



REPUBLIC OF KENYA

THE NATIONAL TREASURY AND PLANNING

**GUIDELINES FOR PREPARATION OF THE FOURTH
GENERATION STRATEGIC PLANS
(2018 – 2022)**

DECEMBER 2018

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FOREWORD

In 2001, the Government developed and launched a strategy for performance improvement in the Public Service, which sought to increase productivity and improve service delivery. A key aspect of the strategy was the Results Oriented Management approach, which culminated into the introduction of Results Based Management in 2004. This was a deliberate policy to improve performance, service delivery and governance. With it came strategic plans, service delivery standards and benchmarks, service charters, annual work plans, staff performance appraisal, merit-based promotion and performance contracts.

Since then, it has been a requirement that each Ministry/Department/Agency (MDA) prepares a five-year strategic plan as a guide in the implementation of its mandate. The Strategic Plans are cascaded to lower levels through annual work plans, performance contracts, Staff Performance Appraisal System, among other initiatives. As the Government of Kenya's main tool for establishing development effectiveness, the strategic plans align national development priorities, expected outcomes and general results with budgetary allocations.

The Strategic Plans must demonstrate clear linkages with Kenya's development agenda. They must also be linked to the Medium Term Expenditure Framework (MTEF) budget process and human resource planning, thus ensuring financial availability for programmes and activities as well as human capacity to facilitate their successful implementation. Plans should also take into consideration proven best practices, and where applicable, they should clearly indicate linkages with the devolved structures.

The Fourth Schedule of the Constitution assigns the function of National Economic Policy and Planning to the National Government. The National Treasury and Planning is responsible for providing leadership and coordination on formulation of development policies, programmes and strategies. These Guidelines will provide norms and standards for preparation of strategic plans for the period 2018-2022 by all public institutions. In following the Guidelines, the institutions are required to use a participatory approach, relying on the consensus of key stakeholders to ensure the requisite ownership of the plans.

The Guidelines have taken due cognisance of the Constitution of Kenya and have been anchored on the Kenya Vision 2030 and its Third Medium Term Plan (2018-2022), the Sustainable Development Goals (SDGs) and Africa's Agenda 2063. The Third Medium Term Plan has incorporated priorities in the 'Big Four' Agenda of the Government: Enhancing Manufacturing, Food Security and Nutrition, Universal Health Coverage and Affordable Housing. The Guidelines are also aligned with the various policies and structural reforms that have been implemented by the Government since 2014 under the Economic Transformation Agenda to foster a rapid social-economic transformation.

The Guidelines have benefitted from the lessons learnt during implementation of the first generation strategic plans (2004-2007), the second generation strategic plans (2008-2012) and the third generation strategic plans (2013-2017), as well as the feedback received from various public institutions and other stakeholders.

I wish to recognize the leadership and oversight provided by Hon. Nelson Gaichuhie, Chief Administrative Secretary, Dr. Julius M. Muia, Principal Secretary, State Department for Planning and Dr. Kamau Thugge, Principal Secretary, The National Treasury, during development of the Guidelines.

I urge all MDAs to play their part in ensuring strict adherence to the Guidelines during preparation of the Fourth Generation Strategic Plans. This will ensure standards among all public institutions, better management of performance, and efficient and effective service delivery. It should also enable institutions capture the current Government development agenda and any emerging issues. This will in turn contribute to better service delivery by public institutions throughout the Republic.



Henry Rotich, EGH
Cabinet Secretary,
The National Treasury and Planning

PREFACE AND ACKNOWLEDGEMENTS

The State Department for Planning, in the National Treasury and Planning, is mandated with national and sectoral development planning. The State Department is also responsible for providing guidance on development and preparation of strategic plans to all public institutions.

Strategic planning is a key instrument of Results Based Management that provides direction towards a defined and shared vision with strategies on how to achieve the organization's goals and aspirations. Further, it gives a road map for implementation of organization priorities for the next plan period.

The purpose of the Strategic Plan Guidelines is to provide a framework for the preparation of the strategic plans with a medium-term perspective. They also offer a mechanism for linking policy, planning and budgeting processes as required by the Public Finance Management Act, 2012.

