



Public Sector Reforms & Performance Contracting

2008/2009 Annual Work Plan

ANNUAL WORK PLAN

Title	Achieving Targeted Results for Kenyans
Document Language	English
Source Language	English
Responsible	Government of Kenya
Creators	Government of Kenya
Contributors	UNDP Kenya, PSRPC Development Partners
Subject (Taxonomy)	Managing for Results, Programming, Strategy & Planning
Date approved	
Audience	National Stakeholders
Applicability	This document has been produced to capture and record the basic information needed to correctly direct and manage the project.
Replaces	PSRDS 2007/2008 AWP – November 1 st – June 20 th
Is part of	Vision 2030, Medium Term Plan, PSR&PC Draft Strategic Plan 2009-2012, World Bank GOK IRCB Programme, Joint Statement of Intent
Conforms to	UNDP programming procedures and ATLAS
Related documents	
Mandatory Review	Joint Review Schedule harmonized with World Bank

Revision History			
Ver	Date	Author	Summary of Changes
1.	03/07/2008	Team from PSR&PC, and Development Partners	- Parent Work Plan to Programme Detailed Activity level log frame.

Project Title: Achieving Targeted Results for Kenyans

Vision 2030 Outcome: Citizen focused and results oriented public service serving a rapidly growing economy and society.

Public Sector Reform Expected Results (Impact):

- 1) Facilitated creation of competitive advantage for Kenya
- 2) Enhanced customer satisfaction through improved service delivery.

UNDAF Outcome: Enhanced capacity of key national and local institutions for improved governance

CPAP Outcome: Strengthened capacity for decentralized and participatory development (CPAP p.23)

World Bank CAS Outcome: Improving governance and restoring the rule of law

Institutional Reform and Capacity Building Technical Assistance Project Outcome: Enhanced public service delivery through the effective implementation of Results Based Management

Expected Programme Outcomes(s):

1. Performance contracting deepened in the Public Sector
2. Institutions strengthened to achieve national goals and priorities including Vision 2030.
3. Transformed Public Sector,
4. Stakeholder engagement enhanced through IEC and Public Sector Stakeholder Partnerships,
5. Public Sector Reform & Performance Contracting Office strengthened to achieve its mandate and objectives.

Implementing Partner: Office of the Prime Minister Public Sector Reforms & Performance Contracting


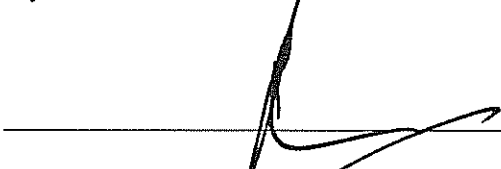

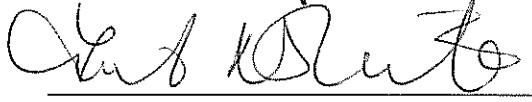
Responsible Parties: Government of Kenya

Programme Period: 2008/2009
Programme Component: Empowerment
Project Title: Improving Public Sector Management
Project ID:00045420
Project Duration: 2008/2009
Management Arrangement: NEX

Budget (USD):	
General Management Support Fee for Basket: 5-7%	
Total budget:	\$8,513,762.00
Allocated resources:	
• Government	1,086,381.00
• World Bank	1,771,434.00
• Basket:	<u>5,655,947.00</u>
○ Dfid	
○ Sida	
○ CIDA	
○ Finland	
○ Denmark	
Unfunded budget:	

Programme Summary: i) Result ii) Outcomes iii) Outputs iv) Activities v) Inputs

i) The long-term result of the programme is to contribute to the development of excellence in public service delivery and creation a globally competitive nation. ii) The programme outcomes contributing to the production of the long term result are: a) Performance Contracting deepened in the Public Sector; b) Institutions strengthened to achieve national goals and priorities including Vision 2030; C) Stakeholder engagement enhanced through Information, Education, Communication (IEC) and Public Sector Stakeholder Partnerships (PSSP); d) Transformed Public Service; and e) PRS&PC strengthened to achieve its mandate and objectives. ii) The MAIN outputs to be carried out to produce these outcomes include but not limited to: a) Strategic performance management systems (including Performance Contracting and Performance Appraisal System) will be used to ensure that accountability for results is extended to all public offices, including the Judiciary, Parliament and Constitutional Offices; b) Compliance to corruption eradication will be enhanced through the negotiation, monitoring and evaluation of all performance contracts; c) Citizen centred service delivery: Citizen/stakeholder involvement in public policy formulation, planning and programme implementation; Citizen/stakeholder involvement in monitoring, evaluation and reporting; d) Expanded coverage of Performance Contract process in the public sector e) Focused and standardized 'Rapid Results Initiatives' will be deepened and expanded throughout the public sector, f) Capacity built throughout the public sector through Results Based Management, Transformative Leadership, Institutional Capacity Building, and Values and Ethics, g) Reforms facilitated, supported, and coordinated by PSR&PC throughout the Public Sector including Public Financial Management, procurement reforms, Local Government, E-Government, Human Resource Management, Project/ Programme Management, Government to Government Learning and Knowledge Management, h) Informing citizens and empowering them to demand quality services; Engaging citizens in development, monitoring and evaluation of policy, planning processes, and implementation of reforms, i) Public Sector Stakeholder Partnerships (PSSP) are developed and institutionalized through policy and regulatory frameworks, j) Performance results enhanced through liaison services, and k) Programme delivery enhanced through M&E, Finance and Administration, internal auditing: iii) The MAIN Activities to be carried out to produce the outputs are but not limited to: a) Performance Contracts are cascaded at all levels of Public Service Institutions with a baseline survey tool developed , b) Development of Sector performance benchmarks and the creation of a data inventory, c) Implementation of a baseline survey to determine level of resolved and cascaded service charters, E Service Delivery Pilot facilitated in 7 ministries, d) institutional capacity building including capacity building of KIA to train on reforms in the public service; f) establishment of organizational structures to facilitate Public-Private Sector Partnerships; g) Strategic partnerships developed and maintained with CAPAM, Regional Reform institutions, and other governments, h) Nation wide baseline 'Service Delivery' Survey designed and implemented, i) RRI up scaling supported and coordinated to address service delivery gaps, j) Results bill validated and presented to parliament, k) Capability Reviews of MDA's undertaken, l) strengthened capacity of leaders to implement RBM and development of capacity development programmes; m) in-Ministry capacity building for leaders and staff with supervisory responsibilities; and m) develop IEC delivery mechanisms. n) MAF implemented, o) Cross-cutting issues on gender, youth, and environment incorporated into the Reform Agenda, p) Civic Dialogue coordinated on transformative leadership for accountability and results, q) A Harmonized Programme for Values and Ethics is developed, and r) Development and implementation of Government One Stop Shop Approach.: iv) The inputs required to produce the outcomes above will include high level national and international consultancies, technical assistance through the provision of national and international technical advisors, and United Nations Volunteers (UNVs), training and capacity building initiatives, materials and equipment including financial management system, workshop facilities, stationery [anything else].

