

**PUBLIC SERVICE PERFORMANCE
MANAGEMENT BILL, 2025**

ARRANGEMENT OF CLAUSES

Clause

PART I—PRELIMINARIES

- 1—Short title.
- 2—Interpretation.
- 3—Objects of the Act.
- 4—Application of this Act.

**PART II— COORDINATION OF PERFORMANCE
MANAGEMENT IN THE PUBLIC SERVICE**

- 5—Establishment of the Directorate of Performance Management.
- 6—Functions of the Directorate.
- 7—Director-General.
- 8—Responsibility for performance management.
- 9—Performance Management Forum.

**PART III— PERFORMANCE MANAGEMENT IN
THE PUBLIC SERVICE**

- 10—Applicable Principles.
- 11—Alignment of Performance Management with planning and budgeting.
- 12—Performance Contracting.
- 13—Performance Contracting Cycle.
- 14—Performance Contracting Guidelines.
- 15—Performance Contracts.
- 16—Performance Indicators and Targets.
- 17—Negotiation and Vetting of Performance Contracts.
- 18—Cascading of Performance Contracts.
- 19—Performance Management Committees.
- 20—Employee Performance Management.
- 21—Performance Monitoring and Reporting.
- 22—Reports to Specialized Agencies.
- 23—Reports to Lead Agencies.
- 24—Annual Performance Evaluation.
- 25—Annual Performance Reporting.
- 26—Rewards.
- 27—Sanctions and Performance Improvement Strategies.
- 28—Role of Parliament.
- 29—Role of the Summit.

PART IV- MISCELLANEOUS

30—General obligations of public officers.

31—Transition Provisions.

32—Regulations.

FIRST SCHEDULE – Statutory Commissions and Authorities

DRAFT

**THE PUBLIC SERVICE PERFORMANCE
MANAGEMENT BILL, 2025**

A Bill for

AN ACT of Parliament to provide for performance management in the public service; to provide standards for performance management in the public service; to provide the link between planning, budgeting, implementation and achievement of results in the public service; to establish the Directorate of Performance Management; and for connected purposes

ENACTED by the Parliament of Kenya, as follows—

PART I—PRELIMINARIES

Short title.

1. This Act may be cited as the Public Service Performance Management Act, 2025.

Interpretation.

2. In this Act, unless the context otherwise requires—

“authorized officer” means an officer of a public service institution, designated by or under the authority of that institution or by any written law, responsible for overseeing the preparation and implementation of performance contracts, monitoring and evaluation of performance in accordance with this Act;

“Cabinet Secretary” means the Cabinet Secretary for the time being responsible for performance management;

“Constitutional Commission” means a commission established under the Constitution;

“County Government” means a county government established under Article 176(1) of the Constitution;

“Director-General” means the Director-General appointed under section 7 of this Act;

“Directorate” means the means the Directorate of Performance Management established under section 5 of this Act;

“exogenous factor” means an occurrence that affects performance either positively or negatively and cannot reasonably be planned for, controlled or predicted. This excludes occurrences that could have been pre-empted by meticulous planning, including risk management;

“forum” means Performance Management Forum established under section 9(1) of this Act;

“former Unit” means the Public Service Performance Management Unit in existence immediately before the commencement of this Act;

“Independent Office” means an independent office provided under Article 248(3) of the Constitution;

“lead agency” means a public body designated to superintend performance of specific category of public service institutions, that includes analyzing quarterly and annual performance reports and providing feedback to the respective public service institutions;

“national security organ” means a national security organ under Article 239(1) of the Constitution;

“performance contract” means a written agreement between a public service institution and the Government, or between a superior public service institution and a subordinate institution or employees which specifies the performance criteria, performance indicators, and measurable targets to be achieved within a specified period in accordance with this Act;

“performance contracting cycle” means a detailed representation of the performance contracting process that entails planning, development, implementation, monitoring & reporting, annual performance evaluation and deployment of performance rewards and sanctions;

“performance criteria” means a principle or standard for evaluating performance represented by a range of performance indicators;

“performance evaluation” means the process of ascertaining the extent of achievement of the agreed performance targets using the prescribed performance evaluation methodology;

“performance management” means a systematic process for obtaining results from an organization’s teams and individuals through planning, budgeting, monitoring and evaluation of the achievement of performance targets within an agreed framework;

“performance indicator” means a measurable variable by which the performance of a public service institution is assessed;

“performance moderation” means the process of verifying that the performance evaluation methodology, including application of tools and instruments, has been applied uniformly for the purpose of ensuring objectivity;

