*	H.E. the President	Cabinet Secretary
2 <sup>nd</sup> –State Department	Cabinet Secretary	Principal Secretary
3 <sup>rd</sup> –Directorate/ Department	Principal Secretary	Principal Administrative Secretaries**/Directors/ Heads of Department

***\* On confirmation that the Ministry’s Performance Contract has been duly vetted and reviewed, the Cabinet Secretary will submit two printed and bound copies to H. E. the President.***

***\*\*The signatory level in respect of a Principal Administrative Secretary may vary from one Ministry to another and should be guided by the reporting structures in place.***

## II. Constitutional Commission and Independent Office

Level	For and on behalf of the Government	Constitutional Commission/ Independent Office
1 <sup>st</sup> – Office of Secretary/ CEO	Chairperson to the Board/ Council	Secretary/CEO
2 <sup>nd</sup> – Departments	Secretary/CEO	Directors/ Heads of Department
3 <sup>rd</sup> – Divisions/Sections/Units	Directors/ Heads of Department	Heads of Divisions/ Sections/Units

## III. State Corporation/ Statutory Board

Level	For and on behalf of the Government	State Corporation/ Statutory Board
1 <sup>st</sup> – Board of Directors	Cabinet Secretary	Chairperson and Independent Director
<b>Cabinet Secretary, The National Treasury and Planning counter- signs the PCs at the first level</b>		
2 <sup>nd</sup> – Office of CEO	Chairperson to the Board	Chief Executive Officer (CEO)
3 <sup>rd</sup> – Departments	Chief Executive Officer	Directors/Heads of Department

## IV. Public University

Level	For and on behalf of the Government	Public University
1 <sup>st</sup> – University Council	Cabinet Secretary, Ministry of Education	Chairperson, University Council Independent Council Member
<b>Cabinet Secretary, The National Treasury and Planning counter- signs the PCs at the first level</b>		
2 <sup>nd</sup> - Office of Vice – Chancellor	Chairperson, University Council	Vice-Chancellor
3 <sup>rd</sup> – Colleges/ Faculty/ Institutes/ Schools	Vice-Chancellor	Principals, Deans of Faculty and Heads of Institute/Schools

## V. Tertiary Institutions

Level	For and on behalf of the Government	Tertiary Institution
1 <sup>st</sup> – Board of Management	Cabinet Secretary, Ministry of Education	Chairperson, BoM Independent BoM Member
2 <sup>nd</sup> – Office of the Principal	Chairperson, BOM	Principal
3 <sup>rd</sup> – Departments	Principal	Heads of Department

***NB: It should be ensured that delay in signing the vetted Performance Contract does not affect commencement of its implementation.***

### 5.5 Implementation of Performance Contracts

The vetted Performance Contract should be cascaded by signing lower level Contracts with departments and downstream institutions and linking specific deliverables and targets to individual officers through work plans and the staff performance appraisal tool. It also a requirement to align other planning tools such as the Procurement and Cash Flow Plans to the vetted Performance Contracts.

### 5.6 Performance Monitoring and Reporting (Including Mid-year Performance Review)

#### 5.6.1 Performance Monitoring and Reporting

Good practice in performance management requires that implementation of Performance Contracts is monitored and reports prepared to assess the extent of achievement of the set targets and inform Government and Management of MDAs in decision-making. It is encouraged that MDAs undertake self-reporting as a part of advancement of good governance practice.

#### i) Submission of Performance Reports

All MDAs are required to prepare and submit quarterly performance reports online within fifteen (15) days following the end of a quarter and the annual performance reports within fifteen (15) days after the end of the contract year. The reports should be in the prescribed formats as provided in ***Annex VI***. The reports shall be submitted online to the relevant agency as shown in the table below:

<b>Category of Agency</b>	<b>Institution to Receive and Provide Feedback</b>
Ministries	Public Service Performance Management and Monitoring Unit
State Corporations	Inspectorate of State Corporations
Tertiary Institutions	Ministry of Education

Ministries are required to submit the quarterly reports online to Public Service Performance Management and Monitoring Unit. PSPMMU will then analyse the reports and provide feedback online within fifteen working days from the date of receipt. The role of Public Service Performance Management Monitoring in analysing the reports will include physical confirmation of the quarterly achievements in order to ensure credibility of the reports with a focus of ensuring that the annual performance targets are progressively realised.

All State Corporations are required to submit their quarterly performance reports online to the Parent Ministry with copies to Inspectorate of State Corporations and The National Treasury & Planning. The Inspectorate of State Corporations will then analyse the reports and provide feedback online with copies to the Parent Ministry and The National Treasury within fifteen working days from the date of receipt. The quarterly reports should be accompanied by an extract of the minutes of the Board/Council or the relevant sub-committee indicating that they were discussed and approved.

## **ii) Submission of Performance Reports to Specialized Agencies**

In addition to the above performance reports, MDAs shall submit both quarterly and annual reports online to agencies that have oversight mandate (Specialized Agencies) within the prescribed timelines for respective performance indicators. In turn, the Specialised Agencies should provide feedback online within the prescribed timelines. The table below indicates the Specialised Agencies for the respective performance indicators:

<b>Performance Indicator</b>	<b>Agency to Provide Feedback</b>
Resolution of Public Complaints	Commission on Administrative Justice
Access to Government Procurement Opportunities (AGPO)	Public Procurement Regulatory Authority
Disability Mainstreaming	National Council for Persons With Disabilities

Prevention of HIV Infections	National Aids Control Council
National Cohesion and Values	Directorate of National Cohesion and Values
Corruption Prevention	Ethics and Anti – Corruption Commission
Gender Mainstreaming	Ministry of Public Service and Gender, State Department for Gender
Prevention of Alcohol and Substance Abuse	National Authority for the Campaign Against Alcohol and Drug Abuse
Road Safety Mainstreaming	National Transport and Safety Authority

The Specialized Agencies shall communicate the reporting guidelines and applicable formats directly to the MDAs as well as post them on their official website together with any other literature on the performance indicator. The timelines for submission of the reports should be within fifteen (15) days after end of a quarter for quarterly performance reports, and within fifteen (15) days after end of the contract year for the annual performance reports.

***NB: In the case of Access to Government Procurement Opportunities, the reports should be submitted half yearly as provided by PPRA Circular NO. 01/2016 on Mandatory Reporting Requirements by Procuring Entities.***

### **5.6.2 Mid-year Performance Review**

The purpose of the Mid-year Performance Review is to track progress of achievement, identify and address challenges and constraints affecting performance to ensure that MDAs are on course to achieving their annual performance targets. Public Service Performance Management and Monitoring Unit will develop an online automated Mid-Year Performance Review Platform to support MDAs undertake the exercise. PSPMMU will also undertake the Mid-Year Performance Review. To facilitate the exercise, MDAs are required to:

- i) Participate in the Mid-Year Performance Review.
- ii) Avail the first and second quarter performance reports and verifiable documented evidence of performance.
- iii) Ensure the reported achievement is based on verifiable documented evidence of performance.

### **5.7 Annual Performance Evaluation**

Performance evaluation is the culmination of the process of performance contracting and is carried out in a manner that ensures objectivity and integrity of the results. The Cabinet Secretary will be responsible for

preparation of the annual performance evaluation for their respective Ministries and their Agencies. MDAs will be required to undertake a self-evaluation (in-house evaluation) based on the annual achievement for each performance indicator using the Automated Performance Evaluation Platform. The evaluation shall be based on the prescribed performance evaluation methodology.