	Signature	Date	Name/Title
Public Sector Reforms & Performance Contracting		09/11/08	Mr. Richard Ndubai Permanent Secretary
Office of the Prime Minister		5/4/08	Dr. Mohamed Isahakia Permanent Secretary Accounting Officer
Ministry of Finance		7/11/2008	Mr. Joseph Kinyua Permanent Secretary
UNDP		18/11/08	Tomoko Nishimoto Country Director

SECTION I—NARRATIVE

1. INTRODUCTION

A modern, affordable and results-focused public sector is a critical element in socio-economic transformation. The public sector provides the avenue for service delivery and the environment for private sector participation in economic development. Public sector reforms, based on priorities of the Grand Coalition Government manifestos – Party of National Unity (PNU), the Orange Democratic Movement (ODM) and the Orange Democratic Movement –Kenya (ODM-K), will be entrenched across government.

1.1 Situation Analysis

Public sector reforms in Kenya were initiated soon after independence in 1963 and guided by Sessional Paper No. 10 of 1965 on African Socialism and its Application to Planning. The reforms were aimed at addressing the challenges of disease, poverty and ignorance. Later, wider reforms were undertaken within the Sessional Paper No.1 of 1986 on Economic Management for Renewed Growth, the Civil Service Reform programme, 1993-1998, the Economic Recovery Strategy (ERS) – 2003-2007, the Vision 2030 and its Medium term Plan 2008-2013..

During the period 1993-2001, several achievements were realized including civil service right-sizing through the Voluntary Early Retirement Scheme, rationalization of MDA functions and privatization of state corporations. The ERS period saw strategic planning in public institutions, performance contracts, annual work plans and service delivery charters implemented as critical components of Results Based Management (RBM).

Since 2002, the Government has made progress on reforms under development partner supported programmes including the World Bank Public Sector Management Technical Assistance Project, the UNDP Improving Public Sector Management Assistance Programme, and the most recent multi donor basket for the ‘Results for Kenyans’ Programme, with specific reforms, including, for example: reducing backlogs in the audits of Government accounts; taking steps to strengthen the civil service wage policy, including retrenchment and abolition of overmanned posts, and by establishing a Remuneration Board to oversee the implementation of the pay reform policy approved by Cabinet. It established an institutional framework comprising a Cabinet Sub-Committee, a National Steering Committee on Public Sector Reforms, and a Public Sector Reform and Development Secretariat, now restructured as Public Sector Reform and Performance Contracting, responsible for the implementation of Results Based Management (RBM) and coordinating the implementation of on-going reform initiatives in the public sector. As part of its efforts to develop an integrated sector-wide monitoring and evaluation (M&E) system to improve the allocation and use of public resources, the Government has established a Monitoring and Evaluation Department within the Ministry of Planning and National Development (MPND). To improve management and quality of public service delivery, performance contracts have been introduced for all Permanent Secretaries and Accounting Officers in all Government ministries and departments. These performance contracts are tied to the ministerial or departmental strategic plans and require that they report their performance and resource utilization in the delivery of services to the people through parliament and other communication channels. All chief executive officers and board of directors of all state-owned corporations, Local Authority Councils, and boards of Governors of Tertiary Institutions are also expected to sign these performance contracts.

Despite the government's renewed commitment to improve governance and improve the delivery of services to its citizenry, coupled with the support from the Development Partners, significant systematic challenges remain that still need to be addressed. For instance, the Civil service is still not lean and service quality is highly variable and poor in key economic sectors such as the telecommunication, ports, and energy. Issues of its bloated size continue to be a significant challenge in terms of delivering services to its citizenry. Pay reform continues to be a challenge because of lack of a pay policy.

Poor harmonization of donor support to Kenya had led to uncoordinated interventions. This fragmentation has been a huge drain on the capacity of the Government and runs counter to the commitments made under the Paris Declaration on aid effectiveness. There has also been several missed opportunities for organized scaling up of implementation (e.g. in using rapid results approaches, etc), throughout the Government. However, the approach has now been piloted in a few government ministries (health, agriculture, local government, trade and industry and water ministries) with successes. This approach is now being mainstreamed to ensure "results" are delivered to the Kenyan people.