The Guidelines for the preparation of the 2018/19 - 2022/23 strategic plans are structured in two parts. Part A contains the Strategic Planning Processes and Pre-Requisites including the purpose for the Guidelines and the steps in preparation of strategic plans. It also includes the need for adequate stakeholder engagement, linkages with key policies and strategies, and identification of key risks and mitigation measures. It also lists the key legal and policy documents that institutions will be required to review while developing their strategic plans.

Part B contains the Outline of the Strategic Plan which gives the recommended content of the Strategic Plans by all public institutions. Apart from the preliminaries such as the Foreword, Preface and Executive Summary, the main strategic plan should have five chapters and at least two annexes.

The strategic plans will be organized into five chapters. Chapter one will entail an introduction which will include the background and mandate of the organization; chapter two provides a situation analysis including a review of previous strategic plan, challenges, lessons learnt and an environmental scan; while chapter three provides the strategic model describing the organization's Key Result Areas or Strategic Focus Areas as well as strategic objectives and strategies. Chapter four gives an implementation and coordination mechanism, including human and financial resources and organizational structure, while chapter five contains the monitoring, evaluation and reporting framework. The detailed implementation, and monitoring and evaluation frameworks are included as annexures.

I wish to acknowledge the guidance and counsel of the Cabinet Secretary, the National Treasury and Planning, Henry K. Rotich, EGH, during the entire process of preparing the guidelines. Further, I wish to recognize all Heads of Departments, Division and Units for their invaluable contribution and support to this process. I also convey my appreciation

to the team of technical officers led by Mr. Joseph N. Mukui, OGW (Economic Planning Secretary), Dr. C.T. Muchiri, MBS, ndc'K' (Director of Administration) and Mr. Benson K. Kimani (Director, Economic Development Coordination Directorate) for the immense contribution in the development of these guidelines. Other officers in the team included: Richard Mwarema, Joseph Njagi, Samuel Kimote, Boniface Muhati, Muleli Mutuku, Wanjiku Njire, Peninah Riungu, Ann Mureithi, Anthony Mwangi, Welime Mabuto, Winnie Kiri and Priscilla Nyambura.

It is my hope that all public institutions will endeavour to adhere to the Guidelines so as to develop standardized strategic plans.



Julius M. Muia, PhD, EBS
Principal Secretary
State Department for Planning

ACRONYMS AND ABBREVIATIONS

CEO	Chief Executive Officer
CS	Cabinet Secretary
KRA	Key Result Area
MDAs	Ministries/Departments/Agencies
Mn	Million
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
NIMES	National Integrated Monitoring and Evaluation System
PESTEL	Political, Economic, Social, Technological, Environmental and Legal
PS	Principal Secretary
SDGs	Sustainable Development Goals
SFA	Strategic Focus Area
SWOT	Strengths, Weaknesses, Opportunities and Threats

CONCEPTS AND TERMINOLOGIES

Baseline: Baseline is an analysis describing the initial state of an indicator before the start of a project/programme, against which progress can be assessed or comparisons made.

Indicator: An indicator is a sign of progress/change that results from a project. It measures a change in a situation or condition and confirms progress towards achievement of a specific result. It is used to measure a project impact, outcomes, outputs and inputs that are monitored during project implementation to assess progress.

Key Results Areas/Strategic Focus Areas: This is an outline of the organization's areas of focus. It also refers to the general areas of outputs or outcomes for which an organization's role is responsible.

Outcome Indicator: This is a specific, observable, and measurable characteristic or change that will represent achievement of the outcome. Outcome indicators include quantitative and qualitative measures. Examples: Enrolment rates, transition rates, mortality rates etc.

Outcome: Measures the intermediate results generated relative to the objective of the intervention. It describes the actual change in conditions/situation as a result of an intervention output(s) such as changed practices as a result of a programme or project.

Output: Immediate result from conducting an activity i.e. goods and services produced.

Performance Indicator: A measurement that evaluates the success of an organization or of a particular activity (such as projects, programmes, products and other initiatives) in which it engages.

PESTEL Analysis: It is a framework or tool used to analyse and monitor the environmental (external) factors that have an impact on an organization.

Programme: A grouping of similar projects and/or services performed by a Ministry or Department to achieve a specific objective; the programmes must be mapped to strategic objectives.

Project: A project is a set of coordinated activities implemented to meet specific objectives within defined time, cost and performance parameters. Projects aimed at achieving a common goal form a programme.

