REPUBLIC OF KENYA

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF THE PRIME CABINET SECRETARY

STATE DEPARTMENT FOR PERFORMANCE AND DELIVERY MANAGEMENT

PUBLIC SERVICE PERFORMANCE MANAGEMENT UNIT

PERFORMANCE CONTRACTING GUIDELINES FOR THE FY 2023/2024

(20TH CYCLE)

APRIL, 2023

TABLE OF CONTENTS

LIST OF ABBREVIATIONS

BeTA	Bottom-up Economic Transformation Agenda
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
ERP	Enterprise Resource Planning
FY	Financial Year
GoK	Government of Kenya
GPCIS	Government Performance Contracting Information System
MDAs	Ministries, Departments and Agencies
MTP	Medium Term Plan
NACOSTI	National Commission for Science, Technology and Innovation
NTSA	National Transport and Safety Authority
PC	Performance Contract
PPRA	Public Procurement Regulatory Authority
PAS	Principal Administrative Secretary
PS	Principal Secretary
PSPMU	Public Service Performance Management Unit
RSTI	Research, Science, Technology and Innovation
SDGs	Sustainable Development Goals
SPS	Sector Performance Standards
STI	Science, Technology and Innovation

PART ONE: PERFORMANCE CONTRACTING GUIDELINES FOR FY. 2023/24

1. Preamble

In its endeavour to improve service delivery, the Government continues to use Performance Contracting as a key accountability tool. Performance Contracting is part of the broader public sector reforms aimed at improving efficiency and effectiveness in the management of the Public Service.

As part of the initiatives to ensure an efficient Public Service through Performance Management, the Government is re-engineering Performance Contracting.

To leverage service delivery on information communication technology, the Office of the Prime Cabinet Secretary will continue to automate the Performance Contracting process through the Government Performance Contracting Information System (GPCIS). The System has been in use since the FY. 2020/21 and will be applied for the fourth year to develop the FY. 2023/24 Performance Contracts for all eligible Ministries, Departments and Agencies (MDAs). The System comprises a negotiation module, vetting module, monitoring & reporting and performance evaluation modules. The modules are fully linked to provide for a logical flow of the Performance Contracting process from target setting to annual performance evaluation.

In addition to preparing the System for effective transition to the next contract period (FY. 2023/24), the priority is to enhance it by designing and developing a management reports module for various categories of MDAs. The final design architecture of the GPCIS will have the potential for analysis of various types of data and generation of relevant management reports. It is expected that ultimately, an integration Application Programming Interface (API) will be developed to facilitate integration of the GPCIS with other Government Information Systems. In the long run, all Lead and Specialised Agencies will also be integrated into the System for full automation of the processes, where all operations will be carried out online on one platform for rapid decision making.

The Performance Contracting Guidelines have been reviewed to take into account the on-going initiatives to re-engineer and improve Performance Management through Performance Contracting as the Commitment for Results (CFR) Framework and to align it to the GPCIS. The priorities of the Government have also been provided for through inclusion of specific performance indicators and classification of the core priority areas under the Core Mandate performance criterion. MDAs will be required to apply the Performance Contracting Guidelines to identify and implement performance indicators and specific targets under the five key priority areas of: bringing down the cost of living; eradicating hunger; job creation; expanding the tax revenue base; and improving the foreign exchange balance.

Constitutional Commissions and Independent Offices are encouraged to undertake Performance Management as a good governance practice. In addition, Cabinet Secretaries (CSs) and Chairpersons of Constitutional Commissions and Independent Offices are required to publish and disseminate the results of the annual performance evaluation to the stakeholders and citizens, as envisaged by the Constitution of Kenya, 2010 and reinforced by the Public Service Commission (Performance Management) Regulations, 2021.

2. Purpose of the Performance Contracting Guidelines

The purpose of the Performance Contracting Guidelines is to support MDAs, Constitutional Commissions and Independent Offices in: - identification of their performance indicators and annual targets; undertaking negotiations, and implementation of the Performance Contracts (PCs). The Guidelines are also intended to support Public Service Performance Management Unit (PSPMU) in vetting of the negotiated PCs in order to ensure standardization in application of the Performance Contracting process in the development of the PCs.

A Model PC and Matrices for each category of public institutions form part of these Guidelines and are provided in ***Annexes V(A) and V(B)*** respectively. To ensure standardization, the structure of the model PC and the matrix should not be amended.

3. Roles and Responsibilities of Key Players in Performance Contracting

The roles and responsibilities of key players have clearly been identified to facilitate effective undertaking of the various Performance Contracting processes:

a) Cabinet Secretary

The Cabinet Secretary has overall responsibility for negotiations and implementation of the Performance Contracts of the Ministry and its State Corporations, including monitoring & evaluation of performance.

b) Principal Secretary/Comptroller of State House/Solicitor General

Their role is to identify performance targets and negotiate the PCs for the State Department/Office and its Agencies in consultation with the CS. They are also responsible for overseeing the cascading of the performance targets, monitoring & reporting and annual performance evaluation.

c) Chairpersons of Constitutional Commissions, Independent Offices, State Corporations and Tertiary Institutions

They provide oversight to the Performance Contracting process in their respective institutions including negotiations, vetting, performance monitoring & reporting and annual performance evaluation.

d) Principal Secretary, State Department for Performance and Delivery Management

Provide any support sought by MDAs in complying with the Performance Contracting Guidelines in order to ensure seamless development and implementation of the PCs.

e) Secretary/Chief Executive Officer of State Corporations

Identify performance indicators and targets and negotiate the PC for the State Corporation in consultation with the Board of Directors. The Secretary/Chief Executive Officer (CEO) is also responsible for overseeing cascading of the PC targets, monitoring & reporting and annual performance evaluation.

f) Principal Administrative Secretary, Public Service Performance Management Unit

The Principal Administrative Secretary (PAS) is responsible for the development of Performance Contracting Guidelines, capacity building and technical support to MDAs, vetting (quality assurance) of negotiated PCs to ensure compliance with the Guidelines and the custodian of the vetted PCs. PAS also has the responsibility of undertaking quarterly performance monitoring for Ministries, mid-year performance review, annual performance evaluation including compiling the annual performance evaluation report and coordinating communication of the performance evaluation results to MDAs. In addition, PAS provides technical support and capacity building on Performance Management to County Governments, Constitutional Commissions and Independent Offices upon request.

g) Lead Agencies

Receive quarterly performance reports, analyze them and provide feedback to the respective MDAs within **15 days** from the date of receipt. The Lead Agencies should as much as practicable undertake physical verification of the achievements in order to ensure credibility of the reports.

h) Specialized Agencies

Develop relevant performance indicators and sub-indicators for implementation by MDAs, receive quarterly performance reports on the relevant performance indicator(s), analyze them and provide feedback within **15 days** from the date of receipt, provide technical support to MDAs in implementation of the relevant performance indicator(s) including capacity building, assess the annual performance of MDAs and communicate the results to each MDA. In addition, the Specialized Agencies are required to submit a complete list of scores, in the **prescribed format** for all MDAs placed on Performance Contract to PSPMU not later than **15th July** each year.

NB: Specialized Agencies should not transfer any attendant costs of implementing specific performance indicators (capacity building, sensitizations, awareness creation, audits etc.) that they superintend to MDAs, as agreed upon during the Stakeholders' Forum on Review of the Performance Contracting Guidelines.

i) Performance Contract Coordinators

Coordinate identification of performance indicators, sub-indicators & targets and the development of draft PCs in line with priorities of their respective institutions and the Performance Contracting Guidelines. They are also responsible for providing mandatory documents to support development of the PCs and facilitating keying in relevant information in the GPCIS. In addition, PC Coordinators are required to compile evidence to support reported achievements, facilitate quarterly performance monitoring & reporting and coordinate the annual performance evaluation.

j) Ministerial Performance Management Committee

The functions and membership of the Ministerial Performance Management Committee (MPMC) as provided in the *Public Service Commission Delegation Instrument, July 2018* are as follows:

i) Undertake quarterly review of implementation of Strategic Plans and Performance Contracts;
ii) Ensure linkage between Institutional Performance Contract and Staff Performance Appraisal System;

iii) Ensure that the overall assessment of employee performance is within the context of institutional performance as evaluated through Staff Performance Appraisal System;
iv) Ensure that the performance of all officers is evaluated and feedback on performance is relayed in writing at the end of the year;
v) Hold quarterly performance review meetings;
vi) Consider performance reports from various Departments within the Ministry and make recommendations for improvement;
vii) Review cases of appeals on appraisal ratings between supervisors and appraisees;
viii) Make recommendations to the Authorized Officer on the application of rewards or sanctions;
ix) Develop and implement the internal monitoring and evaluation and reporting system; and
x) Ensure that the integrity and credibility of the overall process of rewards and sanctions system is safeguarded and maintained at all times.

The MPMC should consist of the following members:

i) Principal Secretary - Chairperson
ii) Directors of Technical Departments
iii) Director of Administration
iv) Head of Central Planning and Project Monitoring Unit
v) Director of Human Resource Management and Development – Secretary

k) Performance Contracting Committee

The functions of the Performance Contracting Committee as provided in the Public Service Commission (Performance Management) Regulations, 2021 are as follows:

i) Coordinate the Performance Contracting process for the public body;
ii) Coordinate the achievement of the public body's performance targets;
iii) Monitor and evaluate public body's annual performance; and
iv) Prepare the public body's performance reports.

4. Key Elements of the Model Performance Contract

The standard structure of the Performance Contract is provided in ***Annexes V(A) and V(B)*** on Model PC and Matrices.

The structure of the PC has already been incorporated in the design of the GPCIS. Therefore, all standard text and data that applies across all MDAs is already part of the database and need not be keyed in when developing the PC using the PC Preparation Module in the GPCIS. For effective application of the Guidelines in developing the PC or for any other relevant processes, the Guidelines should always be read and applied together with the relevant User Guides uploaded in the GPCIS.

