How to Improve Government Performance
(Challenges, Possible Solutions and Lessons of International Experience)

Dr. Prajapati Trivedi
Secretary, Performance Management
Cabinet Secretariat
Frontiers of Public Sector Management:
In Search of Better Performance

Dr. Prajapati Trivedi
Secretary, Performance Management
Presentation Outline

• Perceptions about Government Performance
• Explanations about Government Performance
• Meaning of Government Performance
• How to Improve Government Performance
• International Best Practice and Options
• Lessons of Experience – Summing Up
Select Key Points

• The one picture I want to etch in your minds
ALL THE PRIME MINISTER'S MEN

BEST & WORST

Into its fifth month, the Manmohan Singh Government shows signs of life. There is a perceptible change in the style of governance as performers in the pack, including the prime minister, equip themselves for an offensive on the Opposition.
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The INDIA TODAY team met and ranked all cabinet ministers and ministers of state with independent charges on their performance and popular perception.

<table>
<thead>
<tr>
<th>Minister/Department</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>P. Chidambaram, Finance</td>
<td>1</td>
</tr>
<tr>
<td>Mani Shankar Aiyar, Petroleum, Pragatiya Raj</td>
<td>2</td>
</tr>
<tr>
<td>Arjun Singh, HRD</td>
<td>3</td>
</tr>
<tr>
<td>Sharad Pawar, Agriculture</td>
<td>4</td>
</tr>
<tr>
<td>Praful Patel, MoS, Civil Aviation</td>
<td>5</td>
</tr>
<tr>
<td>Kamal Nath, Commerce and Industry</td>
<td>6</td>
</tr>
<tr>
<td>Dayanidhi Sriram, IT, Communications</td>
<td>7</td>
</tr>
<tr>
<td>Pranab Mukherjee, Defence</td>
<td>8</td>
</tr>
<tr>
<td>Kapil Sibal, MoS, Science and Technology</td>
<td>9</td>
</tr>
<tr>
<td>Lalu Prasad Yadav, Railways</td>
<td>10</td>
</tr>
<tr>
<td>Ramu Choudhary, MoS, Tourism</td>
<td>11</td>
</tr>
<tr>
<td>Raghuvansh Prasad Singh, Rural Development</td>
<td>12</td>
</tr>
<tr>
<td>Ghulam Nabi Azad, MoS, Parliamentary Affairs and Urban</td>
<td>13</td>
</tr>
<tr>
<td>S. Japal Reddy, Information and Broadcasting</td>
<td>14</td>
</tr>
<tr>
<td>M. Sayeed, Power</td>
<td>14</td>
</tr>
<tr>
<td>Natwar Singh, External Affairs</td>
<td>16</td>
</tr>
<tr>
<td>Prem Chand Gupta, MoS, Company Affairs</td>
<td>17</td>
</tr>
<tr>
<td>H.R. Bharadwaj, Law and Justice</td>
<td>18</td>
</tr>
<tr>
<td>A. Ramadoss, Health and Family</td>
<td>19</td>
</tr>
<tr>
<td>PR. Dasmunshi, Water Resources</td>
<td>20</td>
</tr>
<tr>
<td>T.R. Baalu, Shipping and Highways</td>
<td>21</td>
</tr>
<tr>
<td>Sunil Dutt, Youth Affairs and Sports</td>
<td>22</td>
</tr>
<tr>
<td>S.M. Dev, MoS, Heavy Industry</td>
<td>23</td>
</tr>
<tr>
<td>S. Vaghela, Textiles</td>
<td>24</td>
</tr>
<tr>
<td>Oscar Fernandes, MoS, Statistics</td>
<td>25</td>
</tr>
<tr>
<td>Ram Vilas Paswan, Chemicals, Fertilisers and Steel</td>
<td>26</td>
</tr>
<tr>
<td>Meira Kumar, Social Justice</td>
<td>27</td>
</tr>
<tr>
<td>Subodh Kant Sahay, MoS, Food Processing</td>
<td>28</td>
</tr>
<tr>
<td>Vilas Muttemwar, MoS, Non-Conventional Energy Sources</td>
<td>29</td>
</tr>
<tr>
<td>Kumari Solja, MoS, Urban Employment and Poverty Alleviation</td>
<td>30</td>
</tr>
<tr>
<td>A. Raja, Environment and Forests</td>
<td>31</td>
</tr>
<tr>
<td>Mahabir Prasad, Small-Scale Industry</td>
<td>32</td>
</tr>
<tr>
<td>Shivraj Patil, Home</td>
<td>33</td>
</tr>
<tr>
<td>Sis Ram Ola, Labour and Employment</td>
<td>34</td>
</tr>
<tr>
<td>PR. Kyndiah, Tribal Affairs</td>
<td>35</td>
</tr>
</tbody>
</table>

While individual scores have been rounded off, rankings are based on decimal placings.
TRAVEL PLANNER
Renuka Choudhary, MoS for Tourism

A giga-trip in promoting an arms deal and an over-enthusiastic
attitude to celebrate the 350th anniversary of the Taj Mahal have nearly put paid
to the early exuberance which greeted her ascension. Though hamstrung by
the separation of tourism from culture, Choudhary is still full of plans
even if some like opening the monuments at night for functions have alarmed
many purists. If only her high profile was matched by smart plans.

