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HEAD OF THE PUBLIC SERVICE

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Ref. No. OP/CAB 13/1/1A
and date

10th June, 2022

The Hon. Attorney General
All Cabinet Secretaries

RE: 19TH CYCLE PERFORMANCE CONTRACTING GUIDELINES FOR FINANCIAL YEAR 2022/23

The Government continues to use Performance Contracting as its key Commitment for Results (CFR) framework in its endeavour to improve service delivery in the Public Service. Performance Contracting is part of the broader public sector reforms to improve efficiency and effectiveness in the management of the Public Service.

The annual Performance Contracting cycle stipulate that a Review of the Performance Contracting Guidelines be undertaken, to guide development of Performance Contracts for a new Financial Year.

The guidelines have been reviewed through a consultative stakeholders' forum with the focus being to provide for implementation of the on-going national priorities, ensure continuity of public services, enhance efficiency in delivery of the services, as well as continue re-engineering Performance Management. The key Performance Contracting processes have been automated through the Government Performance Contracting Information System (GPCIS).

The GPCIS will be configured by 30th June, 2022 and aligned to the reviewed Performance Contracting Guidelines to facilitate all eligible MDAs to develop the FY. 2022/23 Performance Contracts online for negotiations, vetting and review (quality assurance) as per the timelines stipulated in the guidelines and specified through a programme to be issued.

Ministries, Departments & Agencies (MDAs) and Specialized Agencies are advised to strictly adhere to the Performance Contracting Cycle and ensure that vetting of the FY. 2022/23 Performance Contracts and online submission for Review is completed within the set timelines for implementation to commence immediately the new Financial Year commences.

In addition, Specialized Agencies are guided to ensure that they do not pass over any attendant costs of implementing specific performance indicators that they superintend to MDAs, as agreed upon during the stakeholders' forum.

Kindly bring the contents of this circular and the attached Performance Contracting guidelines to the attention of all the institutions under your purview.

Joseph K. Kinyua, EGH
<u>HEAD OF THE PUBLIC SERVICE</u>

Encls.

Copy to: **All Principal Secretaries**

The Comptroller
State House
NAIROBI

The Chief of Staff
Office of the Deputy President
NAIROBI

The Principal Administrative Secretary
Cabinet Affairs Office
NAIROBI

The Secretary/CEO
Public Service Commission (K)
NAIROBI

The Director- General
Nairobi Metropolitan Services
KICC
NAIROBI

Secretary/Chief Executive Officer:
Commission for Administrative Justice
National Council for Persons with Disabilities
National Aids Control Council
Ethics and Anti- Corruption Commission
National Authority for the Campaign Against Drug Abuse
Directorate of National Cohesion and Values
National Transport and Safety Authority

REPUBLIC OF KENYA

MINISTRY OF PUBLIC SERVICE, GENDER, SENIOR CITIZENS AFFAIRS AND SPECIAL PROGRAMMES

PUBLIC SERVICE PERFORMANCE MANAGEMENT AND MONITORING UNIT

PERFORMANCE CONTRACTING GUIDELINES FOR THE FY 2022/2023 (19TH CYCLE)

MAY, 2022

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List of Abbreviations

ADA	Alcohol and Drug Abuse
BoD	Board of Directors
BoM	Board of Management
BPR	Business Process Re-engineering
CAJ	Commission on Administrative Justice
CEO	Chief Executive Officer
COMESA	Common Market for Eastern and Southern Africa
CS	Cabinet Secretary
EAC	East African Community
EACC	Ethics and Anti-Corruption Commission
ERP	Enterprise Resource Planning
FY	Financial Year
GoK	Government of Kenya
GPCIS	Government Performance Contracting Information System
HIV	Human Immuno-Deficiency Virus
IEC	Information, Education and Communication
MDAs	Ministries, Departments and Agencies
MTP	Medium Term Plan
NACC	National Aids Control Council
NACOSTI	National Commission for Science, Technology and Innovation
NCDs	Non-Communicable Diseases
NCPWDs	National Council for Persons With Disabilities
NTSA	National Transport and Safety Authority
PC	Performance Contract
PLWDs	Persons Living With Disabilities
PPRA	Public Procurement Regulatory Authority
PAS	Principal Administrative Secretary
PS	Principal Secretary

PSPMMU	Public Service Performance Management and Monitoring 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. 2022/23

1. Preamble

In its endeavour to improve service delivery in the Public Service, 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 efficient Public Service, the Government is implementing strategies and plans for effectiveness of Performance Management by re-engineering the current framework.

Towards leveraging service delivery on information communication technology, the Ministry of Public Service, Gender, Senior Citizens Affairs and Special Programmes has been automating 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 third year to develop the FY. 2022/23 Performance Contracts for all MDAs. The system comprises a negotiation module, vetting module, review module, monitoring & reporting and performance evaluation modules. These 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, the priority for FY. 2022/23 is to enhance it by designing and developing prototype 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 linking to 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 in one platform for rapid decision making.

The Performance Contracting guidelines have been reviewed to take into account the on-going initiatives to improve and re-engineer Performance Management through Performance Contracting as the Commitment for Results (CFR) Framework and to align it to the GPCIS.

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 vetting; review of the vetted Performance Contracts (PCs); and implementation of the PCs. The guidelines are also intended 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 VA and VB*** respectively. To ensure standardization, the structure of the model PC and the matrix should not be amended or altered.

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

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

a) Cabinet Secretary

The CS has overall responsibility for negotiations, vetting, implementation and monitoring & evaluation of performance of the Ministry and its State Corporations.

b) Principal Secretary/Director General – Nairobi Metropolitan Services/Comptroller of State House/PAS- Office of the Deputy President/PAS – Cabinet Affairs Office/Solicitor General

Identify performance targets and negotiate the PCs for the State Department/Office and its Agencies in consultation with the CS. They will also be 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

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 Public Service

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 (CEO) 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/CEO will also be responsible for overseeing cascading of the PC targets, monitoring & reporting and annual performance evaluation.

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

The Principal Administrative Secretary is responsible for the development of Performance Contracting guidelines, capacity building and technical support to MDAs, support to vetting, review (quality assurance) of vetted PCs to ensure compliance with the guidelines and the custodian of reviewed PCs. PAS also has the responsibility of undertaking quarterly performance monitoring, 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.

