



THE NEXUS BETWEEN PERFORMANCE MANAGEMENT, STRATEGIC PLANNING AND PERFORMANCE CONTRACTING

1.0. Introduction

The Public Service in Kenya exists to develop and implement Government policies, projects and programmes in order to improve the livelihoods of its citizens. To achieve this, the Government has used Performance Management as a tool for optimal utilization of public resources and delivery of quality services to the citizens. Performance Management has been established as a framework for realization of better results from individuals and organizations in the public sector within a planned and agreed system of goals, objectives and standards. The Government of Kenya has therefore undertaken numerous reforms to institutionalize Performance Management in the public sector for continuous performance improvement.

Reforms to mainstream Performance Management in Kenya's Public Service have been instituted since the 1960s through several initiatives. The most significant of these reform initiatives were those which were introduced after 2002, where Results-Based Management (RBM) tools were introduced. These tools include Strategic Planning and Management, Performance Contracting, Staff Performance Appraisal, Program-Based Budgeting (PPBB), as well as other service delivery innovations. The use of these tools has further been strengthened by leveraging on Information and Communications Technology (ICT) to improve efficiency and enhance accountability for results.

2.0. Performance Contracting and Strategic Planning as Performance Management Tools

Performance Management is the systematic process by which an agency involves its employees, as individuals and members of a group, in improving organizational effectiveness in order to realize its mandate. It links national development planning, the budgeting process and delivery of targeted results in order to ensure maximum benefit from the use of national resources. On its part, Performance Contracting ensures accountability for results and transparency in the management of public resources. The performance indicators and targets in Performance Contracts are aligned to an organisation's projects and programmes, which then provide a reliable framework for evaluation of performance at the end of the contract period (which is usually a Financial Year).

Strategic Planning is one of the most critical tools for Performance Management under the Results-Based Management framework. It provides a mechanism through which institutions purposefully define their strategic direction (through the Vision, Mission, Goals and Strategic Objectives) and make informed and appropriate decisions regarding the allocation of resources to implement priority policies, programmes and projects. The significance of Strategic Planning is indeed manifested in its catalytic role in ensuring



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that the entire Performance Management framework delivers the desired outcomes.

Government Ministries, Departments, Agencies (MDAs), including independent commissions/ offices, have continued to utilize Strategic Planning as the main planning tool for improving efficiency and effectiveness in the allocation of resources and ultimately, the delivery of quality services. Strategic Plans assist MDAs to align their strategies, activities and budgets with national development priorities as articulated in the Kenya Vision 2030 and its Medium-Term Plans (MTPs), the Bottom-Up Economic Transformation Agenda (BETA), East African Community (EAC) Vision 2050, African Union (AU) Agenda 2063, the United Nations (UN) 2030 Agenda for Sustainable Development, and other international and regional treaties and conventions.

Strategic Planning provides the basis for setting performance targets for MDAs which are then cascaded to lower levels within the organization for effective implementation and objective assignment of accountability for results. In Kenya, Strategic Plans for public sector organizations usually cover five years and are linked to the budgeting process through the Medium-Term Expenditure Framework (MTEF) and Programme-Based Budgeting (PBB). In particular, the Programme-Based Budgeting process provides funding to organizations based on their priority projects and programmes as espoused in their respective Strategic Plans.

Strategic Planning also provides MDAs with an accountability framework by allocating resources and assigning responsibilities to organizations and individuals. This allows for performance to be monitored on a regular basis against set targets. The organization's performance can also be evaluated at set intervals (during the mid-term and end-term of the Strategic Plan period). Reporting of results from these evaluations enables organizations in the public sector to be accountable and

build support amongst key stakeholders.

3.0. The nexus between Performance Management, Performance Contracting and Strategic Planning

While Strategic Planning sets an organization's direction, goals and expected outputs at the end of the five-year period, performance contracting breaks down these goals further into annual targets and assigns specific responsibilities to accountability centres for purposes of evaluation at the end of the Financial Year. Performance Contracts are therefore critical tools which support successful implementation of MDAs' Strategic Plans. Both Performance Contracting and Strategic Planning are tools within the wider Performance Management framework whose overall aim is to improve an organization's performance.

For a Performance Management framework to be effective, the Strategic Planning and Performance Contracting processes must be owned by the top leadership of an organization. Communication of the strategic intent and expected performance levels (targets) set in Strategic Plans and Performance Contracts must be done across the organization to enhance ownership and improve the implementation process. Implementation of Strategic Plans through Performance Contracts is further reinforced by signing of the Contracts with the top leadership of respective organizations.

