**“BUILDING THE FOUNDATIONS” FOR PUBLIC SERVICE MODERNISATION**

**SHORT TERM ACTION PLAN**

1. **INTRODUCTION AND BACKGROUND**

This short term Action Plan proposes the achievement of a set of immediate public service modernisation (PSM) targets to build the foundations for the implementation of a comprehensive Government of Malawi (GOM) Public Service Modernisation Programme.

Public service reform (PSR) has been a focus of government for a number of years, but it has not yet yielded tangible benefits or a measurable improvement in the performance of the public service. It is clear that significant challenges still remain in this area. A new PSM Programme Document (PD) is being finalised which will: ensure that the modernisation process is designed in line with high level GOM policy objectives; focus on addressing critical performance improvement priorities; and be based on realistic and “results based” programme goals and Strategic Objectives (SOs). It will identify and plan PSM interventions within a robust programme design and performance management framework, and will set out a comprehensive, logical and phased approach to PSM.

1. **THE PUBLIC SERVICE MODERNISATION PROGRAMME**

The PSM Programme **Goal** is:

**“**To achieve measurable improvements in the performance, productivity, economy, efficiency and effectiveness of the Malawi public service.”

This will be the **over-arching reform programme** in GOM, providing the essential basis for better public management. It will incorporate all elements of public sector management including public finance and economic management (PFEM) reforms, and be complementary to sector reform programmes.

The PSM programme will signal a new approach to public service reform which is designed to accelerate the implementation of key public management modernisation activities and deliver tangible results within the medium term. Important elements of the approach are that: PSM initiatives will be mainstreamed (- successful PSM involves all public servants, and the executive and accountability functions); responsibility for implementing the changes will rest with the relevant part of government; and PSM activities will feature in Ministry, Department and Agency (MDA) Strategic Plans and recognised as part of the normal activities of government.

The **strategies** underpinning the modernisation process include:

* Public service management and practice will be results based
* The public service will be increasingly IT enabled
* The customer is at the centre of the PSM process
* Innovation – being open to new ways of doing things
* Embracing partnership opportunities

**PSM programme structure** will consist of six technical components – providing a comprehensive, holistic and phased approach.Programme management, change management, capacity building and communications will be supporting elements.A “Platform” approach will be used, designed to achieve increasing levels of competence and performance over the medium term. Each platform is defined by improved outcomes achieved. This will ensure that Programme design explicitly recognises dependencies between activities and the importance of sequencing, and gives a basis to measure whether results are being achieved at key stages in the modernisation process.

1. **OBJECTIVE AND CONTENT OF THE “BUILDING THE FOUNDATIONS” SHORT TERM PLAN**

**3.1 Overall objective**

The intention of this “Building the Foundations”, short term Action Plan is to provide a basis to re-vitalise and re-brand the PSR process and address some initial fundamental constraints to effective performance. This will lay the foundations for a further set of modernisation activities to be set out in the PSM PD.

The Plan provides an opportunity for the GOM and Development Partners (DPs) to signal their commitment to a robust and comprehensive PSM process which is the essential complementary activity to on-going reforms in other areas. It is proposed that all of the activities identified in the plan should be completed by the middle of December 2014.

**3.2 Guiding principles**

The principles guiding the development of this Plan are:

* To identify an achievable set of foundation PSM activities that will demonstrate a new commitment to PSM, and an intention to implement a comprehensive PSM programme that will deliver measurable improvements in public service performance.
* Many of the actions relate to critical initial actions to set the scene for a comprehensive and robust approach to PSM – for example by defining the policy goals, role, functions and appropriate structure of government. These are the essential building blocks upon which all further stages of modernisation will be built.
* The actions proposed have been selected on the basis of their potential to yield tangible and measurable results in a transparent manner, in order to restore the credibility of the PSM process.
* The content of the Plan is derived from the PSM PD, for which a high level structure and Strategic Objectives have already been developed. The activities in this Plan are entirely consistent with the overall modernisation agenda and represent high priority actions in the process.
* The actions set out in the Plan are taken from across the components of PSM PD, in order to ensure that the workload is spread across GOM and does not suffer from capacity constraints.

