

**2013 Annual Progress Report**

**Public Service Capacity Development Project**

**(ID No. 00069367)**

**Office of the President and Cabinet**

**Public Sector Reforms Management Unit**

**December 2013**

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**Acronyms**

AWPs Annual Work Plan(s)

CDPSM Capacity Development for Public Sector Management Project

CY Calendar Year

DHRMD Department of Human Resource Management and Development

DISTMS Department of Information Systems and Management Services

DPs Development Partners

FY Financial Year

ICT Information and Communication Technology

IP Implementing Partner

LDF Leadership Development Framework

MDAs Ministries, Departments and Agencies

MIM Malawi Institute of Management

MGDS Malawi Growth and Development Strategy

NHRS National Human Resource Survey

OPAs Organizational Performance Assessments

OPC Office of the President and Cabinet

PA-SWG Public Administration Sector Working Group

PA-SWAp Public Administration Sector Wide Approach

PFEM Public Finance and Economic Management

PMS Performance Management System

PSMRCDP Public Service Management Reforms and Capacity Development Program

PSs Principal Secretaries

PSA Public Service Administration

PSA (1994) Public Service Act (1994)

PSCDP Public Service Capacity Development Project

PSRMU Public sector Reforms and Management Unit

RPs Responsible Parties

SFC Skills Focus Consult

SDI Staff Development institute

SWAp Sector Wide-Approach

TRAC Target Resources Allocation from Core

TORs Terms of Reference

UN United Nations

UNDAF United Nations Development Assistance Framework

UNDAF-AP United Nations Development Framework Action Plan

UNDP United Nations Development Program

1. **Background**

The 2013 Annual Progress Report is the first following the signing of the 2013-2016 Public Service Capacity Development Project (PSCDP), ID No. 00069367. The Project was signed on December 12, 2012 after extensive consultations during the design process. The Project builds on the previous Capacity Development for Public Sector Management (CDPSM) Program which was implemented from October 2008 to December 2012. The CDPSM addressed six functional areas of the public service. These included: (a) administrative common service (leadership and management); (b) human resource management and development; (c) public financial management and audit; (d) program and project management; (e) public procurement; and (f) information and communication technology (ICT).

A December 2011 Mid-Term Evaluation concluded that the CDPSM, as designed, was very ambitious both in terms of scope, expected outputs and funding requirements (initially estimated at $80 million). As a result, a decision was made to move all areas pertaining to public finance and economic management to the Public Finance and Economic Management (PFEM) Program. These areas included: (i) public financial management and audit; (ii) public procurement; and (iii) program and project management. Furthermore, it was also agreed that the Government should move cautiously on ICT interventions – considering the heavy infrastructure investment required for e-government/ICT-driven public service. Following the above decision, the new PSCDP largely focuses on: (a) improving public service policies, regulations, strategies and guidelines in support of improving service delivery; (b) enhancing leadership and management skills and competencies of the public service; as well as (c) strengthening human resource planning and management activities of the public service for efficient and effective implementation of the 2012-2016 Malawi Growth and Development Strategy (MGDS).

1. **The Project**

The UNDP-funded PSCDP was designed from the larger Government of Malawi’s Public Sector Management Reforms and Capacity Development Program (PSMRCDP) Support Document. Realizing that critical to the implementation of the MGDS is a strong and professional public service at all levels – policy, institutional as well as individual, the Project seeks to strengthen the capacities of the public service to better manage and deliver services. The Project contributes to UNDAF Outcome 4.2: Public institutions are better able to manage, allocate and utilize resources for effective development and service delivery by 2016 and, in particular, UNDAF-AP Output 4.2.1: Capacity for public service management strengthened for effective service delivery. Expectations are that to achieve both MGDS and UNDAF Outcome 4.2, a number of interventions will have to be undertaken. Among many others these include:

* Review and implementation of policies, rules and regulations that support efficient public service delivery;
* Improving leadership and management skills, competencies and ethical values to drive the national development agenda;
* Strengthening human resource planning and management capacities in the different ministries, departments and agencies (MDAs) within the public service; and
* Promoting innovative and integrated application of ICT within the public service.

In all these interventions, deliberate efforts are made to ensure that there is gender balance in training, recruitment and placement of women in leadership and management positions within the public service.

The overall responsibility of implementing PSCDP rests with the Office of the President and Cabinet (OPC), specifically, the Public Sector Reforms and Management Unit (PSRMU) – referred to in this report as the implementing partner (IP). Implementation of specific capacity development strategies for each functional area the responsibility of the respective institutions – referred to as responsible parties (RPs). For example, review of public service policies, regulations, strategies and guidelines as well as improving leadership and management skills and competencies are led by OPC’s PSRMU. Implementation of activities under human resource planning and management is the responsibility of the Department of Human Resources Management and Development (DHRMD) while e-Government/ICT promotion falls under the Department of Information Systems and Technology Management (DISTMS).