“performance monitoring” means the tracking of performance and provision of feedback on progress towards achieving agreed performance targets;

“performance target” means the desired level of achievement for a performance indicator;

“public service” has the meaning assigned to it under Article 260 of the Constitution;

“public service institution” means a public office as defined under Article 260 of the Constitution;

“responsible authority” means an entity identified as responsible for coordinating performance management under section 8(1);

“self-performance evaluation” means an in-house performance assessment by a public service institution using the prescribed evaluation methodology;

“self-reporting” means the internal process where public service institutions undertake assessments and compile data regarding their performance against set performance targets;

“specialized agency” means a public service institution mandated with oversight of a cross-cutting performance indicator(s);

“statutory commissions and authorities” means the institutions set out under the First Schedule;

Cap. 265F.

“Summit” means the National and County Government Co-ordinating Summit established under section 7 of the Intergovernmental Relations Act;

“vetting” means the process of verifying whether a negotiated performance contract complies with the provisions of this Act, Regulations and performance contracting guidelines.

Objects of the Act.

3. The object of this Act is to—

- (a) provide for performance management in the public service by entrenching a culture of performance and accountability;
- (b) provide a clear performance management co-ordination framework with requisite linkages across the public service;
- (c) create a unified and integrated performance management system that facilitates linkages and alignment between policy, planning, budgeting, target setting, implementation and performance monitoring and evaluation in the public service;
- (d) provide for the establishment and functions of the Directorate; and
- (e) improve the efficiency and effectiveness of service delivery in the public service.

Application of the Act.

4. (1) This Act applies to performance management in the public service and shall apply to all ministries, departments, agencies, constitutional commissions, independent offices and county governments.

(2) Notwithstanding subsection (1), county governments, constitutional commissions and

independent offices shall align with and implement the provisions of this Act in a manner consistent with their constitutional mandates and principles of separations of powers, devolution and independence.

PART II—CO-ORDINATION OF PERFORMANCE MANAGEMENT IN THE PUBLIC SERVICE

Directorate of
Performance
Management

5. (1) There is established a Directorate of Performance Management which shall be domiciled in the Executive Office of the President.

(2) The Directorate shall be the successor of the Public Service Performance Management Unit existing immediately before the coming into force of this Act.

Functions of the
Directorate

6. (1) The Directorate shall be responsible for—

(a) In the case of the public service —

- (i) developing policy frameworks to guide performance management in the public service;
- (ii) providing technical support on performance management to responsible authorities and public service institutions;
- (iii) undertaking capacity building on performance management to responsible authorities and public service institutions;

(b) in the case of public service institutions within the national executive —

- (i) developing performance contracting guidelines;
- (ii) preparing periodic reports for submission to the President and Parliament as may be required;
- (iii) vetting performance contracts;
- (iv) monitoring performance of the public service institutions;
- (v) undertaking annual performance evaluation;

(c) conducting research and development on performance management;

(d) collaborating with other relevant entities both locally and internationally to promote adoption and implementation of best practices in performance management; and

(e) performing any other function as may be assigned from time to time.

(2) In carrying out its functions under subsection (1), the Directorate shall take into consideration the provisions of section 4(2) of this Act.

Director-General.

7. (1) There is established the office of the Director-General of Performance Management, which shall be an office in the public service.

(2) The Director-General shall head the Directorate and be responsible for the day-to-day execution of the Directorate's functions.

(3) In the performance of his or her functions, the Director-General shall be answerable to the Cabinet Secretary.

Responsibility for performance management

8. (1) The responsibility of coordinating performance management in the public service shall be, in the case of—

- (a) the national executive, by the Directorate;
- (b) the judicial service, by the Judicial Service Commission;
- (c) the parliamentary service, by the Parliamentary Service Commission;
- (d) the police service, by the National Police Service Commission;
- (e) the teachers service, by the Teachers Service Commission;
- (f) the county government public service, by the County Executive Committees;
- (g) the county assembly service, by the County Assembly Service Boards;
- (h) statutory commissions and authorities, by the respective statutory commission or authority; and
- (i) Constitutional Commissions and Independent Offices, by the respective Constitutional Commission or Independent Office.

(2) The responsible authorities under subsection 1(b), (c), (d), (e), (f), (g), (h) and (i) shall, subject to the provisions of this Act, establish their internal mechanisms for coordinating performance management.

Establishment of the Performance Management Forum

9. (1) There is established a Performance Management Forum consisting of representatives from all responsible authorities set out under the section 8(1).