Strategic Planning: It is the process of defining an organization's strategy or direction, and making decisions on allocating its resources to pursue this strategy; it involves setting goals, determining actions to achieve the goals, and mobilizing resources to execute the actions.

Strategic Objectives: These are what the organization commits itself to accomplish in the long term; they establish performance levels to be achieved on priority issues and measures of success in fulfilling critical mission statement elements.

SWOT Analysis: It is used for understanding the strengths and weaknesses (internal factors) of the organization and for identifying both the opportunities open to the organization and the threats it faces (external factors).

Target: A target refers to planned level of an indicator achievement.

PART A: STRATEGIC PLANNING PROCESSES AND PRE-REQUISITES

Introduction

As the Government of Kenya's main tool for establishing development effectiveness, the strategic plans align national development priorities, expected outcomes and results with the budget. Strategic plans will be the basis for identifying deliverables under the Performance Contracting mechanism and for individual Annual Performance Appraisal. The Guidelines are intended to be used by all public institutions as the framework for the preparation of their strategic plans for the period 2018/19-2022/23.

The strategic plans will take due cognisance of the provisions in the Constitution of Kenya and will be anchored on the national development blue print - Kenya Vision 2030 - and its Third Medium Term Plan (MTP 2018-2022), the "Big Four" Agenda, the Sustainable Development Goals (SDGs) and Africa's Agenda 2063. Public institutions are also required to use a participatory approach, relying on the consensus of key stakeholder groups including civil society, the private sector and development partners, to ensure the requisite ownership of the developed plans.

These Guidelines have benefitted from the lessons learnt during implementation of the First Generation Strategic Plans (2004-2007), the Second Generation Strategic Plans (2008-2012) and the Third Generation Strategic Plans (2013-2017), as well as the feedback received from various public institutions and other stakeholders.

Key Stakeholders

The preparation process will be steered by Cabinet Secretaries, Chairpersons of Constitutional Commissions, Heads of Independent Offices and Principal Secretaries; and Chairpersons/Chief Executives in the case of State Corporations. The stakeholders will comprise key external and internal actors, including the top management of the public institutions.

Linkages

The Strategic Plans should demonstrate clear linkages with the Kenya Vision 2030 and the Third MTP 2018-2022, the "Big Four" Agenda, the Sustainable Development Goals (SDGs) and Africa's Agenda 2063. They should also be linked to the Medium Term Expenditure Framework (MTEF) budget process to ensure financial availability for planned programmes/activities as well as the human resource policies and plans, to facilitate successful implementation. The plans need also to take into consideration national and international best practices as well as the linkages between the two levels of government.

Risk Management

In preparing the strategic plans, the institutions should undertake an assessment of the strategic, environmental, political, financial, technological and structural risks, among

others that could affect their successful implementation. Risks should be categorised and prioritised with suggested actions for mitigation.

Monitoring, Evaluation and Reporting

All institutions are required to have a Monitoring and Evaluation framework for tracking progress on implementation and assessing the impacts of the strategic plans. The framework should be linked to the National Integrated Monitoring and Evaluation System (NIMES).

Key Legal and Policy Documents

During preparation of the strategic plans, public institutions should familiarise themselves with their enabling Act and Acts relevant to their mandate. The institutions should also acquaint themselves with the following legal and policy documents, among others:

- i. The Constitution of Kenya
- ii. Kenya Vision 2030
- iii. Third Medium Term Plan (2018– 2022) and the 28 Sector Plans
- iv. The Sustainable Development Goals (SDGs)
- v. Africa’s Agenda 2063
- vi. National Spatial Plan, 2015-2045
- vii. The National Disaster Risk Management Policy
- viii. The Medium Term Expenditure Framework (MTEF) budget
- ix. The Executive Order(s) on Organization of the National Government

PURPOSE OF THE GUIDELINES

The purpose of the Guidelines is to:

- i. Provide organizations with a framework for the preparation of the strategic plans 2018/19-2022/23;
- ii. Ensure a standardized approach to preparation of strategic plans; and
- iii. Ensure alignment of the public institutions’ strategic plans to the national development priorities (Kenya Vision 2030, the Third MTP 2018-2022, the “Big Four” Agenda, SDGs and Africa’s Agenda 2063)

STEPS FOR PREPARATION OF A STRATEGIC PLAN

In preparing the strategic plans, public institutions should be guided by the following proposed steps:

Step one: Initiation of the strategic planning process

- i. Top management initiates the strategic planning process;
- ii. Top management gives guidance on the development of the Vision and Mission statements and Core Values;

- iii. Top management holds consensus building meetings on strategic planning process with all Heads of Departments or Key Senior Staff in the public institution.

