



**REPUBLIC OF KENYA**

**THE NATIONAL TREASURY AND PLANNING**

**STATE DEPARTMENT FOR PLANNING**

**GUIDELINES FOR PREPARATION OF THE FIFTH  
GENERATION STRATEGIC PLANS  
(2023 – 2027)**

**May, 2022**

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## **FOREWORD**

It gives me great pleasure to present to you these fifth-generation strategic plan preparation guidelines. The guidelines are part of my Ministry's efforts in promoting results-based management at all levels of government in line with the constitution of Kenya, the Public Finance Management Act 2012, and the County Governments Act 2012 among other relevant legal instruments. Since the introduction of results-based management in the public sector in 2003, strategic planning has been an integral part of our processes. It has provided a basis for performance management in the public sector thus contributing to economic growth from 3.8 percent in 2013 to 7.5 percent in 2021. The strategic planning has therefore proven to be effective and its preparation require proper guidance to ensure the gains already made are consolidated as we improve future planning and implementation of development interventions.

As we seek to attain our Kenya Vision 2030 goal of being a globally competitive and prosperous country with high quality of life for all, it is imperative for the government to develop in a participatory manner robust economic and structural policies and strategies. Strategic Plans play are critical in implementation of Kenya's development agenda including Medium Term Plans (MTPs), Big Four Agenda, Sustainable Development Goals (SDGs), Agenda 2063 among others. My ministry therefore takes lead in this process by providing guidance to Ministries, Departments, Agencies and Counties (MDACs) in preparation of strategic plans at the beginning of each planning cycle.

The preparation of these fifth-generation strategic plan guidelines considered the experiences and views from the MDACs who used the previous guidelines to develop strategic plans for the period 2018-2022. Those experiences have been used to improve the guidelines and it is our expectation as a ministry that the next generation of strategic plans covering the period 2023-2028 will be of higher quality. We have also considered the fact that the preparation of the Fourth Medium Term Plan (MTPIV) has commenced and therefore these guidelines will be required in time to guide preparation of strategic plans to implement it.

I therefore call upon all the MDACs to strictly adhere to these guidelines with a view of preparing good quality strategic plans. They will be disseminated to all MDACs and also availed in [www.planning.go.ke](http://www.planning.go.ke).

**Hon. (Amb.) Ukur Yatani, EGH**  
**Cabinet Secretary,**  
**The National Treasury and Planning**

## **PREFACE AND ACKNOWLEDGEMENT**

The State Department for Planning, under 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 tool 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 provides a road map for implementation of an organization priorities for the next plan period.

The purpose of the Strategic Planning Guidelines is to provide a framework for 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 2023/24 - 2027/28 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 process of developing these Strategic Planning Guidelines was highly consultation with the key stakeholders. A Taskforce, comprising technical officers from across the Directorates in the State Department, was constituted to spearhead the development of the Guidelines under my leadership. The draft guidelines were subjected to stakeholder validation process and the inputs emanating incorporated accordingly. The guidelines were finally published, launched and issued to all MDACs for implementation.

I wish to acknowledge the guidance and counsel of the Cabinet Secretary, the National Treasury and Planning, Hon. Amb. Yukur Yattani, EGH, during the entire process of preparing the guidelines. Likewise, let me thank Mrs. Katherine Muoki, the Economic Planning Secretary, for overall coordination.

Further, I wish to recognize and appreciate all Heads of Departments, Division and Units for their invaluable contributions and support during this process. Let me also convey my gratitude and appreciation to the Task Force Members led by Mr. Benson

Kimani (Director, Economic Development Coordination Directorate) for the immense contributions during the development of these guidelines. Other Task Force members included: Joseph K. Njagi, Samuel Kimote, David Waga, Priscilla Nyambura, Gladys Gathera, Peninah Riungu, Ann Mureithi, Kelvin Njuki, David Marisia, Olivia Kimata, Mary Kuria, Doris Muriuki, Peterson Njenga, Joel Kanchori, and Florence Mugendi.

Finally, I wish to sincerely thank the various institutions that in one way or the other contributed to the development of these guidelines.