Prior to the signing of the Performance Contracts, MDAs begin by identifying performance indicators and targets which are drawn from and aligned to those in the Strategic Plan. They then undertake negotiations internally in order to agree on expected performance levels based on available resources. This is followed by external negotiations with respective coordinating institutions. The negotiated performance contracts then undergo vetting to ensure compliance with the set guidelines and acceptable global performance standards. The vetted performance finally undergoes a validation exercise with top leadership of MDAs, a process which is coordinated by the Office of the Deputy Chief of Staff for Performance and Delivery Management. All this ensures alignment of the Performance Contracts to the Government's development priorities and enhances ownership at all levels within the MDAs.

The validation of commitments in the Performance Contract with the top-most leadership of MDAs is necessary in order to harmonize understanding of the commitments among all actors and apportion roles and responsibilities across all levels. The process also provides an opportunity for organizations in the public sector to agree on reporting roles and to reach an understanding on the delivery strategies. This allows the organizations to share in their successes, institute corrective actions where performance is sub-par and sanction individuals and organizations for

persistent underperformance.

All Strategic Plans and Performance Contracts of Government MDAs are expected to prioritize performance indicators and specific sub-indicators in five core priority areas of the Government namely: bringing down the cost of living; eradicating hunger; job creation; expanding the tax revenue base; and improving the foreign exchange balance. The indicators should also comprehensively cover the mandate of the MDA and be aligned to the resources available through budgetary allocations, external borrowing or other forms of support from partners. In addition, performance targets in Strategic Plans and Performance Contracts are expected to be output-based as opposed to being process and activity-based. They are further required to be growth-oriented in line with the overall aim of Performance Management of continuous organizational improvement.

Performance Contracts are cascaded through signing by the leadership of respective public sector organizations and lower level responsibility centres (Directorates, Departments and Units). They are also cascaded to downstream institutions or agencies under respective ministries. This cascading process facilitates linking of specific deliverables and targets to individual officers within an organization through Work Plans and the Staff Performance Appraisal. The Staff Performance Appraisal System (SPAS) in particular is predicated upon the principle of work planning, setting of agreed performance targets, appraisal or evaluation of performance, feedback and reporting. It is linked to other human resource systems and processes within an organization including staff development, career progression, placement, rewards and sanctions.

Best practice in Performance Management requires that progress in implementation of Strategic Plans and Performance Contracts be monitored and reported on a regular basis. This is carried out through an organization's Monitoring, Evaluation, Reporting and Learning Framework. Such a framework provides valuable feedback to an organization in order to inform decision making and promote good governance.

It is therefore evident that Strategic Planning and Performance Contracting are two Performance Management tools which share a common aim of improving organizational performance. Proper utilization of these tools leads to improved service delivery and positive impacts on livelihoods in the medium-term. In the long-term, Strategic Planning and Performance Contracting can accelerate the realization of national development priorities thus leading to socio-economic transformation of the country.

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Series 5 – Performance contracts of two ministries validated

MINISTRY OF ENVIRONMENT, CLIMATE CHANGE AND FORESTRY

Key Achievements Aligned with the BETA Agenda

Coordinated Whole of Government Approach in Growing Trees under the 15 Billion Trees Programme which saw:

- 441,941,328 trees were grown in 2024, up from 13,037,000 in 2022, an increase of 3,289%.
- 1,610,000,000 seedlings produced in 2024, up from 54,353,989 in 2022, an increase of 2,862%.

Coordinated Production of Seeds which saw:

- 131,298 kilograms of seeds produced in 2024, an increase of 40% from 54,663 Kilograms in 2022.
- The construction of 15 seed centres in 2024, an increase of 1,100% from one (1) seed centre in 2022.

Rehabilitated and Restored Degraded Landscapes by:

- Rehabilitating 55,165.28 Hectares of Degraded Public Natural Forest in 2024, an increase of 15% from 48,000 Hectares in 2022.
- Establishing Public Forest Plantations with 7,739.67 trees grown in 2024, an increase of 96% from 3,940.90 in 2022.

Rehabilitated Mangrove Ecosystem by:

- Establishing 2,354.45 hectares of Bamboo forests in 2024, an increase of 459% from 421 bamboo forests in 2022.
- Establishing 9,148 hectares of Mangrove forests in 2024, an increase of 326% from 2,148 in 2022.

Conserved, Restored & Managed Natural Resources by:

- Gazetting the fencing of 208 Kilometres of public forests in 2024, an increase of 766% from 208 Kilometres in 2022.
- Recruiting 4,907 Forest Rangers in 2024 to enhance forest protection, an increase of 119% from 2,243 Rangers recruited in 2022.