The following is an explanation of the key elements of the Model Performance Contract for which MDAs are required to provide relevant information in the GPCIS to develop the PCs for online submission to facilitate negotiations:

(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 practicable, the Strategic Objectives should range from three to six in order to adequately address all relevant aspects of the mandate and at the same time avoid duplication.

(c) Statement of Strategic Intent

The Statement of Strategic Intent reiterates the "Whole-of-Government Approach" (Linked-up Performance), establish the linkage to the National Vision and identify the broad organizational priorities. The strategic intents 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.

(d) Commitments and Obligations of the Government

These refer to any support that is extended to MDAs by any other public agency to facilitate achievement of the performance targets. The commitments and obligations are guided by 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 the timing of any obligation on the part of 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 directed 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;

vi) MDAs should ensure that annual targets for the identified performance indicators under Core Mandate are based on the FY. 2023/24 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 Economic Planning or the agency must be obtained before committing the Government; and

vii) The Annual Performance Evaluation Report will document status of the extent to which non-fulfilment of commitments and obligations made by the Government to MDAs may have affected performance.

(e) Assignment of Weights for Performance Criteria and Performance Indicators

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

Performance Criteria	**Weight (%)**
Financial Stewardship	10
Service Delivery	15
Core Mandate	65
Implementation of Presidential Directives	2
Affirmative Action in Procurement	4
Cross-Cutting	4
Total	**100**

MDAs should note the following:

i) The performance criteria sub-weights have been pre-set and already incorporated in the GPCIS. In addition, the weights for performance indicators under Financial Stewardship, Service Delivery, Implementation of Presidential Directives, Affirmative Action in Procurement, Cross-Cutting criteria have been pre-set and incorporated in the GPCIS;

ii) In the Core Mandate criterion, the balance of the sub-weight (after factoring the sum total of the weights already pre-set for selected performance indicators) should be distributed to the various performance indicators in negotiated proportions based on the relative importance attached to each 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 PCs 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, development, implementation, monitoring & reporting, annual performance evaluation, and planning for the subsequent cycle.

The cycle comprises review of the Performance Contracting Guidelines; identification of performance targets; negotiations; vetting of the Performance Contracts by PSPMU for quality assurance; signing of the PCs; implementation; monitoring & reporting of performance; mid–year performance review; annual performance evaluation, including compiling the report and release of performance evaluation results.

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

Activity	Timeline
Performance Contract Development and Implementation	
Identification of Performance Targets	By 30th May
Pre-Negotiation Consultations	1st June - 15th June
Negotiation of Performance Targets	16th June - 22nd June
Vetting of Performance Contracts	23rd June - 30th June
Signing of Performance Contracts	1st July - 5th July
Implementation of Performance Contracts	1st July - 30th June of the following year
Mid-Year Performance Review	16th January – 28th February
Annual Performance Evaluation	
Submission of Annual Performance Reports	By 15th July
Evaluation/Moderation	1st August - 15th October
Submission of Annual Performance Evaluation Report	31st October
Release of the Annual Performance Evaluation Report	30th November
Deployment of the Productivity and Performance Rewards and Sanctions	From December

5.1 Review of Performance Contracting Guidelines

Review of the Performance Contracting Guidelines is carried out to incorporate emerging issues and lessons learnt with a view to improve the process in the subsequent period. The exercise is undertaken annually through a consultative stakeholders' forum involving MDAs and is coordinated by PSPMU.

The review of the Performance Contracting Guidelines for the 20th Performance Contracting Cycle was undertaken in March, 2023. MDAs are required to fully apply the Guidelines to ensure that the draft PCs that will be developed and submitted for vetting meet all the prescribed standards.

The following are the key changes to the Performance Contracting Guidelines:

a) Retirement of Performance Indicators:

Six (6) Performance Indicators have been retired namely; Disability Mainstreaming, Gender Mainstreaming, Prevention of Alcohol and Drug Abuse, Prevention of HIV and Non-Communicable Diseases, Corruption Prevention and Business Process Re-engineering (BPR) . However, the performance indicator on BPR has not been entirely retired since some of the sub-indicators are incorporated in the new Performance Indicator on "Digitalization of Government Services", under the Service Delivery Performance Criteria.

The general consensus that featured throughout the deliberations during the stakeholders forum was that the number of performance indicators under the Cross-Cutting Performance Criteria should be substantially reduced to retain only those that are directly related to institutional strengthening, and enhancement of the organizational capacity to perform as a strategy to make the MDAs to focus more on delivering on their core mandate.

It was agreed that implementation of the retired performance indicators will still be undertaken outside Performance Contracting and be spearheaded by the respective Specialized Agencies, since these are their core mandates and they are funded to superintend the same. In addition, it was noted that the performance indicators are implemented and reported on through the performance indicator on National Values and Principles of Governance.

The following are the reasons for retiring of the specific Performance Indicators:

S/NO.	PERFORMANCE INDICATOR	STAKEHOLDERS' JUSTIFICATION
1.	Business Process Re-engineering	The sub-indicators have effectively been incorporated in the new Performance indicator on "Digitalization of Government Services"

S/NO.	PERFORMANCE INDICATOR	STAKEHOLDERS' JUSTIFICATION
2.	Disability Mainstreaming	✓ Non-compliance with the Stakeholders' Resolutions on review of the PC Guidelines for FY 2022/23. ✓ It is anchored in law as an affirmative action e.g. through Access to Information Act and relevant provisions on physical access to Government buildings. ✓ It has been in existence for several years and significant milestones have been covered and institutionalized, and its implementation can effectively continue outside the Performance Contracting process. ✓ It is anchored in the National Values on Inclusivity and Protection of the marginalized. ✓ The Agency has never undertaken an Impact Assessment.
3.	Gender Mainstreaming	✓ Non-compliance with the Stakeholders' Resolutions on review of the PC Guidelines for FY 2022/23. ✓ The Specialized Agency has inadequate capacity to oversee its implementation. ✓ It is anchored in National Values under equality, inclusivity and protection of the marginalized.
4.	Prevention of Alcohol and Drug Abuse	✓ Non-compliance with the Stakeholders' Resolutions on review of the PC Guidelines for FY 2022/23. ✓ It can effectively be implemented through the through existing legislative and administrative frameworks.
5.	Prevention of HIV and Non-Communicable Diseases	✓ Non-compliance with the Stakeholders' Resolutions on review of the PC Guidelines for FY 2022/23. ✓ During the previous Stakeholders" Forum, the indicator was recommended for retirement but the Agency requested for an extension of one contract period (FY. 2022/23) to prepare for its implementation outside the Performance Contracting process. ✓ The Specialized Agency has inadequate capacity to oversee its implementation. ✓ Performance evaluation of MDAs during the FY 2021/22 were conducted after the deadline. ✓ MDAs have institutionalized the Performance Indicator and will continue to implement it outside the PC.
6.	Corruption Prevention	✓ It is provided for under the National Value and Principles of Governance (integrity).

b) Enhancement/Reduction of Sub- Weights for Performance Criteria:

The sub-weight for "Service Delivery" and "Core Mandate" Performance Criteria has been increased from 10% to 15% and 60% to 65% respectively. Enhancement of the sub-weights for the two Performance Criteria is to refocus MDAs towards strengthening their service delivery systems and enhance delivery of their core mandate.

The sub-weight for the "Cross- Cutting" Performance Criteria was reduced from 13% to 4% in order to reflect the substantial reduction in the number of Performance Indicators and enhance the weight under service delivery and core mandate Performance Criteria.

c) Introduction of New Performance Indicators

To facilitate automation and on boarding of services on the e-citizens platform, a Performance Indicator on "Digitalization of Government Services" has been introduced under the "Service Delivery" Performance Indicators to be implemented by all MDAs.

Under the Performance Indicator on "Implementation of Presidential Directives" a Presidential Directive on "National Tree Growing Restoration Campaign" has been introduced to be implemented by all MDAs without exemption. The objective is to use the PC Platform for MDAs to contribute to increasing forest and tree cover from the current 12% to 30% by 2032.

Under the Core Mandate Performance Criteria, a new Performance Indicator on Productivity Mainstreaming has been introduced with the aim of enabling MDAs to develop, implement and adopt strategies, and interventions to support them measure, manage and improve productivity and ultimately entrench a culture of productivity.

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 and the core business; confirm available financial and human resources; identify emerging issues; and other factors that may affect performance. The consultations should 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 pre-negotiations consultations stage is not provided for in the GPCIS since the nature and substance of any such consultations vary from one MDA to the other, are demand-driven and therefore cannot be standardised.

5.2.2 Negotiation of Performance Contracts

During this stage, MDAs are required to verify that performance indicators and targets are aligned to the priorities set by the Government. In addition, the performance indicators and targets should support achievement of the mandate of the organization and are aligned to the Bottom-Up Economic Transformation Agenda (BeTA) as provided in the Kenya Vision 2030 MTP IV, the Sustainable Development Goals (SDGs), Agenda 2063, other national priorities, relevant Sector Performance Standards, and the approved budget for the financial year.

The negotiation process should be carried out online in the GPCIS and it commences with the MDA keying in relevant data and information in the "*PC Preparation*" module as per the instructions provided in the *PC Preparation User Guide*. The User Guide is available on the GPCIS landing page for MDAs to download. Once all relevant information is keyed in, the PC should be submitted online for negotiations.

The negotiations process will also be carried out online on the "*PC Negotiations*" module. The process will be guided by the instructions contained in the "*PC Negotiation and Vetting User Guide*" that is available on the GPCIS for MDAs to download.

The CS will be responsible for negotiation of the PCs 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 PCs for State Corporations. Similarly, Ministry of Education should participate in the negotiations of the PCs for Tertiary Institutions.

