

REPUBLIC OF KENYA



**DEPARTMENT OF COOPERATIVES ENTERPRISE
DEVELOPMENT AND TOURISM**

PERFORMANCE CONTRACT

BETWEEN

THE COUNTY GOVERNMENT OF MERU

AND

**THE COUNTY EXECUTIVE COMMITTEE MEMBER, FOR
COOPERATIVES, ENTERPRISE DEVELOPMENT AND
TOURISM**

FOR THE PERIOD

1ST JULY, 2016 TO 30TH JUNE, 2017

PERFORMANCE CONTRACT

This Performance Contract (hereinafter referred to as “Contract”) is entered into between the COUNTY GOVERNMENT OF MERU (hereinafter referred to as “the County Government”) P.O. Box 120-60200, MERU (together with its assignees and successors) of the one part, and the County Executive Committee Member, in charge of Cooperatives, Enterprise Development and Tourism (together with its assignees and successors) of P.O. Box 120-60200, MERU of the other part.

WHEREAS:

The County Government is committed to the realization of the objectives of devolution; The purpose of this performance contract is to establish the basis for ensuring that efficient and effective services are delivered to Kenyans in line with the provisions of the Constitution and by requiring MDAs to adopt human rights approach to service delivery and focus on:-

1. Ensuring that systems are established for equality for all users of public services in the County;
2. Ensuring impartiality and fairness in the process of delivery of public services in the County;
3. Ensuring continuity of public services under all circumstances;
4. Establishing systems in the County to enable innovativeness and adaptability of public services to the needs of users;
5. Ensuring professionalism and ethics in Public Service is achieved and maintained;
6. Establishing systems to ensure promotion and protection of rights of users of public services and public servants as enshrined in the Bill of Rights;
7. Institutionalizing a culture of accountability, integrity, transparency and promotion of values and principles of public service;
8. Ensuring effective, efficient and responsible use of public resources, and
9. Ensuring responsiveness by public servants in delivery of public services.

The County Government is dedicated to ensuring that the county is well managed and delivers responsive, efficient, effective and quality services to the public;

The Government recognizes the need to ensure social and economic development of the county that involves effective participation of the people and the provision of proximate, easily accessible services within the county.

This contract represents a basis for continuous improvement of the County to meet the needs and expectations of the people.

From this contract, should flow the program and management priorities of the county.

NOW THEREFORE, the parties hereto agree as follows:

Part I

VISION, MISSION AND STRATEGIC OBJECTIVES

VISION

A self- reliant county

MISSION

To facilitate orderly growth and development of financial services, co-operatives, trade, enterprises and tourism in the county

STRATEGIC OBJECTIVES:

1. To promote economically viable cooperative societies and improve access to services,
2. To enforce compliance to cooperative legislation,
3. To promote growth of Micro, Small and Medium Enterprises,
4. To encourage fair trade practices,
5. To Promote local tourism,
6. To promote capacity building of staff and stakeholders

Part II

COMMITMENTS AND RESPONSIBILITIES OF THE COUNTY EXECUTIVE COMMITTEE MEMBER

- Ensure a culture of service and accountability in the county public service, including working styles, attitudes and work ethics in their respective departments;
- Develop sectoral plans that are anchored to county integrated development plan (CIDP);
- Ensure that the county departments align their roles and responsibilities with the priorities and objectives set out in the county's policies and plans;
- Develop strategic plan/annual work plan which is aligned to the County Integrated Development Plan;
- Developing comprehensive performance targets;
- Assigning weights to performance indicators;
- Signing performance contract with the County Governor;
- Cascade performance contract to all sections, units, levels and all cadres of employees for the purpose of complete integration of performance management. The integration will include linking the Performance Contracts with the Performance Appraisal System (PAS) and the Performance Incentives and Sanctions Framework;
- Ensuring achievement of the agreed performance targets;
- Ensure progressive realization of the Bill of Rights.