Hosted first ever Africa Climate Summit:

- Hosted the Africa Climate Week (2nd to 8th September, 2023)
- Number of Heads of State and Government Present – 18
- Vice Presidents and former Presidents - 12
- Number of Delegates – from 130 countries, over 30,000 delegates
- Key Agreements signed - 67

Passed Fifteen (15) Resolutions at Sixth United Nations Environment Assembly (UNEA-6):

- Number of Heads of State and Government present – 7
- Ministers present – 170
- Member States represented –



- 182
- Number of Delegates – 7,000
- No. of Resolutions Passed – 15

Supported Natural Resource Governance by amending the Climate Change Act 2016:

- The Climate Change Act 2016 was amended to include Carbon Trading, Carbon Registry and Non-Market approaches to Provide for Carbon Market Legal Framework and Regulations
- The National Framework for Climate Services was approved in 2023

Modernized Meteorological Services by:

- Installing three (3) Automatic Weather Observing Systems (AWOS) in Moi International Airport, Laikipia Air Base and Moi Air Base in 2024 up from one (1) in 2022, an increase of 66%.
- Installing 120 Automatic Weather Stations across 24 counties in 2024, up from 50 in 2022, an increase of 58%.

Ensured Sustainable Waste Management by:

- Licensing 954 Waste Transportation Companies across the Country in 2024 up from zero (0) in 2022, an increase of 100%.
- Enhancing tracking and proper waste disposal
- Implementing Sustainable Waste Management Act 2022
- Advocating for Circular Economy
- Advocating for Waste Value Chain
- Licensing Waste Transporters to track Waste Movement

Built Capacity for Waste Service Providers by:

- Training 205 Waste Service Provider in; Kakamega (37), Kisumu (25), Machakos (20), Nyeri (10), Garissa (21), Nakuru

- (36), Mombasa (20) and Nairobi (36) in 2024, up from zero (0) in 2022, an increase of 100%
- Coordinating the establishment of Six Material Recovery Facilities (MRFs) in Tharaka Nithi, Kiambu (Takataka, Whitmud, Junky Bins), Taita-Taveta and Kisumu through NEMA
- Training and linking Waste Service Providers to Secondary Markets / Recyclers
- Sensitizing Waste Service Providers to organize themselves into cooperatives which they would own, manage, share profits and make responsible decisions

Developed 13 Environmental Policies, Legal and Regulatory frameworks up from zero (0) in 2022, an increase of 100%, including:

- Meteorological Policy 2023
- Environmental Impact Assessment Regulations
- Waste Management Regulations
- Toxic and Hazardous Chemicals and Materials Management Regulations
- Controlled substances (ODS) Regulations
- Air quality Regulations
- Waste Management (Extended Producer Responsibility) Regulations
- Deposit Bonds Regulations
- Plastic Materials Control and Management Regulations;
- Electrical and Electronic Waste Management Regulations;
- Sand harvesting regulations
- Water quality regulations
- Noise and Excessive Vibration Pollution Control
- Access to Biological Resources and Benefit Sharing Regulations
- Air Quality Regulations

Developed Forestry Policies, Legal and Regulatory Reforms, including:

- Policies & Strategies
- National Forest Policy 2023

- National Landscape and Ecosystem
- Restoration Strategy 2023-2032
- Agroforestry Strategy 2024-2033
- Development of National Prosopis
- Strategy and action plans for 2022-2032
- Legal & Regulatory Reforms
- Review of the Forest Conservation and Management Act, 2016
- Finalization of Charcoal regulations
- Finalization of Gums and resins regulations
- Finalization of Registration of private forests regulations
- Finalization of Participation in sustainable forest management regulations

Key Commitments Aligned with the BETA Agenda

1. Promote Conservation, Protection, Restoration and Management of Environment and Forest ecosystems by;
 - Facilitating protection and management of 2.602 million Hectares of gazetted forests;
 - Coordinating growing of 1.50 billion trees and production of 1.58 billion seedlings by various stakeholders (MDAs and Non-State Actors);
 - Coordinating two national tree planting campaigns;
 - Facilitating rehabilitation and restoration of 10,000 Ha of degraded forest ecosystem (3,000 Ha of mangrove areas in Lamu, Tana River, Kilifi, Mombasa and Kwale; 2,000 Ha in Mau, Central Highlands, North Rift and Eastern Conservancy; and 5,000 Ha in Mt. Elgon, Mt. Kenya, Western, Mau and Wajir).
- Coordinating the establishment of four (4) demonstration centers involving re-organization of dumpsites into Material

Recovery Facilities (MRF) and composting in 4 Counties namely: Nairobi, Mombasa, Kiambu & Kwale

2. Promote Agroforestry and Commercial Forestry Development by:
 - Coordinating the establishment and maintenance of 50,000 hectares of agroforestry and commercial forestry enterprises in private and community lands.
 - Facilitating production of 100,000 kgs of tree seeds of different species through research
3. Coordinate Climate Change Adaptation and Mitigation by:
 - Submitting annual data on consumption of Ozone Depleting Substances (ODS) and HFCs to the Multilateral Fund Secretariat and the Ozone Secretariat
 - Launching the National Biodiversity Coordination Mechanism (NBCM)
 - Submitting the revised National Biodiversity Strategy and Action Plan (NBSAP) to CBD secretariat
 - Submitting the National Implementation Plan for listed chemicals and POPs to Stockholm Secretariat;
 - Participating in CBD and BRS Triple COPs (Stockholm, Rotterdam and Basel)
 - Participating in the high-level segment of Montreal Protocol.