To facilitate performance evaluation, MDAs are expected to provide verifiable documented evidence of achievement of the performance targets. Upon agreement on the results, the parties to the moderation phase of the evaluation process are required to endorse copies of the final evaluation matrix and detailed notes (in form of minutes) on the evaluation process.

Performance evaluation for each performance indicator should reflect the "actual" performance even in instances where exogenous factor(s) may have been experienced. This notwithstanding, any exogenous factor(s) should be objectively established and documented. Once the moderated evaluation matrix and minutes have been signed by both parties the same cannot be altered by either party.

MDAs that fail to participate in the annual performance evaluation (based on the duly vetted/signed Performance Contract), or for the reason that it declined to be placed on Performance Contract shall be graded "Poor", at the lowest score of 5.00. The following are essential documents required for performance evaluation:

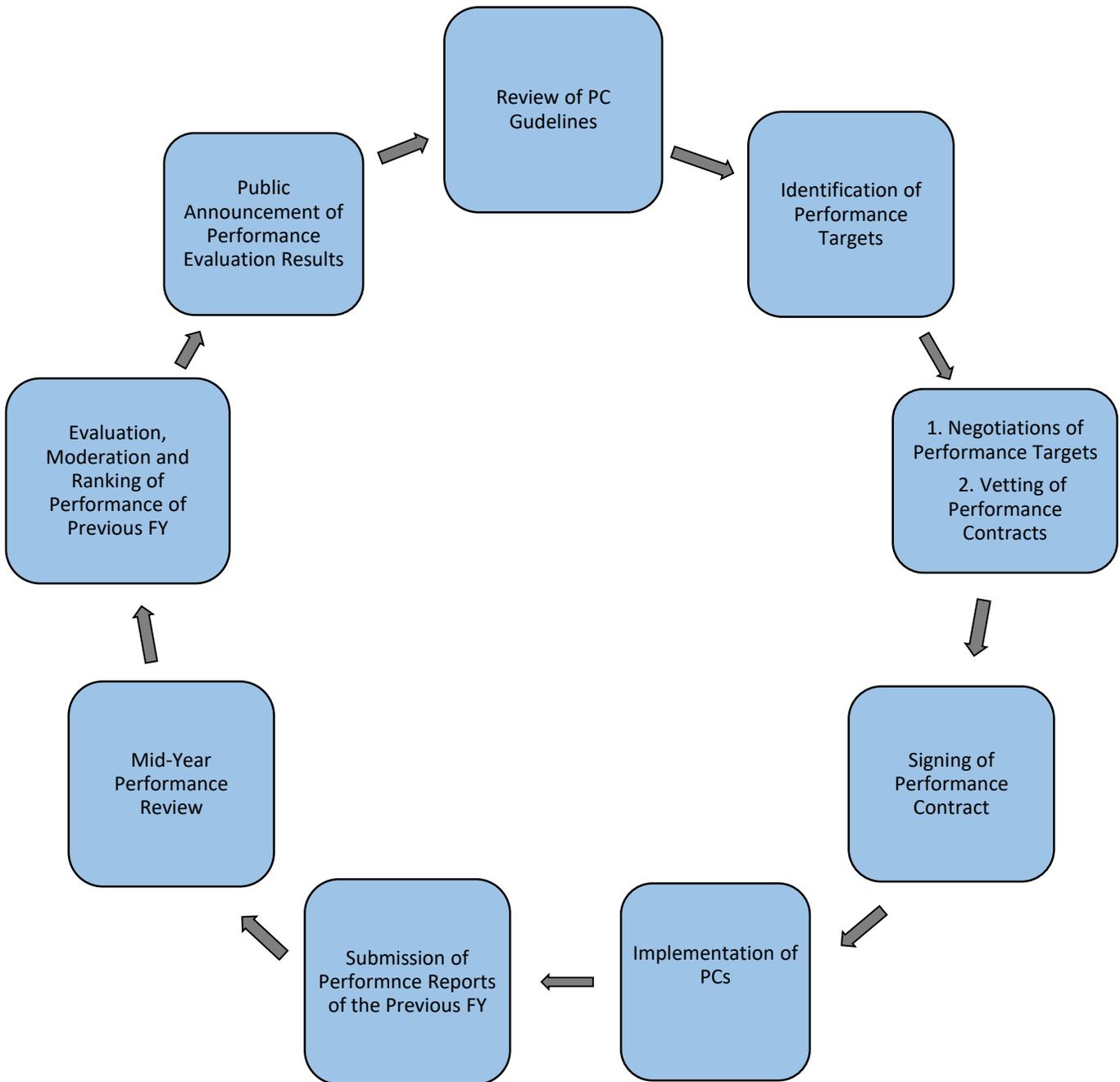
- i) PC guidelines pertinent to the contract year;
- ii) Approved budget estimates for the year under evaluation;
- iii) Annual performance report in standard format with detailed notes on the actual achievement for each performance indicator;
- iv) Copies of vetted and/or signed Performance Contract;
- v) Self-evaluation report in the standard format;
- vi) Verifiable evidence of achievements and other supporting documents; and
- vii) Documentation on any exogenous factors that could have affected the performance of the MDA.

***NB: Any concerns raised during quarterly monitoring, mid-year review and annual evaluation and moderation should be referred to Public Service Performance Management and Monitoring Unit for arbitration.***

**PART TWO**

**ANNEXES TO THE PERFORMANCE CONTRACTING GUIDELINES FOR FY. 2020/21**

## Annex I: Flowchart of the Annual Performance Contracting Cycle.



**ANNEX II: Parties to the Negotiations and Vetting of Performance Contracts**

**Negotiations of Performance Contracts:**

**I. Ministries**

<b>Government</b>	<b>Ministry</b>
Cabinet Secretary	Principal Secretary(ies) (PS)
Specialized Agencies	Heads of Department (HoD)

**II. Constitutional Commission and Independent Office**

<b>Government</b>	<b>Constitutional Commission/ Independent Office</b>
Secretary/CEO	Directors/ Heads of Department
	Heads of Divisions/Sections/ Units

**III. State Corporations**

<b>Government</b>	<b>State Corporation</b>
CS –Parent Ministry	Chairperson
PS –Relevant State Department	Independent Director/ Council Member <sup>1</sup>
The National Treasury	Chief Executive Officer
Specialized Agencies	Heads of Department (HoD)

**Chairperson to lead the State Corporation Team**

**IV. Tertiary Institutions**

<b>Government</b>	<b>Tertiary Institution</b>
CS – Ministry of Education	Chairperson/ BoM
PS –Relevant State Department	One Independent BoM Member
Specialized Agencies	Principal
	Heads of Department (HoD)

**Chairperson to lead the Tertiary Institution Team**

## Vetting of Performance Contracts:

### I. Ministries

<b>Government</b>	<b>Ministry</b>
Cabinet Secretary	Principal Secretary(ies) (PS)
	Heads of Department (HoD)

### II. Constitutional Commissions and Independent Offices

<b>Government</b>	<b>Constitutional Commission/ Independent Office</b>
Chairperson of the Board/Council	Secretary/CEO
	Directors/ Heads of Department
	Heads of Divisions/Sections/ Units

#### Secretary/CEO to lead the Constitutional Commission/Independent Office Team

### III. State Corporations

<b>Government</b>	<b>State Corporation</b>
Cabinet Secretary	Chairperson
	Independent Director/ Council Member <sup>1</sup>
	Chief Executive Officer
	Heads of Department (HoD)