The Specialised Agencies are required to provide leadership during negotiations of the respective Performance Indicators and targets that they superintend. The Secretary/CEO of the relevant Specialised Agency will be responsible for ensuring that adequate information on the specific performance indicator(s) is communicated to the MDAs early to inform pre-negotiations and negotiations of the PCs.

NB:

i) More details on the parties to negotiations and vetting of the Performance Contract at each level in an MDA are provided in Annex II.

ii) PSPMU has defined the assigned Technical Officers in all Ministries (one per State Department) and provided them with access credentials to the GPCIS to facilitate the negotiation process.

5.3 Vetting of Performance Contracts

All negotiated PCs should be submitted online in the GPCIS for vetting by PSPMU. The purpose of the vetting is to ensure quality assurance by verifying that the Performance Contracting Guidelines have been fully complied with.

Specifically, the purpose of vetting is to ensure:

a) Compliance with the Performance Contracting Guidelines;
b) The PC is aligned to BeTA and anchored on the Kenya Vision 2030 MTP IV, other national priorities, relevant Sector Performance Standards, SDGs, Agenda 2063 and the MDA's Strategic Plan. Specifically for alignment to BeTA, MDAs should prioritize performance indicators and specific sub-indicators on the five core priority areas of the Government namely: bringing down the cost of living, eradicating hunger, job creation, expanding the tax revenue base and improving the foreign exchange balance;
c) Performance indicators comprehensively address the mandate of the MDA and are aligned to the budgetary allocations;
d) Performance targets are output-based and growth-oriented (unless in instances where the optimal target has been achieved and sustainability may apply).

NB: Once a PC has been vetted/signed, it cannot be amended.

5.4 Signatories to the Performance Contracts

The following section stipulates the signatories to the PCs at the various levels within an MDA.

I. Ministry/State Department/ Department

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

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

II. Constitutional Commission/Independent Office

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

III. State Corporation/ Statutory Body

Level	**For and on behalf of the Government**	**State Corporation/ Statutory Body**
1st – State Corporation/ Statutory Body	Cabinet Secretary	Chairperson and Independent Director
Cabinet Secretary, The National Treasury and Economic Planning counter-signs the PCs at the first level		
2nd – Office of CEO	Chairperson to the Board	CEO
3rd. – Departments	CEO	Directors/Heads of Department

IV. Public University

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

V. Tertiary Institution

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

NB:

i) MDAs should ensure that the FY. 2023/24 PCs are signed within the stipulated timelines.

ii) MDAs should ensure that delay in actual signing of the vetted Performance Contract does not affect commencement of its implementation.

5.5 Implementation of Performance Contracts

The vetted PC should be cascaded by signing lower level Contracts in Departments and downstream institutions and subsequently, link specific deliverables and targets to individual officers through work plans and the staff performance appraisal. It is also a requirement to align other planning tools such as the Procurement and Cash Flow Plans to the vetted PCs to effectively facilitate achievement of the performance targets.

5.6 Performance Monitoring and Reporting

5.6.1 Performance Monitoring, Reporting and Feedback

Best practice in Performance Management requires that progress in implementation of the PC is monitored and reports prepared to assess the extent of achievement of the set targets in order to inform decision making. MDAs are encouraged to undertake self-reporting as part of advancement of good governance.

a) Submission of Performance Reports

All MDAs are required to prepare and submit quarterly performance reports within **15 days** following the end of a quarter and the annual performance reports within **30 days** after the end of the contract period. The reports should be prepared and submitted online using the *Monitoring and Reporting Module* in the GPCIS. MDAs are advised to refer to the *Performance Monitoring and*

Reporting User Guide for instructions and relevant information on how to prepare and submit the reports online. A downloadable format of the User Guide can be accessed in the GPCIS.

The following Lead Agencies will be required to analyse the submitted quarterly performance reports using the relevant interface in the GPCIS and provide feedback within **15 days** after the date of receipt:

Category of Agency	Lead Agency to Analyse Reports and Provide Feedback
Ministries	Public Service Performance Management Unit
State Corporations	Inspectorate of State Corporations
Tertiary Institutions	Ministry of Education

The role of the Lead Agencies in analysing the reports should as much as practicable include physical verification of the reported quarterly achievements in order to ensure credibility of the reports.

The quarterly reports should be discussed and approved by the Ministerial Performance Management Committee for Ministries, or Board/Council or the relevant sub-committee in the case of State Corporations and Tertiary Institutions. The signed/endorsed extracts of the minutes indicating that the report was discussed and approved should be uploaded on the GPCIS.

b) Submission of Performance Reports to Agencies

MDAs shall submit online both the quarterly and annual reports 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. MDAs shall continue compiling and submitting their reports using existing agency-specific reporting platforms until the GPCIS is fully developed and all reporting tools are integrated into the System. The table below indicates the Specialised Agencies for the respective performance indicators:

Performance Indicator	Specialised Agency
Resolution of Public Complaints	Commission on Administrative Justice
Asset Management	The National Treasury and Economic Planning -The National Treasury
National Values and Principles of Governance	Directorate of National Cohesion and Values
Road Safety Mainstreaming	National Transport and Safety Authority
STI Mainstreaming	National Commission for Science, Technology and Innovation
Productivity Mainstreaming	National Productivity and Competitiveness Centre

The Specialized Agencies shall communicate details of performance indicator-specific reporting guidelines and information on how to access the reporting platforms directly to the MDAs as well as post the information on their official websites, in addition to any other supporting literature. The timelines for submission of the reports should be within **15 days** after the end of a quarter for quarterly performance reports, and within **15 days** after the end of the contract period for the annual performance reports.

c) Submission of Performance Reports to other Agencies

MDAs should submit reports to the agencies in the table below using the prescribed format and as per the stipulated timelines.

Performance Indicator	Agency
Access to Government Procurement Opportunities (AGPO)	Public Procurement Regulatory Authority
Promotion of Local Content in Procurement	Ministry of Investments, Trade and Industry -State Department for Industry

NB:

For Access to Government Procurement Opportunities, the reports should be submitted bi-annually as provided by the PPRA Circular NO. 01/2016 on Mandatory Reporting Requirements by Procuring Entities.

5.6.2 Penalty for Non-Compliance with Timelines for Submission of Quarterly Performance Reports

An MDA that fails to submit all the four quarterly performance reports online within the stipulated timelines will have a weighted score of **0.0500** added to its composite score as a penalty for non-compliance.

5.6.3 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. The review will entail physical verification of the reported quarterly achievements in order to ensure credibility of the exercise.

To facilitate the exercise, MDAs are required to:

a) Participate in the Mid-year Performance Review by providing all required information as well as facilitating any identified field verification visits;
b) Submit online the first and second quarter performance reports;
c) Avail any verifiable documented evidence of performance that may be required; and
d) Ensure that the reported achievement for each performance indicator is based on verifiable documented evidence of performance.

5.6.4 Release of Mid-Year Performance Review Report

The Mid-Year Performance Review Report will be released upon compilation by PSPMU.

5.7 Annual Performance Evaluation

Annual 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. MDAs are required to undertake self-performance evaluation (in-house evaluation) based on the annual achievement for each performance indicator using the GPCIS Annual Performance Evaluation Module. ***Annex III*** provides information on the Performance Evaluation Methodology.

To facilitate performance evaluation, MDAs are expected to provide verifiable and documented evidence of achievement of the agreed performance targets. As much as is practicable, and for the purpose of objectivity in performance evaluation, PSPMU will undertake actual verification of reported achievements. Upon agreement on the results, the parties to the moderation phase of the evaluation process should endorse copies of the final evaluation matrix and detailed notes (in the form of minutes).

Performance evaluation for each performance indicator should reflect the "actual" performance status 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 performance moderation matrix and the minutes have been signed by both parties, they cannot be altered by either of the party.

MDAs that fail to participate in the Annual Performance Evaluation (based on the duly vetted/signed PC), or for the reason that they declined to be placed on PC shall be graded "Poor" (5.00) which is the lowest score.

The following are essential documents required for performance evaluation:

a) Performance Contracting Guidelines for the contract period;
b) Approved budget for the contract period;
c) Vetted/signed PC;
d) Annual Self-Evaluation Performance Report (compiled and submitted online);
e) Verifiable and documented evidence to support the reported achievements and other supporting documents; and
f) Documentation of any exogenous factors that could have affected the performance of the MDA, either positively or negatively.