KEY ASSIGNMENTS
- Wants to make tourism an integrated ministry.
- Has asked for an inter-ministerial group on tourism also.
- Ho-trip package for youth and domestic tourists.
- There are no concrete plans yet for attracting high-end foreign tourists.

IN A PICKLE
Subodh Kant Sahay
MoS for Food Processing

The articulate minister has been uncharacteristically keeping a low profile. While he talks a lot about his plans for the ministry, the only substantive thing so far has been clearing of pending applications. Burning the midnight oil to prepare a unified food law—resisted by
turf-conscious colleagues—there is little to show. Sahay is earnest but is
naturally not happy with the portfolio.

LOW WATTAGE
Vilas R. Muttemwar
Non-Conventional Energy

His biggest achievement till date has been organizing events like the Rajiv
Gandhi Akshar Utsav. But no signs say, there is yet no policy to exploit
the potential of renewable energy.

MISSING IN ACTION
Raghuvansh Prasad Singh
Rural Development

Has a PhD in mathematics, is a workaholic and
is universally acknowledged as “honest to the
core”, but his ministry is yet to see its full potential.
Often described as the “right man in the wrong party”, Raghuvansh Prasad Singhs biggest
advantage turned out to be the elaborate structures
and mega programmes made by the UPA government
in the rural development sector. However, if politics
is about the generation of big ideas, Singh is surely
missing in action.

KEY ASSIGNMENTS
- Has managed to rope in big foreign donors and disburse
  60 per cent of funds for schemes.

BUT
- is still riding piggyback on programmes
  started by the NDA government.

KEY ASSIGNMENTS
- Panels on renewable energy in districts.
- No standard price-support mechanism for renewable energy.
- “Goan-gosa bijli, ghar-ghar praksh” campaign for energy security in villages.
- Control framework for renewable energy-based IPPs yet to be drafted.
Five months ago, the UPA Government came to office through a mandate that was described as "historic," even "triumphant." Whatever else it may have been, the mandate was most certainly unexpected. Once the results were known, the coalition that came together was a conglomerate of ideologies and regional interests.

The arithmetic of government formation meant that some of those in Manmohan Singh's Government may have not expected—or else we say it, deserved—to be holding important offices before the elections. What we have now is a Government that has been pulled in many directions and a country that wonders where it is going. There is trouble in the Northeast, a minister has been charged with murder and foreign direct investment continues to be contentious.

Usually, the work and efficiency of a new government is summarised by a 100-day report, which focuses on prominent ministers. But this coalition is ridden with so many contradictions that each of its ministers calls for a closer look. We decided to study this Government a little differently and in greater depth.

Our cover story this week is a report card on the UPA Government prepared by the editors of India Today. In August 2008, we had rated the six-government but continued only the Lok Dal ministers. This time we decided to take the exercise further and have focused on the entire Cabinet—every ministry every minister has been rated and ranked on the basis of performance and perception.

It is quite probable we will be accused of being subjective but we believe we have the experience and credibility to do a fair and accurate job. This is based on our correspondents, fingered out through the corridors of power, meeting ministers and talking to experts. Our editors then gave the ministers marks out of 10, with Finance Minister P. Chidambaram getting the top of the class. The average score though is a very low 49/100. Not everyone is pulling his weight—one ministers is hardly pulling anything at all.

It is indicative of a lack of cohesion or clear articulation of policy within the Government. Manmohan Singh has tremendous credibility but the feeling is that a sense of authority, both real and implied, is missing from his prime ministership.

Deputy Editor Sankalp Arya, who put together the cover package, says, "What this Government lacks is a big idea." The P.V. Narasimha Rao government, had liberalisation, the Vajpayee coalition used the catch phrase of connectivity—through roads and telecom. What the UPA needs most now is a big idea.

(Aron Parve)
Our August 27, 2001 cover on NDA ministers

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The overall picture that emerges is a hazy one, indicative of a lack of cohesion or clear articulation of policy.
Select Key Points

- Accountability for results trickles down

- Countries in the world can be classified according to their ability to implement policies and programs

- Implementation depends on effective follow-up (M&E) (another name for accountability and Results-Based Management)

- Effectiveness of follow-up and monitoring depends on quality and not quantity of M&E (Effective evaluation requires explicit rankings).
Select Key Points

• Degree of Accountability for results is synonymous with Evaluation.