#### Chairperson to lead the State Corporation Team

### IV. Tertiary Institutions

<b>Government</b>	<b>Tertiary Institution</b>
Ministry of Education	Chairperson/ BoM
	One Independent BoM Member
	Principal
	Heads of Department (HoD)

#### Chairperson to lead the Tertiary Institution Team

### **ANNEX III: Definitions of Key Terms**

- a) **Cascading of Performance Contracts** – refers to the process of extending performance contracting to downstream institutions (departments/divisions/sections/units including field/regional offices), levels and cadres of employees. It also entails implementation of Staff Performance Appraisal System (SPAS) for officers in all cadres. Cascading of performance contract enables individual employees to link their performance to the achievement of the strategic objectives of the organization.
- b) **Citizens’ Service Delivery Charter** - A brief written public document that provides essential information that citizens/customers and stakeholders are entitled to know about the services and/or goods offered by a public institution, department or unit. It contains information on services/goods, requirements to obtain the services/goods, costs, timelines and the redress mechanisms in case of any dissatisfaction.
- c) **Exogenous Factors** – Occurrences that cannot reasonably be planned for, controlled or predicted. These however, exclude factors that could have been pre-empted by meticulous planning including risk management.
- d) **Independent Performance Management Team** – A team that negotiates, monitors and evaluates performance of MDAs on behalf of the Government.
- e) **Self-Evaluation** - Annual in-house performance assessment using the self-evaluation module in the automated evaluation platform.
- f) **Ministries, Departments and Agencies** – refers to Ministries, Departments, and Agencies such as State Corporations, Constitutional Commissions and Tertiary Institutions.
- g) **Moderation** - the process of ensuring that the performance evaluation methodology, including application of tools and instruments, has been applied uniformly for the purpose of ensuring objectivity.
- h) **Outputs** - comprise specific products or services (immediate results of an activity) in a given period.
- i) **Performance Criteria** – is a principle or standard for evaluating achievement, represented by a range of performance indicators on which performance is evaluated.
- j) **Performance Evaluation** – the process of ascertaining the extent of achievement of the agreed performance targets using the prescribed performance evaluation methodology.
- k) **Performance Indicator** – is a measurable variable by which the performance

of an MDA is assessed.

- l) **Performance Monitoring –is the** consistent tracking of performance and provision of feedback to management, work groups and employees on progress towards achieving the set performance targets.
- m) **Performance Target** - is the desired level of achievement for a performance indicator.
- n) **Sector Performance Standards** – these are international/regional and/or national sectoral benchmarks that inform the identification of performance indicators and targets for MDAs
- o) **Total Assets** - is the net sum of fixed assets, current assets, investments, work in progress and other tangible and intangible assets.
- p) **Vetting** – refers to the process of scrutinizing negotiated performance contracts to establish conformity to the Performance Contracting Guidelines. The process ensures quality assurance and is undertaken by Public Service Performance Management and Monitoring Unit

## **ANNEX IV: Model Performance Contract and Matrices**

### **Annex IV A: Model Performance Contract - Ministries/State Departments, State Corporations and Tertiary Institutions<sup>2</sup>**

This Performance Contract (hereinafter referred to as "Contract") is entered into between the Government of the Republic of Kenya (hereinafter referred to as "GoK") represented by ..... of P.O. Box ..... (together with its assignees and successors) of the one part, and ..... (hereinafter referred to as the .....), (together with its assignees and successors) of P.O. Box .....of the other part.

#### **WHEREAS;**

The Government is committed to ensuring that public offices are well managed and they are effective in delivering quality service to the public in line with provisions of the Constitution of Kenya;

The Government recognizes that MDAs hold a vital key in the implementation of the "Big Four" Initiatives and other national priorities in order to improve the quality of life of Kenyans and make Kenya globally competitive;

The purpose of this performance contract is to establish the basis for ensuring that efficient and effective services are delivered to Kenyans in line with the provisions of the Constitution and by requiring MDAs to adopt systems that enable innovativeness and adaptability of public services to the needs of users- according special attention to strategies and initiatives that will fast track Post COVID – 19 Recovery.

This Performance Contract therefore represents a basis for continuous performance improvement that meets the needs and expectations of the Kenyan people.

**Therefore,** the parties hereto agree as follows:

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<sup>2</sup>This model performance contract is applicable to all MDAs and the preamble should be filled accordingly.

**Part I: Statement of Responsibility by the CS/BoD/BoM**

The Mandate of the Ministry/ State Corporation/Tertiary Institution is to

.....

It is my/our responsibility to provide the required leadership in designing suitable plans and strategies that will contribute to high and sustainable socio- economic development. It is my/our undertaking to ensure that the Ministry/ State Corporation/Tertiary Institution has a credible strategic plan and performance contract that will deliver the desired goals.

It is also my/our undertaking that I/we will perform my/our responsibilities diligently and to the best of my/our abilities to support the achievement of the agreed performance targets.

**Part II: Vision Statement, Mission Statement and Strategic Objectives**

- (a) Vision Statement of the MDA
- (b) Mission Statement of the MDA
- (c) Strategic Objectives of the MDA

**Part III: Statement of Strategic Intent by the CS/BoD/BoM**

In carrying out my/our duties, I/we intend to put all my/our efforts towards contributing effectively and efficiently to the achievement of the national development agenda as espoused in the Kenya Vision 2030, keeping in mind the specific priorities of the Ministry/State Corporation/Tertiary Institution. I will also pay special attention to implementation of Post COVID-19 Recovery Strategies and Plans.

Bearing in mind the imperative of inclusivity, I/we will implement the following Strategic Intentions during the Financial Year:

- i) .....
- ii) .....
- iii) .....
- iv) .....

**Part IV: Commitments and Obligations of the Government**

- Acknowledgement of receipt of correspondences and approval of requests are made within the timelines stipulated in the Citizens’ Service Delivery Charter.
- Release of exchequer within seven (7) days upon submission of the request.

***NB: Any other commitment or obligation that may be relevant to a specific MDA in execution of the performance contract may be included upon agreement during the negotiation stage.***

**Part V: Reporting Requirements**

MDAs are required to submit their Quarterly and Annual performance reports online in the prescribed format to the designated agencies as specified in **Section 5.6.1** for the purpose of monitoring progress and annual performance evaluation.

**Part VI: Duration of the Performance Contract**

The Performance Contract will run for one financial year, from 1<sup>st</sup> July to 30<sup>th</sup> June or as per the specified financial year.

**Part VII: Signatories to the Performance Contract**

**For and on behalf of MDA**

Signature.....Date.....

Name: .....

Designation: .....

**For and on behalf of Government**

Signature.....Date.....

Name: .....

Designation: .....