The Government recognizes the above weaknesses and has articulated the new vision and provides a clear institutional framework for improving public sector performance (especially on governance) and service delivery as part of its broader strategy for reinvigorating its programme of growth and structural reforms as stated in the Vision 2030. This approach focuses on enhancing the change management capacity of leaders in the Public Service and their teams in delivering 'Results for Kenyans'. It will also enhance the development and promotion of a value system and code of ethics developed from the existing legislation as well as best global practice as a tool to rejuvenate the service orientation and accountability for public servants. As part of this initiative, the Government has embraced a Results-Based Management (RBM) system as a tool for helping public sector institutions to focus their work, plan strategically and demonstrate candidly the difference that each organization is making to development. It is presumed that by introducing RBM, the Government seeks to improve overall programme effectiveness as well as accountability to its citizens, donors and other Development Partners. Both the public and Development Partners want to see faster development and to know what use their resources are being put into and how efficiently.

1.2 Emerging Issues and Challenges:

- **Cultural and attitudinal aspects:** Embedding a customer focused and results-oriented culture throughout the public sector will greatly improve efficiency and effectiveness. Inculcating a culture of values and ethics and involving stakeholders in decision-making will ensure responsive service delivery and use of public resources. Embracing process re-engineering and monitoring and evaluation will be key to institutionalizing results based management, as will transforming leadership, managing change and inculcating public sector values and ethics.
- **Service delivery orientation:** Public service delivery was formerly process driven rather than results-oriented. Research has shown a clear link between improved service delivery and increased confidence in government.
- **Capacity:** National transformation will require a culture of continuous improvement and innovation. Capacity must be built to achieve the Medium Term Plan and Vision 2030, particularly in key focus ministries, and will help to achieve performance contract targets. There is

need to modernize human resources management systems and increase effective use of information technology.

- **Performance management:** There is need to deepen performance management to improve service delivery and implementation of projects and programs, and to link rewards and sanctions to measurable performance.

2. VISION AND MISSION

Vision: Excellence in public service delivery and a globally competitive nation

Mission: To support, coordinate and facilitate public sector reforms for efficient and effective service delivery and utilization of public resources

3. PUBLIC SECTOR REFORMS EXPECTED IMPACT

The expected impact level results of the public sector reform programme (Results for Kenyans) are:

- 1) Facilitated creation of competitive advantage for Kenya
- 2) Enhanced customer satisfaction through improved service delivery.

Achievement of the impact level results will be determined through monitoring and evaluation of the programme outcomes and through the following data sources:

- Independent Nation-Wide Customer Satisfaction Surveys
- Evaluation of Kenya's performance against International Sector Benchmarks for service delivery in Vision 2030 Sectors
- Progress on public service delivery NIMES indicators
- NEPAD APRM reports
- World Economic Forum Annual Global Competitiveness Reports
- World Bank Governance Indicators Annual Report (Governance Matters)
- UNDP Human Development Report

3.1 The Foundations of Public Sector Reforms

The primary objectives of the Results for Kenyans programme are to support the overall shift toward effective management of key parts of the economy to fulfill Government commitments under the Vision 2030, and the related performance contracts for relevant ministries, and to enhance customer satisfaction through improved service delivery. This will include, but not be limited to, providing capacity building support to the five key ministries (Finance, Agriculture, Planning and Development, Trade and Industry and Local Government). Reforms in the medium term will be founded on the principles of RBM, inculcating values and ethics, strengthening institutions and ensuring effective MDA linkages.

3.1.1 Results Based Management

The Government will enhance the institutionalization of RBM in the public sector to meet and exceed citizen expectations. As such the focus and measure of performance will be based on targeted results realized as opposed to activities completed. Enhanced results orientation will promote participation, teamwork, improved planning, programming and management for attainment of results. Vision 2030 provides guidance for strategic planning at institutional, departmental and individual levels. Implementation of the Rapid Results Approach across the public sector will be focused and standardized to ensure service delivery improvements and fast-tracked project implementation.

3.1.2 Values and Ethics

The Government will also promote compliance with public service values and ethics to facilitate attainment of Vision 2030 and other national priorities. Conscious and deliberate effort will be made to instill cultural and attitudinal change, high standards of integrity, tolerance and respect for diversity, fair play, and the rule of law. The public sector will be used to promote peace, national reconciliation and respect for diversity in development of policy, planning and service delivery.

3.1.3 Strong Institutions

Strong and 'fit for purpose' institutions are key levers for the achievement of national development goals and for sustainability of public sector reforms. During the medium term period, the capacity of institutions will be strengthened for effective execution of their mandates. The focal areas for institutional capacity building will be derived from capability reviews that identify gaps in institutional strategies and policies, leadership and staff competencies, as well as challenges in customer focused service delivery. Capacity building will involve a comprehensive review of the public sector to identify areas of conflict and duplication.

3.1.4 Linked Up Government

Over the medium term period, the government will promote linkages within the public sector to allow for seamless service delivery. The focus is on facilitating an enabling environment for collaboration and linked up service delivery. To realize this, Government will address the following issues: policy, regulatory, institutional structures, information communication technology infrastructure and human capacity.

3.2 PUBLIC SECTOR REFORMS & PERFORMANCE CONTRACTING KEY OUTCOMES FOR 2008/2009

3.2.1 Performance Contracting deepened in the Public Sector

- Strategic performance management systems (including Performance Contracting and Performance Appraisal System) will be used to ensure that accountability for results is extended to all public offices, including the Judiciary, Parliament and Constitutional Offices.
- Compliance to corruption eradication will be enhanced through the negotiation, monitoring and evaluation of all performance contracts.

Indicators of success: Degree in improvement in the mean composite score on Performance Contract results; Percentage of low performing institutions moving into a higher performing category or a higher gradient in the current category

3.2.2 *Institutions strengthened to achieve national goals and priorities including Vision 2030*

- Citizen centered service delivery: Citizen/stakeholder involvement in public policy formulation, planning and programme implementation; Citizen/stakeholder involvement in monitoring, evaluation and reporting.
- Expanded coverage of Performance Contract process in the public sector
- Focused and standardized ‘Rapid Results Initiatives’ deepened and expanded throughout the public sector.