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 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; and 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 for all MDAs placed on performance contract to PSPMMU not later than **15th July**.

Specialized Agencies should not pass over any attendant costs (capacity building, sensitizations, audits etc.) of implementing specific performance indicators that they superintend to MDAs, as agreed upon during the stakeholders' forum.

i) Performance Contracting 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 facilitate quarterly performance monitoring & reporting, coordinate the annual performance evaluation and compilation of evidence to support reported achievements.

j) Ministerial Performance Management Committee

The functions and membership of the Ministerial Performance Management Committee (MPMC) as provided in the *Human Resource Policies and Procedures Manual for the Public Service of May, 2016* are as follows:

i) Undertake quarterly review of implementation of Strategic Plans and Performance Contracts;
ii) Ensure linkage between Institutional Performance Contract and 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 VA and VB*** (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 agencies 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, these guidelines should always be read together with the relevant User Guides as 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 for 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 between three and six in order to adequately address all relevant aspects of the mandate but at the same time avoid duplication.

(c) Statement of Strategic Intent

The statement of strategic intent should reiterate the "Whole of Government Approach" (Linked-up Performance), establish the linkage to the National Vision and identify the broad organizational priorities. The strategic 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. In identifying the Strategic Intents for FY. 2022/23, MDAs should also focus on the socio-economic impact of COVID-19 and as much as possible address relevant service delivery continuity initiatives and Post COVID Recovery Strategies and Plans.

(d) Commitments and Obligations of the Government

These refer to any support that should be extended to MDAs by any other public agency to facilitate achievement of the performance targets. The commitments and obligations 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 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 imposed by the Government. In this regard, any required support arising from voluntary actions by MDAs in the interest of good industrial or neighbourhood relations (Corporate Social Responsibility) does not qualify for inclusion. However, in appreciation of the socio-economic impact of COVID-19 pandemic, MDAs should be more innovative in identifying and implementing corporate social responsibility initiatives that cushion eligible community groups outside performance contracting;

vi) MDAs should ensure that annual targets for the identified performance indicators under Core Mandate are based on the FY. 2022/23 approved budget. In instances where a commitment may require additional exchequer funding or the intervention of another public agency, concurrence of The National Treasury and Planning or 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 an MDA may have affected performance.

(e) Assignment of Weights across Performance Criteria and Indicators

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

Performance Criteria	**Weight (%)**
Financial Stewardship	10
Service Delivery	10
Core Mandate	60
Implementation of Presidential Directives	2
Access to Government Procurement Opportunities	3
Promotion of Local Content in Procurement	2
Cross-Cutting	13
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, Cross-Cutting criteria and selected performance indicators under Core Mandate 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 that is 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".**

5. Performance Contracting Cycle and Timelines

The Performance Contracting Cycle is a detailed representation of the PC process that entails planning, development, implementation, monitoring, 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; review of the PCs by PSPMMU for quality assurance; signing of the PCs; implementation; monitoring and reporting of performance; mid–year performance review; annual performance evaluation including compiling the report and release of performance evaluation results.

The indicative 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 - 22ndJune
Vetting and Review 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 Performance Reports	By 15th July
Evaluation/Moderation	1st August - 15th October
Submission of Annual Performance Evaluation Report	31st October

5.1 Review of Performance Contracting Guidelines

Review of the Performance Contracting guidelines is carried out to incorporate emerging issues and to factor in lessons learnt with a view to improve the process in the subsequent period. The exercise is carried out annually and is coordinated by PSPMMU, through a consultative forum involving MDAs.

The review of the Performance Contracting guidelines for the 19th Performance Contracting cycle was undertaken in May, 2022. MDAs are advised to fully apply these guidelines to ensure that the draft PCs that will be submitted for review meet all prescribed standards.

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 in line with priorities set by the Government for each MDA, they support achievement of the mandate of the organization and are aligned to Vision 2030 MTP III, the Sustainable Development Goals (SDGs), Agenda 2063, national priorities, relevant Sector Performance Standards, Post COVID-19 Recovery Strategies & Plans and the approved budget for the financial year.

The negotiation process should be done online in the GPCIS and it commences with the MDA keying in relevant data and information in the "*PC Preparation*" module as per instructions referred to as *Draft PC User Guide*. The 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 and the Specialized Agencies should participate in the negotiations of the PCs for Tertiary Institutions.

The Specialised Agencies are required to provide leadership in the PC process including negotiations. 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.

PSPMMU 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 using the *PC Negotiation Module*.

5.3 Vetting of Performance Contracts

The CS will be responsible for the vetting of the Ministry's PC and those of its Agencies. The purpose of vetting is to ensure:

a) Compliance with the performance contracting guidelines;
b) The PC is anchored on Vision 2030 MTP III, national priorities, relevant Sector Performance Standards, SDGs, Agenda 2063, Strategic Plan, Post COVID-19 Recovery Strategies and Plans and MDA's priority performance indicators;
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).

1. ***More details on the parties to negotiations and vetting of the Performance Contract at each level in an MDA are provided in Annex II.***
2. ***PSPMMU has defined the assigned Technical Officer in each Ministry and provided them with access credentials to the GPCIS to facilitate the vetting process using the PC Vetting Module.***

5.4 Review of Performance Contracts

All vetted PCs should be submitted online in the GPCIS for review by PSPMMU. The purpose of the review is to ensure quality assurance by verifying that the Performance Contracting guidelines have been fully complied with.

MDAs should ensure that implementation of the PC starts as soon the review has been completed.

NB: Once the PC has been reviewed/signed, it cannot be changed midstream.

5.5 Signatories to the Performance Contracts

Automation of the performance contracting process will in the long run provide features for online signing of the reviewed PCs. However, electronic/online signing of reviewed PCs is not possible for FY. 2022/23 since development of the GPCIS is ongoing. MDAs are advised to put in place strategies to ensure that the FY. 2022/23 PCs are signed within the indicative timelines as provided in the introduction to Section 5 on the Performance Contracting cycle and timelines.

