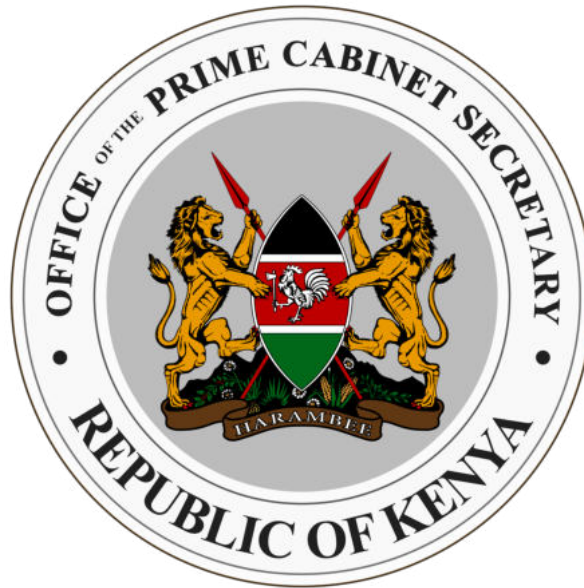




**EXECUTIVE OFFICE OF
THE PRESIDENT**

OFFICE OF THE PRIME CABINET SECRETARY

SPEECH BY THE PRIME CABINET SECRETARY H.E (DR) MUSALIA MUDAVADI, EGH; ON THE OCCASION OF THE OFFICIAL RELEASE OF THE REPORT ON THE EVALUATION OF THE PERFORMANCE OF MINISTRIES, STATE CORPORATIONS, AND TERTIARY INSTITUTIONS FOR THE FY 2021/2022



**SPEECH BY THE PRIME CABINET SECRETARY H.E (DR)
MUSALIA MUDAVADI, EGH; ON THE OCCASION OF THE
OFFICIAL RELEASE OF THE REPORT ON THE EVALUATION
OF THE PERFORMANCE OF MINISTRIES, STATE
CORPORATIONS, AND TERTIARY INSTITUTIONS FOR
THE FY 2021/2022**

TUESDAY APRIL 11, 2023

**TSAVO BALLROOM, KENYATTA INTERNATIONAL
CONVENTION CENTRE (KICC), NAIROBI, KENYA.**





SPEECH BY THE PRIME CABINET SECRETARY H.E (DR) MUSALIA MUDAVADI, EGH; ON THE OCCASION OF THE OFFICIAL RELEASE OF THE REPORT ON THE EVALUATION OF THE PERFORMANCE OF MINISTRIES, STATE CORPORATIONS, AND TERTIARY INSTITUTIONS FOR THE FY 2021/2022

**Your Excellency The President of the Republic of Kenya
and Commander-In-Chief of the Defence Forces, Dr.
William Samoei Ruto**

Your Excellency The Deputy President,

The Speaker of The National Assembly,

The Speaker of The Senate,

The Chief Justice,

Attorney General,

Cabinet Secretaries,

Principal Secretaries,

Chairperson, Council of Governors,

Governors,

Chairpersons of Independent Commissions,

Chairpersons of State Corporations,

Other Senior Government Officers,

Ladies and Gentlemen;





1. It gives me great pleasure to welcome you to this important occasion for the official release of the 18th Cycle Report on Evaluation of the Performance of Ministries, State Corporations, and Tertiary Institutions for the FY **2021/2022**.

2. Your Excellency, the Kenya Vision 2030 guides the development of a robust, well-functioning, citizen-focused, and result-oriented public service as a key foundation for economic growth. To this end, your Government is committed to facilitating the creation of an environment that fosters Kenya's transformation process, as envisaged in the *Bottom-up Economic Transformation Agenda* (BeTA) and the *Kenya Kwanza Manifesto*. This will be done by sustaining the upscaling of gains made through the deepening of devolution, public sector reforms, and enhanced infrastructure development to spur socio-economic development.