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

**Saitoti Torome, CBS**  
**Principal Secretary**  
**State Department for Planning**

## **ACRONYMS AND ABBREVIATIONS**

CoB	Controller of Budget
E-NIMES	Electronic National Integrated Monitoring and Evaluation System
KRA	Key Result Area
L/H/M	Low/High/Medium
MDACs	Ministries Departments Agencies and Counties
Mn	Million
MTEF	Medium Term Expenditure Framework
MTPs	Medium Term Plans
NIMES	National Integrated Monitoring and Evaluation System
NT	National Treasury
PE	Personal Emoluments
PESTELE	Political, Economic, Social, Technological, Environmental, Legal and Ethical
SDGs	Sustainable Development Goals
SDP	State Department for Planning
SFA	Strategic Focus Area
SWOT	Strengths, Weaknesses, Opportunities and Threats
VDS	Vision 2030 Delivery Secretariat
VRIO	Value, Rarity, Inimitability and Organization

## CONCEPTS AND TERMINOLOGIES

**Baseline:** 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:** 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:** 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:** Products, services or immediate results, tangible or intangible resulting directly from the implementation of activities or applying inputs

**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.

**Programme:** A grouping of similar projects and/or services performed by a Ministry or National/ County 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.

**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.

**Target:** A result to be achieved within a given time frame through application of available inputs.

**Strategic Issues:** These are fundamental policy choices, critical challenges/gap or opportunities that must be addressed or tapped in order for the organization to achieve its vision. They are the foundation upon which strategies are developed.

## **I. Introduction**

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. The key tenets of this policy included: Strategic plans, service delivery standards, citizen service delivery charters, annual work plans, performance contracts, staff performance appraisal and merit-based promotion.

Strategic planning is the process of defining an organization's strategy 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.

As the Government of Kenya's main tool for ensuring efficiency and effectiveness in public service delivery, strategic plans align the organization's mandate and functions with the national development priorities. The plans should 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. Strategic plans are the basis for identifying targets under the Performance Contracting system and linking with individual performance appraisal.

The strategic plans should take due cognisance of key legal and policy provisions, including the Constitution of Kenya and the enabling legislations, the national development blue print (Kenya Vision 2030 and its Medium Term Plans), the 2030 Agenda and the Sustainable Development Goals (SDGs), as well as other international and regional obligations and conventions. Institutions are required to ensure public participation to foster ownership of the developed plans.

The State Department for Planning in the National Treasury and Planning is responsible for providing leadership in national and sectoral development planning. This includes, issuance of guidelines for preparation of strategic plans for Ministries, Departments, Agencies and Counties (MDACs). The State Department has in the past issued guidelines for preparation of the First Generation Strategic Plans (2004-2007), Second Generation Strategic Plans (2008-2012), Third Generation Strategic Plans (2013-2017), and the Fourth Generation Strategic Plans (2018-2022).

These guidelines for preparation of the Fifth generation strategic plans (2023 - 2027) have been developed in consideration of emerging issues and lessons learnt from development and implementation of strategic plans in the previous planning periods.



## **II. PURPOSE OF THE GUIDELINES**

The purpose of the Guidelines is to:

- i. Provide MDACs with a framework for the preparation of the strategic plans for the period 2023 -2027.
- ii. Provide norms and standards to ensure uniformity of the developed strategic plans across the MDACs.
- iii. Ensure alignment of the MDACs' strategic plans to the national development agenda and policy priorities as well international and regional obligations and conventions.

## **III. SCOPE OF THE GUIDELINES**

These Guidelines are intended for use by Ministries, Departments, Agencies and Counties (MDACs) in the preparation of the strategic plans for the period 2023 - 2027. Constitutional Commissions and Independent Offices are encouraged adopt the Guidelines in preparation of their strategic plans. The State Department for Planning will offer technical support (on demand basis) to ensure applicability of the Guidelines.