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 –Directorate/ 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 – Office of Secretary/ CEO	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 Board

Level	For and on behalf of the Government	State Corporation/ Statutory Board
1st – Board of Directors	Cabinet Secretary	Chairperson and Independent Director
Cabinet Secretary, The National Treasury and 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 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 Principal	Chairperson, BoM	Principal
3rd - Departments	Principal	Heads of Department

NB:

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

5.6 Implementation of Performance Contracts

The reviewed PC should be cascaded by signing lower level Contracts with Departments and downstream institutions by linking 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 reviewed PCs to effectively facilitate achievement of the performance targets.

5.7 Performance Monitoring and Reporting

5.7.1 Performance Monitoring and Reporting

Good 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. It is encouraged that MDAs undertake self-reporting as part of advancement of good governance practice.

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 *PC Quarterly Reporting* module in the GPCIS. MDAs are advised to refer to the *PC Quarterly 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 and Monitoring 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

In addition to the above performance reports, 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 reports 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
Business Process Re-engineering	Ministry of Public Service, Gender, Senior Citizens Affairs and Special Programmes - State Department for Public Service
Asset Management	The National Treasury and Planning, The National Treasury
Disability Mainstreaming	National Council for Persons With Disabilities
Prevention of HIV and Non-Communicable Diseases	National Aids Control Council
National Values and Principles of Governance	Directorate of National Cohesion and Values
Corruption Prevention	Ethics and Anti – Corruption Commission
Gender Mainstreaming	Ministry of Public Service, Gender, Senior Citizens Affairs and Special Programmes - State Department for Gender
Prevention of Alcohol and Drug Abuse	National Authority for the Campaign Against Alcohol and Drug Abuse
Road Safety Mainstreaming	National Transport and Safety Authority

The Specialized Agencies shall communicate details of performance indicator-specific reporting guidelines and information on how to access the reporting platform directly to the MDAs as well as posting 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.

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
Procurement of Local Content in Procurement	Ministry of Industrialization, Trade and Enterprise Development -State Department for Industrialization

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

5.7.2 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.

5.7.3 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. PSPMMU will develop a *Mid-year Performance Review and Analysis Module* for application of data already available in the submitted second quarter reports to compile the mid–year performance review report. The analysis will entail physical verification of the reported quarterly achievements in order to ensure credibility of the review.

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.

5.7.4 Release of Mid-Year Performance Review Results

The Head of Public Service or the Cabinet Secretary where the Office in charge of Performance Management is domiciled will communicate the results of the Mid-year Performance Review to the respective MDAs upon compiling of the review report.

5.8 Annual Performance Evaluation

Performance evaluation is the culmination of the process of Performance Contracting and is carried out in a manner that ensures objectivity and integrity of the results. 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 documented evidence of achievement of the agreed performance targets. As much as is practicable, and for the purpose of objectivity in performance evaluation, PSPMMU will undertake actual verification of reported achievements. Upon agreement on the results, the parties to the moderation phase of the evaluation process are required to endorse copies of the final evaluation matrix and detailed notes (in 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 moderated evaluation 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 reviewed/signed PC), or for the reason that they declined to be placed on PC shall be graded "Poor", at the lowest score of 5.00.

The following are essential documents required for performance evaluation:

a) PC guidelines for the contract period;
b) Approved budget estimates for the contract period;
c) Annual performance report (compiled and submitted online);
d) Reviewed/signed PC;

e) Annual Self-Evaluation Performance Report (compiled and submitted online);
f) Verifiable documented evidence to support the reported achievements and other supporting documents; and
g) Documentation of any exogenous factors that could have affected the performance of the MDA.

5.8.1 Release of Performance Evaluation Results

The Head of Public Service or the CS where the Office in charge of Performance Management is domiciled will communicate the results of annual performance to the respective MDAs after performance evaluation & moderation and compilation of the annual performance evaluation report.

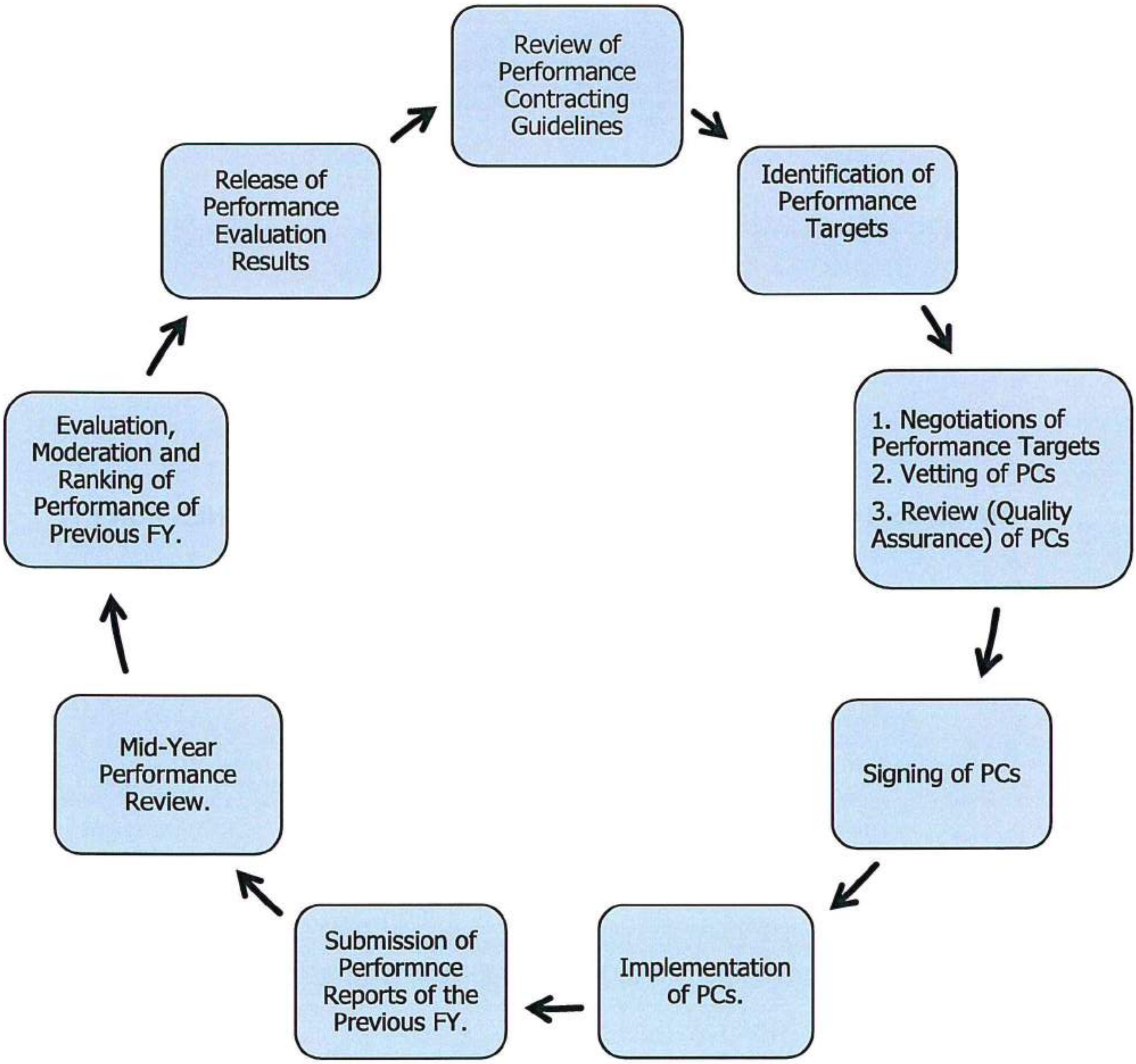
NB:

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

PART TWO

ANNEXES TO THE PERFORMANCE CONTRACTING GUIDELINES FOR FY. 2022/23

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
	Principal
	Heads of Department

Chairperson to lead the Tertiary Institution's Team

B: Vetting of Performance Contracts:

I. Ministries

Government	Ministry
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
Cabinet Secretary	Chairperson
	Independent Director/ Council Member
	CEO
	Heads of Department

Chairperson to lead the State Corporation's Team

IV. Tertiary Institutions

Government	Tertiary Institution
Cabinet Secretary	Chairperson/ BoM
	One Independent BoM Member
	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 Xa= 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 the target i.e., $0.5T \leq X_a < 0.7T$.

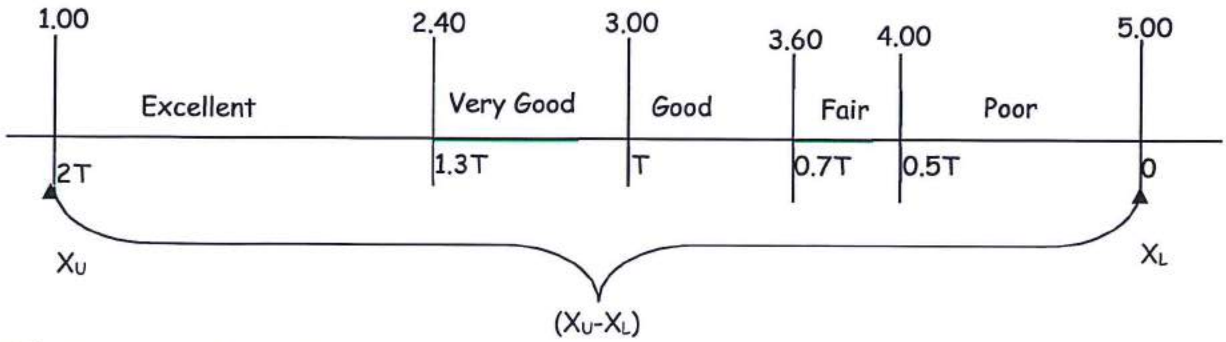
Poor Grade

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" or below 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 is similar to measuring the distance which performance has "travelled" inside the entire span from 1.00 to 5.00. Calculation of the Raw Score 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 the same formula that assigns 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:

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

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

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 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 between1.00 to 5.00.

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

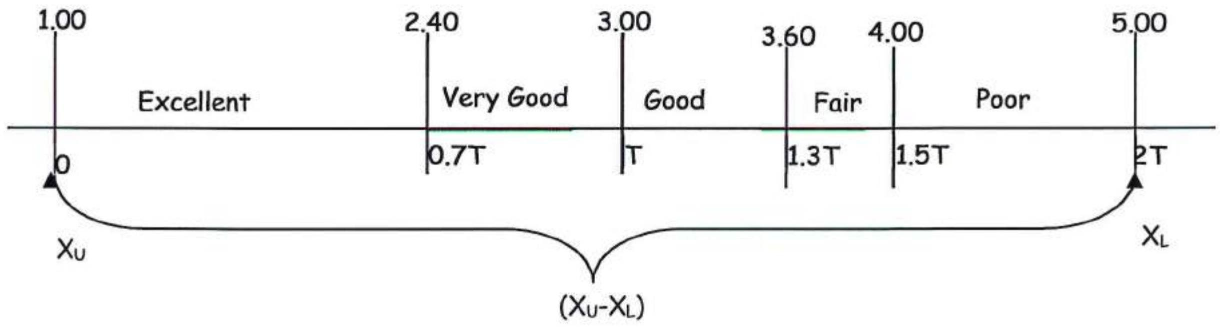
1.3 Computation of the Raw Score When Declining Achievement is Desirable, e.g., Reduction of Turn-around Time, Decongestion, and Decrease in Mortality Rates etc.

Determine criteria value range where actual performance falls

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

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

Computation of the Raw Score



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

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

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

1.4. Indicators Whose Achievement Cannot Exceed 100%

There are some performance indicators whose achievement that is 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 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 reviews, 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) in a specified period.

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

n) **Review –** Refers to the process of verifying whether a vetted PC fully complies with the provisions of the Performance Contracting guidelines. The process is essentially a quality assurance exercise and is undertaken by PSPMMU.

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

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

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

r) **Vetting –** Refers to the process of interrogating negotiated PCs and providing feedback to ensure conformity to the Performance Contracting Guidelines.

Annex V: Model Performance Contract and Matrices

Annex VA: 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 innovativeness and adaptability of public services to the needs of users by according special attention to strategies and initiatives that will fast track Post COVID – 19 Recovery Strategies and Plans.