3. Your Excellency, Performance Contracting has increasingly become an important tool for improving public sector performance. If implemented well, it is an instrument that should assist the country in achieving its long-term economic development policy goals. To this extent, Performance Contracting has been embedded in the Public Service for 19 years now, and codified through the Public Service Commission (Performance Management) Regulations 2021, as a means of managing performance in the Public Service.





4. Your Excellency, the first-level Performance Contracts are signed annually in tandem with the Government's budgeting cycle between yourself and the respective Cabinet Secretary, after which they are cascaded to downstream institutions.

5. Your Excellency, whereas the implementation of Performance Contracting has been on course, its potential is yet to be fully realized. Hence, we are now committing to enhance the linkage of Performance Contracting to key performance indicators contained in the Programme Based Budget (PBB) under implementation by MDAs.

6. Your Excellency, the role of public servants is to facilitate the Government to implement its policies, and programmes and deliver services to *Wananchi* on a value-for-money basis. Consequently, Performance targets must advance the country's development agenda.

7. For this reason, and through **Your Excellency,** I direct that the Performance Contracts for Cabinet Secretaries be aligned to the key Government priorities as contained in the Programme Based Budget (PBB) and cascaded downwards to ensure that all public servants are working towards the common good of the country.





8. Invariably, the performance of the Public Service must then be integral in driving the Bottom-Up Economic Transformation Agenda (BeTA) as an offshoot in realizing the Kenya Vision 2030, which seeks to transform Kenya into a globally competitive and prosperous country. **But we are seven years short of the expiry of Kenya Vision 2030. A conversation around Kenya Vision 2063 when Kenya turns 100 years old, must begin.**

9. Meanwhile, the rallying call in Performance Contracting is “*What Gets Measured Gets Done*”. Adoption of Performance Contracts ought to establish ***uniformity***, consistency, and objectivity in measuring public service performance. Hence, its implementation must henceforth fast-track the linkage between planning and budgeting phases, to clear outputs and outcomes.

10. Your Excellency, upon implementation of Performance Contracts in the Public Service in 2004, economic growth rose to a record 7.1 percent in 2007 from 0.6 percent in 2002. This is evidence that a robust Performance Management System





results in efficiency and productivity in the Public Service, leading to economic growth.

11. Indeed, in 2007, Kenya won the coveted United Nations Public Service Award for *Transparency, Accountability, and Responsiveness in Service Delivery*. In June 2021, the country won the 2nd Runners-up Award for *Best Innovation in Citizen-Centered Service Delivery* at the 8th All Africa Public Service Day held in Zimbabwe. As a result, African countries such as Botswana, Malawi, Sierra Leone, and Lesotho have domesticated the Kenyan model of Performance Contracting in the management of their Public Service.

12. Your Excellency, Performance Management the world over has been evolving and I am informed the same re-engineering is taking place in Kenya:

13. First, I am informed that in 2020, the Public Service Performance Management Unit commenced automation of the Performance Contracting processes that were previously carried out manually. This is being done through a fully home-grown online Government Performance Contracting Information System (GPCIS).





14. The ultimate goal of GPCIS is a fully automated end-to-end system where all relevant Performance Contracting processes are carried out online. It is worth pointing out that the GPCIS ensured continuity of service delivery during the challenging COVID-19 pandemic. Hence, GPCIS should be emulated by other public institutions in their efforts to automate service delivery.

15. Secondly, the Kenya Integrated Performance Management Policy was developed in 2022. The Policy provides for the principles, strategies, and broad guidelines for Performance Management in the National and County Governments, Constitutional Commissions, and Independent Offices, while taking cognizance of their autonomy. Its roll-out will re-engineer the organizational, operational, and institutional framework for guiding Performance Management practices in Kenya's Public Service.

16. Thirdly, my Office is in the process of developing a Public Service Performance Management Bill, which will be the overarching law to fully anchor the Performance Management function in the entire public service institutions at both levels of Government. It will result in value-for-money from public investments through adoption, streamlining, and unifying norms of a *whole-of-government* approach; and provide a framework for rewarding performance and sanctioning non-performance.