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 should provide a situation analysis including a review of previous strategic plan, challenges, lessons learnt, an environmental scan and the strategic issues emanating from the situation analysis; while chapter three should provide the strategic model describing the organization's Key Result Areas as well as strategic objectives and strategies. Chapter four describes the implementation and coordination mechanism, including human and financial resources, organizational structure, resource management and risk analysis, while chapter five contains the monitoring, evaluation and reporting framework. The detailed implementation, and monitoring and evaluation frameworks should be included as annexures.

### **PART A: STEPS FOR PREPARATION OF A STRATEGIC PLAN**

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

#### **Step One: Initiation of the Strategic Planning Process**

- i. Top management of the organization initiates the strategic planning process by holding meetings to analyze the current situation of the organization.
- ii. Top management sets and agrees on the organization's strategic direction (vision, mission, core values, goals, Key Result Areas (KRAs) and strategic objectives).
- iii. Top management forms and guides a technical committee to develop the organizational strategic plan.

## Step Two: Strategic Plan Development

- i. The technical committee reviews and adopts the Terms of Reference issued by the top management on development of the organization's strategic plan.
- ii. The technical committee taking into consideration nature and scope of the organization's mandate and functions, the strategic direction for the plan period, the operating environment, prepares a draft strategic plan by:
  - a. Demonstrating how the organization's functions will contribute to the achievement of the national development agenda and policy priorities.
  - b. Conducting a Situation Analysis by:
    - Reviewing implementation of the previous Strategic Plan to determine level of achievement of set targets and identify gaps, emerging issues, challenges and lessons learnt.
    - Undertaking internal and external environmental scan by:
      - Undertaking Strengths Weaknesses Opportunities and Threats (SWOT) analysis.
      - Undertaking Political, Economic, Social, Technological, Environmental, Legal and Ethical (PESTELE) analysis.
      - And or, where applicable, using any other analytical tools (such as Value, Rarity, Inimitability and Organization (VRIO), Porter's Forces, Resource Analysis, etc)
    - Undertaking Stakeholder Analyses.
    - Identify success factors – enablers.
    - Consolidate critical challenges/gaps or opportunities that must be addressed or tapped in order the organization to achieve its vision.
  - c. Developing the Strategic Model as guided by the top management. The technical committee should:
    - Identifying strategies in line with the proposed Key Result Areas, strategic objectives and the strategic issues emanating from the situation analysis.
    - Identifying key activities in line with the proposed strategies.
    - Prepare implementation matrix with Key Performance Indicators, targets for the plan period and their indicative budgets, with assigned responsibility.
  - d. Reviewing the existing/approved organizational structure and developing a new one, where necessary.
  - e. Assessing the organization's optimal staffing levels necessary to implement its mandate and functions, including the required skills and competencies, the required number of employees, the grading structure and terms of service for the employees.
  - f. Identifying financial resource requirements and gaps, and proposing measures to bridge the resource gaps.

- g. Assessing any risks, categorising and prioritizing them with suggested action for mitigation.
- h. Developing the monitoring, evaluation, reporting and learning framework.
- iii. The technical committee should submit the draft strategic plan to the top for ownership.

***NB:*** MDACs are advised to seek technical support on the interpretation of the guidelines and the preparation of their specific strategic plans from the State Department for Planning.

### **Step Three: Strategic Plan Validation**

- i. The draft strategic plan is shared with the organization's staff for internal review.
- ii. The draft plan is validated by external key stakeholders.
- iii. The validated draft strategic plan is submitted to the State Department for Planning, The National Treasury and Planning for review and advice.

### **Step Four: Finalization and Dissemination of the Strategic Plan**

The draft strategic plan is finalized, adopted, published, launched and disseminated for implementation.

## **PART B: OUTLINE OF THE STRATEGIC PLAN**

In preparing the strategic plans, the outline given below should be followed by MDACs 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 (2023/24 – 2027/28), Kenya Vision 2030 logo, tagline/motto for the organization (if any).