Indicators of success: Percentage of improvement in customer satisfaction; Percentage of institutions up scaling RRI disaggregated by 1st, 2nd, and 3rd waves and beyond; % of total Capacity Building Fund (WB) used to support Rapid Results Action Plans of targeted ministries.

3.2.3 *Transformed Public Sector*

- Capacity built throughout the public sector through Results Based Management, Transformative Leadership, Institutional Capacity Building, and Values and Ethics.
- Reforms facilitated, supported, and coordinated by PSR&PC throughout the Public Sector including Public Financial Management, Local Government, E-Government, Human Resource Management, Project/ Programme Management, Government to Government Learning and Knowledge Management

Indicators of success: Results Demonstrated improvements in Gap Analysis Process and Capability Reviews; Percentage of improvement of public perception of public servants behavior change and modeling behavior consistent with values and ethics as demonstrated by the PSR &PC Attitude and Perception Survey; [[Percentage of staff (regular and new) exposed and evaluated on behavior consistent with code of values and ethics [not exact wording]; Clarity and documentation of roles and responsibilities of leaders in the Public Service established and accountability for results clarified, including instituting and sustaining reforms; [output indicators]

3.2.4 *Stakeholder engagement enhanced through IEC and Public Sector Stakeholder Partnerships.*

- Citizens empowered to demand quality services; citizens engaged in development, monitoring and evaluation of policy, planning processes, and implementation of reforms.

-
- Public Sector Stakeholder Partnerships (PSSP) are developed and institutionalized through policy and regulatory frameworks.
 - Resolved Citizen Service Delivery Charters rolled out and cascaded in Ministries, Departments and Agencies (MDAs)

Indicators of success: Public Sector Stakeholders Policy submitted for consideration by Cabinet; demand driven policy development as demonstrated through targeted desk reviews; Percentage of improvement on awareness of reforms in Kenya as demonstrated in Nation Wide/Sample Survey.

3.2.5 Public Sector Reforms & Performance Contracting strengthened to achieve its mandate and objectives.

- Performance results enhanced through liaison services including the development of a new Joint Statement of Intent with development partners, the development of a best practice database and global communities of practice network, monitoring and evaluation support, and the coordination of government to government learning.
- Programme delivery enhanced through M&E, Finance and Administration, internal auditing including an IT based M&E system designed to track progress on reforms, risk management assessments, programme impact evaluations through targeted partnerships, financial management system designed, procurement and maintenance of programme assets, and monitoring of internal corruption strategies.
- Capacity of PSR&PC enhanced through training, equipment and systems to achieve programme objectives

Indicators of success; Degree of progress on Strategic Plan/Work Plans as shown through Programme/Impact Evaluation and Aide Memoires; Improvements in programme management as demonstrated in Annual Audit Report; Quality M&E reports prepared on time and in line with NIMES.

4. MONITORING, EVALUATION AND COORDINATION OF REFORMS

Past implementation of public sector reforms has been fragmented, and has lacked ownership and linkages with national integrated systems. Over the medium term, there is need to improve coordination of all reforms and in particular strengthen monitoring and evaluation of reforms and integrate them with the national systems, such as the National Integrated Monitoring and Evaluation System (NIMES). Key reforms, including Local Government and E-government will be facilitated through the Public Sector Reforms Strategy.

The government has created Public Sector Reforms and Performance Contracting in the Office of the Prime Minister to institutionalize results-based management (RBM) and to coordinate public sector reforms. A comprehensive information, education and communication strategy for the reforms and public sector services will be developed. A legal and policy framework to support reforms will be developed and submitted to Cabinet.

The Government of Kenya will continue to cooperate with the development partners for monitoring all activities supported by donor funds and will facilitate access to relevant financial records and personnel responsible for the administration of resources provided by the programme funds. To that effect, the Government of Kenya ensures that:

1. Periodic on-site reviews and spot checks of their financial records by UNDP and/or the World Bank or its representatives,
2. Programmatic monitoring of activities following all relevant standards and guidance for site visits and field monitoring,
3. In collaboration with development partners: PSR&PC will establish an annual audit plan.

5. CROSS CUTTING ISSUES

All public sector reform programmes will be facilitated to mainstream cross-cutting issues (Gender equality, youth engagement, Human rights, HIV/AIDs, migration and displacement and environmental sustainability) through targeted support given by PSR&PC. On gender, support will be offered through the existing national machinery for implementing gender sensitive policies, that is to say the National Gender Commission and the National Fund for Women's Entrepreneurship. Support for gender will also be underpinned by use of sex disaggregated data in all baselines for PSR&PC interventions and a sectoral analysis of the relations between men and women in all areas of intervention. As regards Human Rights, a human rights based approach to development will be used with respect to project/activity development. Outputs are expected to support and reinforce the UN principles of equality and non-discrimination; protection of the vulnerable; participation and inclusion and accountability and the rule of law. HIV/AIDs can severely erode development performance and deplete the human resource base. Each intervention within this programme will build in this recognition and, where relevant, undertake measures in mitigation of its impact. Finally, the environment is the sub-strata on which develop happens. Degradation of the natural environment coupled with an energy crunch and lack of access to safe water and proper sanitation will undermine long-term sustainable growth and impair the people's confidence and belief in the development process itself.

6. FLAGSHIPS

PRS&PC flagship projects will deepen the institutionalization of RBM and build capacity of public servants and institutions to meet citizen needs and expectations. To attain a customer focused public sector, the government will strengthen implementation of results based performance monitoring systems, establish common public service delivery standards, and review and implement service delivery action plans. These programs include:

6.1 Strategic Plans

Strategic Plans will be reviewed to ensure that they give strategic direction towards achievement of Vision 2030 and the Long term Public Sector Reform Strategy.