• Evaluation techniques for *management control* in government are different from evaluation techniques for *strategic control*.

• Evaluation is one of the three systems required for performance improvement – Information and incentive systems being other two.

• Performance Evaluation is different from Performance Explanation and Performance Monitoring.
Presentation Outline

• Perceptions about Government Performance
• Explanations about Government Performance
• Meaning of Government Performance
• How to Improve Government Performance
• International Best Practice and Options
• Lessons of Experience – Summing Up
Perceptions about Performance of Government Agencies

Government Agencies have not delivered what was expected from them
Perceptions about Government Performance
- Explanations about Government Performance
- Meaning of Government Performance
- How to Improve Government Performance
- International Best Practice and Options
- Lessons of Experience – Summing Up
Problems of Government Agencies - I

- Problems of Government Agencies
  - Administrative Ministry
    - Equity
    - Efficiency
  - Planning Ministry
    - Multiple Principals
    - Fuzzy Goals & Objectives
  - Finance Ministry
    - Political
    - Non-Political
Problem of Government Agencies -II

“NOT ME” Syndrome

People
Public Enterprise
Government
Parliament
Symptom: Performance Deficit Vs. Financial Deficit

- Performance Deficit
- Poor Performance
- Financial Deficit
- Low Credibility
- Lower Funding
Perceptions about Government Performance

Explanations about Government Performance

• How to Improve Government Performance
Determinants of Performance

80% System

20% People
Determinants of Performance

System

80% People
20% Leader

REST
Determinants of Performance

People 20%
System 80%
Determinants of Performance

People

- System: 80%
- Leader: 16%
- Rest: 4%

System: 80%
What can be done to solve the problem?

Government Agencies have not delivered what was expected from them

Reduce Quantity of Government
- Privatization
- Traditional Civil Service Reforms

Increase Quality of Government
- Trickle-down Approach
- Direct Approach
Increasing Quality of Government

- Trickle Down Approach
  - Performance Agreement
  - Enabling Environment

- Direct Approach
  - Client Charter
  - Quality Mark
  - E-Government
  - E-Procurement
  - ISO 9000
  - Peer Reviews
  - Knowledge Management
1. In the words of Second Administrative Reform Commission:

   — “Performance agreement is the most common accountability mechanism in most countries that have reformed their public administration systems.”

   — “At the core of such agreements are the objectives to be achieved, the resources provided to achieve them, the accountability and control measures, and the autonomy and flexibilities that the civil servants will be given.”
Concept of Performance Agreement

2. Performance Agreements in India are proposed to:
   – be signed between a Minister representing people’s mandate and Secretary of the corresponding department responsible for implementing the mandate
   – contain agreed objectives, policies, programmes and projects / schemes
   – include success indicators and targets
   – outline resources required and operational autonomy provided to departments
Sample Performance Agreement From USA

Performance Agreement
between
The President of USA
William Jefferson Clinton
and
The Secretary of Energy
Hazel O’Leary

PERFORMANCE AGREEMENT

BETWEEN

THE PRESIDENT OF THE UNITED STATES
WILLIAM JEFFERSON CLINTON

AND

THE SECRETARY OF ENERGY
HAZEL R. O’LEARY

FISCAL YEAR 1995
Secretary's Performance Agreement
The Department of Energy

Overview

The Department of Energy's commitments for FY 1995 reflect the vision, goals, priorities, and expectations of Secretary Hazel O'Leary. These commitments support the President's efforts to change yesterday's government into one that works better, costs less, and works for the America of today and tomorrow.

We have changed our priorities.

The Department of Energy has changed its priorities so that we contribute to realizing the American Dream. Many changes will be needed for this broad goal and this Agreement is only a beginning. We are working to:

- Uphold our commitments to science, research, and technology development.
- Continue vigilance in the defense of the Nation by maintaining the safety and readiness of our weapons stockpile, by safely dismantling weapons, and by negotiating nuclear non-proliferation treaties.
- Clean up of contaminated weapons sites, prevent future pollution, and engage global environmental actions with the same determination that built our nuclear arsenal.
- Capitalize on emerging markets for sustainable U.S. energy technologies at home and abroad.
- Achieve a market-driven economy that creates high-quality jobs and improves the quality of life for Americans.

We have changed how we do business.

To successfully implement our business priorities we are implementing the second phase of National Performance Review initiatives and are changing how we do business. We are working to:

- Change the culture from reactive, command and control approaches to active, preventive solutions in environment, safety, and health.
- Empower our employees, listen to our customers, and re-engineer our work processes.
- Frame the bureaucracy, reduce organizational layers, maintain or increase diversity, while downsizing, and achieve labor-management partnerships.