Part III

COMMITMENTS AND OBLIGATIONS OF THE COUNTY GOVERNMENT

- Develop county integrated development plan which should be anchored on National policies and plans such as second Medium Term Plan (MTP II) and Vision 2030;
- Establish and operationalize service delivery, financial and related management systems for the county;

- Ensure adherence to the principles of leadership and integrity;
- Establish a culture of service and accountability in the county public service, including working styles, attitudes and work ethics in the county;
- County Government to ensure that public officers suspected of corrupt practices step down to allow room for investigations;
- Ensuring prompt approvals and release of approved funds within two(2) days of the due date;
- Respond to requests within two days (2) after receipt;
- Acknowledgement of correspondences within three (3) days upon receipt; and
- Ensure that a minimum of 30% preferential tender allocation is reserved for the youth, women and persons with disabilities.

Part IV

REPORTING REQUIREMENTS

The County Executive Committee Member undertakes to submit quarterly, midterm and annual performance reports to the Governor for the purpose of monitoring progress of performance, and for annual evaluation of performance.

Part V

DURATION OF THE PERFORMANCE CONTRACT

The Performance Contract will run for one financial year beginning from 1st July 2016 to 30th June 2017.

Part VI
SIGNATORIES

Signed:

..... **DATE**.....

Hon. Ntoitha M’Mithiaru
COUNTY EXECUTIVE COMMITTEE MEMBER
Cooperatives, Enterprise Development and Tourism

..... **DATE**.....

H.E. HON. Peter Munya
GOVERNOR
MERU COUNTY

ANNEX I

COUNTY GOVERNMENT MATRIX

	CRITERIA CATEGORY	UNIT	WT	Previous (2015/16)	Target (2016/2017)
A	FINANCE & STEWARDSHIP				
1.	Utilization of allocated funds	%	3	N/A	100
2.	Revenue collection	Ksh.	3	N/A	2,970,000
3.	Development Index	%	3	N/A	268.12
4.	Cost reduction & savings	%	1	N/A	1
	Weight Sub-total		10		
B	SERVICE DELIVERY				
1.	Automation	%	2	N/A	100
2.	Developing and implementing service delivery charter	%	3	N/A	100
3.	Resolution of public complaints	%	3	N/A	100
4.	Service delivery innovations	No.	3	N/A	1
5.	Customer satisfaction	Report	2	N/A	Report
6.	ISO certification	%	2	N/A	100
	Weight Sub-total		15		
C	NON-FINANCIAL				
1.	Development & compliance of sectoral strategic plan	%	2	N/A	100
2.	Asset management	%	2	N/A	100
3.	Youth internships/Industrial Attachments/Apprenticeships	No	2	N/A	9
4.	Youth, women & persons with disability empowerment	Kshs.	2	N/A	30% of tenders
5.	Compliance with constitution and other statutory obligations	%	2	N/A	100
	Weight sub-total		10		

	CRITERIA CATEGORY	UNIT	WT	Previous (2015/16)	Target (2016/2017)
D	OPERATIONS OUTPUTS				
1.	Strengthening the Women, Youth and General Traders Saccos	%	5	100	100
2.	Revitalization and promotion of Coffee sector	%	4	90	100
3.	Promotion of Dairy sector	%	3	80	100
4	Operationalization of the MCCSA and the Rules.	%	2	95	100
5.	Enforcement of Compliance to various legislations.	%	4	100	100
6.	Promotion of new Cooperatives.	%	5	100	100
7.	Capacity building	%	5	95	100
8.	Operationalization of the MoUs with development partners.	%	2	N/A	100
9.	Trade development and promotion	%	5	100	100
10.	Promotion of fair trade practices	%	5	100	100
11.	Promotion of Micro Small Medium Enterprises	3	4	100	100
12.	Promotion of local tourism	%	4	100	100
13.	Project Implementation		3		
	a) Completion rate	%		100	
	b) Cost efficiency	%		100	
14.	Ease of doing business	%	4	100	
	Weight sub-total		55		
E	DYNAMIC/QUALITATIVE				
1.	Human resource management and development	%	5	100%	
	Weight sub-total		5		
F	Corruption Eradication				