Step Two: Strategic Plan Development

- i. Formation of a technical committee
- ii. The technical committee prepares a draft strategic plan by:
 - a. Demonstrating how the organization's functions will contribute to the achievement of the national priorities including the 'Big Four' Agenda;
 - b. Conducting a Situation Analysis by:
 - Reviewing implementation of the previous Strategic Plans identifying the key success factors, emerging issues, challenges and lessons learnt;
 - Undertaking internal and external environmental scan:
 - Strengths Weaknesses Opportunities and Threats (SWOT) analysis;
 - Political, Economic, Social, Technological, Environmental and Legal (PESTEL) analysis;
 - Undertaking Stakeholder Analyses;
 - c. Developing the Strategic Model by:
 - Developing/Reviewing the Vision and Mission Statements and core values and sharing with top management for ownership;
 - Identifying Key Result Areas/Strategic Focus Areas, strategic objectives and strategies;
 - d. Reviewing the existing organizational structure and developing a new one where necessary;
 - e. Evaluating the staffing levels and skills gap against the desired organizational structure and identifying areas of staff surplus and deficit (by staff cadre);
 - f. Identifying resource requirements and gaps, and proposing measures to bridge the resource gaps;
 - g. Assessing any risks, categorising and prioritizing the risks with suggested action for mitigation; and
 - h. Developing the implementation, and monitoring and evaluation frameworks.

Step Three: Strategic Plan Validation

- i. Sharing the draft strategic plan with top management for ownership;
- ii. Holding consensus meetings with stakeholders; and
- iii. Submission of draft strategic plan to the State Department for Planning, The National Treasury and Planning for review.

Step Four: Commissioning of the Strategic Plan

- i. Finalization, publishing, launching and dissemination of the strategic plan.

Step Five: Implementation, reporting and review of the strategic plan

- i. Implementing the strategic plan through performance contracts, work plans, procurement plans, training plans and service charters;
- ii. Preparing quarterly and annual reports on implementation of the strategic plan; and
- iii. Reviewing the strategic plans as and when need arises.

PART B: OUTLINE OF THE STRATEGIC PLAN

In preparing the strategic plans, the outline given below should be followed by all public institutions in order to ensure uniformity and standardization:

Cover Page

- i. The Coat of Arms and organizational logo (if any), name of the organization, Strategic Plan Period (2018/19 – 2022/23), Kenya Vision 2030 logo, tagline/motto

Subsequent pages

- ii. Half title page: Vision, Mission and Core Values
- iii. **Foreword** by the Cabinet Secretary, Chairperson of a Constitutional Commission, Head of an Independent Office and Chairperson of a State Corporation. It should include the organizational policy direction, rationale and process followed in preparing the strategic plan.
- iv. **Preface** by the Principal Secretary/Chief Executive Officer. It should give commitment towards the implementation of the Strategic Plan and acknowledge stakeholders (internal and external).
- v. Definition of Terms
- vi. Table of Contents
- vii. List of Tables
- viii. List of Figures and maps (If any)
- ix. Acronyms and Abbreviations
- x. Executive Summary

1. CHAPTER ONE: INTRODUCTION

- 1.0** Overview (A brief on what the chapter entails).
- 1.1** Background- A brief history of the institution
- 1.2** Mandate/functions of the organization – as per the current Executive Order on Organization of the National Government;
- 1.3** Global, Regional and National Development Challenges - specific to the mandate of the organization;
- 1.4** The Organization’s Development Role vis-à-vis the national development agenda – Kenya Vision 2030, the Third Medium Term Plan (2018 – 2022), the “Big Four” Agenda, SDGs, Africa’s Agenda 2063, among other national and international obligations.

2. CHAPTER TWO: SITUATION ANALYSIS

- 2.0** Overview
- 2.1** Review of the previous strategic plan implementation (state the previous plan period):
 - 2.1.1** Milestones/key achievements
 - 2.1.2** Challenges (faced during the implementation of the previous plan)

2.1.3 Lessons Learnt (from the implementation of the previous plan)

2.2 Environmental Scan:

2.2.1 Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis.