(2) The objectives of the forum are to —

- (a) Provide a means for consultation by the responsible authorities on matters relating to performance management in the public service;

- (b) facilitate alignment and coherence in the application of performance management standards, methodologies and instruments across the public service;
- (c) provide an avenue for sharing best practices, innovations, research findings and sectoral experiences in performance management; and
- (d) deliberate on cross-cutting challenges affecting performance management and propose coordinated solutions.

(3) The Forum shall convene at least once every year and shall prescribe its own procedures.

(4) The Directorate shall serve as the Secretariat of the Forum and shall —

- (a) convene and coordinate meetings of the Forum;
- (b) prepare and circulate the agenda and documentation of meetings;
- (c) maintain records of deliberations, resolutions and recommendations; and
- (d) facilitate follow-up on the implementation of resolutions.

PART III—PERFORMANCE MANAGEMENT IN THE PUBLIC SERVICE

Applicable principles

10. Performance management in the public service shall be based on the following principles—

- (a) the national values and principles of governance as provided for under Article 10 of the Constitution;
- (b) the values and principles of public service as provided for under Article 232 of the Constitution;
- (c) consumer rights as provided for under Article 46 of the Constitution;
- (d) the guiding principles of leadership and integrity under Chapter Six of the Constitution;
- (e) results-based management that aligns planning, budgeting and implementation to the achievement of targeted results in the public service; and
- (f) general principles of performance management including—
 - (i) appropriate performance management systems;

- (ii) appropriate performance management methodologies;
- (iii) accountability and transparency;
- (iv) integration of planning, budgeting and human resource systems; and
- (v) effective communication strategies.

Alignment of Performance Management with planning and budgeting

11. Performance management of public institutions shall be aligned with their planning and budgeting frameworks to ensure that funding for programmes and projects achieves the agreed goals and outcomes.

Performance contracting.

12. Performance contracting shall be the anchor performance management tool in the public service.

Performance contracting cycle.

13. (1) The performance contracting cycle shall provide detailed representation of the performance contracting process which includes—

- (a) review of the performance contracting guidelines;
- (b) identification of performance indicators and targets;
- (c) negotiations of performance contracts;
- (d) vetting of the performance contracts by the responsible authorities for quality assurance;
- (e) signing of the performance contracts;
- (f) implementation of the performance contracts
- (g) monitoring and reporting on performance;
- (h) annual performance evaluation;
- (i) public release of the annual performance evaluation results; and
- (j) deployment of performance rewards and sanctions.

(2) Each responsible authority shall prescribe timelines for completion of various phases of the annual performance contracting cycle.

Performance contracting guidelines.

14. (1) Not later than the 30th of April of each year, each responsible authority shall issue, a circular to public institutions under its purview, setting out the guidelines on performance contracting for the subsequent financial year.

(2) The performance contracting guidelines shall—

(a) guide public service institutions in—

- (i) identification of their performance indicators and annual targets;
- (ii) undertaking negotiations and vetting;

- (iii) implementation of performance contracts; and
 - (iv) performance monitoring, evaluation and reporting.
- (b) guide responsible authorities in vetting the negotiated performance contracts, performance monitoring and evaluation; and
- (c) Designate lead and specialized agencies for the contracting period.

(3) The performance contracting guidelines shall, for purposes of ensuring standardization in application of the performance contracting process in the development of performance contracts—

- (a) conform to the guidelines provided for under section 6(1)(f) above;
- (b) provide information on the contents and form of the performance contract; and
- (c) provide information on the performance contract matrix for different categories of public service institutions.

Performance contracts.

15. Every public service institution shall, at the commencement of each financial year, sign a performance contract by 31st of August, which shall—

- (a) be based on the programmes, projects, activities and performance targets specified in the public service institution's approved strategic plan, annual work plan and procurement plan and such other plans as may be provided for in law and performance contracting guidelines;
- (b) be aligned to the approved budget estimates of the public service institution for the financial year to which the performance contract relates;
- (c) provide for—
 - (i) the strategic objectives of the public service institution;
 - (ii) performance criteria, performance indicators and sub-indicators;
 - (iii) specific, measurable, attainable, realistic and time-bound performance targets for each performance indicator;
 - (iv) baseline data to inform the performance targets of the respective performance indicator;
 - (v) explanatory notes for each performance indicator and sub-indicators; and

- (d) be published in the public service institution's website within seven days after signing of the performance contract.

Provided that performance contracts of the national security organs shall be exempt from publication.

Performance indicators and performance targets.