5.7.1 Release of Performance Evaluation Report

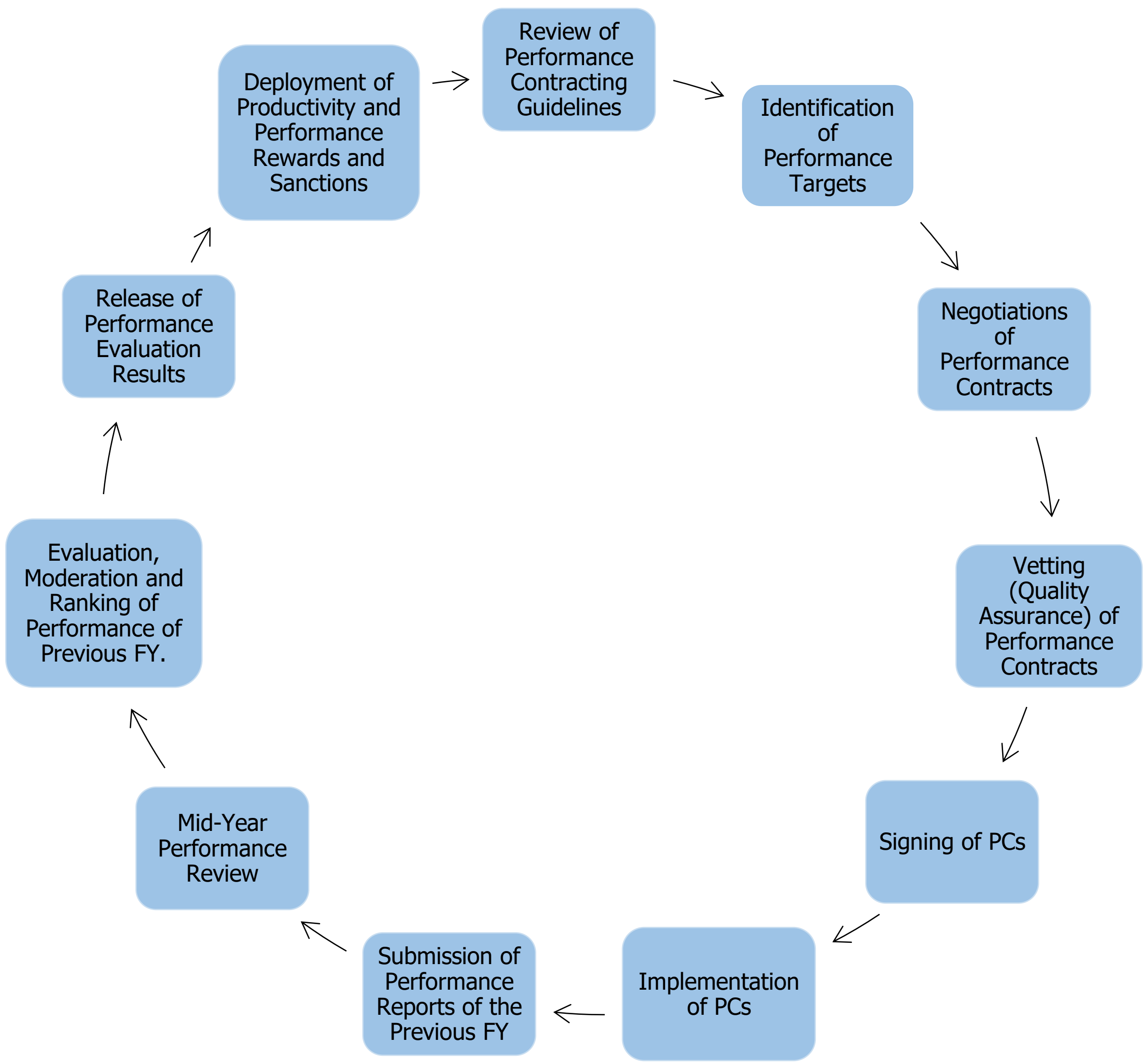
Upon completion of the annual performance evaluation and moderation, PSPMU will compile the Annual Performance Evaluation Report, which will be released by the President.

NB:
Any concerns raised during Quarterly Monitoring, Mid-Year Performance Review or Annual Performance Evaluation and Moderation should be referred to Public Service Performance Management Unit for arbitration.

PART TWO

ANNEXES TO THE PERFORMANCE CONTRACTING GUIDELINES FOR FY. 2023/24

Annex I: Annual Performance Contracting Cycle



Annex II: Parties to the Negotiations and Vetting of Performance Contracts

A: Negotiations of Performance Contracts:

I. Ministries

Government	Ministry
Cabinet Secretary Specialized Agencies	Principal Secretary(ies)
	Heads of Department

II. Constitutional Commissions/Independent Offices

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

III. State Corporations

Government	State Corporation
PS –Relevant State Department The National Treasury Specialized Agencies	Chairperson
	Independent Director/ Council Member
	CEO
	Heads of Department

Chairperson to lead the State Corporation Team

IV. Tertiary Institutions

Government	**Tertiary Institution**
PS –Relevant State Department Specialized Agencies	Chairperson/ BoM
	One Independent BoM Member
	Chief Principal/Principal
	Heads of Department

Chairperson to lead the Tertiary Institution's Team

B: Vetting of Performance Contracts:

I. Ministries

Government	**Ministry**
Office of the Prime Cabinet Secretary – Public Service Performance Management Unit	Cabinet Secretary
	Principal Secretary(ies)
	Heads of Department

II. Constitutional Commissions/Independent Offices

Government	**Constitutional Commission/ Independent Office**
Chairperson	Secretary/CEO
	Directors/ Heads of Department
	Heads of Divisions/Sections/ Units

Secretary/CEO to lead the Constitutional Commission's/ Independent Office's Team

III. State Corporations

Government	State Corporation
Office of the Prime Cabinet Secretary – Public Service Performance Management Unit	Chairperson
	Independent Director/ Council Member
	CEO
	Heads of Department

Chairperson to lead the State Corporation's Team

IV. Tertiary Institutions

Government	Tertiary Institution
Office of the Prime Cabinet Secretary – Public Service Performance Management Unit	Chairperson/ BoM
	One Independent BoM Member
	Chief Principal/Principal
	Heads of Department

Chairperson to lead the Tertiary Institution's Team

Annex III: Performance Evaluation Methodology

1.0 Performance Grades

Performance of an MDA for a particular performance indicator can fall under any of the following performance grades: Excellent, Very Good, Good, Fair or Poor.

Excellent Grade

Achievement ranging from 130% to 200% of the performance target i.e., $1.3T \leq X_a \leq 2T$.

Where T= Target and X_a= Actual Achievement

Very Good Grade

Achievement ranging from 100% to less than 130% of the performance target i.e., $T \leq X_a < 1.3T$.

Good Grade

Achievement ranging from 70% to less than 100% of the performance target i.e., $0.7T \leq X_a < T$.

Fair Grade

Achievement ranging from 50% to less than 70% of the performance target i.e., $0.5T \leq X_a < 0.7T$.

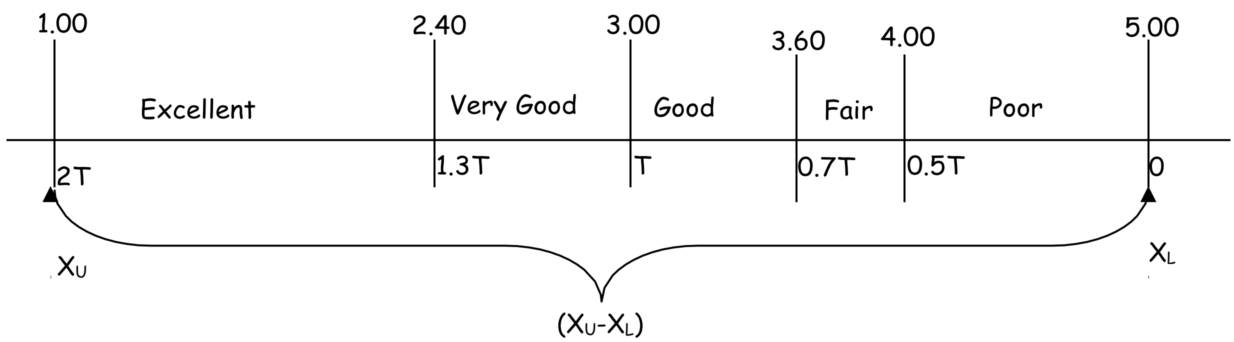
Poor Grade

Achievement ranging from 0% to less than 50% of the performance target i.e., $0 \leq X_a < 0.5T$.

1.1 Computation of Performance Criteria Values

Performance is rated on a scale of 1.00 to 5.00 where 1.00 represents achievement equal to or greater than 2T and 5.00 represents "Zero" achievement. This means that an achievement of 2T and above attracts a raw score of 1.00, while an achievement of "Zero" attracts a raw score of 5.00 in situations where achievement of a higher value is desirable.

This is illustrated in the diagram shown below:



Where, T = Target

X_a = Actual Achievement

X_U = 2T = Upper Criteria Value

X_L =0= Lower Criteria Value

Total Span =4 i.e. 5.00 -1.00

The methodology for computing the raw score for any achievement entails establishing the value of the position of the performance within entire span. Calculation of the Raw Score therefore, is based on the Actual Achievement (X_a) as it relates to the Target (T).

$$\text{Raw Score} = \text{Upper Criteria Value Limit} + \text{Span} \left\{ \frac{X_U - X_a}{X_U - X_L} \right\}$$

NB: All criteria value ranges are determined by applying the same formula that computes the criteria values proportionately from 1.00 to 5.00.

Similarly, the rest of the criteria value ranges can be derived using the same formula thus:

Criteria Value Range

Performance Grade	**Criteria Value Range Using Raw Score**	**Range Span**
Excellent	1.00 ≥ Xa ≥2.40	1.40
Very Good	2.40> Xa ≥ 3.00	0.60
Good	3.00> Xa ≥3.60	0.60
Fair	3.60> Xa ≥4.00	0.40
Poor	4.00> Xa ≥5.00	1.00

NB: In cases where performance falls on 2.40, 3.00, 3.60 and 4.00, the grading will be "Excellent", "Very Good", "Good" or "Fair" respectively.

1.3: Computation of the Raw Score When Higher Achievement is Desirable

Computation of the Raw Score entails determining the point at which the achievement falls within the range 1.00 to 5.00. The value of the raw score determines the performance grade.

Step 1: Determine the Actual Achievement, X*a*

Step 2: Apply the Formula

$$\text{Raw Score} = \text{Upper Criteria Value Limit} + \text{Span}\left\{\frac{X_u - X_a}{X_u - X_L}\right\}$$

$$\text{Raw Score} = 1.00 + 4.00\left\{\frac{X_u - X_a}{X_u - X_L}\right\}$$

As the diagram above shows, X_U=2T and X_L=0 Therefore:

$$\text{Raw Score} = 1.00 + 4.00\left\{\frac{2T - X_a}{2T - 0}\right\}$$

$$\text{Raw Score} = 1.00 + 4.00\left\{\frac{\mathbf{2T - X_a}}{\mathbf{2T}}\right\}$$

$$\mathbf{Raw\ Score = 1.00 + 2.00}\left\{\frac{\mathbf{2T - X_a}}{\mathbf{T}}\right\}$$

Where, Upper Criteria Value Limit = 1.00, Span = 4.00, T = Target and Xa = Actual Achievement.