	CRITERIA CATEGORY	UNIT	WT	Previous (2015/16)	Target (2016/2017)
1.	Zero incidence to corruption	No.	5	0	
	Weight sub total		5		
	Grand total		100		

ANNEX II:

NOTES TO PERFORMANCE CONTRACT

A. FINANCE & STEWARDSHIP

1. Utilization of Allocated Funds

The Department will utilize total budget allocation of Kshs 358,757,259.53

2. Revenue collection

The Department shall collect revenue of Kshs 2,970,000 as shown below.

SOURCE	AMOUNT(Kshs.)
Verification and stamping of weighing and measuring machines	2,000,000
Cooperatives Audit and supervision fee	400,000
Registration of 20 new cooperative societies	50,000
Other cooperative charges	20,000
Cess on coffee sales @ 0.2% of total sales (about Kshs 200m)	500,000
Total	2,970,000

3. Development Index

During the financial year 2016/2017 the Development expenditure for the department shall be Kshs 261,300,227.98 whereas the recurrent expenditure is Kshs 97,457,031.55 Therefore the development index for the Department is

$$D.I. = \frac{261,300,227.98}{97,457,031.55} \times 100 = 268.12\%$$

4. Cost Reduction

The department shall recycle printing/photocopying papers, printing documents when it's absolutely necessary (reduction on printing), use pool transport for shared activities/programs, reduction on hiring halls for departmental meetings to save 1% of the cost of general office supplies and vehicle maintenance cost

B. SERVICE DELIVERY

1. Automation

The department shall strive to achieve stage I of automation on the indicators highlighted below:

- Strive to recruit computer literate officers as per organizational approved structure
- Strive to achieve a staff to computer ratio of 1:1 for technical staff and 1:10 for support staff

2. Developing and implementing Service Delivery Charter

The department shall undertake the development and implementation of its service delivery charter; we shall ensure the charter is displayed at service points and complied with.

3. Resolution of Public Complaints

The Department shall:

- Encourage continued use of the suggestion box at the department for collection of citizens concerns.
- Conduct one capacity building/training for departmental staff/officers
- Develop complaints-handling procedures;
- Resolve actual public complaints received; and
- Submit annual reports using the prescribed format, to the department of Public service and administration

4. Service delivery innovations

Empowerment of the officers to ensure improved service delivery to the customers

Customer satisfaction

The department shall encourage use of suggestion box to air their issues raised on its service delivery concerns and generate a report that indicate measures undertaken or to be taken by the department to address the issues.

5. ISO certification

The department shall:

- Participate in ISO training
- Participate in the briefing for top management
- Participate in awareness campaign to staff on ISO certification
- Participate in appointment of ISO team.

C. NON- FINANCIAL

1. Development and compliance with sectoral strategic plans

The department shall comply with its sector working group and strategic plan

2. Asset Management

The Department shall undertake the following activities:

i. Inventory management – 20%

We shall establish and keep a catalogue of department assets and properties;

ii. Maintenance – 40%

The Department shall develop a maintenance schedule for all its assets.

iii. Repairs -40%

The department shall appoint a champion to ensure all breakdowns of vehicles, ICT equipment, furniture and weights and measures tools are repaired as and when they occur.

iv. Youth internship/Industrial attachment/Apprenticeships

The Department shall engage interns for industrial attachment when request arises and within the Departments capacity with a minimum of 9 interns per year.

v. Youth, women and persons with disability empowerment

The Department shall liaise with Department of finance to ensure 30% of its tenders are awarded to youth, women and people living with disabilities.

vi. Compliance with constitution and other statutory obligations

The Department shall conform with constitutional requirements including those that pertains to statutory documents that relates to its operations, these include the constitution, County

Government Acts, Procurement and Asset Disposal Act, Meru County Cooperative societies act 2014.