The proposed short term Plan is set out in Annex 1. This table identifies a range of priority modernisation actions and associated performance targets which are taken from the draft PSM programme. The Component Structure, Strategic Objectives and Sub Objectives are taken from this more comprehensive document. The Plan identifies: the activities to be carried out; the Baseline (current situation or level of performance); the Target to be achieved; the deadline for completion; who is responsible for the achievement of the target; whether any support is required to complete the activity (such as technical assistance (TA)); and any dependencies or assumptions linked to the activity. Some of the support required to implement the plan is already available (for example through the IMF for public financial management), and in some of the other areas, the TA tasks can be combined under the support of a single adviser.

The deadline for achievement of all the targets is the middle of December 2014, but due to dependencies between some of the activities, some will need to be completed earlier.

The most significant activities proposed in this Plan, and fundamental foundations for the on-going public service modernisation process include:

* Strengthening of PSM programme management arrangements.
* A review of the role and functions of government.
* Development of a high level policy agenda document to guide rationalisation of the policy framework and strengthen planning and resource allocation activities.
* Development of high level, rationalised structure of government, based on the agreed role and functions.
* A policy paper to guide a detailed review of the grading and reward systems.
* An initial review of HRM policies and preparation of concept papers and a work plan for more detailed reforms.
* Development of initial proposals to streamline and strengthen policy management, planning and performance management processes.
* Completion of a set of priority public financial management strengthening activities.
* Activities to increase transparency and accountability by making more government documents publicly available.
1. **IMPLEMENTATION ARRANGEMENTS AND APPROACH**

Overall responsibility for implementing this Plan and ensuring that the targets set out are achieved, will rest with the Office of the President and Cabinet (OPC) and will be coordinated and facilitated by the Public Service Reforms Management Unit (PSRMU). For this Short Term “Building Foundations” Plan, it is proposed that the PSRMU provide a monthly report on progress to the Chief Secretary, and through the Chief Secretary to other stakeholders including DPs. The Annex 1 identifies which part of government is responsible for actual implementation. The necessary activities are spread across government to ensure that there are no problems with lack of capacity to implement the plan.

Some of the activities to be undertaken will require specialist technical assistance. These requirements are identified in the Plan at Annex 1. GOM will need assistance from Development Partners to access this support in a timely fashion. In sourcing this assistance, an emphasis should be placed on ensuring that TA support builds local capacity, and puts in place the capabilities to continue the modernisation process with local resources. For example, the Plan includes activities to undertake functional review work in a number of Ministries. This is a core and on-going role of any government. Therefore any technical assistance provided in this area should begin with providing training to local counterparts to be followed by working jointly to complete the exercise. This will ensure that GOM can undertake further modernisation in this area, using staff from the relevant part of government.

**ANNEX 1: “BUILDING FOUNDATIONS” - SHORT TERM PSM PLAN**

| **OBJECTIVE/ OUTPUT/ KEY ACTIVITIES**  | **BASELINE** | **TARGET/ (DEADLINE) [[1]](#footnote-1)** | **WHO?** | **SUPPORT REQUIRED?**  | **DEPENDENCIES/ ASSUMPTIONS**  |
| --- | --- | --- | --- | --- | --- |
| **Component 1: Governance and Policy Management** **Strategic objective**: Strengthened governance and institutional arrangements guide public sector management, and GOM has an effective policy framework and capacity for continuous review and update of policy instruments. |
| **Sub objective 1: Governance and institutional arrangements provide a solid foundation for effective public sector management public sector management** |
| 1.1 Strengthened governance framework for public sector management  | Significant number of essential pieces of legislation outdated or not drafted  | Access to Information Bill enacted(2 months)   | Policy Unit | None – work in progress  | None  |
|  |  | Constitutional reform process launched (2 months) | OPC | None  | None  |
| 1.2 Effective arrangements in place for engagement with the public and civil society | Lack of transparency and limited opportunities for civil society engagement | All MDAs have websites with minimum levels of information available: mandate, OPA, organisation structure, Strategic and Sector plans, reform programmes, and procurement notices (3 months)  | OPC (D E-Gov)  | None  | None Assumes sufficient data transport capacity is available  |
|  | Lack of basic public information  | Signage at Capitol Hill improved – accurate MDA and office signs (1 month) | OPC/All  | None  | None  |
| **Sub objective 2: Effective policy framework and capacity for continuous review and update of policy instruments.** |
| 1.3 Policy framework reviewed, rationalised and adopted as the basis for all GOM planning and resource allocation | Multiple policy documents and weak results framework | High level, rationalised policy agenda (goals and strategic objectives) and targets adopted (1 month) | MEPD | Specialist TA (2 weeks) | None  |
| 1.4 GOM has streamlined institutional arrangements for policy management  | Multiple agencies involved with overlapping responsibilities Weak policy coordination | Proposals completed for streamlined arrangements for policy coordination, and strengthened decision-making(2 months) | Policy Unit | Specialist TA (Initial support from USAID) | None  |