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

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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.***

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, keeping in mind the specific priorities of the Ministry/State Corporation/Tertiary Institution. I will also pay special attention to implementation of Post COVID-19 Recovery Strategies and Plans.

Bearing in mind the imperative of inclusivity, I/we will implement the following Strategic 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 as part of the standard text for which MDAs are not required to include it since it does not apply uniformly across all MDAs. However, for MDAs that this commitment applies, they should ensure that they include it.***

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 these guidelines and relevant information is available in the GPCIS for MDAs to select as applicable. As provided in the PC Preparation 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 VB: 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 2021/22)	Annual Target (FY 2022/23)
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	%	4		100
	Business Process Re-engineering	%	3		100
	Resolution of Public Complaints	%	3		100
	Weight Sub-Total		**10**		
C	**Core Mandate**				
	MDA's priority programmes/ projects (National Priorities, Vision 2030 Flagship Projects, Post COVID-19 Recovery Strategies & Plans and other Programmes/ Projects) aligned to SDGs, Agenda 2063 and SPS		48		
	Ease of Doing Business**	%	2		100
	Project Completion Rate	%	2		100

[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 Negotiation Module in the GPCIS. MDAs should therefore internalise the *PC Negotiation* 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 2021/22)	Annual Target (FY 2022/23)
	Revenue Collection***	Kshs.	4		
	Development Index****	%	2		
	Science, Technology and Innovation Mainstreaming*****	%	2		100
	Weight Sub-Total		**60**		
D	**Implementation of Presidential Directives**	%	**2**		100
E	**Access to Government Procurement Opportunities (AGPO)**	Kshs	**3**		
F	**Promotion of Local Content in Procurement**	Kshs	**2**		
G	**Cross-Cutting**				
	Asset Management	%	1		100
	Youth Internships/Industrial Attachments/ Apprenticeships	No	1		
	Competence Development	%	2		100
	Disability Mainstreaming	%	1		100
	Gender Mainstreaming	%	1		100
	Prevention of Alcohol and Drug Abuse	%	1		100
	Prevention of HIV and Non-Communicable Diseases	%	1		100
	National Values and Principles of Governance	%	2		100
	Road Safety Mainstreaming	%	1		100
	Corruption Prevention	%	2		100
	Weight Sub-Total		**13**		
	Overall Total Weight		**100**		

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

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 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, 2022.***

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

S/No.	Performance Criteria	Unit of Measure	Weight (%)	Status Previous Year (FY 2021/22)	Annual Target (FY 2022/23)
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	%	4		100
	Business Process Re-engineering	%	3		100
	Resolution of Public Complaints	%	3		100
	Weight Sub-Total		**10**		
C	**Core Mandate**				
	MDA's priority programmes/ projects (National Priorities, Vision 2030 Flagship Projects, Post COVID-19 Recovery Strategies & Plans and Other Programmes/ Projects) aligned to SDGs, Agenda 2063 and SPS		40		
	Ease of Doing Business**	%	2		100
	Project Completion Rate	%	2		100
	Pre-Tax Profit	Kshs.	5		

[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 Negotiation Module in the GPCIS. MDAs should therefore internalise the *PC Negotiation* User Guide to effectively and comprehensively key in relevant information to develop the matrix online.

	Dividends to The National Treasury	Kshs.	5		
	Return on Investment	%	4		
	Science, Technology and Innovation Mainstreaming ***	%	2		100
	Weight Sub-Total		**60**		
D	**Implementation of Presidential Directives**	%	**2**		100
E	**Access to Government Procurement Opportunities (AGPO)**	Kshs.	**3**		
F	**Promotion of Local Content in Procurement**	Kshs.	**2**		
G	**Cross-Cutting**				
	Asset Management	%	1		100
	Youth Internships/ Industrial Attachments/ Apprenticeships	No	1		
	Competence Development	%	2		100
	Disability Mainstreaming	%	1		100
	Gender Mainstreaming	%	1		100
	Prevention of Alcohol and Drug Abuse	%	1		100
	Prevention of HIV and Non-Communicable Diseases	%	1		100
	National Values and Principles of Governance	%	2		100
	Road Safety Mainstreaming	%	1		100
	Corruption Prevention	%	2		100
	Weight Sub-Total		**13**		
	Overall Total Weight		**100**		

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

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 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 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 will upload the full list of the eligible MDAs on its website www.nacosti.go.ke by 30th June, 2022.***

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. This 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. Further, 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 the display and ease of notice by the customers, the size of the charter should, at the minimum, be three feet in width and four feet in height, i.e. (3'x4'), with clearly visible font size of the contents (10%);
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: For 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, it will be awarded a raw score of 5.0 for this performance indicator during the annual performance evaluation.

6. Business Process Re-engineering

Business Process Re-engineering (BPR) is the analysis, re-design of workflows & processes within an organization and the development of better work processes in order to support the organization's mandate and reduce costs. The re-design of processes enables achievement of the greatest possible benefits for an organization and its customers. BPR is a key driver of service improvement and innovation.

The objective of this performance indicator is to facilitate MDAs to re-engineer their service delivery processes in order to enable them meet customer needs, reduce cost of doing business, improve efficiency & effectiveness and enhance competitiveness.

The BPR process entails: review of service delivery processes; selection of priority processes that require improvement; mapping of the current (As-Is) identified processes; undertaking a critical analysis of the processes and recommending new workflows; re-designing the process to come up with new (To-Be) processes; implementation; and monitoring the improved processes.

Public Service Transformation Department (PSTD) will, on demand basis, provide training for BPR champions in MDAs, undertake sensitization of Top Management and provide technical support to undertake re-engineering. PSTD will also compile and publish a report on the re-engineered processes for replication by other MDAs.

MDAs are required to undertake the following:

i) Re-engineer at least two (2) service delivery processes (60%);
ii) Implement and monitor the re-engineered processes (35%); and
iii) Submit BPR Reports to PSTD using the prescribed format provided in ***Annex VIII*** (5%).

PSTD will assess the annual performance of MDAs and issue a score at the end of the contract period.