### **Subsequent Pages**

- ii. Half title page: Vision, Mission, and Core Values (list without descriptions)
- iii. **Foreword** by the Cabinet Secretary, Chairperson of a Constitutional Commission, Head of an Independent Office, County Executive Committee member (responsible for the Department) and Chairperson of a State Corporation. It should include the organizational policy direction, rationale and commitment towards the implementation of the plan.
- iv. **Preface and Acknowledgement** by the Principal Secretary(ies), Chief Executive Officer or Chief Officer(s) (responsible for the Department). It should include a brief on the content of the strategic plan, the process followed in its development and acknowledge stakeholders (internal and external).
- v. Table of Contents
- vi. List of Tables
- vii. List of Figures and Maps (If any)
- viii. Concepts and Terminologies – this should be a definition of unique terms used in the strategic plan
- ix. Acronyms and Abbreviations
- x. Executive Summary

## **1. CHAPTER ONE: INTRODUCTION**

*Overview (A brief on what the chapter entails - paragraph).*

- 1.1** Background - A brief history of the institution (how it has evolved over time. For new institutions, indicate how the institution came into being)
- 1.2** Mandate/functions of the organization – as per the current Executive Order on Organization of the National Government or a legal instrument, Constitution or Act for Constitutional Commissions and Independent Offices, and County Government’s organizational structure.
- 1.3** Global, Regional and National Development Issues - specific to the mandate of the organization. The section should provide general trends on the sector/sub-sector within which the organization operates.
- 1.4** The Organization’s Development Role vis-à-vis the National Development Agenda – Kenya Vision 2030 and its Medium Term Plans, the 2030

Agenda and SDGs (identify relevant Goals, targets and indicators), among other international and regional obligations and conventions.

## 2. CHAPTER TWO: SITUATION ANALYSIS

*Overview (A brief on what the chapter entails - paragraph).*

**2.1** Review of the previous strategic plan implementation (state the previous plan period):

**2.1.1** Key Achievements (level of achievement of set targets, by Key Result Area (KRA) – at outcome and output level in prose).

*Example – under the Tracking and Reporting KRA, the organization trained 2,050 officers across MDACs on participatory monitoring and e-NIMES. This improved timeliness in reporting.*

**2.1.2** Challenges (that hindered the achievement of the set targets during implementation of the previous plan)

**2.1.3** Emerging Issues (if any) (these are unforeseen issues that arose during implementation of the previous plan that affected achievements of planned targets)

**2.1.4** Lessons Learnt (indicate the knowledge gained during implementation of previous strategic plans which show how issues were addressed or should be addressed in the future for the purpose of improving future performance).

**Example 1** – *The State Department for Planning issued planning guidelines to MDACs which were expected to guide them in plan preparation. However, there were delays in finalizing the guidelines which led to delays in commencement of the plans’ development process by MDACs. Timely issuance of the planning guidelines is important for enabling MDACs to identify the strategic focus areas.*

**Example 2** – *The State Department has been building the capacity of MDACs on evaluation of programmes and projects through training and issuance of guidelines. However, this has not met the expectation of having all MDACs undertaking evaluations. This calls for a practical approach that will involve having a pool of evaluators within the State Department for technical assistance.*

**2.2** Environmental Scan

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

<b>Strengths</b>	<b>Weaknesses</b>
• •	• •
<b>Opportunities</b>	<b>Threats</b>
• •	• •

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

<b>Category</b>	<b>Factors</b>	<b>Description*</b>
Political ( <i>driven by government actions and policies</i> )		
Economic ( <i>related to the broader economy</i> )		
Social ( <i>shifts or evolutions in the society</i> )		
Technological		
Environmental		
Legal ( <i>regulatory environment</i> )		
Ethical		

\* *The strategic implication of the factor to the MDACs' operations, either positively or negatively.*

- 2.2.3** Other analytical tools relevant to the MDAC (optional). *These may include Balanced Score Card, VRIO (Value, Rarity, Inimitability and Organization), Porter's Diamond, Blue Ocean Strategy, etc.*

- 2.2.4** Stakeholder Analysis - (present key stakeholders in a matrix: Name of stakeholder, Stakeholder expectation from organization, organization expectation from the stakeholder). Stakeholder analysis may be summarised in the format provided below:

<b>Name of stakeholder</b>	<b>Stakeholder's expectation from organization</b>	<b>Organization expectation from the stakeholder</b>

- 2.3** Strategic Issues – Indicate fundamental policy choices, critical challenges/gap or opportunities that must be addressed or tapped in order for the organization to achieve its vision.