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| --- | --- | --- | --- | --- | --- |
| **Component 2: Role, functions, structure and size of government** **Strategic objective:** GOM adopts a streamlined and appropriate role of government, supported by the necessary organisation and staffing structures |
| **Sub objective 1: GOM role and functions streamlined and clearly defined** |
| 2.1 GOM has a clearly defined role and functions based on delivering core public services, regulation and facilitation of future development | Role of government not clearly defined and may be outdated  | Role of government review completed Revised Ministry, Department and Agency (MDA) mandates and functions drafted (2 months) | Policy Unit | Specialist TA (3 weeks) | Follows activity 1.3  |
| **Sub objective 2: GOM organisation structure provides the basis for effective public service performance**  |
| 2.2 Organisational units have clearly defined roles, responsibilities and working relationships | Duplications and overlaps of functions | Functional review of OPC completed (1 month) | D HRMD | Specialist TA (3 weeks)  | Follows activity 2.1 |
|  |  | Prepare proposals to ensure that the merger of MOF and MEPD delivers the potential for synergies and performance improvement (1 month) | D HRMD | Specialist TA (2 weeks) | Follows activity 2.1 |
| **Sub objective 3: GOM has the right numbers of staff in the right places to deliver policy objectives**  |
| 2.3.Strategic HR planning accurately estimates HR needs across GOM  | Perception of over-staffing and inefficient resource allocation  | Detailed Plan for strategic HR review prepared and adopted (2 months)  | D HRMD | Specialist TAOn-going WB work may contribute to this | None  |

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| --- | --- | --- | --- | --- | --- |
| **Component 3: Planning and performance management** **Strategic Objective:** GOM has effective, fully integrated, medium term, policy, planning, budgeting and performance management systems |
| **Sub objective 1: GOM has comprehensive and coordinated institutional arrangements for planning and performance management processes**  |
| 3.1 Effective institutional arrangements for planning and performance management  | Duplication and overlap in functions Ineffective coordination and performance management structures and systems  | Proposals prepared for new structure and focal points for policy coordination, planning and performance management (1 month)  | Policy Unit/ PIMED | Specialist TA (Initial support from USAID) | None  |
| **Sub objective 2: Planning and performance management processes ensure government priorities and objectives are translated into activities and resource allocation and performance is effectively managed.** |
| 3.2. Streamlined systems and processes  | Duplication and overlap in functions and processes Ineffective coordination and performance management structures and systems  | Produce a single policy agenda and results framework(1 month)  | OPC | Specialist TA (Initial support from USAID) | Follows activity 1.3 and linked to activity 3.1  |
| 3.3 Policy led, results based Sector and MDA Strategic Planning  | Planning processes not policy or results led and not integrated  | Proposals prepared for strengthened MDA strategic planning process, directly linked to policies and results(1 month) | OPC | Specialist TA (Initial support from USAID) | Linked to activities 1.3, 2.2, 3.1 and 3.2. |