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) Resolve all complaints received (60%);
b) Provide access to information – reactive disclosure (20%); and
c) Create awareness 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 III, National Priorities, Agenda 2063, SPS, and the SDGs. The funding requirements should be established under either GoK or any other sources. The performance indicators should be informed by the strategic plan/master plan, Post COVID-19 Recovery Strategies and Plans, approved work plans and adequately budgeted for. In addition, MDAs are required to brand Vision 2030 Flagship Projects and submit quarterly progress reports for all flagship projects to Kenya Vision 2030 Delivery Secretariat.

9. 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.

10. 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 Projects*" 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 2022/23 (Kshs.)	Expected Deliverables (Outputs) for FY 2022/23

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.

It should be ensured that the projects 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.

11. Revenue Collection – Refers to all income/monies receivable for the purpose of financing services and the implementation of development programmes, but excluding exchequer funding. It includes cash grants, donations (grants and assets), monies collected from business licensing, land rates and rents, cess, etc.

12. Development Index –Refers to the ratio of development expenditure and 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. For purposes of computing quarterly achievements, the denominator for Development Index for a quarter should be the cumulative Actual Total Expenditure for the elapsed contract period by the end of the quarter. The numerator should be the cumulative Actual Total Development expenditure for the elapsed contract period by the end of the quarter. For Ministries, the indicator will only be applicable to The National Treasury and Planning under the Core Mandate criteria. The National Treasury and Planning should ensure that the minimum ratio of 70:30 for RE to DE is achieved during the budgeting process and subsequent releases to the MDAs.

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

14. 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.

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

16. Science, Technology and Innovation (STI) Mainstreaming

Investments in Research, Science, Technology and Innovation (RSTI) is indispensable for any country or institution that seeks to enhance national security and accelerate realization of inclusive and sustainable socio-economic development. The catastrophic impacts of COVID-19 Pandemic devastated the entire world and brought to the fore the immense and life-saving role of STI as a first responder in the global fight against the pandemic and future disasters, thus revealing the need to mainstream and integrate STI strategies in programmes, projects and service delivery systems in MDAs.

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.

Depending on the level of implementation, MDAs are required to **appoint or re-appoint STI focal person and champions and ensure that the same are trained.**

MDAs are required to undertake the following:

a) Develop or implement the institutional STI mainstreaming strategy using the template provided on NACOSTI's website www.nacosti.go.ke (30%);
b) Develop and implement annual work plan for institutional STI mainstreaming (50%); and
c) Submit quarterly and annual reports to NACOSTI using the STI mainstreaming reporting template provided on NACOSTI's website (20%).

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.

17. Implementation of Presidential Directives - This refers to directives that are issued by H.E. The President and communicated by 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 in the PC matrix, it should not be duplicated under Implementation of Presidential Directives Criterion.**

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.

18. 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

19. 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 Industrialization, Trade and Enterprise Development.

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

20.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. This will ensure there is adequate asset management structures and systems in place and 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 an updated Government Inventory of Assets and Liabilities for all Public Entities. For this purpose, MDAs should acquire documents of ownership of land, buildings motor vehicles and plant & equipment.

To ensure a coordinated approach in Assets Management at MDA level and for effective implementation of this performance indicator, MDAs shall establish a 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%); and

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 & Planning using the prescribed format.

The National Treasury will assess the annual performance of MDAs and issue a score at the end of the contract period.

Additional information to support MDAs in implementation of this performance indicator, including the reporting formats can be accessed from the National Treasury website at https://www.treasury.go.ke.

21. 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.

22. Competence Development – Refers to the systematic enhancement of skills and proficiencies in order to address career progression of individual employees and improve institutional performance. MDAs should ensure that the Skills Gap Analysis is carried out objectively so that identification of interventions is comprehensive and development of the Training Needs Assessment (TNA) to address any identified training needs, effectively addresses the appropriate skills mix.

MDAs are required to:

(a) Undertake institutional Skills Gap Analysis once every 5 years (20%);
(b) Undertake Staff Training Needs Assessment (10%);
(c) Execute interventions to address the identified skills gaps and training needs through, recruitment, outsourcing, capacity building/training, coaching, mentoring, etc (30%); and
(d) Employee Performance Management - this refers to 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 are required to undertake the following:

   i) Set individual employees annual targets and complete the Staff Performance Appraisal using the prescribed format by 31st July (10%);

ii) Undertake Staff Performance Appraisal for all employees and compile the appraisal report for the previous year (15%); and
iii) Implement recommendations emanating from the staff appraisal report (15%).

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

23. Disability Mainstreaming

MDAs will be required to implement Government policy on affirmative action for Persons with Disabilities. For effective implementation of the performance indicator, MDAs should ensure that they create an enabling environment by ensuring the following is in place:

i) Appoint a Disability Mainstreaming Champion to act as liaison Officer with NCPWD;
ii) Constitute a Disability Mainstreaming Committee to spearhead disability mainstreaming agenda within the MDA;
iii) Liaise with NCPWD to train members of the Disability Mainstreaming Committee and sensitize staff on disability mainstreaming;
iv) Develop Disability Mainstreaming Policy to provide a blue print on disability mainstreaming;
v) Develop a work plan using the prescribed format that is provided by NCPWD;
vi) Register in the NCPWD Career Portal for posting advertisements for employment/job opportunities for access by job seekers with disabilities by emailing the request to ncpwd@fuzu.com.; and
vii) Conduct Accessibility and Usability Audit once every three years.

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

MDAs are required to undertake the following:

a) Formulate and implement strategies to achieve employment of persons with disabilities to at least 5% of the total staff establishment (45%);
b) Provide products and services that promote access and participation of Persons with Disabilities (45%); and
c) Submit quarterly performance reports using the prescribed format via **https://www.ncpwd.go.ke/mainstreaming/login** (10%).

Addition information to support MDAs in implementing the performance indicator can be accessed on NCPWD's website www.ncpwd.go.ke

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

Implementation of this performance indicator will contribute to ensuring that the Government promotes gender equality, empowerment of women and safe work places as per the existing commitments in the Constitution of Kenya, the Kenya Vision 2030 Medium Term Plan III and, regional and international commitments on gender equality, empowerment of women and elimination of gender-based violence.