We have been measuring our progress against the commitments in this Agreement since the beginning of the Fiscal Year and are working to improve our measures to be more outcome-based. We have a good plan, good people in charge, and are reinventing the Department of Energy with purpose and vigor.

Our Vision

By the turn of the century, the Department of Energy through its leadership in science and technology will continue to advance U.S. economic, energy, environmental, and national security by being:

- A major partner in world-class science and technology through its national laboratories, research centers, university research, and its educational and information dissemination programs.
- A vital contributor to reducing the global nuclear danger through its national security and nonproliferation activities.
- A world leader in environmental restoration, waste management, and pollution prevention.
- A key contributor in ensuring that the United States leads the world in developing, applying, and exporting sustainable, clean, and economically competitive energy technologies.
- A key contributor in maintaining U.S. global competitiveness through leadership in environmentally conscious materials, technologies, and industrial processes.
- A safe and rewarding workplace that promotes excellence, nurtures creativity, rewards achievement, and is employee-oriented and fun.
DOE's Goals

To realize our Vision, the Department has established the following FIVE KEY GOALS:

- Leverage DOE's Unique Science and Technology Capabilities to Provide Knowledge that Drives the Nation's Future
- Reduce the Global Nuclear Danger
- Restore, Stabilize, Protect, and Enhance the Environment
- Develop and Deploy Clean Energy Sources and Enhance Energy Security
- Stimulate U.S. Economic Productivity

DOE's Critical Success Factors

To sustain all of our initiatives, the Department has adopted the principles of Total Quality Management to improve customer service and cut costs. Consistent with these principles, DOE will build its reinvention on FOUR FACTORS critical to realizing our Vision:

- Improve Communications and Trust
- Increase Productivity of DOE’s Human Resources for our new mission
- Achieve Excellence in the Safety and Health of DOE Workers, the Public, and the Environment
- Become the “Best In Class” in the Use of Management Practices
DOE's FY 1995 COMMITMENTS "AT A GLANCE"

GOALS

SCIENCE & TECHNOLOGY
Unleash the Department's deep reservoir of scientific and technological assets and capabilities—40,000 scientists and engineers, including Nobel Prize winners, and a $30 billion laboratory system—to perform world class basic and applied research in commercial and national security arenas, that will advance U.S. security and economic productivity. DOE will continue to support a wide national science and technology portfolio, that spans from the supercomputing initiative with its oil and gas exploration applications, to advanced materials research, with its automotive applications.

NATIONAL SECURITY
Support and maintain a safe, secure, reliable, and smaller nuclear weapons stockpile without underground nuclear testing; dismantle excess weapons; and provide technical leadership for national and global non-proliferation to reduce the continuing and new nuclear dangers in the world.

ENVIRONMENTAL QUALITY
Protect public health and the environment by understanding and reducing the environmental, safety, and health risks and threats from DOE facilities and develop the technologies and institutions required for solving domestic and global environmental problems.
DOE's Critical Success Factors

The Department has adopted Total Quality Management principles to drive our National Performance Review initiatives to improve overall effectiveness and reduce costs. We will meet or exceed customer requirements and make DOE a professional and personally rewarding place to work. DOE has focused on FOUR FACTORS critical to successfully realizing the Department's mission:

**Communication and Trust**

Communicate our new post-Cold War missions in an environment of openness, communication, and trust.

**Our Commitments**

**Making More Information Available to the Public**

Declassify more existing information, reduce the volume of new information and documents classified, and provide to millions of Internet subscribers worldwide an instant directory of previously classified material.

- Success will be measured by:
  - Classifying 20 percent fewer documents and declassifying 20 percent more information and documents than during FY 1994.
  - Identifying and setting priorities for declassification of the estimated 15 million classified documents in DOE's inventory by February 1995.

**Improving Services to Customers and Stakeholders**

Develop techniques to improve delivery of services and products to customers and stakeholders.

- Success will be measured by:
  - Completing a second national survey of DOE stakeholders' attitudes, needs, and expectations of DOE by July 1995 to establish a baseline by which to measure future progress.
  - Implementing by July 1995 the Whistleblower Initiative, which encourages DOE employees to identify Federal government waste, abuse and fraud while providing protection from reprisals.
MEASUREMENT AND MONITORING OF PERFORMANCE

To maintain focus, a sense of urgency, and to have a real impact on performance, there will be periodic reviews of progress, discussion of difficulties encountered, and agreement on appropriate actions. These reviews will be held between the President and/or his designees and Department officials and, with greater frequency, within the Department. Any specific reporting requirements will be developed jointly with the Department.