D. OPERATIONS OUTCOMES ALIGNED TO KENYA VISION 2030, MTP II AND CDIP

Project	Notes
D.1 Strengthening the Women, Youth and General Traders Saccos	<p>The directorate shall :</p> <ul style="list-style-type: none"> ➤ Disburse Kshs 67.5 million seed capital to the Women, Youth and General Traders Saccos. ➤ Carry out one monitoring & evaluation of the 9 Saccos per quarter. ➤ Procure 5 computers one for each of the 5 Sub counties that have none. ➤ Carry out capacity building of 60 members per quarter per Sub County. <p>All these will cost Kshs 10.25m</p>
D.2 Revitalization and promotion of Coffee sector	<p>The directorate shall :</p> <ul style="list-style-type: none"> ➤ Disburse Kshs 10 million to the Meru County Coffee Millers Cooperative Union Ltd for operational expenses and servicing outstanding loans. ➤ Carry out capacity building of 1,200 coffee farmers at Kshs 875,000
D.3 Promotion of Dairy sector	<p>The directorate shall:</p> <ul style="list-style-type: none"> ➤ Procure 200 milk cans to give to selected dairy cooperatives in various Sub Counties. ➤ Procure 3 milk coolers of capacity 2.5m litres one for Imenti, one for Tigania and one for Igembe regions. ➤ Procure 4 back-up generators to operate when there is electric power failure. ➤ Convert 6 dairy self-help groups to cooperatives. ➤ Carry out capacity building of 300 members of dairy cooperative societies to address the findings of the Training Needs Assessment (TNA). ➤ Procurement of the milk cans, coolers and generators will cost Kshs 17m while the capacity building cost (from the capacity building allocation) will be determined after the TNA.
D.4 Operationalization of the Meru County Cooperative Societies Act, 2014 and the Rules.	<p>To operationalize the Act the directorate shall:</p> <ul style="list-style-type: none"> ➤ Convene 1 education meeting per region (Imenti, Tigania, and Igembe) to roll out the cooperative rules. Two cooperators from each of the 168 active and 100 new cooperative societies will be targeted hence giving a total of 536 cooperators.

	<ul style="list-style-type: none"> ➤ Establish the Meru County Cooperative Societies Forum. ➤ Carry out one retreat for the Technical Committee on the Cooperative Rules for amendment of the Act & development of the cooperative policy. ➤ Carry out one retreat by the Technical committee to develop model by laws for customization by cooperatives. <p>This activity will require Kshs 1.6m from recurrent vote.</p>
<p>D.5 Enforcement of Compliance to various legislations.</p>	<p>The directorate shall:</p> <ul style="list-style-type: none"> ➤ Conduct 155 elections ➤ Carry out 80 audits ➤ Carry out 20 inspections ➤ Ensure the 168 active cooperatives ➤ Carry out 20 spot checks.
<p>D.6 Promotion of new Cooperatives</p>	<p>The directorate shall:</p> <ul style="list-style-type: none"> ➤ Carry out pre-cooperative trainings to 100 potential members per sub county (900 people) ➤ Register 18 new cooperatives.
<p>D.7 Capacity building</p>	<p>The directorate shall:</p> <ul style="list-style-type: none"> ➤ Carry out one TNA for all the cooperatives in the county. ➤ Carry out capacity building for all cooperatives to address the findings of the TNA, Meru County Cooperative Societies Act and Rules, Task Force report, coffee issues, newly registered cooperatives, training of new members for the Women, Youth and General Traders Saccos.
<p>D.8 Operationalization of the MoUs with development partners:</p> <p>(a) Cooperative University College.</p> <p>(b) World Council of Credit Unions (WOCCU).</p>	<p>The department shall:</p> <ul style="list-style-type: none"> ➤ Implement the Baseline Survey report that was carried out by the University. ➤ Sensitize 6 SACCOs to adopt the internet based software from WOCCU. ➤ Ensure implementation of the MoU between three (3) Saccos and WOCCU on Cooperative Development Programme (CDP)