To effectively mainstream gender, MDAs are required to establish/reconstitute gender mainstreaming committees, train committee members, boards and staff in all cadres and undertake capacity building on gender mainstreaming. These are pre-requisites to ensuring that gender mainstreaming in MDAs is undertaken in a coherent manner and will not be part of the performance evaluation criteria.

MDAs are required to undertake the following:

a) Develop/review and implement work place gender policy (30%);
b) Develop/review and implement work place Gender Based Violence Policy (30%);
c) Implement relevant laws on prevention and response to Gender Based Violence (30%); and
d) Submit quarterly reports using the prescribed format to the State Department for Gender with a copy to the National Gender and Equality Commission (10%).

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

Additional information to support MDAs in implementation of the performance indicator including the reporting format can be accessed via www.psyg.go.ke. www.gender.go.ke and www.ngeckenya.org .

***25.* Prevention of Alcohol and Drug Abuse** – Prevention of Alcohol and Drug Abuse (ADA) refers to the implementation of programmes/activities aimed at reducing the prevalence of alcohol and drug abuse and minimizing the negative effects thereof. Employees that have ADA problems cost organisations money in lost productivity, have higher absenteeism rates, and relatively lower performance levels. Similarly, ADA problems contribute to high health care costs for related illnesses and workplace injuries, and may lead to increased expenditure on safety liabilities. The overall objective of this performance indicator is to reduce the prevalence and mitigate the negative effects of ADA in the public sector.

For effective implementation of the performance indicator, MDAs should create an enabling environment by ensuring the following is in place:

i) Constitute a committee to guide ADA workplace prevention program (the committee should be reconstituted after every three years);
ii) Conduct training on workplace-based prevention interventions in liaison with NACADA;
iii) Sensitize staff and students (in the case of educational and training institutions) on ADA;
iv) Sensitize staff and their families on positive parenting skills, education on alcohol and drug use prevention (of staff, students and their family members) at least twice a year; and
v) Develop and implement annual work plan on ADA prevention and management programmes.

MDAs are required to undertake the following:

LEVEL 1:

i) Undertake a baseline survey on alcohol and drug abuse (30%);
ii) Develop/review and implement workplace ADA prevention and management policy (40%);
iii) Establish and operationalize support mechanisms for staff and students (in the case of educational and training institutions) with substance use disorders (20%); and
iv) Submit quarterly performance reports and supporting evidence to NACADA within the stipulated timelines using the prescribed format through the **online** reporting system accessible via NACADA website www.nacada.go.ke/public-education-advocacy (10%).

MDAs that have successfully implemented sub-indicators (i), (ii) and (iii) above should select other sub-indicators in Level 2.

LEVEL 2:

i) Implement interventions to address two risk factors identified in the baseline/follow up survey (40%);
ii) Implement ADA prevention and management workplace policy to address issues at the workplace, at risk population and the dependent population (25%);
iii) Provide support to employees at risk and to those with substance use disorders (25%); and
iv) Submit quarterly performance reports and supporting evidence to NACADA within the stipulated timelines using the prescribed format through the **ONLINE** reporting system accessible via NACADA website www.nacada.go.ke/public-education-advocacy (10%).

NACADA will assess the annual performance of MDAs and issue a certificate with a score at the end of the contract period.

Additional information to support MDAs in implementation of the performance indicator including reporting formats can be accessed on the Authority's website (www.nacada.go.ke).

For any clarification, MDAs may contact Department of Public Education and Advocacy via workplace@nacada.go.ke or 020 – 2721997/3.

26. Prevention of HIV and Non- Communicable Diseases

The activities under this indicator support attainment of Universal Health Coverage (UHC) commitment through the incorporation of UHC expectations in the MAISHA certification. The implementation of interventions on HIV, Non-Communicable Diseases (NCDs) and mental illnesses prevention will be through workplace wellness programmes. Certification for an effective workplace wellness programme will significantly contribute to the prevention of diseases and deaths related to preventable causes both at the workplace and among stakeholders.

MDAs are required to implement a costed annual work plan and report on a quarterly basis through the online Maisha reporting system at the NACC's website (www.reporting.nacc.or.ke).

Certification process will require MDAs to obtain a score of 70% and above in Level 1 before they start implementing Level 2. MDAs implementing Maisha 1 and 2 will be issued a certificate upon scoring 70% and above based on the NACC annual performance evaluation.

LEVEL 1: MAISHA 1

This applies to MDAs in their 1st year of implementation or those that did not obtain a score of 70% and above. MDAs are required to undertake the following:

1. Allocate resources for implementation of HIV, NCDs and mental health interventions (20%); and
2. Promote attainment of UHC at the workplace through offering services for HIV and NCDs prevention and promotion of mental health for at least 50% of staff and family members by:

    i. Facilitating staff to access the prescribed health screening package for HIV, NCDs
    and mental health (20%);
    ii. Implementing the prescribed sensitization package for NCDs (20%);
    iii. Implementing the prescribed sensitization package on HIV Prevention (20%); and
    iv. Promoting mental wellness and prevention of mental health conditions (20%).

Level 2: MAISHA 2

This applies to MDAs that have achieved expectations of Level 1 and obtained a score of 70% and above. MDAs are required to undertake the following:

1. Allocate resources for implementation of HIV, NCD and mental health interventions (10%);
2. Promote attainment of UHC at the workplace through offering services for HIV prevention, wellness promotion for NCDs and mental health for at least 50% of staff and family members by:

    i. Facilitating staff to access the prescribed health screening package for HIV, NCDs and mental health (10%);
    ii. Implementing the prescribed sensitization package for NCDs (20%);

iii. Implementing the prescribed sensitization package on HIV Prevention (20%); and
iv. Promoting mental wellness and preventing mental health illnesses (20%).

3. Choose for implementation one (1) intervention from the Sector HIV Plans based on core mandates and competencies available on the NACC's website (20%).

NACC will assess the annual performance of MDAs and issue a certificate with a score at the end of the contract period.

Additional information to support MDAs in implementation of the performance indicator including reporting formats can be accessed on the Council's website.