17. Your Excellency, the Report that you will be releasing today contains the results of Ministries, State Corporations, and Tertiary Institutions against the performance targets that they committed to achieve in the last financial year. But in the subsequent financial years, the focus of the Performance Contracts will be based on, among others, the priorities agreed upon during the Cabinet Retreat held at the beginning of the year in Nanyuki. In order to realize this, all Public Institutions **must** ensure that their respective key priorities are included in their Performance Contracts.

18. Your Excellency, one of the internationally accepted Performance Management Principles is accountability and transparency of a Government Performance Management System, which means providing factual feedback about the performance of the Government. Therefore, the annual performance evaluation and release of the Report FY 2021/2022 marks a momentous occasion, since it provides the baseline for performance commitments in the next financial year, and also some reflection:

19. Allow me to therefore reflect on a matter that should not escape our collective attention: **Your Excellency**, the Public Service Commission (PSC) 2021/2022 Annual Report indicts Ministries, Departments, and Agencies (MDAs) for incurring colossal financial penalties through Court awards because of





failure to honor contractual obligations. The PSC reveals that most losses are occasioned when state entities enter into contracts without adequate budgeted and approved funding.

20. Common breach of contracts begs the question: Do frequent breaches of contracts arise out of inept due diligence or sheer negligence by MDAs? Do staff in procuring entities understand procurement laws and that it is their responsibility to ensure contractors fulfill their obligations, and that the government receives the goods and services it paid for? Or should we conclude they know the rules, but choose to ignore them for a benefit?

21. The legal framework for public procurement is set out in Article 227 of the Constitution of Kenya 2010, and in several sections of the Public Finance Management Act (No.18 of 2012), and the Public Procurement and Asset Disposal Act of 2015.





22. Your Excellency, public resources are not infinite. Constant losses cannot be entertained. Under Section 44 of the Public Procurement and Asset Disposal Act of 2015, accounting officers take responsibility for failure to ensure procurement is within approved budgets and procurement plans. Indeed, that section requires compliance with the provisions of section 68 of the Financial Management Act.

23. Compliance with the law is therefore not optional. Section 79 of the Act makes it mandatory for public officers to comply with laws regulating public procurement. We cannot condone laxity, wastage, and losses anymore. It is time to strictly apply the penalties accruing from Section 72; accounting officers failing to manage public assets to achieve value for money will henceforth be penalized. The same applies to the application of Section 74(4); public officers who breach accounting responsibility by making or permitting expenditure that is unlawful will be surcharged.

24. I have deliberately highlighted these issues because they are at the center of the perennial loss of resources arising from





lost cases in courts of law. Going forward, My Office will soon issue a clear framework to address these deficiencies and make officers more accountable.

25. Your Excellency, in order to fulfill the commitments made to our people, it is paramount that the whole public service ***honestly*** puts to practice the tried and time-tested results-based performance management tool. To ensure that this is done, My Office will ensure compliance with the annual Performance Contracting cycle and timelines. This is besides holding quarterly meetings with Cabinet and Principal Secretaries to monitor achievements of agreed performance targets.

20. In this context, a motivated human resource remains core to performance management and service delivery. In order to promote productivity, innovation, and creativity in public service, youth and personnel living with disabilities are required to be motivated. My Office is developing a framework for an **“Under-35 Employee of the Year Annual Award”**, for this category of public officers.





21. The award may be in the form of promotion and scholarships for such employees who demonstrate commitment and excellence in performance, innovation, and creativity that translates to effective public service delivery. This award will also enhance the visibility of these target employees who exhibit high leadership-growth potential across the public service.

22. In conclusion, I do recognize the support and contributions of all our partners and collaborators in ensuring the institutionalization of Performance Management in the Public Service.

I Thank You.

It is now my singular pleasure to invite Your Excellency, the Deputy President to make your remarks.

H.E. (DR) Musalia Mudavadi, EGH

Prime Cabinet Secretary