### **3 CHAPTER THREE: STRATEGIC MODEL**

*Overview (A brief on what the chapter entails - paragraph).*

- 3.1** Vision Statement, Mission Statement and Core Values (for each value listed, give a brief description of what it entails).
- 3.2** Key Result Areas (KRAs) – This section gives an elaboration of the organization's Key Result Areas. An outline of the organization's KRAs with an explanation of how it supports the MDACs mandate and functions as well as how they address the gaps identified in the situation analysis.

- 3.3** Strategic Objectives and Strategies. This is presented in a table format, giving the KRA, its strategic objective(s) and strategies. 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 should have at least one strategic objective and the accompanying strategies.

Key Result Area/ Strategic Focus Areas	Strategic Objective	Strategies

#### 4 CHAPTER FOUR: IMPLEMENTATION AND COORDINATION FRAMEWORK

*Overview (A brief on what the chapter entails - paragraph).*

##### 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)

Cadre	Approved Establishment	In-Post	Variance

*More details on the cadres and levels may be provided*

**4.2.2** Human Resource/Capital Management and Development Strategies  
*MDACs should explain how they will address the human resource gap wrt numbers, skills and competences needed for the implementation of the plan.*

##### 4.3 Financial Resources

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

Cost Area	Projected Resource Requirements (Ksh. Mn)					
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
<b>KRA1</b>						
<b>KRA2</b>						
...						
<b>Other budget items (e.g.</b>						

Cost Area	Projected Resource Requirements (Ksh. Mn)					
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
PE, Operational Cost, etc)						
<b>Total</b>						

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

FY	Requirement (Ksh. Mn)	Estimated Revenue (Ksh. Mn)	Variance (Ksh. Mn)
Year 1			
Year 2			
Year 3			
Year 4			
Year 5			
<b>Total</b>			

*Consider graphical representation for comparison in this section*

**4.3.3** Resource Mobilization Strategies *(present feasible strategies for resource mobilization. How will the financial resource gap determined in section 4.3.2 be bridged?)*

**4.3.4** Resource management *(the MDAC should present measures that will be put in place to ensure prudent and efficient utilization of resources. These may include cost saving measures, resource planning, systems and structures, etc).*

**4.4** Risk Analysis and Mitigation Measures - A description of risks and their categorization. Risks should be categorized and prioritised based on the likelihood of occurrence and expected impact with suggested actions for mitigation), giving planned actions for mitigation, monitoring and reporting of those risks. Sub-section 4.4 may be summarised using the format provided below.

Risk Class/Category	Risk and Description	Likelihood (L/H/M)	Impact (L/H/M)	Overall Risk Level (L/H/M)	Mitigation Measure	Risk Owner

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

## 5 CHAPTER FIVE: MONITORING, EVALUATION AND LEARNING

*Overview (A brief on what the chapter entails - paragraph).*

**5.1** Monitoring – provide a description of monitoring and reporting of the strategic plan implementation, including the frequency (e.g. Quarterly/Annually etc) and the responsibility for monitoring. Additionally,



provide the key monitoring reports to be prepared and the respective users (e.g. NT, CoB, VDS, SDP, etc)

**5.2** Evaluation – MDACs should describe how and when mid-term and end-term reviews of the strategic plan will be undertaken. Ad hoc reviews of the Strategic Plan will be undertaken when need arises.

**5.3** Learning – MDACs should provide a description on documentation of best practices and dissemination for learning purposes

**NB:** Organizations should provide the outcome performance matrix as contained in Annex II

**Annexes**

**Annex I: Implementation Matrix**

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

**Annex II: Outcome Performance Matrix**

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

<sup>1</sup> The MDA will be tied to these annual targets in its annual Performance Contracts.