16. Each authorized officer shall ensure that the identification of the performance indicators and setting of the targets is informed by the prevailing performance contracting guidelines.

Negotiation and vetting of performance contracts.

17. (1) A performance contract for a public service institution shall be negotiated and vetted for the purpose of—

- (a) verifying that performance indicators and targets are aligned to the priorities set by the Government;
- (b) ensuring that the performance indicators and targets support the achievement of its mandate; and
- (c) ensuring that the performance contract complies with the performance contracting guidelines.

(2) In accordance with subsection (1)—

- (a) every responsible authority shall be responsible for constituting a performance negotiation team to negotiate performance contracts for public service institutions under it; and
- (b) a responsible authority shall constitute a performance contract vetting team comprised of its staff to vet performance contracts of public service institutions under its purview.

(3) A responsible authority shall cause to be published all the signed performance contracts on its website.

Provided that performance contracts of the national security organs shall be exempt from publication.

Cascading of performance contracts.

18. Public service institutions shall sign lower-level performance contracts with subordinate institutions to ensure the linkage of specific deliverables and targets to all employees through work plans and the staff performance appraisal.

Performance Management Committees.

19. Each public service institution shall establish a performance management committee to co-ordinate institutional and employee performance management.

Employee Performance Management

20. (1) Each public service institution shall establish and implement performance management instruments for

assessment of employees' performance in accordance with applicable guidelines.

(2) The employee performance targets shall be linked to the institutional strategic objectives and annual work plans.

(3) The primary responsibility for implementing the employee performance management instruments shall rest with the authorized officer.

Performance monitoring and reporting.

21. (1) Performance monitoring and reporting shall be undertaken to assess the extent of achievement of the set targets in order to inform decision making on interventions, where necessary.

(2) Performance monitoring and reporting by a public service institution shall be conducted within such timelines and tools, as shall be provided for in Regulations and performance contracting guidelines.

(3) A public service institution shall prepare and submit to its respective responsible authority, quarterly performance reports within the prescribed timelines and format.

(4) Without limiting the generality of subsection (2), performance monitoring and reporting shall take into consideration—

- (a) self-reporting by public service institutions as a principle to ensure accuracy and accountability;
- (b) adoption of technology to promote efficiency; and
- (c) acknowledgement of the role of lead and specialized agencies responsible for superintending performance and specific performance indicators respectively.

Reports to specialised agencies.

22. (1) A public service institution shall prepare and submit to the respective specialized agency a report on a performance indicator within the set timelines and in the prescribed form.

(2) The specialized agency shall—

- (a) analyze the report;
- (b) provide feedback on areas for improvement to the public service institution; and
- (c) at the end of the performance contract period, submit to the responsible authority, performance reports of public service institutions within the set timelines and in the prescribed form.

Reports to lead agencies.

23. (1) A public service institution shall prepare and submit to the respective lead agency quarterly and annual

performance reports within the set timelines and in the prescribed form.

(2) Lead agencies shall analyze and provide feedback to the public service institutions within the set timelines and in the prescribed form.

Annual
performance
evaluation.

24. (1) A public service institution shall, within thirty days after the end of the performance contract period, conduct an annual self-performance evaluation using the prescribed format and submit the report to its responsible authority.

(2) The report under subsection (1) shall indicate the level of achievement for each performance indicator.

(3) Each responsible authority shall undertake performance moderation of public service institutions under its purview based on the report under sub-section (1).

(4) In undertaking performance moderation, responsible authorities shall rely on—

- (a) the performance contracting guidelines;
- (b) the vetted and signed performance contract;
- (c) the approved budget and procurement plan of the public service institution;
- (d) the annual self-performance evaluation report;
- (e) the annual performance evaluation reports for public service institutions by specialized agencies;
- (f) supporting documents for achievement of the agreed performance targets; and
- (g) supporting documentation of exogenous factors that may have affected the achievement of the agreed performance targets.

(5) A responsible authority shall, in the prescribed form and within the set timelines, prepare a performance evaluation report for every public service institution under its purview.

(6) The performance report in subsection (5) shall include the performance grading for the public service institution in the manner stipulated in Regulations and the performance contracting guidelines.

Annual
Performance
Reporting

25. As soon as is practicable after the end of each financial year and in any event not later than six months, each responsible authority shall compile and submit a consolidated annual performance evaluation report, in the case of—

- (a) a responsible authority under section 8(1)(a), to the President, the Summit and the National Assembly;
- (b) a responsible authority under section 8(1)(f) or (g), to the Governor, the County Assembly, the Senate and the Summit;
- (c) a responsible authority under section 8(1)(b), (c), (d), (e), (h) or (i), to the President and Parliament.