6.2 Performance Contracting

The understanding and application of performance contracting will be deepened throughout the public sector. This includes cascading the performance contracts at all levels of Public Sector

Institutions through the use of the individual work plans, cascading the use of service charters to the community/local level, and the implementation of E service delivery, and performance management systems extending to other arms of government.

6.3 One-Stop-Shops

Public sector reforms will address policy, structural and people issues to facilitate the development of One-Stop-Shops where frequently accessed public services (including information) are clustered and delivered “under-one-roof”. An initial pilot program will be conducted in Nairobi.

6.4 Rapid Results Initiatives (RRI)

RRI will be introduced and scaled up throughout the public sector to enhance achievement of key results that impact on service delivery and effective project and programme completion.

6.5 Transformative Leadership and Capacity Building

The transformative leadership and the capacity building programme will support the institutionalization of RBM and improved performance management in the public sector. Capacity for targeted institutions will be enhanced to achieve national goals and priorities. Leadership capacity building interventions will be achieved through, twinning, coaching and mentoring programme for leaders as well as workshops and leadership forums with local and globally recognized faculty and practitioners. This will provide a platform for dialogue between leaders in the public sector on leadership and change management; and link leaders, as champions of change, with knowledge and best practices elsewhere, on RBM, leadership, values and ethics.

6.6 Kenya School of Government/ Centers of Excellence

The Kenya School of Government will be established with the objective of inculcating public service values and ethics and enhancing transformative leadership. The centres will be used to promote core competencies for personnel within the public sector.

Section II. Management and Implementation Arrangements

1. Management and Implementation Arrangements for the IRCBP will be as set out in the Project Appraisal Document on a Proposed Credit in the Amount of SDR 17.3 Million (US \$ 25 million equivalent) to the Republic of Kenya for an Institutional Reform and Capacity Building Technical Assistance Project dated December 27, 2005 (the “ IRCBP PAD”. If any of the provisions of this document conflict with the provisions in the IRCBP PAD with respect to the management and implementation of the IRCBP, then the provisions of the IRCBP PAD shall be paramount.

2. Public Sector Reforms and Performance Contracting will be the implementing agent of this AWP. In its role as the Implementing Partner, PSR&PC will be responsible for planning and overall management of the project; reporting and accounting; and monitoring and evaluation of the project activities.

3. As established under the Joint Statement of Intent, a Steering Committee comprised of the Prime Minister, as Chair, and the Heads of Mission or Heads of Development Cooperation will lead the implementation and meet annually. The Permanent Secretary, PSR&PC will chair a Technical Committee. Each of the Development Partners will nominate at least one representative and at least one alternate representative as members of the Technical Committee. Meetings of the Technical Committee will be convened quarterly, or when the need arises, for consultation on ongoing implementation, and to review the performance of the programme and approve the annual work plans. Two of these Quarterly Technical Meetings are dedicated for Joint Review Missions in line with the World Bank Schedule. The Technical Committee may recommend changes to the AWP matrix, but any changes are subject to the approval of the UNDP Country Director.

4. Financial Accountability: The Implementing Partner shall be responsible for ensuring that the allocated resources for the Annual Work Plan are utilized effectively in funding the envisaged activities. It shall have a tracking system that it will maintain records and controls for the purpose of ensuring the accuracy and reliability of the Annual Work Plan's financial information. The tracking system in place shall ensure that envisaged disbursements are within the approved budgets. The tracking system shall track the disbursements and the commitments besides capturing expenditure records through direct payments and support services made by UNDP and PFMRCU.

5. Implementation modality

UNDP or the implementing partner, using all appropriate rules and regulations will procure:

- I. The Consultancy Development, installation and capacity building for programme management services including a financial management system, and an M&E System.
- II. Other goods and services, included in the AWP and as agreed from time to time.

UNDP country office shall make direct payments to other parties for services procured by the Implementing Partner in accordance with the Annual Work Plan. Funds will be disbursed to the others parties directly by UNDP. The Permanent Secretary or Authorized officials will sign request for direct payment. Documentation of payment by the Country Office must be made available to the Implementing Partner. A register for such requests shall be maintained to facilitate follow-up.

6. UNDP will procure other goods and services included in the AWP at the request of the implementing partner. The Implementing Partner will draft the technical specifications for the services and goods to procure, and send it to UNDP Kenya Country Office.

7. Cost recovery: The cost of the support services provided by UNDP CO will be recovered from the project on the basis of the Universal Price List.

8. Financial Reporting: UNDP at the end of each financial year will submit to the Implementing Partner a detailed expenditure report with a copy of support documentation. The Implementing Partner should verify the disbursements and revert to UNDP for any correction to be made.

9. Fiduciary Compliance: In managing the Annual Work Plan resources, the Implementing Partner has fiduciary and compliance responsibilities to the funding institutions. It also has compliance responsibility for funding institutions' reporting procedures.

10. The Audit Requirements: All nationally executed Annual Work Plans must be audited at least once in their lifetime. The objective of the audit is to provide the United Nations Development Programme Administrator and other Development Partners with the assurance that programme resources are being managed in accordance with:

- I. The financial regulations, rules, practices and procedures for the Annual Work Plan or project;
- II. The Annual Work Plan activities, management and implementation arrangements, monitoring evaluation and reporting provisions; and the requirements for implementation in the areas of management, administration and finance.

11. ~~Thus an audit of this Annual Work Plan must confirm and certify that:~~

- I. Disbursements are made in accordance with the Annual Work Plan;
- II. Disbursements are valid and supported by adequate documentation;
- III. An appropriate system for internal control is maintained by the Implementing Partner and can be relied upon;
- IV. Annual Work Plan financial reports are fair and accurately presented;
- V. The Annual Work Plan monitoring and evaluation reports are prepared as required;
- VI. Annual Work Plan disbursements are duly verified by the implementing partner and
- VII. The procurement, use control and disposal of non-expendable equipments are in accordance with Government, UNDP requirements.