2.2.2 Political, Economic, Social, Technological, Environmental and Legal (PESTEL) Analysis. PESTEL may be summarised in the format provided below:

Category	Issue(s)	Description
Political		
Economic		
Social		
Technological		
Environmental/ Ecological		
Legal		

2.2.3 Stakeholder Analysis - (in matrix: Name of stakeholder, Stakeholder expectation from organization, organization expectation from the stakeholder). Stakeholder analysis may be summarised in the format provided below:

Name of stakeholder	Stakeholder expectation from organization	Organization expectation from the stakeholder

3 CHAPTER THREE: STRATEGIC MODEL

3.0 Overview

3.1 Vision Statement, Mission Statement and Core Values;

3.2 Key Result Areas/Strategic Focus Areas (KRAs/SFAs) – An outline of the organization’s areas of focus (Thematic Areas). Please note that Leadership and Integrity (Governance) should be taken into account while developing the KRAs/SFAs;

3.3 Strategic Objectives and Strategies – This is an elaboration of the organization’s Key Result Areas/Strategic Focus Areas. Strategic objectives are what the organization commits itself to accomplish in the long term while the strategies are the means, the ways, the how’s and the methods by which agencies accomplish their objectives. Each Key Result Area/Strategic Focus Area should have at least one strategic objective and the accompanying strategies.

Sub-sections 3.2 and 3.3 may be summarised using the format provided below:

Key Result Area/ Strategic Areas	Area/ Focus	Strategic Objective	Strategies

4 CHAPTER FOUR: IMPLEMENTATION AND COORDINATION FRAMEWORK

4.0 Overview

4.1 Structure of the Organization

4.1.1 Provide a write-up on the Departments/ Directorates/ Units

4.1.2 Organizational structure (Annex current and proposed organogram where applicable)

4.2 Staff Establishment

4.2.1 Staff Establishment (In a table: Cadre, establishment, in-post, variance)

4.2.2 Human resource development strategies

4.3 Financial Resources:

4.3.1 Financial Resources Requirements (by Key Result Areas per Financial Year and total for plan period). Sub-section 4.3.1 may be summarised using the format provided below.

Key Result Area	Resource Requirements						
	Baseline estimates (Ksh.Mn)	Projected Estimates (Ksh. Mn)					
		Year 1	Year 2	Year 3	Year 4	Year 5	Total
KRA1							
KRA2							
...							
Total							

4.3.2 Resource Gaps. This sub-section may be summarised using the format provided below.

Expenditure	Requirement Estimates (Ksh. Mn) (As per current 3-year period)			Allocation (Ksh.Mn)	Variance (Ksh.Mn)
	Year1	Year 2	Year3		
Recurrent					
Development					
Total					

4.3.3 Resource Mobilization Strategies

4.4 Risk Analysis and Mitigation Measures - A description of risks and their categorization (High, Medium or Low), giving planned actions for mitigation, monitoring and reporting of those risks. Sub-section 4.4 may be summarised using the format provided below.

Risk	Category	Mitigation Measure

NB: Organizations should provide the detailed Implementation Matrix as contained in Annex I.

5 CHAPTER FIVE: MONITORING, EVALUATION AND REPORTING

5.0 Overview

5.1 Monitoring – institutional framework and frequency of monitoring and reporting (e.g. Quarterly/Annually etc)

NB: Organizations should provide the detailed Monitoring and Evaluation Framework as contained in Annex II

5.2 Evaluation – Mid-term and end-term evaluations and reporting

5.3 Review of the Strategic Plan – Mid-term and end-term or when need arises

Annexes

Annex I: Implementation Matrix

Key Result Area	Strategic Objective	Strategy	Expected Outcome	Expected Output	Output Indicators	Target for 5 years	Target ¹					Budget (Mn)					Responsibility	
							Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		

Annex II: Monitoring and Evaluation Framework

Key Result Area	Outcome	Key Performance Indicator	Baseline	Target	
				Mid-Term Period Target	End of Plan Period Target
KRA 1					
KRA 2					

¹ The MDA will be tied to these annual targets in its annual Performance Contracts.