27. 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:

1. Implement at least **five (5)** commitments and submit in the prescribed format an Annual Progress Report on the implementation of the commitments and way forward captured in the 2021 Annual President's Report on National Values and Principles of Governance (60%);

The following are the eight (8) commitments and way forward in the 2021 President's Annual Report on measures taken and progress achieved:

i) Fast track implementation of programmes, projects and activities for the realization of the "Big Four" Agenda;
ii) Implement measures for Post-COVID-19 recovery to enhance execution of government programmes, projects, activities and service delivery;
iii) Leverage on and enhance use of Information and Communications Technology (ICT) and other innovations in service delivery;
iv) Continue to enhance the fight against corruption, dispensation of justice and observance of the rule of law;
v) Enhance the capacity of public institutions and the public to adhere to the provisions of Article 10 of the Constitution through civic education, training and sensitization on national values and principles of governance;

vi) Continue enhancing the collaboration between the two levels of government to entrench sharing and devolution of power;

vii) Continue to implement measures to protect the environment, mitigate climate change, and improve the national forest cover; and

viii) Implement measures to promote inclusivity and representation of Kenya's diverse communities in the public service.

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

The two reports shall be submitted to the Directorate of National Cohesion and Values, Extelcoms House 10th floor **by 15th January, 2023** in hard copy and soft copy emailed to: **nationalvalues2017@gmail.com**

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.

For any clarification/additional information regarding this indicator, contact the Directorate of National Cohesion and Values on Tel. No. 0758 – 948706, 0712 – 382871 or email: nationalvalues2017@gmail.com

28. 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 an annual loss of over 3,500 lives and over 10,000 injuries, and a corresponding equivalent loss of 5% of Gross Domestic Product (GDP), which is estimated to be Kshs. 480 billion currently.

Establishment of Road Safety Committees (RSCs) and training/sensitization of the Road Safety Committee members, relevant stakeholders, members of boards & staff in each MDA is a pre-requisite in the implementation of this indicator. The Authority will support training /sensitization at no cost or on demand basis. The performance indicator will be implemented in three (3) levels: Level I, Level II and Level III.

LEVEL I

This level applies to new MDAs and those that did not fully achieve their road safety mainstreaming targets during the 18^{th} cycle of performance contracting.

MDAs are required to undertake the following:

a) Develop a Workplace Road Safety Policy anchored on the NTSA policy guidelines (30%);
b) Develop an Annual Road Safety Implementation Plan based on the approved road safety policy with the following key components included (20%);
    i) Four (4) road safety activities stipulated in the Work Place Road Safety Policy,
    ii) Undertaking Annual Motor vehicle inspections of all the vehicles,
    iii) Training of Drivers on defensive driving,
    iv) Reporting on quarterly basis using the prescribed Reporting Template on the non-compliance on road safety at the workplace.
c) Implement the Annual Road Safety Implementation Plan (40%); and
d) Submit quarterly reports to NTSA in the prescribed format (10%).

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 policies developed by the MDAs.

MDAs are required to undertake the following:

a) Develop an Annual Road Safety Implementation Plan based on the Road Safety Policy with the following key components included (30%);
    i. Eight (8) road safety activities stipulated in the Work Place Road Safety Policy,
    ii. Annual Motor vehicle inspections of all the vehicles,
    iii. Training of drivers on defensive driving,
    iv. Reporting on quarterly basis using the prescribed Reporting Template the non-compliance on road safety at the workplace.
b) Implement the Annual Road Safety Implementation Plan (60%); and
c) Submit quarterly reports to NTSA in the prescribed format (10%).

LEVEL III

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 Road Safety Policy with the following key components included (30%);
   i. Eight (8) road safety activities stipulated in the Work Place Road Safety Policy,
   ii. Annual Motor vehicle inspections of all the vehicles,
   iii. Training of drivers on defensive driving,
   iv. Reporting on quarterly basis using the prescribed Reporting Template the non-compliance on road safety at the workplace.
b) Implement the Annual Road Safety Implementation Plan (60%); and
c) Submit quarterly reports to NTSA in the prescribed format (10%).

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

29. Corruption Prevention – This performance indicator aims to combat and prevent bribery, corruption and unethical practices and promote standards and best practices in governance. It is in line with the Ethics and Anti-Corruption Commission (EACC) Act No. 22 of 2011, Anti-Corruption and Economic Crimes Act of 2003, the Leadership and Integrity Act of 2012, the Bribery Act of 2016 and the National Ethics and Anti-Corruption Policy, 2018.

MDAs are expected to put in place procedures for the prevention of bribery and corruption in line with Section 9 of the Bribery Act, 2016, Regulation 13 of the Bribery Regulations, 2021 and Guidelines for the Prevention of Bribery and Corruption (Gazette Notice No.11125 of 22nd October, 2021).

For the purpose of annual evaluation, an MDA that does not put in place the procedures will be **ineligible** for evaluation and will automatically attract a zero achievement.

MDAs are required to undertake the following:

i) Carryout a Bribery and Corruption Risk Assessment in all

Directorates/Departments/Sections and Units and develop a plan to mitigate the risks (45%);

ii) Implement measures/strategies outlined in the Risk Mitigation Plan (35%);
iii) Monitor, evaluate and review effectiveness of measures put in place (10%); and
iv) Submit quarterly performance reports to EACC using the prescribed reporting format (10%).

EACC will assess the annual performance of MDAs and issue a certificate with a score at the end of the contract period.

Additional information to support MDAs in implementation of the performance indicator including reporting formats can be accessed on the EACC's website (www.eacc.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 : complain@ombudsman.go.ke</td></tr>
<tr><td colspan="5">HUDUMA BORA NI HAKI YAKO</td></tr>
</table>

Annex VIII: Template for Structure of BPR Report

Name of Institution: ....

1.0. Introduction

1.1 Brief mandate of the institution

1.2. Sensitization of top management

1.3. Identification of service processes for re-engineering

2.0. Re-engineering of selected services

2.1. Brief explanation of why the services have been identified for re-engineering.

3.0. Name of Service Process

This section applies to each service process identified for re-engineering.

3.1 Brief introduction of the service

3.2. As-Is process map of the service as per the template provided below:

Step	Activity	No. of Days	Actor
1.			
2.			
3.			
4.			

3.3. Challenges of current process

3.4. Recommendations for improvement

3.5. To-Be process map (Use the template above)

3.6. Benefits of To-Be process

4.0. Recommendations and Way Forward