Step 3: Compute the Weighted Score

Multiply Raw Score by the weight assigned to the indicator (expressed as a percentage) to obtain the Weighted Score, i.e., Weighted Score = Raw Score x Indicator Weight as a percentage.

Step 4: Compute the Composite Score

The Composite Score is computed by adding up the weighted scores of all the performance indicators in the performance contract. The Composite Score should range from1.00 to 5.00.

Thus, Composite Score = Sum of all the Weighted Scores.

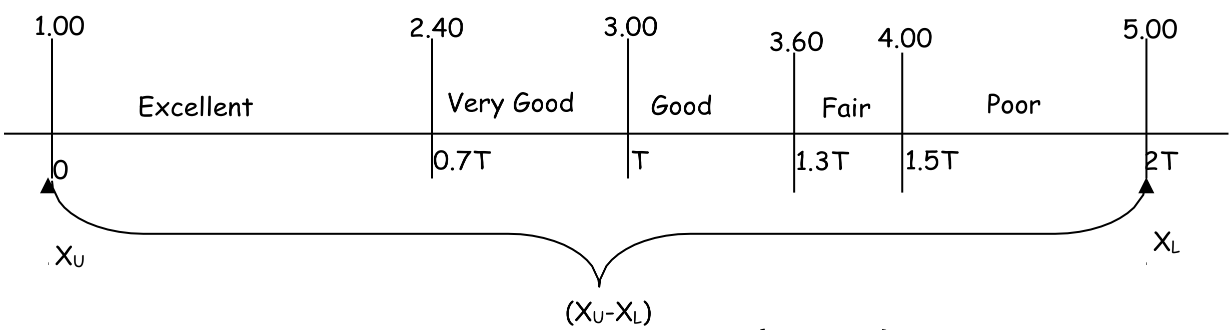
1.3 Computation of the Raw Score When Declining Achievement is Desirable, e.g., Reduction of Turn-around Time, Decongestion, and Decrease in Mortality Rates etc.

Determine criteria value range where actual performance falls

(Where T= Target and X_a = Actual achievement):

i)	Excellent	$=0.7\,T \le Xa \le 0$
ii)	Very Good	$= T \le Xa < 0.7T$
iii)	Good	$= 1.3T \le Xa < T$
iv)	Fair	$= 1.5T \le Xa < 1.3T$
v)	Poor	$=2T \le Xa < 1.5T$

Computation of the Raw Score



Raw Score = Upper Criteria Value Limit + Span $\left\{\frac{X_a - X_L}{X_u - X_L}\right\}$

$$\left\{\frac{X_a - 0}{2T - 0}\right\}$$

Raw Score = 1.00 + 4.00

$$\text{Raw Score} = 1.00 + \left\{\frac{4\ X_a}{\mathbf{2T}}\right\}$$

$$\textbf{Raw Score = 1.00} + \left\{\frac{\mathbf{2X}_a}{\mathbf{T}}\right\}$$

1.4. Indicators Whose Achievement Cannot Exceed 100%

There are some performance indicators for which achievement beyond 100% is not feasible. For such indicators, achievement is capped at 100% and attracts a raw score of 3.00. e.g., capacity utilization, absorption of allocated funds, etc.

Annex IV: Definition 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 for officers in all cadres. Cascading of PC enables an MDA to effectively link individual employee's performance to the performance of the organisation for achievement of the strategic objectives and ultimately its mandate.

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 provided by a public institution, department or unit. It contains information on services/goods provided by the organisation, requirements to obtain the services/goods, cost of the services/goods, time it takes to provide the services/deliver the goods and the redress mechanisms in case of dissatisfaction.

c) **Exogenous Factors –** These are occurrences that affect performance either positively or negatively and 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 vets PCs, monitors and evaluates performance of MDAs on behalf of the Government.

e) **Ministries, Departments and Agencies –** Refers to Ministries, Departments and Agencies such as State Corporations, Constitutional Commissions & Independent Offices and Tertiary Institutions.

f) **Moderation -** 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.

g) **Outputs –** These are specific products or services (immediate results of an activity) over a specified period.

h) **Performance Criteria –** Is a principle or standard for evaluating performance represented by a set of performance indicators.

i) **Performance Evaluation –** The process of ascertaining the extent of achievement of the agreed performance targets using the prescribed performance evaluation methodology.

j) **Performance Indicator –** Is a measurable variable by which the performance of an MDA is assessed.

k) **Performance Monitoring –**Is the consistent tracking of performance and provision of feedback to management, work groups and employees on progress towards achieving the agreed performance targets.

l) **Performance Target -** Is the desired level of achievement for a performance indicator.

m) **Productivity** – is a measure of output produced per unit of input. It represents the relationship between input and outputs in the production process. It addresses the quantity & quality of outputs (products/services) and their worth (value) in terms of achieving the organization's goals and in relation to the resources consumed.

n) **Productivity Index** –is a measure of achievement that identifies the input contribution of each factor of production to the final output in relation to an agreed base year

o) **Productivity Metric**– is a measure of quantitative assessment used for tracking productivity.

p) **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.

q) **Public Sector Productivity** - entails optimizing the delivery of services through efficient and effective use of public funds resulting in increased citizen satisfaction, public trust, accountability, cost reduction, competitiveness, high quality of life and reduction of wastes.

r) **Sector Performance Standards –** These are international/regional and/or national sectoral benchmarks that inform the identification of performance indicators and targets for MDAs.

s) **Self-Evaluation –** Refers to in-house performance assessment by an MDA using the self-evaluation module in the GPCIS.

t) **Total Assets -** Is the net sum of fixed and current assets, including investments, work in progress and other tangible and intangible assets.

u) **Vetting** – Refers to the process of verifying whether a negotiated Performance Contract fully complies with the provisions of the Performance Contracting Guidelines. The process is essentially a quality assurance exercise and is undertaken by PSPMU.

Annex V: Model Performance Contract and Matrices

Annex V(A): Model Performance Contract for Ministries/ State Departments, Constitutional Commissions, Independent Offices, State Corporations and Tertiary Institutions[1]

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 the provisions of the Constitution of Kenya;

The Government recognizes that MDAs hold a key role in the implementation of the national priorities in order to improve the quality of life of the citizens 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. MDAs are required to adopt systems that enable

---

1 ***The Model Performance Contract is applicable to all MDAs and therefore relevant sections should be filled accordingly. The text and figures that apply uniformly to all MDAs have already been standardized and provided in the GPCIS and need not be keyed again. MDAs are advised to download the PC Preparation User Guide from the GPCIS for instructions on the information that they are required to key in.***

innovativeness and adaptability of public services to the needs of users through automation and on-boarding of services on the e-citizen platform.

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

Therefore, the parties hereto agree as follows:

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 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 MTP IV, keeping in mind the specific priorities of the Ministry/State Corporation/Tertiary Institution.

Bearing in mind the imperative of inclusivity, I/we will implement the following Strategic Intents 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.

NB:

1. ***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 PC development process.***
2. ***The commitment on "Release of exchequer within seven (7) days upon submission of the request" has been removed from the GPCIS since it does not apply uniformly across all MDAs. However, MDAs that need to commit the Government through their Parent Ministry, may include the commitment.***

Part V: Reporting Requirements

MDAs are required to compile and submit their Quarterly and Annual performance reports online as provided in ***Section 5.7.1*** 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 1st July to 30th June or as otherwise specified.

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 list of the signatories to the Performance Contract is provided in Section 5.5 of the Guidelines and relevant information is available in the GPCIS for MDAs to select as applicable. As provided in the Draft PC User Guide, all information on signatories will be selected from a dropdown list except for the names of the signatories, which are specific to the MDA and will therefore have to be keyed in.

Annex V(B): Performance Contract Matrices[2]

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

S/No.	Performance Criteria	Unit of Measure	Weight (%)	Status Previous Year (FY 2022/23)	Annual Target (FY 2023/24)
A	**Financial Stewardship***				
	Absorption of Allocated Funds (GoK)	%	2		100
	Absorption of Externally Mobilized Funds	%	3		100
	Appropriation-in-Aid	Kshs.	2		
	Pending Bills Ratio	%	3		≤1
	Weight Sub-Total		**10**		
B	**Service Delivery**				
	Implementation of Citizens' Service Delivery Charter	%	5		100
	Digitalization of Government Services	%	6		100
	Resolution of Public Complaints	%	4		100
	Weight Sub-Total		**15**		
	Core Mandate				
	MDA's priority programmes/		47		

[2] As explained in ***Section 4 (Key Elements of the Model Performance Contracts***) all standard information in the PC Matrix has already been incorporated in the PC Preparation Module in the GPCIS. MDAs should therefore internalise the *PC P* User Guide to effectively and comprehensively key in relevant information to develop the matrix online.