***NB: The full listing of the signatories to the Performance Contract is provided in Section 5.4 of these guidelines.***

## Annex IV B: Performance Contract Matrices

### Performance Contract Matrix for Ministries, Non-Commercial State Corporations and Tertiary Institutions

S/No.	Performance Criteria	Unit of Measure	Weight (%)	Status In Previous Year (FY 2019/20)	Target (FY 2020/21)
<b>A</b>	<b>Financial Stewardship &amp; Discipline</b>				
	Absorption of Allocated Funds (GOK)	%	2		100
	Absorption of Externally Mobilized Funds	%	3		100
	A-in-A	Kshs.	2		
	Pending Bills	%	3		≤ 1
	<b>Weight Sub-Total</b>			<b>10</b>	
<b>B</b>	<b>Service Delivery</b>				
	Implementation of Citizens' Service Delivery Charter	%	4		100
	Application of Service Delivery Innovations	%	3		100
	Resolution of Public Complaints	%	3		100
	<b>Weight Sub-Total</b>			<b>10</b>	
<b>C</b>	<b>Core Mandate</b>				
	MDA's priority programmes/projects ("Big Four" Initiatives, Vision 2030 Flagship Projects, Post COVID-19 Recovery Strategies and Plans, Other Programmes/ Projects) aligned to SDGs and SPS		45		
	Review/ Development of Strategic Plan*	%	1		100
	Ease of Doing Business**	%	2		100
	Project Completion Rate	%	2		100
	Revenue Collection***	Kshs.	5		
	Development Index****	%	2		
	Release of Budgetary Allocation	Time	3		7

S/No.	Performance Criteria	Unit of Measure	Weight (%)	Status In Previous Year (FY 2019/20)	Target (FY 2020/21)
		(Days)			
	<b>Weight Sub -Total</b>		<b>60</b>		
<b>D</b>	<b>Implementation of Presidential Directives</b>	%	<b>2</b>		100
<b>E</b>	<b>Access to Government Procurement Opportunities (AGPO)</b>	Kshs	<b>3</b>		
<b>F</b>	<b>Promotion of Local Content in Procurement</b>	Kshs	<b>2</b>		
<b>G</b>	<b>Cross-Cutting</b>				
	Asset Management	%	<b>1</b>		100
	Youth Internships /Industrial Attachments/ Apprenticeships	No	<b>1</b>		
	Competence Development	%	<b>1</b>		100
	Disability Mainstreaming	%	<b>1</b>		100
	Gender Mainstreaming	%	<b>1</b>		100
	Prevention of Alcohol and Drug Abuse	%	<b>1</b>		100
	Prevention of HIV Infections	%	<b>1</b>		100
	Safety and Security Measures	%	<b>1</b>		100
	National Cohesion and Values	%	<b>1</b>		100
	Road Safety Mainstreaming	%	<b>1</b>		100
	Corruption Prevention	%	<b>3</b>		100
	<b>Weight Sub Total</b>		<b>13</b>		
		<b>Overall Total Weight</b>		<b>100</b>	

**\* In instances where an MDA has a strategic plan in place, this Performance indicator should not be included and therefore the weight should be reassigned to other Core Mandate Performance indicators.**

**\*\* This is applicable to MDAs implementing ease of doing business indicators as stipulated in Annex V on description of ease of doing business.**

**\*\*\* This is only applicable to MDAs that have a specific mandate of collecting revenue as provided by relevant statutes.**

**\*\*\* This indicator is only applicable to The National Treasury and Planning.**

## Performance Contract Matrix for Commercial State Corporations

S/No.	Performance Criteria Category	Unit of Measure	Weight (%)	Status Previous Year (FY 2019/20)	Target (FY 2020/21)
<b>A</b>	<b>Financial Stewardship &amp; Discipline</b>				
	Absorption of Allocated Funds (GoK)	%	2		100
	Absorption of Externally Mobilized Funds	%	3		100
	A –in –A	Kshs.	2		
	Pending Bills	%	3		≤1
	<b>Weight Sub Total</b>			<b>10</b>	
<b>B</b>	<b>Service Delivery</b>				
	Implementation of Citizens' Service Delivery Charter	%	4		100
	Application of Service Delivery Innovations	%	3		100
	Resolution of Public Complaints	%	3		100
	<b>Weight Sub Total</b>			<b>10</b>	
<b>C</b>	<b>Core Mandate</b>				
	MDA's priority programmes/ projects ("Big Four" Initiatives, Vision 2030 Flagship Projects, Post COVID-19 Recovery Strategies and Plans, Other Programmes/ Projects) aligned to SDGs and SPS		38		
	Review / Development of Strategic Plan*	%	1		100
	Ease of Doing Business**	%	2		100
	Project Completion Rate	%	2		100
	Pre-Tax Profit	Kshs.	5		
	Dividends to The National Treasury	Kshs.	7		
	Return on Investment	%	5		
<b>Weight Sub Total</b>			<b>60</b>		

<b>D</b>	<b>Implementation of Presidential Directives</b>	%	<b>2</b>		100	
<b>E</b>	<b>Access to Government Procurement Opportunities (AGPO)</b>	Kshs.	<b>3</b>			
<b>F</b>	<b>Promotion of Local Content in Procurement</b>	Kshs.	<b>2</b>			
<b>G</b>	<b>Cross-Cutting</b>					
	Asset Management	%	<b>1</b>		100	
	Youth Internships /Industrial Attachments/ Apprenticeships	No	<b>1</b>		100	
	Competence Development	%	<b>1</b>		100	
	Disability Mainstreaming	%	<b>1</b>		100	
	Gender Mainstreaming	%	<b>1</b>		100	
	Prevention of Alcohol and Drug Abuse	%	<b>1</b>		100	
	Prevention of HIV Infections	%	<b>1</b>		100	
	Safety and Security Measures	%	<b>1</b>		100	
	National Cohesion and Values	%	<b>1</b>		100	
	Road Safety Mainstreaming	%	<b>1</b>		100	
	Corruption Prevention	%	<b>3</b>		100	
	<b>Weight Sub Total</b>			<b>13</b>		
		<b>Overall Total Weight</b>		<b>100</b>		

***\*In instances where a commercial State Corporation has a strategic plan in place, this Performance indicator should not be included and therefore the weight should be reassigned to other Core Mandate Performance indicators.***

***\*\*This is applicable to commercial State Corporations implementing ease of doing business indicators as stipulated in Annex V on description of ease of doing business.***

## **Annex V: Description of Performance Indicators**

1. **Absorption of Allocated Funds (GoK)** - this refers to application of budgeted and approved funds (GoK) to programmes, projects and activities for which they were appropriated and planned for. This links the process of budgeting to performance target setting. Absorption will be computed by dividing the actual total expenditure with the total allocated funds.
2. **Absorption of Externally Mobilized Funds** - this refers to application of approved funds from Development Partners to programmes, projects and activities for which they were appropriated and planned for. Externally mobilised funds include donor funds (Loans, grants, etc.). MDAs are required to provide full disclosure of all sources of their external funding.
3. **A-in-A** - this refers to classes of revenue that the Treasury authorizes an accounting officer to collect and use. It also includes classes of donor funds reflected as Direct Payments A-in-A in the printed estimates.
4. **Pending Bills** - These are financial obligations that remain outstanding at the end of the financial year and have to be provided for in the subsequent budgeting periods. The financial obligations include, but are not limited to, payments to service providers, loan obligations and statutory deductions to relevant institutions. For MDAs that use accruals accounting method, payments due to suppliers and other service providers that are beyond the provided credit period will also be considered as pending bills. MDAs should ensure that the pending bills do not exceed 1% of actual budgetary allocation for the financial year. In addition, through full disclosure, MDAs should fully document historical pending bills and clearly put in place measures to resolve them.
5. **Implementation of Citizens' Service Delivery Charter** - will entail the following:
  - i. Displaying the charter prominently at the point of entry/service delivery points in both English and Kiswahili. For the purpose of the display and ease of notice by the customers, the size of the charter should, at the minimum, be three feet in width and four feet in height, i.e. (3'x4'), with clearly visible font size of the contents - 10%
  - ii. Sensitizing employees and cascading to all levels including customizing the charter at the grassroots institutions by factoring

- realistic timelines - 20%
- iii. Ensuring conformity with the commitments and standards in the charter by establishing compliance mechanisms e.g. maintaining records on service delivery - 50% and
  - iv. Customizing the charter to unique needs of the customers e.g. translating the charter to Braille and providing mechanisms for sign language (20%)

**NB:**

- a) ***MDAs are required to present a copy (either soft or hard) of their Citizens' Service Delivery Charter during vetting of their draft Performance Contract.***
- b) ***For an institution that does not display the charter prominently at the point of entry/service delivery points in both English and Kiswahili and in the prescribed format (see Annex VII) and size, then for the purpose of evaluation, this indicator will attract a raw score of 5.0.***

6. **Application of Service Delivery Innovations** - this refers to new ways of revolutionizing and improving service delivery in terms of enhancing efficiency, timeliness, quality, flexibility and convenience. MDAs are required to develop and apply service delivery innovations and/or replicate innovations developed and applied elsewhere.