Rewards.

26. A responsible authority may, in accordance with the performance evaluation results, make proposals for performance rewards for a public service institution, in accordance with Regulations, guidelines and any other written law.

Sanctions and performance improvement strategies.

27. A responsible authority may, in accordance with the performance evaluation results, make recommendations for performance sanctions or performance improvement strategies for a public service institution in accordance with Regulations.

Roles of Parliament.

28. (1) Parliament shall, in exercising its functions of legislation, oversight, appropriation of funds, take into account the annual performance evaluation reports submitted by responsible authorities in accordance with this Act.

(2) Where a responsible authority determines that a public service institution has not met its set performance targets for two consecutive financial years, the head of the institution shall—

- (a) submit to Parliament an action plan for improvement of its performance; and
- (b) describe any additional funding the public service institution will require to achieve the set targets, if such an action is determined appropriate in consultation with the responsible authority.

(3) Where a public service institution has not met performance targets as determined by the responsible authority for three consecutive financial years, the responsible authority shall submit recommendations to Parliament on actions to be undertaken to improve performance of the institution, not later than sixty days after that determination, including—

- (a) executive action to facilitate good governance of the public service institution;
- (b) adherence to the approved budget in disbursement of funds and timely release of the exchequer to facilitate achievement of the set performance targets; and

- (c) proposed legislative interventions necessary for the achievement of the set performance targets.

Role of the Summit

29. (1) The performance evaluation reports of the national and county governments shall constitute a standing agenda item for consideration by the Summit.

Cap. 265F.

(2) The Summit shall consider the performance evaluation reports submitted in accordance with this Act when evaluating the performance of national or county governments pursuant to section 8(f) of the Intergovernmental Relations Act.

(3) The Summit may, upon its consideration of the performance evaluation reports, recommend appropriate performance enhancement actions.

PART IV— MISCELLANEOUS PROVISIONS

General obligations of public officers

30. (1) It shall be a public officer's obligation to —

- (a) refrain from obstructing or hindering the responsible authorities, or any officer authorized under this Act in the exercise of their functions;
- (b) provide accurate information in a performance contract, performance report, or any document required under this Act;
- (c) produce information or documents requested by a responsible authority, a lead or specialized agency for the purposes of performance monitoring, vetting, or evaluation;
- (d) refrain from coercing, influencing, or attempting to coerce or influence another person to undermine the performance management process, including the negotiation, vetting, or evaluation of performance contracts;
- (e) comply with Regulations or performance contracting guidelines issued under this Act; and
- (f) comply with the provisions of Article 75 of the constitution.

(2) Where a public officer violates the obligations under subsection (1), that person shall be subject to the disciplinary processes of the public service institution in which that person serves.

Transitional provisions.

31. (1) The Directorate shall be the successor of the Public Service Performance Management Unit existing immediately before the commencement of this Act, and upon such commencement the provisions set out in this section shall apply.

(2) All the funds, assets and other property, movable or immovable, which immediately before the commencement of this Act were held by the Government

for the former Unit shall upon such commencement be deemed to be so held for the Directorate established under this Act.

(3) The annual estimates approved for the former Unit in respect of the financial year in which this Act comes into operation, shall be deemed to be the annual estimates of the Directorate for the remainder of the financial year.

Regulations.

32.(1) The Cabinet Secretary may, upon recommendation by the Directorate, make Regulations for the better carrying out of the provisions of this Act.

(2) Without limiting the generality of subsection (1), such Regulations may provide for all or any of the following matters—

- (a) such other tools to enhance performance management in the public service;
- (b) the performance contracting cycle;
- (c) the timelines for performance management;
- (d) the establishment of committees at different levels within public service institutions to guide or implement the performance management processes;
- (e) the performance management monitoring & evaluation and reporting tools and formats;
- (f) performance evaluation methodology and grading for public service institutions;
- (g) performance rewards, sanctions and performance improvement strategies for public service institutions; and
- (h) any other matter that may be required to be prescribed under this Act.

SCHEDULES

FIRST SCHEDULE

[Clause 2]

STATUTORY COMMISSIONS AND AUTHORITIES

1. Council of Governors
2. Kenya Law Reform Commission
3. National Cohesion and Integration Commission
4. Office of The Registrar of Political Parties (ORPP)
5. Independent Policing Oversight Authority
6. Office of Data Commissioner
7. Office of The Director of Public Prosecutions
8. Intergovernmental Relations Technical Committee

DRAFT