1. **Key implementation Challenges**

There were a number of problems encountered during implementation of the 2013 Annual Work Plan (AWP). First, the 2013 AWP had a total budget of $1,330,500. Of this, $935,000 was allocated resources while $395,500 was unfunded. Expectations were that funds will be mobilized to implement unfunded activities. This never materialized. Of the $935,000, UNDP contribution was $785,000 ($740,000 from TRAC and $45,000 from One UN Funds) with $150,000 expected to come from Government as parallel funding.

However, in August 2013. UNDP contribution was reduced by $150,000 to $635,000 ($590,000 from TRAC and $45,000 One UN Funds). Worse still, the Government is yet to honor its parallel contribution following a 50% across the board funding reduction. It was only very late in November that UNDP provided an additional funding of $174,000 to bring the total project budget to $809,000. OPC was advised that the additional funding should be utilized by December 6, 2013.

Second, the first disbursement to the Project was only done in April 2013. At the beginning of 2013, the IP was yet to liquidate a sizeable amount of funds which were disbursed late in 2012. This late disbursement followed the decision by UNDP to make available funds late in the year to the old Project – while waiting for the signing of the new Project.

1. **Assessment of Components/Outputs**

***Component I: Public services policies, regulations, strategies and guidelines***

Under this Component, there are 4 outputs. These are:

* *Output 1.1:* Public Service Act (PSA) 1994 revised for consistency with the Constitution, Cabinet Minister’s and Principal Secretary’s Handbooks.
* *Output 1.2:* National Capacity Development Strategy, Action and Financing Plan developed.
* *Output 1.3:* Gender-sensitive recruitment guidelines developed and adopted.
* *Output 1.4:* Public Administration Sector Wide Approach (PA-SWAp) established and operational.

***Output 1.1****: Public Service Act (PSA) 1994 revised for consistency with the Constitution, Cabinet Minister’s and Principal Secretary’s Handbooks.* Key to this Component in 2013 was the review of the PSA (1994) and development of the National Capacity Development Strategy, Action and Financing Plan. In 1994, the Government prepared the Act to respond to the new way of managing the public service in a multiparty democracy. However, there are now observations that the Act is not consistent with Handbooks for Cabinet Ministers and Principal Secretaries (PSs). For example, while the responsibility of managing ministries is vested in Cabinet Ministers in the Cabinet Minister’s Handbook, the Act as well as PSs Handbook gives this responsibility to PSs. This creates conflicts, particularly when it comes to the management of resources. In order to ameliorate these conflicts, the Government has engaged a consultant to review the Act. Following this review, the Handbooks will also be revised based on the Act. Once this process is completed, expectations are that there will be some clarity in the roles and responsibilities of the Cabinet Ministers vis-a-vis PSs within the public service. This, in turn, will ensure better resource management and allocation and, in turn, delivery of services..

***Output 1.2****: National Capacity Development Strategy, Action and Financing Plan developed.* The Government of Malawi has never had any National Capacity Development Strategy to match human resource planning and management with national development goals and objectives. As such, planning and management of human resource as well as training has been conducted largely using sectoral plans. *Output 2.1* is geared towards coming up with such a Strategy. It was however deemed necessary that before coming up with s Strategy, a National Human Resource Survey should be conducted. The Government engaged the Staff Development Institute (SDI) to carry out the Survey. The draft Report was presented to the Reference Group in August 2013. Following the finalization of the Report, the Government will then develop the Strategy. The development of the Strategy will be critical for future planning and management of human resource within the public service.

***Output 1.3****: Gender-sensitive recruitment guidelines developed and adopted.* Gender-sensitive guidelines are now in place. These guidelines will go a long way in Government’s efforts to balance recruitment as well as promotion of men and women within the public service.

***Output 1.4:*** *Public Administration Sector Wide Approach (PA-SWAp) established and operational.* As a way of enhancing coordination of public administration interventions, the Public Administration Sector Working Group (PA-SWG) has been established. PA-SWG is one of the five SWGs that are operational. The Group has put in place operational Terms of Reference (TORs). Plans are to transform this Group and coordinate its activities on the basis a sector-wide approach (SWAp). The challenge though is that public administration issues are not as appealing as financial and economic management issues. As a result, not many development partners (DPs) are represented in PA-SWG meetings.