In appreciation of the impact of COVID-19 pandemic on service delivery, MDAs should identify and implement initiatives that support enhancement of application of Information Communication Technology (ICT) in service delivery.

7. **Resolution of Public Complaints** - a public complaint is an expression of dissatisfaction by one or more members of the public about an action, inaction, decision or service provided by a public officer or public institution.

All public institutions are required to promptly address and resolve public complaints referred to them directly or channelled through the Commission on Administrative Justice (CAJ), which will issue a certificate for each MDA indicating the level of achievement in percentage for this indicator. Additional guidelines on implementation of this performance indicator can be accessed from CAJ website:

- 8. Core Mandate** - MDAs should identify the performance indicators that are informed by the Kenya Vision 2030, MTP III, SPS, SDGs and other national priorities. The funding requirements should also be established under either GoK or any other sources. The performance indicators should be informed by the strategic plan/ master plan, Post COVID Recovery Strategies, approved work plans and should be adequately budgeted for. In addition, MDAs are required to brand Vision 2030 flagship projects and submit quarterly progress reports for all flagship projects to Kenya Vision 2030 Delivery Secretariat.
- 9. Review/ Development of Strategic Plans** – this is to ensure that the strategic plan is aligned to MTP III and that it incorporates the “Big Four” Initiatives and other national priorities.
- 10. Ease of Doing Business** – this entails making business regulations simpler by creating conducive environment for starting, operating and sustaining a business. MDAs are required to select the following sub-indicators that are relevant to their mandate:
  - i) Starting a business – procedures, time, cost and minimum capital to start a new business;
  - ii) Dealing with construction permits – procedures, time and cost to put up buildings and infrastructure;
  - iii) Getting utilities – procedures, time and cost to get connected to utilities (e.g. electricity, water, sewerage etc.);
  - iv) Registering property – procedures, time and cost to register a title.
  - v) Getting credit – Ease of getting credit;
  - vi) Protecting investors – extent of disclosure of information to investors and shareholders;
  - vii) Paying taxes – number of taxes paid, hours per year spent preparing tax returns and total tax payable as share of gross profit;
  - viii) Trading across borders – number of documents, cost and time necessary to export and import;
  - ix) Enforcing contracts – Procedures, time and cost to enforce a debt contract; and
  - x) Resolving insolvency – the time, cost and recovery rate (%) under bankruptcy proceeding.
- 11. Project Completion Rate** – refers to the proportion of planned project(s) which is/are completed during the contract year. Projects refer to both physical and non-physical development undertakings. MDAs are

required to provide information regarding the projects using the standard matrix provided here below:

S/No.	Project Name	Project Description	Location	Total Estimated Cost	Current Status (status of physical completion)	Allocation for FY 2020/21	Expected Deliverables (Outputs) for FY 2020/21

It should be ensured that the projects listed in the matrix are not duplicated as performance indicators under the Core Mandate. In addition, it should also be ensured that the expected deliverables are as per the awarded contracts or as per approved work plans where such projects are implemented internally. The Project Completion Rate is obtained by averaging the project completion rates for all the listed projects.

- 12. Revenue Collection** – refers to all income/monies receivable for the purpose of financing services and the implementation of development programmes, but excluding exchequer funding. It includes cash grants, donations (grants and assets), monies collected from business licensing, land rates and rents, cess, etc.
- 13. Development Index** –refers to the relationship between development expenditure and total expenditure. It is computed by dividing the Development Expenditure (DE) by Total Expenditure (TE) i.e.  $DE/TE$  where TE is equal to Development Expenditure (DE) + Recurrent Expenditure (RE). The performance target is computed by dividing total approved development budget for the contract period by the total approved budget. Development expenditure includes expenditures on development of infrastructure, acquisition of new facilities, research and development, etc. Recurrent Expenditure (RE) on the other hand refers to expenditure on goods and services that does not result in the creation or acquisition of fixed assets. It consists mainly of expenditure on wages, salaries, purchase of consumer goods and services and consumption of fixed capital (depreciation). The Index is intended to ensure that more resources are progressively applied to development activities to ensure progressive and sustained economic growth. For purposes of computing quarterly achievements, the denominator for Development Index for a quarter

should be the cumulative Actual Total Expenditure for the elapsed contract period by the end of the quarter. The numerator should be the cumulative Actual Total Development expenditure for the elapsed contract period by the end of the quarter. For government ministries, the indicator will only be applicable to The National Treasury and Planning under the core mandate criteria. The National Treasury and Planning should ensure that the ratio of 70:30 for RE to DE is achieved during the budgeting process and subsequent releases to the MDAs.

**14. Release of Budgetary Allocations by Ministries to downstream institutions-**

this is aimed at ensuring that Ministries disburse funds in a timely manner to downstream institutions. The full amount released by The National Treasury and Planning meant for downstream institutions should be released to them within seven (7) working days upon receipt from The National Treasury and Planning.

**15. Pre-Tax Profit** – refers to the excess of income over expenditure after providing for depreciation and interest, but not before providing for corporate tax.

**16. Dividends to the National Treasury** – this refers to the payment made to the National Treasury as a shareholder in the distribution of profit.

**17. Return on Investment** – refers to the ratio of pre-tax profit to total assets as a percentage.

**18. Implementation of Presidential Directives** - this refers to directives issued by H.E The President and communicated by Head of Public Service on specific areas for execution by the relevant MDA and may include Circulars and Executive Orders. Information regarding the Presidential Directives, Circulars and Executive Orders can be obtained from the President’s Delivery Unit (PDU). If a Presidential Directive is already provided for in the PC matrix, it should not be duplicated under Implementation of Presidential Directives Criterion. For each of the Presidential Directive, MDAs should develop an action plan in tabular form as follows:

***NB: For MDAs without any Presidential Directive, the weight***

S/No	Directive	Description	Date Issued	Timelines	Total Estimated Cost	Allocated Funds FY 2020/21	Key Deliverables FY 2020/21

***allocated to this performance indicator will be reassigned to the Core Mandate.***

**19. Access to Government Procurement Opportunities** – refers to the allocation and actual award of at least 30% of the total value (in Kshs.) of the procurement budget for goods and services as provided in the annual procurement plan by each MDA to youth, women and PWDs as individuals or in organized groups. At least 2% of the 30% of the budget for procurement of goods and services should be reserved for PWDs.

To facilitate achievement of this target, MDAs need to build the capacity of the three target groups through training on government procurement procedures, requirements for accessing government procurement opportunities and on the specific opportunities available in the MDA.