4. Enhance Environment, Climate Change and Forestry Governance and Coordination by;

- Developing regulations on the management of organic waste;
- Finalizing guidelines for mainstreaming waste management in curricula at all levels of education and training;
- Coordinating negotiation of Multilateral Environmental Agreements as follows: Science policy panel on chemical waste; and, plastic pollution;
- Finalizing draft Carbon Market Regulations (Carbon Registry);
- Coordinating the finalization of draft Meteorology Bill;
- Finalizing the draft Forest Conservation and Management amendment bill;
- Finalizing the draft Gums and Resins Regulations;
- Finalizing the draft Sustainable Forest Management Regulations;
- Finalizing the draft Charcoal Regulations;
- Finalizing the Environment Sector Inter-Governmental Framework.

5. Increase Resource Mobilization and Partnerships by;

- Organizing quarterly donor round tables
- Participating in the East African Community Sectoral Council of Ministers.



OFFICE OF THE ATTORNEY GENERAL AND DEPARTMENT OF JUSTICE

Key Achievements Aligned with the BETA Agenda

1. Facilitated Registration of OAG Services;

- Collected KShs. 30 million in additional revenue from business registration fees, marking a 2.6% increase from KShs. 1.15 billion collected in 2022 to KShs. 1.18 billion collected in 2024.
- 11,371 additional marriages were registered marking a 23% increase from 49,329 in 2022 to 60,700 in 2024.
- 12 additional societies were registered, marking a 1.1% increase from 1,106 in 2022 to 1,118 in 2024.

2. Decentralised Legal Services: three (3) additional OAG offices were decentralised, an increase of 30% from 10 in 2022 to 13 in 2024.

3. Provided Pertinent Legal Services;

- Drafted legislation to support the implementation of BETA: ten (10) Bills and subsidiary legislation were drafted to support the implementation of the Bottom-Up Economic Transformation Agenda (BETA), a 20% increase from 51 in 2022 to 61 in 2024.
- Drafted subsidiary legislation to support the implementation of BETA: 40 subsidiary legislations were drafted to support the implementation of BETA, an increase of 16% from 257 in



2022 to 297 in 2024.

- Ensured administration of Estates and Trusts: 444 additional Estates and Trusts were finalised, an increase of 12% from 3,642 in 2022 to 4,086 in 2024.
- Vetted government procurement contracts: 97 additional government procurement contracts were vetted, an increase of 76% from 128 contracts vetted in 2022 to 225 in 2024.
- Issued legal advisories and opinions: 746 additional legal advisories were issued, an increase of 56% from 1,332 in

2022 to 2,078 in 2024.

- Coordinated requests for judicial cooperation under international criminal justice: Coordinated 25 additional requests for judicial cooperation under international criminal justice, an increase of 13% from 199 in 2022 to 224 in 2024.

4. Provided Legal Aid and Sensitisation to Indigents;

- Sensitised indigents with regard to legal aid: 520,543 additional indigents provided with legal sensitisation, an increase of 409% from 127,219 in 2022 to 647,762 in 2024.
- Provided legal aid to indigents:

3,854 additional indigents were provided with legal aid, an increase of 12% from 31,311 in 2022 to 35,165 in 2024.

Key Commitments Aligned with the BETA Agenda

1. Strengthen provision of legal services in support of Kenya Vision 2030 and other national priorities by:

- Finalising files for Minors' Trusts and deceased estates
- Ensuring issuance of the Registrar's certificate for Christian marriage is reduced upon payment of required fees.
- Enhancing resolution of

complaints received against advocates

- Reviewing all court cases against the government at the MDAs to determine viability
- Enhancing the conclusion of court cases against government by 5%
- Reducing court awards against government by 10%.
- Decentralisation of OAG services to the 47 Counties
- Reducing government's legal and financial exposure
- Implementing legal services in support of national development priorities provided upon request by the Ministries, Departments and Agencies.

2. Enhance adherence to the rule of law for global competitiveness by:

- Reviewing the Policy Framework within the criminal justice sector
- Improving the status of human rights standards among prisoners and detainees
- Reviewing the National Coroners Service Act, Cap. 89

3. Facilitate enactment of relevant laws and regulations to support the Kenya Vision 2030 and other national priorities by:

- Provision of legal aid services to vulnerable citizens in all counties
- Sensitisation of legal aid awareness in all counties
- Enhancing legal aid services with two legal counsels trained and deployed per county.