12. The United Nations Development Programme takes the responsibility to audit the basket funded portion of the programme. A reputable firm sub-contracted by UNDP will conduct the audit. Funds for audit expenses are budgeted within the Annual Work Plan. In the event of such an audit, the Implementing Partner will ensure that auditors are given all records and information that they will need to perform a meaningful performance audit. The Government of Kenya Audit will also be conducted in line with government policies and procedures. The GOK Audit incorporates the World Bank funds.

13. It is the responsibility of the Implementing Partner to ensure that all audit observations within its control are attended adequately. The implementing partner may include the activities of this project in the normal audit for their use. UNDP activities for procurement of goods and services shall be subjected exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP.

14. Procurement of Goods and Services funded by Basket Funds: Kenya's Government established rules and procedures governing procurement may be used when Government procures, as long as it does not contravene UNDP's rules and procedures. However, UNDP must be informed of procurement processes within the IP and UNDP must be represented in procurement committees that are held to evaluate quotations and bid offers.

Section III

PUBLIC SECTOR REFORM AND PERFORMANCE CONTRACTING
JOINT DONOR FUNDED RESULTS AND RESOURCES FRAMEWORK
2008/2009

Intended Outcome as stated in the Country Programme Results and Resource Framework:						
1. Performance Contracting deepened in the Public Sector						
Outcome indicators:						
<i>Degree in improvement in the mean composite score on Performance Contract results; Percentage of low performing institutions moving into a higher performing category or a higher gradient in the current category</i>						
<i>Status</i>						
60 institutions in the poor performing category;						
<i>Target</i>						
All institutions(60) moved from poor performance to good or very good category						
Intended Outputs	Indicators (Monitoring)	Current status	Target	Key Activities Highlights and Indicative Timeline (Ref: Detailed Work Plan)	Responsible parties	Inputs and total budget required
1.1 Capacity to identify and achieve targets developed; compliance with reporting guidelines enhanced; Quality assurance measures established, capacity to analyze and give feedback on quarterly reports enhanced	Timeliness and quality of reports measured against guidelines; Number of staff trained on quality standards % of MDA reports on corruption eradication forwarded to KACC Conflict of interest and Access to Information awareness programme developed.	Baseline: Inadequate number of institutions, agencies, & trained civil servants on PC; PC mostly signed at top level and not cascaded; PAS not cascaded to Local Auth., & State Corporations; few MDAs have cascaded service charters; System for monitoring progress of corruption	Target: PC signed with HoD in all MDAs; Awareness built in Judiciary, Parliament, and constitutional offices on RBM; Capacity built of 2000 Public Servants; PAS reviewed and implemented in all MDAs; 100% of all reports received on progress of corruption eradication forwarded to KACC., rules regarding conflict of interest are clear across the public	<ul style="list-style-type: none"> PC Curriculum developed – by March 2009 PC TOT Programme implemented – by March 2009 PC M&E tool developed – by May 2009 PCs negotiated, vetted and evaluated.- by June 2009 PCs evaluated on corruption eradication compliance – by June 2009 Baseline survey conducted on cascading process – by March 2009 Revised PAS implemented – June 2009 PC process evaluated – February 2009 Corruption Eradication indicators monitored – by June 2009 	PSR&PC, MDAs, Parliament, Judiciary, Local Authorities, Tertiary Institutions. Partners: Private Sector, and Academic Institutions, Civil Society and Media.	Staff, consultancies, materials and equipment, workshop venues and facilities, capacity building initiatives, and strategic partnerships. TOTAL BUDGET REQUIRED: KES: 72,688,431 USD: \$ 951,489
1.2 Systems for monitoring progress on compliance on corruption eradication developed						

				service, and the public has knowledge regarding access to information.			
--	--	--	--	--	--	--	--

Outcome indicators:

Percentage of improvement in customer satisfaction (disaggregated by age, sex and rural urban status); Percentage of institutions up scaling RRI disaggregated by 1st, 2nd, and 3rd waves and beyond.

Status Few MDAs using RRI as tools for meeting targets set in performance contracting and Few MDAs scaling up RRI after 1st wave.

Target RRI 1st wave completed in 60 Local Authorities

Intended Outputs	Indicators(Monitors)	Current Status	Targets	Key Activities Highlights and Indicative timelines (Ref: Detailed Work Plan)	Responsible parties	Inputs and total budget required
<p>2.1 Citizen centered service delivery: Citizen/stakeholder involvement in public policy formulation, planning and programme implementation;</p> <p>2.2 Citizen/stakeholder involvement in monitoring, evaluation and reporting.</p> <p>2.3 Expanded coverage of Performance Contract process in the public sector</p> <p>2.4 Focused and standardized 'Rapid Results Initiatives' will be deepened and expanded throughout the public sector.</p> <p>2.5 Best practices in implementation of RBM, including service and sector standards, determined through government to government learning</p>	<p>Rapid Results methodologies are adopted in the implementation of projects within each focus ministries and project staff trained;</p> <p>75% of projects in focus ministries identify 100 day targets that can use RRI in their achievement;</p> <p>Number of RRI's launched</p>	<p>Baseline: Few MDA's using RRI as a tool for meeting targets set in performance contracts; Few MDA's up scaling RRI after 1st wave. Few MDAs have cascaded service charters; large gaps in service delivery; lack of policy & legal frameworks for results; draft incentive /sanction system developed</p>	<ul style="list-style-type: none"> Target: Service Charters cascaded in 16 pilot ministries and awareness built; Perf. & Results bill drafted and presented to Cabinet; Incentive and Sanction System operational; support provided to operationalise OPM 	<ul style="list-style-type: none"> E Service Delivery piloted – by February 09 Service Charters resolved and awareness built in 16 pilot ministries. – Completed in August 08 Nationwide Service Delivery Survey conducted & results communicated. - By June 09 30 Staff Capacity built to conduct RRI – by May 09 RRI's conducted & up scaled – Continuous RRI M&E Tool developed and implemented – by June 09 Sector benchmark inventory/database created – by March 09 High Level/Technical level Study Tour coordinated – by March 09 Perf.&Results Bill validated and Cab Memo drafted and forwarded to Cabinet – by May 09 Bylaw of local authorities reviewed – by June 09 Incentive/Sanction validation process implemented 	<p>PSR&PC, MDAs, Parliament, Judiciary, Local Authorities, Tertiary Institutions.</p> <p>Partners: Private Sector, and Academic Institutions, Civil Society and Media.</p>	<p>Staff, consultancies, materials and equipment, workshop venues and facilities, capacity building initiatives, and strategic partnerships.</p> <p>TOTAL BUDGET REQUIRED: KES: 82,680,513 USD:\$ 1,082,285</p>