ADMINISTRATION SUPPORT

In order to accomplish the goals herein described, it is the Administration's objective to:

☐ Provide visible, high profile support for:
  - the Department's National Security programs, including a new source of tritium for the U.S. nuclear weapons stockpile.
  - control and nonproliferation of fissile materials and the international inspection of excess fissile materials by the International Atomic Energy Agency, and
  - the Presidential Initiatives, including the Department's Climate Change Program, the Alternative Fueled Vehicle Program, and the partnership for a new generation of vehicles.
  - review of the Department's Fusion Program by the President's Council of Advisors on Science and Technology by July 1995. This review will inform the Administration's decision on U.S. participation with Russia, Japan, and the European Union in the construction of the International Thermonuclear Experimental Reactor.

☐ Submit legislation for consideration during the 104th Congress that would allow funds from the sale of the United States Enrichment Corporation to be used for the civilian radioactive waste management program.

MISCELLANEOUS

This agreement is intended only to improve the internal management of the Executive Branch and is not intended to and does not create any right, benefit, trust or responsibility, substantive or procedural, enforceable by law or equity by any party against the United States, its agencies, its officers, or any person.

TERM OF AGREEMENT

This agreement will remain in effect until modified. It is expected that it will be updated at least annually to reflect significant changes in budget, policy, personnel, or other factors that may affect the accomplishment of objectives.

This agreement represents our joint commitment to a Department of Energy that works better, costs less, and fulfills our sacred trust to the American People.

HAZEL R. O'LEY
SECRETARY OF ENERGY

WILLIAM J. CLINTON
PRESIDENT OF THE UNITED STATES
PERFORMANCE AGREEMENT

BETWEEN

THE SECRETARY OF ENERGY
FEDERICO PEÑA

AND

EH

THE ACTING ASSISTANT SECRETARY FOR ENVIRONMENT,
SAFETY AND HEALTH
PETER N. BRUSH

FISCAL YEAR 1998
Chief Executive Performance Agreement

Proforma and Guidelines

1998/99
OPERATING EXPENDITURE PROGRAM AGREEMENT 1998
MINISTRY OF PUBLIC WORKS

1. EXPENDITURE PURPOSE : B52
2. AGENCY : Ministry of Public Works
3. PROGRAM : Roads and Bridges
4. ACTIVITY : Maintenance Service
5. CODE : 020-400
6. SOURCE OF AUTHORITY

7. OBJECTIVE
To ensure that the Federal Roads and Bridges are constantly maintained at its original standard so that it remains in safe condition, is comfortable to use and is of light quality.

8. POLICY/NEEDS ANALYSIS
(i) Needs / Problems that need to be overcome/
   Scope of the Problem
(ii) Reasons For the Need
(iii) Alternative Policy and Strategies To Overcome Problems
(A) Alternative
   Road and Bridges maintenance could also be privatized. However in order to ensure quality of work by the private sector, supervision on the part of the government is still needed. The Road Maintenance Unit would be reduced in size in order to perform purely supervision only.
(B) Strategy

9. CLIENTS
   i) Direct Clients
      Roads Users
   ii) Indirect Clients
      Ministry of Works

10. FUNCTIONS
11. RESOURCES
   (Refer to Appendix ABM-2A (KJ)
12. OUTPUT SPECIFICATIONS:
<table>
<thead>
<tr>
<th>Performance Indicators</th>
<th>Last Year 1996</th>
<th>Current Year 1997</th>
<th>New Year 1998</th>
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<tbody>
<tr>
<td></td>
<td>Agreed</td>
<td>Achieved</td>
<td>Tolerable Variance Range</td>
</tr>
<tr>
<td>ii) SCHEDULED MAINTENANCE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Road resurfacing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Length of road which is resurfaced</td>
<td>345</td>
<td>355</td>
<td>3</td>
</tr>
<tr>
<td>2. % km of road resurfaced following set standards</td>
<td>100</td>
<td>100</td>
<td>5</td>
</tr>
<tr>
<td>3. % km of road resurfaced following set time</td>
<td>100</td>
<td>100</td>
<td>5</td>
</tr>
<tr>
<td>4. Cost per km of resurfaced road</td>
<td>130,789</td>
<td>117,764</td>
<td></td>
</tr>
<tr>
<td>(b) Road Widening</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Length km of road widened</td>
<td>20</td>
<td>20</td>
<td>0</td>
</tr>
<tr>
<td>2. % km of road widened according to the set standards</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>3. % km of road widened according to the set time</td>
<td>100</td>
<td>100</td>
<td>5</td>
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### 13. IMPACT INDICATOR

<table>
<thead>
<tr>
<th>Impact Indicator</th>
<th>Actual Achieved Previous Year 1996</th>
<th>Current Year's Achievement 1997</th>
<th>Estimate For New Year 1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i)</td>
<td>Decline in the rate of complaints from road users.</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>(ii)</td>
<td>Percentage of roads below the Pavement Condition Index of &lt;2.5</td>
<td>75%</td>
<td>75%</td>
</tr>
<tr>
<td>(iii)</td>
<td>Decline in the rate of road accidents as a road conditions.</td>
<td>9.8%</td>
<td>9.7%</td>
</tr>
</tbody>
</table>
PERFORMANCE CONTRACT

