



**MINISTRY OF LABOUR AND SOCIAL PROTECTION
OFFICE OF THE CABINET SECRETARY**

SPEECH BY SIMON K CHELUGUI

Cabinet Secretary Labour and Social Protection

**During the Official Signing of Performance Contract
of the Financial Year 2020/21**

**with the Boards of State Corporations under the
Ministry**

At The Sarova New Stanley Hotel

Friday 20th November 2020

Chief Administrative Secretary, Patrick Ole Ntutu

PS Labour, Eng. Peter Tum

PS Social Protection, Nelson Marwa

All Chairmen/Chairperson

All Director General /CEOs of Various State Co-corporation

All HODs Present

Other Ministry Staff,

Good morning

We are gathered here this morning to officially sign the Performance Contracts for our respective organizations under the 17th Cycle of performance contracting in Public Service. The Contracts cover the 2020/21 Financial Year period, and will guide the implementation of policies, Programmes, Projects and activities outlined. They will also be the primary basis for assessing performance in your respective organizations.

Let me remind you that the Government is committed to ensure that public organizations are efficiently managed and are effective in delivering quality services to the public in line with provisions of the Constitution. This commitment is fulfilled through the Performance Contracts. We cannot therefore treat this exercise of performance contracting as a ritual that we are happy to finalise, keep the file in our shelves and only remember it when the time for reporting begins.

The 2020/21 Performance Contract is the third cycle in the implementation of the Third Medium Term Plan covering the 2018-2022 period. The flagship projects outlined in the Plan, and included in the 2020/21 Financial Year Performance Contract, will therefore contribute

significantly to the achievement of the National Development Agenda as outlined in the Kenya Vision 2030 and the Big 4 Agenda.

As you are aware, the 'Big Four' Agenda recognizes the need for inclusive growth and creation of job opportunities for Kenyans, which is the core mandate of this Ministry. The negotiated Performance Contracts therefore has incorporated initiatives under the Government 'Big Four' Agenda targeted to deliver growth and to transform the life of Kenyans. Your institutions is therefore expected to play a critical role in the realization of the goals of the Agenda as an Enabler. Let me single out the direct role that institutions like National Social Security Fund is expected to play in the construction of low-cost housing.

Taking cognizant of the emerging realities of the COVID-19 pandemic in the country, the set performance targets will also enhance implementation of the Post COVID-19 recovery strategies geared towards managing the negative effects of the pandemic.

The main aim of highlighting all this is to remind ourselves of the need to ensure that policies, programmes and projects; implemented by all State Corporations under the Ministry must be fully aligned to the Government's Development Agenda. I note that this is well covered in the 2020/21 Financial Year Performance Contracts and now the main task is implementation.

Let me take this opportunity to remind you that these Performance Contract targets were negotiated and vetted with my office and the Public Service Performance Management Unit. The Contracts are a demonstration of the commitment by your organizations to meet the high standards of service delivery demanded by Kenyans.

At the end of the Financial Year you will be gauged on how effective you have been able to deliver on your commitments and intents as outlined in the Performance Contracts. The Contracts therefore form a basis for continuous performance measurement and improvement as we collectively seek to meet the needs and expectations of the Kenyans.

My 2020/21 performance contract with the President has been cascaded to the two State Departments level and you will witness the signing of the same with the two Principal Secretaries. You will also be expected to cascade your institution's Performance Contracts to all levels to enhance accountability in service delivery starting with the signing of the contract between the Board and the Chief Executive Officers, who will also be expected to cascade the same to departmental level.

As we sign these performance contracts, let me remind you that resources allocated to or generated by State Corporations are meant to achieve the Government's development objectives. In this regard, I expect prudent utilization of those resources and complete transparency in the procurement processes. In addition, you must focus on re-orientating your operations to embed prudence and fiscal discipline. Among my expectations from you is completion of on-going priority projects and programmes.

Finally, you need to take note of the emerging changes in the current performance contracting which include full automation of the performance contracting process. An end-to-end automated platform has been developed to facilitate negotiation, vetting, monitoring & reporting as well as performance evaluation. Therefore, you will be expected to adopt the paperless system where all key decisions will be made online.

All State Corporations will be required to strictly adhere to quarterly performance reporting as provided for in the Performance Contract Guidelines. My office will also expect to receive quarterly progress reports on implementation of the agreed targets, including holding of bi-monthly meetings. It is the expectation of my office that all targets for the reporting period will be met and should there be any gaps in the performance, the same must be backed by factual and relevant reasons.

My office is cognizant of the fact that implementation process is not always easy, since some bottlenecks will arise, however concerted efforts will be demanded of you in resolving the same. I wish to urge all State Corporations to build synergies with relevant institutions, both within and outside the Ministry, in an effort to facilitate better implementation of their projects and programmes. These may include external institutions like KNBS, UNICEF, ILO, IOM, World Bank and creating synergy with internal systems like Single registry and Kenya Labour Market information systems among others to enhance data sharing and break SILO mentality.

I recognize that building some of these linkages and collaborations will require the assistance of my office. Towards this, I give my commitment for an open-door policy to all State Corporations in need of any support of my office during this implementation period.

I look forward to celebrate the achievement of our performance contract for the 2020/21 Financial Year. Let us partner and achieve this together

THANK YOU AND GOD BLESS YOU ALL