Follow-up actions will include ensuring that the three groups actually access the procurement opportunities and **facilitation of quick processing of payments**. In addition, MDAs should pre-qualify the registered groups as (an affirmative action) and submit to PPRA a summary of the procurement opportunities allocated to the target groups in the format provided in the PPRA website, [www.tenders.go.ke](http://www.tenders.go.ke). In addition, MDAs shall submit a summary of the procurement opportunities allocated to PWDs to NCPWD, via [dmd@ncpwd.go.ke](mailto:dmd@ncpwd.go.ke)

**20. Promotion of Local Content in Procurement** - this is aimed at promoting consumption of locally produced goods and services that will contribute to among other things, employment creation and growth of local industries. It refers to allocation and actual award of at least 40% of the total value (in Kshs.) of the procurement budget for goods and services produced locally as provided in the annual procurement plan by each MDA.

Goods and services will qualify as locally produced when those goods and services meet the following principles or criteria:

- i) Where goods and services are wholly produced in Kenya using local inputs;
- ii) Where goods and services are not wholly produced in Kenya using local inputs but have undergone a substantial transformation of value addition of at least 35% (EAC and COMESA rules).

MDAs are required to prepare and submit quarterly progress reports on the implementation of this indicator to the Ministry of Trade and Industry.

Additional information to guide on implementation of this performance indicator will be provided by the Ministry of Trade and Industry.

**21. Asset Management** – is the process of making best use of an institution’s equipment, machinery, tools, buildings, etc. in order to maximize taxpayers’ value. Under this performance indicator the MDAs should undertake the following:

- (a) Inventory Management – establish and maintain a catalogue (assets register) of the assets and properties including their status in terms of the working condition - 60%
- (b) Disposal of Idle Assets – ensure disposal of unserviceable, obsolete and surplus assets by way of sale, transfer to other public institutions, destruction, donation or other authorized methods of disposal and in all cases in full conformity to the existing legal requirements - 40%

***NB: Asset Management should not only be confined to the MDAs headquarters, but should also be extended to grassroots institutions.***

**22. Youth Internships/Industrial Attachments/Apprenticeships** - MDAs are required to engage the youth progressively in internship, industrial attachment or apprenticeship programs to target graduate youth for skills transfer. The minimum number of youth in internship, industrial attachment or apprenticeship programs in MDAs should be at least 5% of the total in-post of the staff strength. MDAs should provide a breakdown of the youth to be engaged in internship, industrial attachment or apprenticeship programs. The target for internships should at the very minimum be the number declared to Public Service Commission for the Financial Year.

***NB: Apprenticeship refers to a system of training practitioners so that they gain a set of skills to prepare them for a career that they wish to pursue. On the other hand, internship refers to a method of on-the-job training, consisting of an exchange of services for experience between a graduate and an organization.***

**23. Competence Development** – refers to the systematic enhancement of skills and proficiencies in order to address career progression of individual employees and improve institutional performance. The activities to address this performance indicator include the following:

- (a) Undertake institutional Skills Gap Analysis once every 5 years - 20%
- (b) Carry out Staff Training Needs Assessment - 10%
- (c) Execute interventions to address the identified skills gaps and training needs through, Recruitment, Outsourcing, capacity building/training, coaching, mentoring, etc. - 15%

***NB. For an MDA that has undertaken an institutional skills gap analysis within a five-year period, the weight assigned to the sub-indicator (a) above will be re-distributed proportionately for the sub-indicators (b) and (c).***

(d) Knowledge Management – refers to the process of transforming all available open public data, collected from bottom up through elaborate internal systems and sourced from external data sets. It includes the packaging of data into useful information and knowledge, which can be shared internally and across Government. This enables the establishment of trends and patterns that provide intelligent insights to support MDAs in making informed decisions in executing their mandate. MDAs are expected to:

- i) Identify and document data needs and data gaps under its mandate - 5%
- ii) Capture, organize and process data and information in a consistent manner - 5%
- iii) Establish patterns, trends and attributes of the processed data and information - 10%
- iv) Draw insights from the data and knowledge intelligence in addressing critical problems to inform on policy and resource allocation - 10%
- v) Preserve and share knowledge and lessons learnt across the MDA, sector and Government for continual improvement - 10%

- (e) Performance Appraisal - this refers to the assessment of individual employee's performance. It is based on the negotiated and agreed performance targets drawn from the MDA's annual work plan and the PC. MDAs are expected to provide documentary evidence on employees' performance appraisal using the prescribed format - 15%

**24. Disability Mainstreaming** – MDAs will be required to implement Government policy on affirmative action for Persons with Disabilities by undertaking the following:

- a) Develop and submit Disability Mainstreaming Policy and the annual work plan. The annual work plan should be submitted to NCPWD by 31<sup>st</sup> July -10%
- b) Reconstitute and operationalize the disability mainstreaming committee -10%
- c) Train disability mainstreaming committee and Senior Management; and sensitize all staff on disability - 15%
- d) Ensure 5% of the total staff establishment comprise persons with disabilities – 10%
- e) Carry out accessibility and usability audit and submit the report to NCPWD – 20%
- f) Increase equal and easy access of products and services/programmes to PWDS - 25%
- g) Submission of Quarterly Reports in their prescribed format to NCPWD - 10%

NCPWD will issue certificates to MDAs at the end of the FY indicating the level of achievement in percentage.

***All support tools and information (Annual Work Plan Format, reporting template, disaggregated data template) can be accessed via [www.ncpwd.go.ke](http://www.ncpwd.go.ke). In addition, MDAs are advised to visit [www.placement.ncpwd.go.ke](http://www.placement.ncpwd.go.ke) to access data on employment for PWDs.***

**25. Gender Mainstreaming** - is the process of assessing the implications for women, men, boys and girls of any planned action, including legislation, policies or programmes, in any area and at all levels. It is a strategy for making the concerns and experiences of all an integral part of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres, so that women, men, boys and girls benefit equally, and inequality is not perpetuated. The ultimate goal of mainstreaming is to achieve

gender equality."

Implementation of this target will go a long way in ensuring that the Government promotes gender equality and empowerment of women as per the existing commitments in the Constitution of Kenya, the Third Medium Term Plan of Kenya Vision 2030 and numerous regional and international commitments on Gender Equality and empowerment of Women.

MDAs will be expected to undertake the following activities;

- a) Set up and operationalize a Gender Management System by 31<sup>st</sup> December, 2020 (20%)
- b) Mainstream Gender in MDAs workplace Policies, Plans and Programs (40%)
- c) Undertake capacity building on Gender (30%)
- d) Submit quarterly reports using the prescribed format to the State Department for Gender with a copy to the National Gender and Equality Commission (10%)

***The State Department for Gender in close collaboration with the National Gender and Equality Commission will analyze MDAs annual reports and issue certificate at the end of the Performance Contract Period***

All support tools and information including the reporting format can be accessed via [www.psyg.go.ke](http://www.psyg.go.ke), [www.gender.go.ke](http://www.gender.go.ke) and [www.ngeckenya.org](http://www.ngeckenya.org).