S/No.	Performance Criteria	Unit of Measure	Weight (%)	Status Previous Year (FY 2022/23)	Annual Target (FY 2023/24)
C	projects (BeTA, Vision 2030 Flagship Projects, Other National Priorities and Programmes/ Projects) aligned to SDGs, Agenda 2063 and SPS				
	Strategic Plan Developed/Reviewed	%	3		100
	Ease of Doing Business**	%	2		100
	Project Completion Rate	%	2		100
	Revenue Collection***	Kshs.	4		
	Development Index****	%	2		
	Science, Technology and Innovation Mainstreaming*****	%	2		100
	Productivity Mainstreaming******	%	3		100
	Weight Sub-Total		**65**		
D	**Implementation of Presidential Directives**	%	**2**		100
E	**Affirmative Action in Procurement**				
	Access to Government Procurement Opportunities	Kshs	2		
	Promotion of Local Content in Procurement	Kshs	2		
	Weight Sub-Total		**4**		

S/No.	Performance Criteria	Unit of Measure	Weight (%)	Status Previous Year (FY 2022/23)	Annual Target (FY 2023/24)
F	**Cross-Cutting**				
	Asset Management	%	0.5		100
	Youth Internships/Industrial Attachments/ Apprenticeships	No	1		
	Competence Development	%	1		100
	National Values and Principles of Governance	%	1		100
	Road Safety Mainstreaming	%	0.5		100
	Weight Sub-Total		**4**		
	Overall Total Weight		**100**		

****Assignment of weights based on different scenarios depending on which performance indicator(s) are applicable to an MDA will be as follows:***

SCENARIO I: *If Absorption of Externally Mobilized Funds is not applicable, the Weight for Absorption of Allocated Funds (GoK) should be adjusted to 5*

SCENARIO 2: *If A- in- A is not applicable, the Weight for Absorption of Allocated Funds (GoK) should be adjusted to 3 and the one for Absorption of Externally Mobilized Funds to 4*

SCENARIO 3: *If both Absorption of Externally Mobilized Funds and A –in- A are not applicable, the Weight for Absorption of Allocated Funds (GoK) should be adjusted to 6 and the one for Pending Bills Ratio to 4*

*****This is applicable to MDAs that implement "Ease of Doing Business" sub-indicators as stipulated in Annex VI on Description of Performance Indicators.***

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

*******This performance indicator is only applicable to The National Treasury***

and Economic Planning.

******** This performance indicator applies to all MDAs that have a specific mandate on research, science, technology and innovation as part of their core mandate. Information on whether an MDA is eligible to implement this performance indicator will be communicated to the MDAs individually by NACOSTI. In addition, NACOSTI should upload the full list of the eligible MDAs on its website www.nacosti.go.ke by 30th June, 2023.***

*********This Performance Indicator applies to all MDAs without exemption.***

2. Performance Contract Matrix for Commercial State Corporations[3]

S/No.	Performance Criteria	Unit of Measure	Weight (%)	Status Previous Year (FY 2022/23)	Annual Target (FY 2023/24)
A	**Financial Stewardship***				
	Absorption of Allocated Funds (GoK)	%	2		100
	Absorption of Externally Mobilized Funds	%	3		100
	Appropriation-in-Aid	Kshs.	2		
	Pending Bills Ratio	%	3		≤1
	Weight Sub-Total		**10**		
B	**Service Delivery**				
	Implementation of Citizens' Service Delivery Charter	%	5		100
	Digitalization of Government Services	%	6		100
	Resolution of Public Complaints	%	4		100
	Weight Sub-Total		**15**		
C	**Core Mandate**				
	MDA's priority programmes/ projects (BeTA, Vision 2030 Flagship Projects, Other National Priorities and Programmes/ Projects) aligned to SDGs, Agenda 2063 and SPS		39		

[3] As explained in ***Section 4 (Key Elements of the Model Performance Contracts***) all standard information in the PC Matrix has already been incorporated in the PC Preparation Module in the GPCIS. MDAs should therefore internalise the *PC Preparation* User Guide to effectively and comprehensively key in relevant information to develop the matrix online.

	Strategic Plan Developed/Reviewed	%	3		100
	Ease of Doing Business**	%	2		100
	Project Completion Rate	%	2		100
	Pre-Tax Profit	Kshs.	5		
	Dividends to The National Treasury	Kshs.	5		
	Return on Investment	%	4		
	Science, Technology and Innovation Mainstreaming ***	%	2		100
	Productivity Mainstreaming****	%	3		100
	Weight Sub-Total		**65**		
D	**Implementation of Presidential Directives**	%	**2**		100
E	**Affirmative Action in Procurement**				
	Access to Government Procurement Opportunities	Kshs.	2		
	Promotion of Local Content in Procurement	Kshs.	2		
	Weight Sub-Total		**4**		
F	**Cross-Cutting**				
	Asset Management	%	0.5		100
	Youth Internships/ Industrial Attachments/ Apprenticeships	No	1		
	Competence Development	%	1		100
	National Values and Principles of Governance	%	1		100
	Road Safety Mainstreaming	%	0.5		100
	Weight Sub-Total		**4**		
	Overall Total Weight		**100**		

****Assignment of weights based on different scenarios depending on which***

performance indicator(s) are applicable to an MDA will be as follows:

SCENARIO I: *If Absorption of Externally Mobilized Funds is not applicable, the Weight for Absorption of Allocated Funds (GoK) should be adjusted to 5.*

SCENARIO 2: *If A- in- A is not applicable, the Weight for Absorption of Allocated Funds (GoK) should be adjusted to 3 and the one for Absorption of Externally Mobilized Funds to 4.*

SCENARIO 3: *If both Absorption of Externally Mobilized Funds and A –in- A are not applicable, the Weight for Absorption of Allocated Funds (GoK) should be adjusted to 6 and the one for Pending Bills Ratio to 4.*

*****This is applicable to MDAs implementing ease of doing business sub-indicators as stipulated in Annex VI on Description of the Performance Indicator on Ease of Doing Business*****.**

****** This performance indicator applies to all MDAs that have a specific mandate on research, science, technology*** **and** ***innovation as part of their core mandate. Information on whether an MDA is eligible to implement this performance indicator will be communicated to the MDAs individually by NACOSTI. In addition, NACOSTI will upload the full list of the eligible MDAs on its website www.nacosti.go.ke by 30th June, 2023.***

********This Performance Indicator applies to all MDAs without exemption.***

Annex VI: 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. It links the process of budgeting to performance target setting. Absorption will be computed by dividing the actual total expenditure by 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 Mobilized Funds include donor funds (Loans, grants, etc.). MDAs are required to provide full disclosure of all sources of their external funding.

3. **Appropriation-in-Aid -** This refers to classes of revenue that The National Treasury authorizes an Accounting Officer to collect and use at source. It also includes classes of donor funds reflected as Direct Payments A-in-A in the printed estimates.

4. **Pending Bills Ratio –** This is the measure of all financial obligations that remain outstanding at the end of the financial year that have to be provided for in the subsequent budgeting period expressed as a percentage of the total approved budget. 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 be treated as pending bills.

MDAs should ensure that any pending bills that are incurred in a given financial year do not exceed 1% of the actual budgetary allocation for the contract period.

In addition, MDAs should fully document and disclose all historical pending bills and put in place measures to resolve them.

5. Implementation of Citizens' Service Delivery Charter

Key service delivery commitments by MDAs to the citizens are detailed in a Citizens' Service Delivery Charter. An effective Citizens' Service Delivery Charter should clearly communicate the expected service delivery standards that should include requirements to access the service/good, cost of the service/good and the turn-around-time for the service. In addition, MDAs should ensure that they fulfill their commitments and progressively improve customer experience. MDAs are required to:

a) Display the Citizens' Service Delivery Charter prominently at the point of entry/service delivery points in both English and Kiswahili using the prescribed format that is provided in ***Annex VII***. For the purpose of visibility and legibility 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%);
b) Customize the charter to unique needs and convenient access of the customers by among others, translating the Charter to Braille, providing mechanisms for sign language, providing audio recordings and uploading the Charter on the MDA's online platforms (20%);
c) Sensitize staff on the Citizens' Service Delivery Charter (20%); and
d) Ensure conformity with commitments and standards in the Charter by establishing compliance mechanisms e.g. maintaining records on service delivery (50%).

NB: An institution that does not display the Citizens' Service Delivery Charter prominently at the point of entry/service delivery points in both English and Kiswahili, in the prescribed format and size, will be awarded a raw score of 5.00 for this performance indicator during the annual performance evaluation.

6. Digitalization of Government Services

This refers to measures to be undertaken by MDAs to accelerate the adoption of ICT solutions for: ease of access; fast; cost effective; convenient and efficiency in service delivery. This will be done through re-engineering of business processes and the application of digital technologies to enhance Government service delivery. In addition, it will involve aligning institutional structures, functions, policies and strategies that will facilitate progressive digitalization.

The performance indicator aims to facilitate MDAs to: identify and document areas of digitalization; prioritize services to be digitalized; re-engineer, digitize and automate business processes; onboard services to the E-Citizen platform; undertake initiatives to achieve a paperless office; identify and set-up appropriate infrastructure; institute cyber security strategies; monitor the availability of online service; undertake capacity building/re-tooling on digital skills; and institute change management strategies. Services that require digitalization are those that are citizen-oriented, have back office processes, and are focused on enhancing effectiveness and efficiency in service delivery.

The State Department for ICT and Digital Economy will play a lead role in providing technical support to MDAs to operationalize this indicator in consultation with Public Service Transformation Department (PSTD).

For effective implementation of the performance indicator, MDAs are expected to create an enabling environment by ensuring the following among others:

1. Establish and Operationalize Digitalization Committee within the MDAs.
2. Conduct a baseline survey to determine the institutional level of digitalization. (Template to be provided by the State Department of ICT and the Digital Economy).
3. Develop workplace digitalization and automation strategy incorporating measures that will enable people with disabilities to access online services.

4. Adoption of usage of official emails, and setting up appropriate infrastructure, (LAN, Connectivity, Data Centers, Backups) to facilitate the digitalization of Business processes.

The above are enablers for digitalization and will not be part of the performance evaluation criteria.

MDAs are required to:

(i) Identify and prioritize citizen-facing and back-office services to be digitalized**;** (5%)

(ii) Re-engineer business processes for at least 25% of the prioritized services; (25%)

(iii) Digitalize at least 25% of the identified services; (40%)

(iv) On-board at least 25% of citizen-facing services to the e-citizen platform; (10%)

(v) Institute measures for cyber security and data protection e.g., use of biometric security features, anti-virus updates, data back-up, Secure Socket Layer (SSL) Certificates, privacy and data protection; (10%) and

(vi) Identify and implement Business Continuity Strategies e.g., Disaster Recovery Plan, Backups and Storage Strategy. (10%)

7. Resolution of Public Complaints

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 to each MDA indicating the level of achievement in percentage for the performance indicator.