Intended Outcome as stated in the Country Programme Results and Resource Framework:

3. Transformed Public Sector

Outcome indicators:

Results Demonstrated improvements in Gap Analysis Process and Capacity Reviews; Percentage of improvement of public perception of public servants behavior change as demonstrated by the PSR & PC Attitude and Perception Survey; Percentage of staff (regular and new) exposed and evaluated on behavior consistent with code of values and ethics; degree of implementation of Presidential Directive to ensure at least 30 % women in public service (disaggregated by job group) .

Status:

Capacity assessments conducted in 10 districts; 2,700 Senior Officers trained in Transformative Leadership; reforms not adequately coordinated; non-state actor involvement in reforms is weak; Baseline survey on Growing our Leaders conducted in 5 provinces; no baseline for nation-wide Attitude and Perception Survey

Target:

Capacity assessments conducted in 60 MDAs; Conduct initial Attitude and Perception survey as part of nation-wide customer satisfaction survey; baseline for % of women in public service, disaggregated by job group

Intended Outputs	Indicators (Monitors)	Current status	Target	Key Activities Highlights and Indicative timelines (Ref: Detailed Work Plan)	Responsible parties	Inputs and total budget required
<p>3.1 Capacity built throughout the public sector through Results Based Management Training, Change Management, Transformative Leadership, Institutional Capacity Building, and Values and Ethics</p> <p>3.2 Reforms facilitated, supported, and coordinated by PSR&PC throughout the Public Sector including Public Financial Management, procurement reforms, Local Government, E-Government, Human Resource Management, Project/ Programme Management, Government to Government Learning and Knowledge Management including the development establishment and strengthening of MMUs</p> <p>3.5 Establish accountability for results from leaders in the Public Service</p>	<p>Leaders in the Public Sector and senior ministry staff trained in RBM and Change Management;</p> <p>Results Units Established to roll out RBM in the focus Ministries;</p> <p>Code of Ethics developed in line with the guide for values and ethics in RBM and adopted within each focus ministry and the corporate induction programs;</p> <p>75% of regular staff and 100% of management staff and 100% of all new staff exposed and evaluated on behavior consistent with the Code of Ethics</p>	<p>Baseline: Inadequate support to and capacity within MDAs; RBM not institutionalized at the provincial & district level; Capacity assessments conducted in 10 districts; 2,700 Senior Officers trained in Transformative Leadership V&E; reforms not adequately coordinated; non-state actor involvement in reforms is weak; Baseline survey</p>	<p>Target: Capacity built in MDAs; Local Auth officials trained in RBM; Capacity reviews undertaken in LAs; Coordination of RRI in 10 MDG Districts; Add. Capacity strengthened for 70 institutions (60 Local authorities, 10 Ministries) in CBP/VE; PSR Agenda coordinated; Sector Reforms supported.</p> <ul style="list-style-type: none"> Performance contracts signed and cascaded; Work-plans 	<ul style="list-style-type: none"> Capacity reviews/Competency Profiles of MDAs conducted – by March 2009 Capacity Gap Action Plans supported – June 2009 MAF implemented by June 2009 2 applied research studies conducted Executive training on RBM, TL/VE conducted – by March 2009 35 RRI Coaches trained – by June 2009 M&E conducted on IRCBP Ministries – By March 2009 Programmes mainstreamed with cross-cutting issues - 	<p>PSR&PC, MDAs, Parliament, Judiciary, Local Authorities, Tertiary Institutions.</p> <p>Partners: Private Sector, Academic Institutions, Civil Society and Media.</p>	<p>Staff, consultancies, materials and equipment, workshop venues and facilities, capacity building initiatives, and strategic partnerships.</p> <p>TOTAL BUDGET REQUIRED:</p> <p>KES: 142,939,422</p> <p>USD: \$ 1,871,072</p>

		<p>on Growing our Leaders conducted in 5 provinces; Public Service Code of Ethics developed</p>	<p>prepared</p>	<p>Continuous</p> <ul style="list-style-type: none"> • Joint Work plan developed across reform programmes – January 2009 • Evaluation CBP/TL Programme – by June 2009 • Public Sector Reform Strategy 2008/2013 developed – March 2009 		
--	--	---	-----------------	---	--	--

4 Stakeholder engagement enhanced through Information, Education, Communication, and Public Sector Stakeholder Partnerships

Outcome indicators:

Public Sector Stakeholders Policy presented for consideration by cabinet; Demand driven policy development as demonstrated through targeted desk reviews; Demonstrated stakeholder participation (disaggregated by sex, age and rural/in-ban status) in policy development, implementation and monitoring & evaluation (mechanisms in place and in use); Percentage of improvement on awareness of reforms in Kenya as demonstrated in Nation Wide/Sample Survey/ and other independent Scorecard Project.