<p>D.9 Trade Development and Promotion</p>	<p>The Department shall:</p> <ul style="list-style-type: none"> ✓ Conduct businesses and markets mapping and profiling to establish the number and type of businesses for easier county planning and service delivery. ➤ Exhibit in at least 1 International Trade show ➤ Upgrading of at least 1 physical market per Sub County as per budget provisions. ➤ Develop and distribute promotional materials to market Meru County products ➤ Provide loans amounting to 3M to Micro and small entrepreneurs as per the guidelines provided in Joint Loans Board.
<p>D 10. Promotion of Fair Trade Practices</p>	<ul style="list-style-type: none"> ➤ Purchase of technical inspection equipment to facilitate calibration activities ➤ Repair and maintenance of technical equipment ➤ Verification and calibration of the County's weights and measures standards at the national weights and measures national laboratory biannually ➤ Verify, calibrate and stamp weighing and measuring instruments in use for trade in all gazetted markets of Meru County ➤ Carrying out inspections, investigations and prosecutions to ensure compliance with Weights and measures Act & Trade and descriptions Act.
<p>D 11. Promotion of Micro, Small and Medium Enterprises</p>	<ul style="list-style-type: none"> ➤ Construction of Juakali sheds within the County ➤ Monitoring of utilization of equipment issued to Juakali Associations.
<p>D 12. Promotion of local tourism</p>	<p>The Department shall:</p> <ul style="list-style-type: none"> ➤ Seek Partnership with media houses and other stakeholders with the goal of promoting tourism. ➤ Branding and/or development of Picnic sites

	<p>within major tourist attraction sites e.g. King Muuru, Njuri Ncheke shrines, Equator.</p> <ul style="list-style-type: none"> ➤ Obtaining NEMA (National Environmental Management Act) certification for Nyambene Conservancy. ➤ To attend at least 1 International Tourism exhibition/show/conference ➤ Annual tourism event for promoting tourism e.g. (Miss Tourism, exploring Mt. Kenya).
D 13. Capacity Building	<p>The Department shall:</p> <ul style="list-style-type: none"> ➤ Conduct training of 300 entrepreneurs and traders in each sub county ➤ Conduct 1 seminar on importance of the conservancy and wildlife management to the community living within and around the Conservancy.
D 14. Project Implementation a) Completion Rate b) Cost Efficiency	<p>The Department shall</p> <ul style="list-style-type: none"> ➤ Utilize available project funds as per the budget provisions.
D 15. Ease of Doing Business	<p>The Department shall:</p> <ul style="list-style-type: none"> ➤ Provide and distribute training manuals on entrepreneurship to entrepreneurs and small businesses. ➤ Guiding entrepreneurs on company and business registration processes to reduce the time taken by entrepreneurs in searching for the information.

E. DYNAMIC/QUALITATIVE CRITERIA

Human resource management and development

a. Staff training/ development- 60%

- Actualization and implementation of Departmental Human Resource Management and Advisory committee deliberations.
- To ensure regular meetings for the Departmental Human Resource Management and Advisory Committee.

- Encourage staff to channel their human resource needs through the committee.
 - To facilitate the committee members to attend seminars and workshops on Human resource development.
 - Formation and actualization of staff welfare group/staff welfare champions to encourage cohesion within directorate staff.
- b. Staff meetings-20%**
Hold quarterly staff meetings
- c. Team building- 20%**
Conduct one team building exercise in the year for the departmental staff

CORRUPTION ERADICATION

1. Zero Incidence to corruption

The Department commits to zero incidences to corruption. The Department will be guided by the report on National Survey on corruption and ethics by the EACC that indicates the ranking of the Department/County.

In addition the department shall through the County Secretary:

- Submit a work plan to the County Secretary in the first quarter for the implementation of department activities;
- Submit annual procurement plan to the County Secretary in relation to work plan.
- Submit reports to the County Secretary on implementation of the work plan.

Follow the Public Procurement and Assets Disposal Act 2015 when procuring goods and services.