MDAs are required to undertake the following:

a) Resolution of all complaints received (50%);
b) Access to information – Reactive Disclosure (30%);
c) Awareness creation on the complaints handling mechanisms (20%).

Additional information to support MDAs in implementation of this performance indicator including the reporting template can be accessed from CAJ website: www.ombudsman.go.ke

Quarterly reports should be submitted via email to the Commission through certificationpc@ombudsman.go.ke

8. Core Mandate - MDAs should identify the performance indicators that are informed by the Kenya Vision 2030 MTP IV, National Priorities (as espoused in the "**Sector Reports of the inaugural Retreat of the Cabinet and the Senior Ranks of the Executive for implementation in the year 2023**"), Agenda 2063, SPS, and the SDGs. The funding requirements should be established under either GoK or any other sources. 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. Strategic Plan Developed/Reviewed

Good practice in socio-economic development requires governments to implement their development blueprints by adopting the concept of medium term planning horizon through preparation and implementation of a series of five year plans. The Government has adopted the five-year Medium Term Plans (MTPs) as its tool for implementation Kenya Vision 2030.

MDAs are required to develop their next generation Strategic Plans to align to the Kenya Vision 2020 MTP IV including prioritising core priorities of the current administration. An MDA whose strategic plan is not aligned to Kenya Vision 2030 MTP IV Plan period will be required to review the strategic plan. The Strategic Plans should be developed/reviewed by 31st December, 2023.

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 Deed;

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 proceedings.

11. Project Completion Rate – Refers to the status of implementation of planned projects during the contract period as per the identified deliverables. Projects refer to both physical and non-physical development undertakings. MDAs are required to key in the required information on identified projects in the "*Projects Matrix*" label under the "*Define Pro*jects" sub-label that is provided in the GPCIS *PC Preparation* Module when developing their PCs. Once all the information is keyed in, it should appear in tabular form (*Captured Projects Table*) as shown below:

S/No.	Project Name	Project Description	Location	Total Estimated Cost (Kshs.)	Current Status (Status of physical completion in % and description)	Allocation for FY 2023/24 (Kshs.)	Expected Deliverables (Outputs) for FY 2023/24

Only projects that are not directly under the mandate of an MDA but support or facilitate achievement of the core mandate e.g. construction of an administration block, development of ERP, construction of field offices, construction of a perimeter fence etc. should be keyed in as projects for the purpose of identifying projects under the *Project Completion Rate* performance indicator.

MDAs should ensure that projects that are listed in the matrix are not duplicated as performance indicators under the Core Mandate. In addition, MDAs should ensure that the expected deliverables are as per the awarded contracts or the approved work plans where such projects are implemented internally. For the purpose of annual performance evaluation, actual achievement for Project Completion Rate will be computed by averaging the verified level of achievement for all the committed projects.

12. Revenue Collection – Refers to monies collected from private organisations, public agencies and individuals in form of fines, taxes, levies, user charges or any fees and remitted to Kenya Revenue Authority. This is only applicable to MDAs that have a specific mandate of collecting revenue as provided by relevant statutes.

13. Development Index –Refers to the ratio of development expenditure to total expenditure expressed as a percentage. Annual achievement 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. The National Treasury and Economic Planning should ensure that the minimum ratio of 70:30 for RE to DE is achieved during the budgeting process and subsequent releases to the MDAs.

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

15. **Dividends to The National Treasury –** This refers to the payment made to The National Treasury as a shareholder in a Government Agency during the distribution of profit.

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

17. **Science, Technology and Innovation (STI) Mainstreaming**

Investments in Research, Science, Technology and Innovation (RSTI) is indispensable for any Country or entity that seeks to secure public safety, national security, as well as accelerate the realization of inclusive sustainable development. The need for deployment and infusion of RSTI into national and global systems is further expounded by the prevailing global insecurity and economic meltdown occasioned by regional conflicts, climate change, and environmental degradation.

Kenya Vision 2030 & its Medium-Term Plans and the national priorities recognize the role of RSTI in increasing productivity, enhancing efficiency levels, accelerating economic development, as well as creating comparative advantage and competitiveness of the country. RSTI is also recognized as key in transforming the country from a factor-based to an innovation-led, knowledge-based economy.

MDAs are required to undertake the following:

i) Develop institutional STI Mainstreaming Strategy (for new entrants into the STI Mainstreaming Performance Indicator) **OR** Implement the developed institutional STI Mainstreaming Strategy (for MDAs that developed the Strategy in the previous financial year) using the template provided on NACOSTI's website (30%);

ii) Develop and implement STI Mainstreaming Annual Work Plan for institutional STI Mainstreaming (50%); and

iii) Submit quarterly and annual reports online to NACOSTI using the STI Mainstreaming reporting template provided on NACOSTI's website (20%).

NB:

Additional information to support MDAs in implementation of this performance indicator including the reporting template and the list of eligible MDAs can be accessed from NACOSTI's website. www.nacosti.go.ke

18. Productivity Mainstreaming - entails development, implementation and adoption of strategies and interventions that enable organizations to measure, manage and improve productivity and ultimately entrench a culture of productivity. This involves interventions on productivity awareness creation, measurement and improvement. In the public sector, productivity measurement is a deliberate assessment of the efficiency and efficacy of delivering Government services.

The aim of the indicator is to enable MDAs to measure the efficiency and effectiveness of resources (labour, capital, technology and systems) utilization in converting inputs into quality outputs. This is undertaken under three broad areas namely: Operational Efficiency; Labour Performance; and Citizen Participation. The specific metrics related to the three areas include but not limited to: costs; time; output rate; and resource usage to inform decision making with respect to pricing, production scheduling, purchasing, contracting and delivery scheduling.

For effective implementation of the performance indicator, MDAs are expected to create an enabling environment by ensuring the following:

(i) Establish and operationalize a Productivity Mainstreaming Committee;
(ii) Train Productivity Champions; and
(iii) Create awareness/sensitization on productivity mainstreaming for all staff.

The National Productivity and Competitiveness Centre (NPCC) in the Ministry of Labour and Social Protection will play a lead role in providing technical support to MDAs.

MDAs are required to:

(i) Develop Productivity Metrics (30%);
(ii) Collect productivity measurement data (20%);
(iii) Compute Productivity Index (25%);
(iv) Develop workplace productivity improvement strategy (20%); and
(v) Submit quarterly performance reports to NPCC using the prescribed format (5%).

1. ***Additional information to support MDAs in the implementation of this performance indicator including the reporting format can be accessed from the website of the Ministry of Labour and Social Protection at https://www.labour.go.ke***
2. ***Quarterly reports should be sent to the National Productivity and Competitiveness Centre on email address: productivitycentre@labour.go.ke***

19. Implementation of Presidential Directives - This refers to directives that are issued by H.E. The President and communicated by the Chief of Staff and Head of the Public Service on specific areas for execution by the relevant MDA and may include Circulars and Executive Orders. **If a Presidential Directive is already provided for as a performance indicator under the Core Mandate performance criterion, it should not be duplicated under the Implementation of Presidential Directives Criterion**.

The Presidential Directive on "National Tree Growing Restoration Campaign" is mandatory across all Public Institutions. All MDAs placed on Performance Contract should commit on this Presidential Directive without exemption.

20. National Tree Growing Restoration Campaign: The World is facing the triple planetary crisis on climate change, biodiversity loss, and land degradation. Forests and Rangelands are important for climate and environmental stability; economic development; and social & livelihood support systems. There is a Global call for action to halt and reverse deforestation and land degradation with consensus to restore at least 30% of the degraded terrestrial and marine ecosystems by 2030. Kenya has more than 90% of landscapes facing degradation (61% high and 27% severe).

In response to the global call, the President launched the National Tree Growing and Restoration Campaign to grow 15 billion trees for restoration of 10.6 million hectares by 2032 on 21st December, 2022**.**

This initiative is expected to increase forest and tree cover from 12% to 30% by 2032; restore ecological integrity and functioning of ecosystems; strengthen communities' resilience to climate change; support sustainable supply of environmental products and services (water and biodiversity); establishment of nature-based enterprises in the rural areas, catalyze tree growing culture among Kenyans for livelihoods support and increase access to climate finance through carbon trading.

MDAs are required to undertake following:

a. Grow a minimum of 30 trees per year per staff (40%);

b. MDAs to mobilize key stakeholders in liaison with the State Department for Forestry to conduct three (3) tree planting/growing events in the year (50%); and

c. Submit half yearly (for each rain season) and annual reports to the State Department for Forestry on the number of trees grown (10%).

1. ***Additional information to support MDAs in implementation of this performance indicator including the reporting template can be accessed via www.environment.go.ke***
2. ***Half-yearly and annual reports should be submitted to the Ministry via ps@forestry.go.ke and psforestryke@gmail.com***

For each of the identified Presidential Directives, MDAs should key in the required information in the "Presidential Directives Matrix" label under the "Define Presidential Directives Matrix" sub-label provided in GPCIS PC Preparation Module. Once all the information is keyed in, it should appear in tabular form (*Captured Presidential Directives*) as shown below:

S/No	Directive Name	Directive Description	Date Issued	Directive Timelines	Estimated Cost (Kshs.)	Allocation for Current FY (Kshs.)	Expected Deliverables

For the purpose of annual performance evaluation, actual achievement for Implementation of Presidential Directives will be computed by averaging the achievement for all the committed Directives.

21. 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 should 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. MDAs shall submit a summary of the procurement opportunities allocated to PWDs to NCPWD, via dmd@ncpwd.go.ke

22. Promotion of Local Content in Procurement - 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. It 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.