Status: Inadequate and fragmented citizen engagement in policy development, programme implementation, and monitoring and evaluation. Lack of baseline for awareness

Target: Demonstrated citizen engagement (of men, women, girls and boys) and formal entry points established in monitoring & evaluation (feedback mechanisms in place and in use); baseline on awareness of reforms established.

Intended Outputs	Indicators (Monitors)	Current status	Target	Key Activities Highlights and Indicative Time lines (Ref: Detailed Work Plan)	Responsible parties	Inputs and total budget required
4.1 Informing citizens and empowering them to demand quality services; Engaging citizens in development, monitoring and evaluation of policy, planning processes, and implementation of reforms.	Percentage of MDA's with resolved service charters. Cabinet memo prepared and submitted to cabinet % of recommendations from citizen forums considered for implementation.	Baseline: IEC Strategy developed; PSSP draft developed; Public Service Week successfully held; IEC Material for former PSRDS created; Inactive PSR&PC website; modern technology not being used; fragmented knowledge info & sharing system; non state actor involvement informal and fragmented.	<ul style="list-style-type: none"> Target: IEC Strategy reviewed, aligned and implemented; 2008 Public Service Week held; IEC needs established in all MDAs; 2 add services available on sms; website interactive; Know.Manageme nt System developed; Non State Actors involvement planned and coordinated 	<ul style="list-style-type: none"> Align IEC Strategy with new GONU and implement-January 09 Baseline survey conducted on MDA IEC needs -by March 09 Communication Strategy and PR Strategy developed & implemented -by June 09 Telephone system/sms system developed -by June 09 Resource Centre established at KIA/KICC - by June 09 Website developed - by March 09 IEC materials re-branded and produced - by December 08 PSSP Policy implemented - by March 09 Civic dialogue held on accountability & results. - by December 08 	PSR&PC, MDAs, Non-State Actors, Media	Staff, consultancies, materials and equipment, workshop venues and facilities, capacity building initiatives, and strategic partnerships. TOTAL BUDGET REQUIRED: KES: 128,908,063 USD: \$ 1,687,402
4.2 Public Sector Stakeholder Partnerships Policy (PSSP) are developed and institutionalized through policy and regulatory frameworks.						

Intended Outcome as stated in the Country Programme Results and Resource Framework:

5 Public Sector Reforms and Performance Contracting strengthened to achieve its mandate and objectives

Outcome indicators:

Degree in progress on Strategic Plan/ Work Plans as shown through Programme/Impact Evaluation and Aide Memoirs; Improvements in programme management as demonstrated in Annual Audit Report; Quality M&E reports prepared on time and in line with NIMES.

Status: Resources available to support PSRSRPC plans insufficient to support sector wide reforms; Prog. Mgt systems developed Delivery not established and minimal risk management applied

Target: Resources for sector wide reforms found; and Prog. Mgt system enhanced M&E framework finalized and capacity built; internal audit executed and Financial Management installed. Performance contract targets met in 2008/09

Intended Outputs	Indicators	Current status	Target	Key Activities Highlights and indicative Timeline (Ref: Detailed Work Plan)	Responsible parties	Inputs and total budget required
5.1 Performance results enhanced through liaison services	Joint Statement of Intent established and in place. Best practice database and global community of practice in place	Baseline: Resources available to support PSRPC plans; insufficient resources available to support sector wide reforms; Prog. Management systems developed; linkages with stakeholders weak; no mechanism exists to share lessons learnt; common standards for Service Delivery not established; minimal risk management applied; draft M&E framework developed; M&E division in place; internal audit not functional; manual financial management; Performance	Resources found to support sector wide reforms; Prog. Ma. Systems enhanced; formal links established with stakeholders; knowledge man. System developed; Standards database created; M&E framework finalized and capacity built; internal audit executed; IT Fin Man System; PC targets met in 2008/09	<ul style="list-style-type: none"> New JSI for development Partners signed – March 2009 Sector wide support to reforms framework created – by January 2009 M&E System developed and capacity building - Continuous Technical/Financial reporting consistent - Continuous Communication with stakeholders system developed – December 2008 Best practice research undertaken – by March 2009 Call down agreements managed - Continuous Common Assessment tool adopted - Continuous Risk Man. System developed – by January 2009 	PSR&PC, UNDP, PSRPC	Staff, consultancies, materials and equipment, workshop venues and facilities, capacity building initiatives, and strategic partnerships.
5.2 Programme delivery enhanced through M&E, Finance and Administrative on, internal auditing including an IT based M&E system designed to track progress on reforms, risk management assessments, programme impact evaluations	Government to government learning programme operational IT based M&E system in place and coordinated with NIMES Financial management system in place				Donor Group, other like minded partners	<p>TOTAL BUDGET REQUIRED:</p> <p>KES: 231,055,932</p> <p>USD: \$3,024,514</p>

<p>through targeted partnerships, financial management system designed, procurement and maintenance of programme assets, and monitoring of internal corruption strategies.</p> <p>5.3 Capacity built for PSR&PC through training, equipment and systems to coordinate reforms</p>		<p>Contract 2008/09 established</p>		<ul style="list-style-type: none"> • Fin. Man. System procured by December 2009 • Impact evaluation undertaken – June 2009 • Internal audit completed - continuous • Perf. Contract targets met – by June 2009. • Training for PSR&PC staff – by June 2009 • Implementation of PSR&PC performance targets – by June 2009 • Appropriate work environment and tools provided – Continuous 		
---	--	-------------------------------------	--	--	--	--