***Component II: Leadership, management and public service ethics and integrity.***

Component II of the project addresses three outputs. These include:

* *Output 2.1:* Executives and parliamentarians acquire leadership and management skills to provide public service delivery oversight.
* *Output 2.2:* Bureaucratic skills and competencies upgraded for new entrants, middle and senior-level managers in public service.
* *Output 2.3:* Public service ethics and integrity standards developed and enforced.

***Output 2.1****:* *Executives and parliamentarians acquire leadership and management skills to provide public service delivery oversight.* In any institutional set-up, executives and parliamentarians are critical to providing public service delivery oversight as they are always in touch with the masses. In the 2013 AWP, funds were allocated to sensitize this group of people on how they can carry out their oversight functions. However, considering that Malawi will soon be going into tripartite elections, a decision was made to suspend this activity until after elections. Funds allocated under this activity were reprogrammed for ICT/e-government component.

***Output 2.2*:** *Bureaucratic skills and competencies upgraded for new entrants, middle and senior-level managers in public service.* Since 2009, under the old Project, the Government has been training its public servants to improve their bureaucratic skills and competencies. This is consistent with the Leadership Development Framework (LDF) that the Government has just adopted. The Framework requires that public servants get trained in different skills as they go up the LDF ladder.

In 2013, a total of 4 leadership and management courses were planned. Of these, 2 were at entry level (induction course) – to ground new entrants into rules and regulations of the public service, and another 2 for middle and senior-management. Of these, only 1 Induction Course has been carried out. The Government decided that it should first conduct an impact assessment of the previous trainings before proceeding with subsequent ones.

A draft Report on the “Impact Assessment of Public Service Administration Courses” was prepared by Skills Focus Consult (SFC) and discussed in August 2013. The Assessment concluded that the courses have had a positive impact. Most participant indicated that they now have a common understanding of issues surrounding leadership and management in the public sector. However, the extent to which this individual knowledge can be translated into institutional/organizational changes might take somewhat long. Furthermore, most of those that attended middle and senior-level courses have also benefitted from promotions. Most interesting is the increasing number of women in leadership positions which rose from 18% to 26% over the implementation of leadership and management training courses. Furthermore, these courses are now mainstreamed in the core courses that the local institutions such as the Malawi Institute of Management (MIM) and SDI offer – ensuring future sustainability.

On the design of the courses themselves, the Assessment observed a number of duplications on the course content. Also, most participants viewed the 7-week courses as being too long to hold together public servants in senior positions. In addition, the courses were viewed to be too costly. These findings will be discussed with all stakeholders and inform how well these courses should be delivered in future.

***Output 2.3:*** *Public service ethics and integrity standards developed and enforced.*

On June 23, 2013, the Government launched the long awaited Public Service Code of Conduct and Ethics and Malawi Public Service Charter. This launch coincided with the African Public Service Day. This launch will go a long way in ensuring that holders of public offices are accountable. In which case, the officers are: (a) open in the decisions that they take; (b) held accountable for their decisions and actions; and (c) work in the interest of the rights holders (citizenry).

***Component III: Human resource planning and management.***

Outputs under this Component are:

* *Output 3.1:* A gender-sensitive human resource planning and management strategy developed.
* *Output 3.2:* Institutional performance management system (PMS) developed and implemented in selected institutions.

***Output 3.1:*** *A gender-sensitive human resource planning and management strategy developed.* This Strategy will be developed once the National Human Resource Survey (NHRS) is completed.

***Output 3.2****: Institutional performance management system (PMS) developed and implemented in selected institutions.*  Starting from July 2013 and for the first time under this Project, the Government of Malawi has introduced Organizational Performance Assessments (OPAs) for all MDAs. These OPAs are aimed at improving the delivery of public services by holding the heads of these MDAs responsible.

The Chief Secretary, responsible for civil service, has signed contractual Agreements with PSs defining goals and objectives and expected results from each MDA. While these Agreements are considered vital instruments for improving institutional performance, many feel that they should have been signed at the highest political level. In addition, at issue is not just signing the Agreements, but seeing to it that all parties are aware of their responsibilities and that appropriate “rewards” and “sanctions” are applied for both performance and non-performance, respectively. That said, this is a good development. As a way of encouraging entrenchment of institutional performance, the Government, through this Project, intends to go into exchange visits with the Government of Kenya to learn from their experiences.

***Component IV: ICT/e-Government policy and standards developed.***

The Outputs under this Component are largely designed to drive “soft” activities of ICT/e-government activities as opposed to “hard” areas such as infrastructure development. This Component therefore addresses two outputs. These include:

* *Output 4.1:* ICT Policy finalized and e-government strategy and standards developed and enforced.
* *Output 4.2:* Increased application of ICT/e-government in the public service.