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

i) Where goods and services are wholly produced in Kenya using local inputs; and
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 Investments, Trade and Industry.

MDAs are advised to refer to the Preferential Procurement Master Roll No. 1 of 2022 issued by the Ministry of Investments, Trade and Industry which can be accessed on http:/www.industrialization.go.ke.

23.Asset Management

Asset management is the systematic process of planning, acquisition, operating, maintaining and disposing of assets in the most cost-effective manner. Implementation of this performance indicator will facilitate MDAs to prepare and maintain registers of assets, safeguard the assets and ensure standardization of the process for: identification; recording; disclosure; and reporting of assets. In addition, the indicator will ensure idle and unserviceable assets are disposed, in all cases, in full conformity to the existing legal requirements. Further, Public sector entities will ensure adequate asset management structures and systems are in place for prudent management of public assets for optimum economic and social benefits to the public.

The asset register reports will provide data that will be consolidated into a Government Inventory of Assets for all Public Entities. In addition, MDAs should acquire documents of ownership of land, buildings, equipment and motor vehicles to support ownership. To ensure a coordinated approach in Assets Management at MDAs level and for effective implementation of this performance indicator, MDAs shall establish an Asset Management Standing Committee and an Asset Management Unit.

MDAs are required to undertake the following:

a) Maintain and update Assets Registers using the prescribed reporting templates issued by the National Treasury (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%).

All MDAs are required to submit quarterly and annual reports to The National Treasury & Economic Planning using the prescribed format by email *nalm@treasury.go.ke* .

1. ***The National Treasury will assess the annual performance of MDAs and issue a score at the end of the contract period.***
2. ***Prescribed reporting templates and guidelines to support MDAs in implementation of this performance indicator can be accessed from the National Treasury website at https://www.treasury.go.ke.***

24. Youth Internships/Industrial Attachments/Apprenticeships - MDAs are required to engage the youth progressively in internship, industrial attachment or apprenticeship programs 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 (based on numbers declared and actual postings by the Public Service Commission), industrial attachment or apprenticeship programs. The target for internship opportunities should at the very minimum be the number declared to the Commission for the contract period.

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.

25. Competence Development – Refers to the systematic enhancement of skills and proficiencies in order to address career progression of individual employees and improve institutional performance.

Employee Performance Management is the assessment of individual employee's performance. It is based on the negotiated and agreed performance targets that are drawn from the MDA's annual work plan and the PC

MDAs should ensure that the Skills Gap Analysis is carried out objectively so that identification of interventions is comprehensive and the Training Needs Assessment (TNA) is undertaken effectively.

MDAs are required to:

(a) Undertake Institutional Skills Gap Analysis every 5 years (20%);
(b) Undertake Staff Training Needs Assessment every 3 years or as need arises and prepare annual staff training projections (10%);
(c) Address the identified skills gaps and training needs through interventions such as recruitment, outsourcing, capacity building, training, coaching, mentoring, etc. (30%); and
(d) Undertake Employee Performance Management by carrying out the following:
   i) Set individual employees annual performance targets for FY 2023/24 using the prescribed format by 31st July, 2023 (10%);
   ii) Undertake Staff Performance Appraisal for all employees and compile the appraisal report for the FY 2022/23 by 31st August, 2023 (15%); and
   iii) Develop an action plan and implement the recommendations emanating from the staff appraisal reports (15%).

For an MDA whose Institutional Skills Gap Analysis and/or TNA are within the validity period, the weights assigned to the sub-indicators should be re-distributed proportionately to the other sub-indicators.

26. National Values and Principles of Governance –

This indicator aims at making national values and principles of governance a central rallying ingredient and theme in the planning and execution of national policies, programs, projects and activities for improved service delivery.

MDAs are required to:

a) Implement at least **four (4)** commitments and submit in the prescribed format an Annual Progress Report on the implementation of the commitments and way forward captured in the 2022 Annual President's Report on National Values and Principles of Governance (40%);

The following are the six (6) commitments and way forward in the 2022 President's Annual Report on measures taken and progress achieved:

i) Implement measures to support the five pillars of the Government Plan as outlined in the Bottom Up Economic Transformation Agenda (2022-2027) namely: Agriculture, Micro, Small and Medium Enterprise (MSME) Economy, Housing and Settlement, Improved Healthcare for all Kenyans and Digital Superhighway and Creative Economy;

ii) Leverage on digitization and automation of government processes to make 80% of government services online;

iii) Enhance adherence to the provisions of Article 10 of the Constitution through civic education, training and sensitization and mainstreaming of national values and principles of governance;

iv) Implement measures to promote accountability and openness in the management of public affairs and institutions;

v) Support devolution by strengthening collaboration and cooperation between the two levels of government for improved service delivery; and

vi) Continue to implement measures to protect the environment and mitigate climate change.

b) Submit in the prescribed format the Annual Report on Measures taken and Progress Achieved in the Realization of National Values and Principles of Governance (60%).

1. ***The two reports shall be submitted to the Directorate of National Cohesion and Values, Extelcoms House 10th floor by 15th July, 2024 in hard copy and soft copy emailed to: nationalvalues2017@gmail.com*** *with a copy to* **Nationalvalues2017@headofpublicservice.go.ke**
2. ***The Directorate will analyze MDAs' annual reports, assess performance and issue a certificate of compliance with a score at the end of the performance contract period.***
3. ***For any clarification/additional information regarding this indicator, MDAs may contact the Directorate of National Cohesion and Values on Tel. No. 0720944992, 0740871554 or email: nationalvalues2017@gmail.com and Nationalvalues2017@headofpublicservice.go.ke***

27. Road Safety Mainstreaming –

This is a multi-sectoral approach to ensure that road safety issues are made an integral part of all Government programmes and 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 accidents in Kenya, which is currently estimated at annual loss of over 3,500 lives and over 10,000 injuries, and a corresponding equivalent loss of 5% of GDP, which is currently estimated at Kshs. 480 Billion.

Establishment of Road Safety Committees (RSCs) and training/sensitization of the Road Safety Committee (RSCs) members, relevant stakeholders, members of board & members of staff in each MDA is a pre-requisite in the implementation of this indicator. The Authority will undertake training or sensitization at no cost to the MDAs.

The performance indicator will be implemented at three (3) levels as follows:

I. LEVEL I

This level applies to MDAs that did not fully achieve their Road Safety Mainstreaming targets during the 19th cycle of Performance Contracting.

MDAs are required to undertake the following:

a) Develop a **Workplace Road Safety Policy** anchored on the NTSA Policy Guidelines. (10%)
b) Develop an **Annual Road Safety Implementation Plan** based on the approved Workplace Road Safety Policy with the following key components included: (20%)
   i. Four (4) road safety activities stipulated in the Workplace Road Safety Policy
   ii. Undertaking Annual Motor Vehicle Inspections of all the vehicles.
   iii. Training of all drivers on defensive driving.
   iv. Reporting on non-compliance on road safety at the workplace on quarterly basis using the prescribed Reporting Template.
c) Implement the **Annual Road Safety Implementation Plan.** (65%)
d) Submit quarterly reports to NTSA in the prescribed format within 15 days after the end of a quarter. (5%)

II. LEVEL II

This level applies to MDAs that have an approved Workplace Road Safety Policy in place. The sub-indicators under this level are derived from the road safety policy developed by the MDA.

MDAs are required to undertake the following:

a) Develop an **Annual Road Safety Implementation Plan** based on the Workplace Road Safety Policy with the following key components included: (25%)
   i. Eight (8) road safety activities stipulated in the Workplace Road Safety Policy
   ii. Undertaking Annual Motor Vehicle Inspections of all the vehicles.

iii. Training of all drivers on defensive driving.
iv. Reporting on non-compliance on road safety at the workplace on quarterly basis using the prescribed Reporting Template.

b) Implement the **Annual Road Safety Implementation Plan**. (70%)
c) Submit quarterly reports to NTSA in the prescribed format within 15 days after the end of a quarter. (5%)

III. **LEVEL III**

IV. This level applies to Technical Agencies that have an approved Road Safety Policy in place. These MDAs have some higher and elevated roles in matters regarding road safety owing to their mandates and roles.

MDAs are required to undertake the following:

a) Develop an **Annual Road Safety Implementation Plan** based on the Workplace Road Safety Policy with the following key components included: (25%)
   i. Include ten (10) road safety activities stipulated in the Workplace Road Safety Policy
   ii. Undertaking Annual Motor vehicle inspections of all the vehicles.
   iii. Training of all drivers on defensive driving.
   iv. Reporting on non-compliance on road safety at the workplace on quarterly basis using the prescribed Reporting Template.
b) Implement the **Annual Road Safety Implementation Plan**. (70%)
c) Submit quarterly reports to NTSA in the prescribed format within 15 days after the end of a quarter. (5%)

NB: The list of eligible MDAs for Level III can be accessed in the NTSA website: www.ntsa.go.ke

Annex VII: Format for the Citizens' Service Delivery Charter

<table>
<tr><td colspan="3">REPUBLIC OF KENYA</td><td colspan="2">MDA LOGO</td></tr>
<tr><td>S/No.</td><td>Service/Good</td><td>Requirements to Obtain Service/Good</td><td>Cost of Service/Good (if any)</td><td>Timeline</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="5">WE ARE COMMITTED TO COURTESY AND EXCELLENCE IN SERVICE DELIVERY
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:</td></tr>
<tr><td colspan="2">The CS/PS/CEO/Principal of the Public Institution</td><td colspan="3">The Commission Secretary/Chief Executive Officer, Commission on Administrative Justice, 2nd Floor, West End Towers, Waiyaki Way, Nairobi.
P.O. Box 20414-00200 Nairobi
Tel : +254 (0)20 2270000/2303000
Email : feedback@ombudsman.go.ke</td></tr>
<tr><td colspan="5">HUDUMA BORA NI HAKI YAKO</td></tr>
</table>