BETWEEN

THE GOVERNMENT OF KENYA

AND

THE PERMANENT SECRETARY MINISTRY OF AGRICULTURE

FOR THE PERIOD
1ST JULY 2006 TO 30TH JUNE 2007

PERFORMANCE CONTRACT

1ST JULY 2006 TO 30TH JUNE 2007

This Performance Contract (hereinafter referred to as "Contract") is entered into between the Government of Kenya (hereinafter referred to as GOK), represented by the Permanent Secretary, Secretary to the Cabinet and Head of Public Service of P.O. Box 30510, Nairobi, (together with his assignees and successors) of the one part, and the Permanent Secretary/Accounting Officer: Ministry of Agriculture (hereinafter referred to as "the Permanent Secretary/Accounting Officer"), (together with his assignees and successors) of P.O. Box 30028, Nairobi of the other part.

WHEREAS,

The GOK is committed to ensuring that public offices are well managed and costless in delivering efficient and quality service to the public;

The Government recognizes that Ministries hold a vital key to improving performance and sustaining the faith of the Kenyan people in the Government;

The purpose of this Performance Contract is to establish clarity and consensus about priorities for the Ministry’s management;

This Contract represents a basis for continuous improvement and where our Government to meet the needs and expectations of the Kenyan people.

From this Contract, should flow the program and management priorities of the Ministry.

NOW, THEREFORE, the parties hereto agree as follows:

...
Problems of Government Agencies - I

- PARLIAMENT
  - FINANCE MINISTRY
  - PLANNING MINISTRY
  - ADMINISTRATIVE MINISTRY

- MULTIPLE PRINCIPALS

- MULTIPLE GOALS
  - POLITICAL
  - NON-POLITICAL
  - EQUITY
  - EFFICIENCY

- FUZZY GOALS & OBJECTIVES

- A SOLUTION

- Performance Agreement
“NOT ME” Syndrome

People

Public Enterprise

Government

Parliament

A SOLUTION

Performance Agreement
Why the Focus on Performance?

- First general point
  - The power of performance management is now widely recognized.
The Power of Performance Measurement

- What Gets Measured Gets Done
- If you Don’t Measure Results, You Can’t Tell Success from Failure
- If You Can’t See Success, You Can’t Reward It
- If You Can’t Reward Success, You are Probably Rewarding Failure
- If You Can’t See Success, You Can’t Learn From It
- If You Can’t Recognize Failure, You Can’t Correct It
- If You Can Demonstrate Results, You Can Win Public Support
Presentation Outline

✓ Perceptions about Government Performance
✓ Explanations about Government Performance
✓ How to Improve Government Performance
  • Meaning of Government Performance
What is meant by the term: PERFORMANCE OF GOVERNMENT AGENCIES?

- Ex-post versus Ex-ante Performance
- Managerial versus Agency Performance
- Partial versus Comprehensive Performance
Ex-ante Performance Evaluation

Ex-ante Performance Evaluation is:

- based on comparison of achievements against agreed targets
- typically involves a formal agreement
- most common in professionally run organizations
Ex-post versus Ex-ante Performance Evaluation

Ex-post Performance Evaluation is:

• based on selection of criteria by the evaluator at the end of the year
• typically undertaken by researchers
• useful for future projects
• more comprehensive
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What is meant by the term: PERFORMANCE OF GOVERNMENT AGENCIES?

- Ex-post versus Ex-ante Performance
- Managerial versus Agency Performance
- Partial versus Comprehensive Performance
Managerial versus Agency Performance Evaluation

Agency Performance Evaluation is:

• based on observed performance of the agency
Managerial Performance Evaluation is:

- calculated by adjusting agency performance for factors beyond the control of the management (government officials):
Managerial Performance Evaluation is:

- calculated by adjusting agency performance for factors beyond the control of the management (government officials):

\[
\text{Agency Performance} = \text{Managerial Performance} \pm \text{Exogenous Factors}
\]
Managerial versus Agency Performance Evaluation

An Heuristic Illustration

\[
\text{Change in Agency Performance} = \text{Change in Managerial Performance} + \text{Exogenous Factors}
\]

\[
-100,000 \text{ Hospital Beds} = +75,000 \text{ Hospital Beds} + -175,000 \text{ Hospital Beds}
\]

Impact of Budgetary Cuts
What is meant by the term: PERFORMANCE OF GOVERNMENT AGENCIES?