***Output 4.1****: ICT Policy finalized and e-government strategy and standards developed and enforced.*

Malawi considers ICT as significant, henceforth always includes it in the national agendas. Historically, from year 2000, ICT is considered to be cross-cutting and features in the Vision 2020, in both MGDS I & II and in the current ERP. MGDS has in it plans to increase utilization of ICT in Malawi. The ERP has plans to ensure there is ICT infrastructure in place.

Currently, the National ICT Policy is in draft form and, according to E-Government, has been submitted to OPC so that the Cabinet can look at it when they meet next year in July. Whilst they await the vetting of the policy, the Department of e-Government with funding support from UNDP developing a National ICT Master Plan which will help to operationalize the policy. A consultant is working on this and is estimated to present a first draft report of the strategy in mid-November.

Additionally, a training plan for ICT officers has been developed; and a mass ICT awareness is being organized by the Department of e-Government. The awareness aims to sensitize all public servants on the use of ICT. Funding for this, however, still has to be mobilized.

1. **Overall Impact of the Project**

Considering that this Project is building on the successes of the previous one, there are some positives that could be pointed out. First, the separation of public financial and economic management activities from public administration activities has led to a more focused approach to implementing the Project. However, most development partners feel that the Project should be even more streamlined to focus on performance of institutions and individuals as a way of improving service delivery. This is already being reflected in the project though there is need for a more focused approach. Government has already started implementing performance management contracts with PSs, but more needs to be done on this as discussed in preceding chapters.

ICT is indeed cross cutting, and Malawi is currently behind in the application of ICT in public institutions. There is however a lot of initiative, with support from this project as well as from other DPs. The Strategy will be a starting point for the ICT policy to gain momentum. The monitoring framework in the Strategy will help guide successful implementation of the Policy.

The revised PSA (1994) is long awaited. The review of this has brought to the surface the fact that the mandates in public service are not harmonized. Once the Act is finalized, together with government, the Project will start working towards having the various ministerial and government mandates aligned towards the accomplishment of the national agenda in a more harmonized approach.

Currently, Government does not have a National Human Resource Policy and Strategy. The NHRS being finalized is a starting point towards developing these. The aim is to streamline human resource development and the programs being offered in universities and training institutions with key priorities in the national agenda. Currently, the draft report for the Survey has already pointed out that there are critical capacity gaps in the mining sector, and that both the universities and DHRMD need to look into this seriously.

The Impact Assessment of Public Service Administration Courses concluded that the majority of participants value the contribution of the trainings. The courses have added to their skills and competencies in the day-to-day management of the public service. Also, the deliberate efforts to have increasing number of women being trained in leadership and management areas, has led to more women assuming key positions within the public service.

1. **Risk Management**

The biggest risk to this Project is its inability to attract cost sharing resources. Despite wide consultations during the design stage and interests shown by some Development Partners, the Project is only funded by UNDP. Parallel funding from the Government has, in most cases, has been made available very late, also due to the fact that our FYs are different, with Government’s FY -- running from July to June and UNDPs running from January to December. For example, Government is yet to release its $150,000 commitment to the Project which was allocated to them in July this year.

1. **Financial Status and Utilization**

In 2013, a total of MK65,279,468.00 was advanced to OPC, of which MK48,034,798.00 was from TRAC and MK17,244,670.00 was ONE UN. Of the total advance, MK64,234,710.00 has been spent leaving a balance of MK1,044,785.00. The total expenditure under the Project as of today is $779,662.15 against a 2013 budget of $809,000.00 -- giving a delivery rate of 96%.

1. **Lessons Learned**

There are a number of lessons OPC/PSRMU has learnt while implementing this Project.

* Activities in the signed AWPs should only include those whose funds are fully committed and could be easily made available upon request. The 2013 AWP was signed with huge funding gaps as well as expected parallel funding – both of which never materialized. Including unfunded activities disturbs proper implementation of the AWP and provides false hopes to IPs.
* All activities where the funding source is Government should be planned for the second half of the Calendar Year (CY). This allows one to align implementation of such activities with the Government Financial Year (FY) which runs from July to June. More often, Government is not in a position to make available funds in the first six months of the CY.
1. **Conclusion and Recommendations**

This Project is deemed very relevant to government. The public sector being the main drive for the national agenda, it’s highly significant that it’s capacitated at institutional, organizational and individual level to be able to discharge its duties successfully. There is, however, need to lure support from other development partners so they commit support to this area. There is to make the other DPs aware how the public administration activities are as equally important as the financial and economic activities that they are currently supporting. Maybe coming up with a triangle of influence of all the three areas on the success of each would be ideal.