**26. Prevention of Alcohol and Substance Abuse** - refers to the implementation of programmes/activities aimed at reducing the prevalence of alcohol and drug abuse and minimizing the negative effects thereof. Employees that have ADA problems cost organisations billions in lost productivity; have higher absenteeism rates, and relatively lower performance levels. Similarly, ADA problems contributes to high health care expenses for related illnesses and workplace injuries; and may lead to increased expenditure on safety liabilities. The overall objective of this indicator is to reduce the prevalence and mitigate the negative effects of ADA in the public sector. To achieve this, MDAs should implement the following package of interventions:

- (a)** Undertake a Baseline Survey on Alcohol and Drug Abuse by 31<sup>st</sup> December, 2020 (20%).
- (b)** Intervention Programmes :
  - i) Establishment and training of ADA control committee (10%);
  - ii) Development and implementation of ADA workplace prevention policy using the national ADA workplace prevention guidelines (20%);
  - iii) Sensitization of staff and their family members on ADA (10%); and

- iv) Establishment of support mechanisms for employees with Substance Use Disorders (10%).

In addition to the above, learning institutions should undertake the following:

- i) Train Staff in charge of Student Welfare on ADA; and
- ii) Train Student Leaders and Peer Educators on ADA.

**(c) Monitoring of the Impact of the Programme:**

- i) Submit an annual work plan to NACADA by 31<sup>st</sup> July. The work plan should have at least three activities addressing alcohol and drug abuse in the workplace. One of the three identified interventions must be the establishment of support mechanisms for persons with substance use disorders (15%); and
- ii) Implement the proposed activities and submit quarterly progress reports and annual reports to NACADA within timelines provided in **Section 5.6.1** of the Performance Contracting guidelines using the prescribed format (15%).

***NACADA will analyse MDAs' annual reports and issue a certificate of compliance with a score in percentage at the end of the performance contract period for the purpose of performance evaluation.***

***The reporting formats and guidelines, including additional support materials are available on the Authority's website ([www.nacada.go.ke](http://www.nacada.go.ke)).***

**27. Prevention of HIV Infections** – HIV still poses a serious challenge to the country's socio-economic development. This is the basis under which the HIV program in Kenya aims to contribute to the country's targets as envisioned in Kenya Vision 2030 through universal access to comprehensive HIV prevention, care and treatment.

The activities under this indicator support attainment of Universal Health Coverage (UHC) commitment through the incorporation of UHC expectations in the MAISHA certification process with regard to prevention of HIV and UHC promotion. Implementation of HIV prevention and UHC promotion interventions will be based on coverage of at least 80% of all staff by the end of the PC cycle except for Condom promotion and sensitizations on Abstinence and Being faithful which will be implemented on a quarterly basis based on targets. Implementation will be done in two (2) levels as follows:

## **Level 1: MAISHA 1**

### **MDAs should undertake the following:**

- a) Develop and implement an HIV and AIDS workplace policy to guide HIV mainstreaming activities (20%)
- b)** Establish/reconstitute and operationalize HIV and AIDS Control Unit (ACU) based on NACCs recommended threshold (5%)
- c) Develop annual work plan and allocate resources for HIV programmes to be implemented (10%)
- d) Promote attainment of UHC at the workplace through offering services for disease prevention and wellness promotion for at least 80% of staff and family members with the following screening package and referrals: HIV, Blood pressure, Blood sugar and BMI. (20%)
- e) Choose for implementation at least two (2) of the following interventions targeting staff and family members:
  - i) Promote comprehensive HIV and AIDS knowledge by reaching 80% of all staff and family members with the following prescribed sensitization package: Non communicable diseases (NCDs), Cancer (Breast Cervical and prostate); Stress management and mental health; Adherence to treatment and care literacy; Stigma and discrimination toward people living with HIV; Abstinence and behavior change; and the linkages between sexual and gender based violence and HIV (20%)
  - ii) Condom Promotion or stand-alone sensitization sessions on Chastity, Abstinence and Being faithful (AB) every quarter (20%)
- f) Submit MAISHA 1 quarterly reports to NACC using the prescribed template available on the NACC website ([www.nacc.or.ke](http://www.nacc.or.ke)) by 15th of the month following end of a quarter. (5%)

***Note 1: MDAs in their 1st year of implementation or did not meet the expectations of the 1st level of implementation after certification/re-certification (i.e. score 80% and above) fall in the category above.***

## **Level 2: MAISHA 2**

MDAs that are eligible for transitioning to “MAISHA 2” should undertake the following:

- a) Develop an annual work plan and allocate resources for HIV programmes to be implemented (10%)
- b) Continue implementing bullet 4 and 5 of MAISHA one (1) interventions above (60%)
- c) Choose for implementation one (1) interventions from public sector HIV plans based on core mandate and competencies (25%)
- d) Submit MAISHA 2 quarterly reports to NACC using the prescribed template available on the NACC website ([www.nacc.or.ke](http://www.nacc.or.ke)) by 15th of the month following end of a quarter. (5%)

***Note 2: MDAs in their 2nd year of certification and have attained expectations of level one or were in the 2nd year of implementation and after re-certification met or did not meet the expectations of 2nd level of implementation (i.e. score 80% and above) fall in this category.***

**28. Safety and Security Measures** – should include all aspects relating to the safety and security of personnel, documents, information, equipment and assets. MDAs are required to put in place safety and disaster preparedness mechanisms to address the current insecurity issues affecting the institution. In this regard, the MDAs are expected to:

- a) Put in place mechanisms to mitigate against technological hazards, terrorism, fire and natural disasters - 20%
- b) Implement the Information Security Management System (ISMS).  
Steps: - 40%

### **Step 1 - 5%**

- i) Appoint ISMS Leader – 1%
- ii) Appoint and train ISMS Champions – 2%
- iii) Define Scope – 2%

### **Step 2 - 5%**

- i) Brief Top Management on ISMS – 1%
- ii) Train Implementers – (Process Owners) – 2%
- iii) Conduct awareness training for all employees – 2%

**Step 3 - 30%**

- i) Create ISMS Risk Management (Risk Registers and Risk Management Action Plan – 10%
- ii) Finalize documentation of ISMS i.e. policy procedures and launch the ISMS based on the standard (ISO/IEC) – 20%
- c) Establish information assets and secure them. Determination of the information assets to be secured should be informed by the following information attributes: Value, Integrity, Importance, Confidentiality, Accuracy, and Authenticity - 40%

**29.National Cohesion and Values** – This is an indicator that aims to promote national cohesion, national values and principles of governance to create a transformed, cohesive, peaceful, united and values-driven nation.

MDAs will be required to align and implement commitments and way forward in the 2018 Annual President’s Report on National Values and Principles of Governance.

To achieve this, MDAs should undertake the following:

- I. Implement at least **five (5)** commitments relevant to their mandate and submit in the prescribed format an Annual Progress Report on the implementation of the commitments and way forward captured in the 2018 Annual President’s Report on National Values and Principles of Governance - 60%

The following are the eight (8) commitments and way forward in the 2018 President’s Annual Report on measures taken and progress achieved:

- a) Align policies and implement programs, projects and activities to the realization of the “Big Four” agenda;
- b) Continual fight against corruption, enhance judicial processes and capacity building to facilitate dispensation of justice and adherence to the rule of law;
- c) Continual public awareness creation, capacity building, enforcement and monitoring of national values and principles of governance;
- d) Support the building bridges initiative by implementing interventions aimed at promoting national unity and nationhood;

- e) Continual preparedness, collaborative ways to enhance public safety and security and the fight against terrorism;
- f) Enhance collaboration between the two levels of government to entrench sharing and devolution of power
- g) Implement measures to support gender mainstreaming and youth empowerment; and
- h) Enhance the protection of the environment by securing riparian lands, water towers, improving the national forest cover and other measures to facilitate sustainable development.