- Ex-post versus Ex-ante Performance
- Managerial versus Agency Performance
- Partial versus Comprehensive Performance
Partial versus Comprehensive Performance Evaluation

- Partial Performance Evaluation is:
  - based on selected aspects (or activities) of the agency

- Comprehensive Performance Evaluation is:
  - based on all activities of agency
# A Taxonomy of Performance Evaluation Approaches

<table>
<thead>
<tr>
<th>Ex-ante Performance</th>
<th>Managerial Performance</th>
<th>Agency Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cell # 1</td>
<td>Cell # 2</td>
<td></td>
</tr>
<tr>
<td>Results-Based</td>
<td>Cell # 3</td>
<td></td>
</tr>
<tr>
<td>Management Framework</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cell # 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact Studies</td>
<td></td>
<td></td>
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</tbody>
</table>
Best Practice Methodology
Reinventing Government
How the Entrepreneurial Spirit Is Transforming the Public Sector

David Osborne and Ted Gaebler
Third Edition, Expanded

IMPLEMENTATION

Jeffrey L. Pressman & Aaron Wildavsky

How Great Expectations in Washington Are Dashed in Oakland; Or, Why It's Amazing that Federal Programs Work at All, This Being a Saga of the Economic Development Administration as Told by Two Sympathetic Observers Who Seek to Build Morals on a Foundation of Ruined Hopes

The Oakland Project
THE REINVENTOR’S FIELDBOOK
Tools for Transforming Your Government
Practical Guidelines, Lessons, and Resources for Revitalizing Schools, Public Services, and Government Agencies at All Levels

DAVID OSBORNE & PETER PLASTRIK
COMMON SENSE GOVERNMENT
WORKS BETTER AND COSTS LESS

VICE PRESIDENT AL GORE
A SOLUTION!

PERFORMANCE IMPROVEMENT SYSTEM

Performance Information System

Performance Evaluation System

Performance Incentive System

Criteria ("How" to Evaluate)

Institutional Arrangements ("Who" Should Evaluate)
A SOLUTION!

PERFORMANCE IMPROVEMENT SYSTEM

Performance Information System

Results-Based Management Framework

Performance Incentive System

Criteria ("How" to Evaluate)

Institutional Arrangements ("Who" Should Evaluate)
BEGINNING OF YEAR

Step 1
Criteria Selection
“FAIR” to Officials

Step 2
Criteria Weight Selection
“FAIR” to country

Step 3
Criteria Value Selection
Negotiated “FREELY”

END OF YEAR

Step 4
Performance Evaluation (Composite Score)
Results-Based Management Framework
## Example of Results Framework

### Step 1

<table>
<thead>
<tr>
<th>Criteria / Success Indicators</th>
<th>1</th>
<th>% Increase in number of primary health care centers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>% Increase in number of people with access to a primary health center within 20 KMs</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Number of hospitals with ISO 9000 certification by December 31, 2009</td>
<td></td>
</tr>
</tbody>
</table>
Results-Based Management Framework

BEGINNING OF YEAR

Step 1
Criteria Selection

“FAIR” to Officials

Step 2
Criteria Weight Selection

“FAIR” to country

Step 3
Criteria Value Selection

Negotiated “FREELY”

Step 4
Performance Evaluation

Composite Score

END OF YEAR
## Example of Results Framework

<table>
<thead>
<tr>
<th>Criteria / Success Indicators</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 % Increase in number of primary health care centers</td>
<td>.50</td>
</tr>
<tr>
<td>2 % Increase in number of people with access to a primary health center within 20 KMs</td>
<td>.30</td>
</tr>
<tr>
<td>3 Number of hospitals with ISO 9000 certification by December 31, 2009</td>
<td>.20</td>
</tr>
</tbody>
</table>
Results-Based Management Framework

BEGINNING OF YEAR

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“FAIR” to Officials

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END OF YEAR

Step 4
Performance Evaluation (Composite Score)
## Example of Results Framework

<table>
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<tr>
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<th>Step 2</th>
<th>Step 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Step 1</strong></td>
<td></td>
<td><strong>Step 2</strong></td>
<td><strong>Step 3</strong></td>
</tr>
<tr>
<td><strong>Target / Criteria Values</strong></td>
<td></td>
<td>Excellent</td>
<td>Very Good</td>
</tr>
<tr>
<td></td>
<td></td>
<td>100%</td>
<td>90%</td>
</tr>
<tr>
<td><strong>Step 2</strong></td>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>% Increase in number of primary health care centers</td>
<td>.50</td>
<td>30</td>
<td>25</td>
</tr>
<tr>
<td>% Increase in number of people with access to a primary health center within 20 KMs</td>
<td>.30</td>
<td>20</td>
<td>18</td>
</tr>
<tr>
<td>Number of hospitals with ISO 9000 certification by December 31, 2009</td>
<td>.20</td>
<td>500</td>
<td>450</td>
</tr>
</tbody>
</table>
Results-Based Management Framework

BEGINNING OF YEAR

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“FAIR” to Officials

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Negotiated “FREELY”

END OF YEAR

Step 4
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<td>.20</td>
<td>500</td>
</tr>
</tbody>
</table>
## Performance Obligations for National Authority 2009-2010

<table>
<thead>
<tr>
<th>Objective</th>
<th>Weight</th>
<th>Success Indicator</th>
<th>Description</th>
<th>Relative Weight</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objective 1</strong></td>
<td>30%</td>
<td><strong>Effective Management of the Chemical Weapons Destruction Program</strong></td>
<td>a. On-time Completion</td>
<td>15 %</td>
<td>By April 28, 2009</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>b. Safety of the program</td>
<td>15 %</td>
<td>No incidents</td>
</tr>
<tr>
<td><strong>Objective 2</strong></td>
<td>25%</td>
<td><strong>Effective Management of the Declarations</strong></td>
<td>Percentage reduction in the discrepancies between declarations submitted and inspection results</td>
<td>25%</td>
<td>20 %</td>
</tr>
<tr>
<td><strong>Objective 3</strong></td>
<td>25%</td>
<td><strong>Effective Management of OPCW Inspections</strong></td>
<td>Number of errors committed by NACWC Escort Officers</td>
<td>25%</td>
<td>5</td>
</tr>
<tr>
<td><strong>Objective 4</strong></td>
<td>20%</td>
<td><strong>Effective Implementation of Performance Agenda for 2009-2010</strong></td>
<td>Aggregate score for the 3-Point Performance Agenda</td>
<td>20%</td>
<td>100</td>
</tr>
</tbody>
</table>

**Total Weight** = 100%
### Evaluation of Group Performance in Drafting and Defending Results Framework
(Thursday, March 26, 2009)

<table>
<thead>
<tr>
<th>Success Indicators / Criterion</th>
<th>Criterion Weight</th>
<th>Target/ Criterion Values</th>
<th>Achievement</th>
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<tbody>
<tr>
<td></td>
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<td>Excellent 100%</td>
<td>Very Good 90%</td>
</tr>
<tr>
<td>1. 5-Minute Presentation</td>
<td>.10</td>
<td>Thursday 2:30 PM</td>
<td>Thursday 2:40 PM</td>
</tr>
<tr>
<td>2. Timely Submission of the Draft on Thursday, March 26, 2009</td>
<td>.05</td>
<td>Thursday 2:30 PM</td>
<td>Thursday 2:40 PM</td>
</tr>
<tr>
<td>3. Quality of Draft Results Framework</td>
<td>Comprehensiveness</td>
<td>.20</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Quality of Measurement</td>
<td>.45</td>
<td></td>
</tr>
<tr>
<td>4. Ability to defend (Explain) Contents of draft Results Framework</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>
## Evaluation of Group Performance in Drafting and Defending Results Framework

*Thursday, March 26, 2009*

<table>
<thead>
<tr>
<th>Success Indicators / Criterion</th>
<th>Criterion Weight</th>
<th>Target / Criterion Values</th>
<th>Raw Score</th>
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</thead>
<tbody>
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(Thursday, March 26, 2009)

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<thead>
<tr>
<th>Success Indicators / Criterion</th>
<th>Criterion Weight</th>
<th>Target/ Criterion Values</th>
<th>Raw Score</th>
<th>Weighted Raw Score</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Excellent 100%</td>
<td>Very Good 90%</td>
<td>GOOD 80%</td>
</tr>
<tr>
<td>1. 5-Minute Presentation</td>
<td>.10</td>
<td>Thursday 2:30 PM</td>
<td>Thursday 2:40 PM</td>
<td>Thursday 2:50 PM</td>
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<tr>
<td>2. Timely Submission of the Draft on Thursday, March 26, 2009</td>
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<td>Thursday 2:40 PM</td>
<td>Thursday 2:50 PM</td>
</tr>
<tr>
<td>3. Quality of Draft Results Framework</td>
<td>.20</td>
<td>Comprehensiveness</td>
<td>90 %</td>
<td>18.0 %</td>
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<tr>
<td></td>
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<td>Quality of Measurement</td>
<td>50 %</td>
<td>22.5 %</td>
</tr>
<tr>
<td>4. Ability to defend (Explain) Contents of draft Results Framework</td>
<td>.20</td>
<td>90 %</td>
<td>18 %</td>
<td></td>
</tr>
</tbody>
</table>

**COMPOSITE SCORE**

71.0 %
For comments and further dialogue please contact:

Dr. Prajapati Trivedi
Secretary, Performance Management
Cabinet Secretariat

prajapati.trivedi@nic.in