- II. Submit in the prescribed format the Annual Report on measures taken and progress achieved in the realization of National Values and Principles of Governance - 40%

The above reports shall be submitted to the Directorate of National Cohesion and Values **by 15<sup>th</sup> January, 2021** through either a hard copy or soft copy emailed to [info2@cohesionandvalues.go.ke](mailto:info2@cohesionandvalues.go.ke) or [nationalvalues2017@gmail.com](mailto:nationalvalues2017@gmail.com).

***NB: The Directorate will analyse MDAs' annual reports and issue a certificate of compliance at the end of the performance contract period.***

- 30. Road Safety Mainstreaming** - This is a multi-sectoral approach to ensure that road safety issues are made an integral part of all Government programmes/projects. MDAs are required to actively engage in developing projects and executing activities that contribute to the prevention and management of Road Traffic injuries and fatalities in Kenya. The overall goal is to substantially reduce the burden and severity of road crashes in Kenya, which is currently estimated at annual loss of 3,000 lives and 10,000 injuries, and a corresponding equivalent loss of 5% of GDP.

MDAs should undertake the following:

- a) Domestic work place policy on road safety. This will be anchored on the guidelines provided in the NTSA website ([www.ntsago.ke](http://www.ntsago.ke)). (25%)
- b) Prepare an annual implementation plan for the Road Safety Policy. (5%)
- c) Implement the plan. Key components include the following: (50%)
  - i) All technical Agencies establish a Road Safety Unit while other MDAs will constitute a Road Safety Committee to steer road safety mainstreaming within the MDAs
  - ii) Conduct technical training for members of the road safety Unit/Committee

- iii) Sensitize the Management team and all members of staff on road safety mainstreaming
  - iv) Conduct specialized safety training for road users
  - v) Conduct Road Safety training in the community
  - vi) Implement mechanisms for monitoring compliance and reporting non-compliance on the road (This include reporting black spots, belting up, observing speed limits, lane discipline, reckless driving, crashes, among others as stipulated in the policy)
- d) Submit quarterly reports to NTSA in prescribed format (to be downloaded from the NTSA website) within 30 days after the end of the quarter. (20%)

***(Information on technical agencies that are required to establish a road safety unit, policy guidelines and reporting templates will be availed in the NTSA website: [www.ntsago.ke](http://www.ntsago.ke).)***

- 31. Corruption Prevention** - this performance indicator aims to combat and prevent corruption, unethical practices and promote standards and best practices in governance. This is in line with the Ethics and Anti-Corruption Commission Act No. 22 of 2011 and the Leadership and Integrity Act of 2012. To achieve this, MDAs are expected to:
- a) Undertake a Corruption Risk Assessment and develop a Corruption Risk Mitigation Plan - 30%
  - b) Implement measures emanating from the Corruption Risk Mitigation Plan as per the implementation matrix- 60%
  - c) Submit quarterly performance reports to EACC using the prescribed reporting format. The format may be accessed in the EACC website, [www.eacc.go.ke](http://www.eacc.go.ke) - 10%

**Note**

***In undertaking the Corruption Risk Assessment and developing the Corruption Risk Mitigation Plan, MDAs should among others focus on the following areas:***

- ***Use of e-procurement modules in IFMIS***
- ***Business Process Review through Automation and Integration of priority Citizen Services***
- ***Publication of Awarded Contracts***
- ***"First Come First Served" in payment to suppliers***

## Annex VI: Performance Reporting Formats

### 1.0 Classification of Reporting

As indicated in **Sub-Section 5.6.1** performance reports will be prepared and submitted on **quarterly** and **annual basis**. Sub-sections 1.1 and 1.2 below elaborate on the respective reporting formats.

### 1.1 Quarterly Reporting

**Forms 'A' series** provide the prescribed format for quarterly progress reporting on each criteria category. While the **Target for Quarter** (Column C) may not have been explicitly agreed on in the contract, it is expected that every MDA will have set its own quarterly targets as milestones towards achieving the agreed **Target for the Contract Period** (Column A). MDAs are required to explain any *Quarterly* and *Cumulative* variances, including remedial actions, where applicable.

<b>QUARTERLY PERFORMANCE REPORT</b>								
								<b>FORM 1A</b>
NAME OF MDA:...(specify name of MDA)								
QUARTER ENDING: .....								
FINANCIAL STEWARDSHIP & DISCIPLINE	UNIT OF MEASURE	TARGET FOR CONTRACT PERIOD	QUARTER			CUMULATIVE TO DATE		
			ACTUAL	TARGET FOR QUARTER	VARIANCE (B – C)	ACTUAL	TARGET	VARIANCE (E-F)
			A	B	C	D	E	F
1	Absorption of Allocated Funds (GoK)							
2	Pending Bills							
<b>Comments on Variance [(Un)Favourable, Causes and any Action Taken/to be Taken]</b> ..... ..... ..... .....								

**Form 1A** above provides the format in which the quarterly progress report for Financial Stewardship and Discipline performance indicators are prepared and submitted. Similarly, the same format for Forms **2A, 3A, 4A, 5A, 6A and 7A** provide the format in which quarterly progress reports for Service Delivery, Core Mandate, Implementation of Presidential Directives, Access to Government Procurement Opportunities, Promotion of Local Content in Procurement, and Cross-Cutting

performance criteria categories respectively, should be prepared and submitted for every quarter by all MDAs that are on performance contract.

**1.2 End-of-Year Reporting**

**Form 1** below provides the format for preparing and submitting annual performance report on Financial Stewardship & Discipline performance criterion. Similarly, Forms **2, 3, 4, 5, 6 and 7** provide the format in which Service Delivery, Core Mandate, Implementation of Presidential Directives, Access to Government Procurement Opportunities, Promotion of Local Content in Procurement and Cross-Cutting performance criteria categories respectively, should be prepared and submitted at the end of the year by all MDAs that are on performance contract.

<b><u>ANNUAL PERFORMANCE REPORT</u></b>				<b>FORM 1</b>		
<b>NAME OF MDA:...(specify name of MDA)</b>						
<b>YEAR ENDING: .....</b>						
FINANCIAL DISCIPLINE	STEWARDSHIP &	UNIT OF MEASURE	CUMULATIVE FOR YEAR			
			<b>ACTUAL</b>	<b>TARGET</b>	<b>VARIANCE (A-B)</b>	
			A	B	C	
<b>1</b>	Absorption of Allocated Funds (GoK)					
<b>2</b>	Pending Bills					
<b>Comments on Variance [(Un)Favourable, Causes and any Action Taken/to be Taken]</b>						
.....						
.....						
.....						

## Annex VII: Format for Citizens' Service Delivery Charter

S/No.	Service/Good	Requirements to Obtain Service/Good	Cost of Service/Good (if any)	Timeline
<p><b><i>WE ARE COMMITTED TO COURTESY AND EXCELLENCE IN SERVICE DELIVERY</i></b>            Any service/good rendered that does not conform to the above standards or any officer who does not live up to commitment to courtesy and excellence in Service Delivery should be reported to:</p>				
The CS/PS/CEO/Principal of the Public Institution		The Commission Secretary/Chief Executive Officer, Commission on Administrative Justice, 2 <sup>nd</sup> Floor, West End Towers, Waiyaki Way, Nairobi. P.O. Box 20414-00200 Nairobi Tel : +254 (0)20 2270000/2303000 Email : <a href="mailto:complain@ombudsman.go.ke">complain@ombudsman.go.ke</a>		
<p><b><i>HUDUMA BORA NI HAKI YAKO</i></b></p>				