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| **Component 4: Human resource management (HRM) and development (HRD)****Strategic Objective:** GOM attracts, retains and manages human resources and has the right people, with the right skills in the right places |
| **Sub objective 1: GOM has a modern and comprehensive institutional framework and HRM/D policies, and strategies to attract the best possible human resources into the public service, and manage those resources effectively.** |
| 4.1 Policy and Strategy documents provide a sound basis for effective HRM/D and performance improvement  | Outdated policy and incomplete HRM/D strategy  | Outline HRM/D policy statements and strategy prepared (1 month) | D HRMD  | None Specialist TA (1 week) Could be combined with 4.2  | None  |
| 4.2. GOM terms and conditions of service and grading and pay structure make it an attractive employer  | Unattractive terms and conditions and rewards system  | Plan prepared and adopted to strengthen the grading and remuneration systems (1 month)  | D HRMD  | Specialist TA (3 weeks)  | Linked to 4.3 |
|  |  | Amend (shorten) working hours and enforce timekeeping/ punctuality regulations(1 week)  | D HRMD | None  | None  |
| **Sub objective 3: HRM/D procedures and practices ensure that GOM has the right number of staff in the right places and that they are motivated and managed according to principles of merit, competence and maximising the potential and performance of all public servants**  |
| 4.3.GOM has the right numbers of staff in the right places | Perceptions that GOM is over-staffed Increasing wage bill  | Prepare concept paper and plan for detailed review of HRM procedures including an approach to registration and identification of public servants (1 month) | D HRMD  | Specialist TA (3 weeks) Could be combined with 4.1 and 4.2 | Linked to 4.1 and 4.2 |
| **Sub objective 4: Training and development provides staff with the appropriate knowledge and skills to manage the operations of the public service and support continuous improvement.** |
| 4.4 Strengthen essential basic training and entry to the public service  | Not all staff receive induction training  | Make induction training mandatory  | D HRMD  | None  | None  |

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| --- | --- | --- | --- | --- | --- |
| **Component 5: Public financial and economic management (PFEM)****Strategic Objective:** Improved effectiveness of economic and financial management policies and processes  |
| **Sub objective 1: Short term PFEM strengthening actions completed**  |
| 5.1 Establish a binding commitment control and monitoring process  | Commitments not being effectively controlled and reported | Commitment control process designed, circular issued to all MDAs by July 2014 | MOF | Specialist TA (available from IMF AFRITAC East) | Reporting should be manual until IFMIS upgrade is installed in July 2015. |
| 5.2 Establish in-year rolling cash flow planning | Significant uncertainties around the current monthly funds release, leading to under performance and bottlenecks across government  | Three month rolling cash flow system established by July 2014 with inputs from MDAs. Cash flow decisions made by Cash Management Committee. | MOF | Specialist TA (available from IMF AFRITAC East) | Cash flow planning should be outside of IFMIS until upgrade is established in July 2015. |
| 5.3 Planning the IFMIS upgrade and overseeing the IFMIS project | Absence of comprehensive upgrade plan and IFMIS project management and oversight arrangements | Comprehensive upgrade plan prepared and costed, covering software, hardware, network and training. Plan adopted in June/July 2014 | Acc. Gen. (MOF) | Specialist TA (funded through FROIP) and support from supplier (SoftTech) | Urgency of network needs for IFMIS should be reflected in Government IT strategy (6.2.1.) |
| 5.4 Empower the Secretary to the Treasury (ST) to perform assigned responsibilities under the PFM Act | Currently the ST is just another Controlling Officer, but PFM Act assigns responsibilities to the ST for ensuring performance of the PFM system as a whole | Chief Secretary to delegate responsibility for nominating Controlling Officers to the ST (before July 2014).  | OPC, MOF | None | None  |
| 5.5 Establishing a new Malawi government owned three year PFM reform strategy and action plan aimed at re-establishing the credibility of the government’s financial management systems and capacities | Existing plan (PFEM RP) ends in 2014, although funding projects continue through 2016, but not adequately coordinated | Prioritized strategy and action plan developed and adopted by July 2014 or soon after.  | MOF | Specialised TA from AFRITAC East already engaged | Reform strategy and action plan needs to be endorsed by donors and existing projects realigned to the new priorities. |

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| --- | --- | --- | --- | --- | --- |
| **Component 6: Systems, processes and use of technology** **Strategic Objective:** To modernise systems, tools and processes to provide a basis for improved organisational efficiency and effectiveness. |
| **Sub objective 1: Improved effectiveness of key GOM systems and processes** |
| 6.1. Streamlined and efficient administrative processes  | Processes are inefficient and bureaucratic  | Asset disposal – remove all scrap vehicles from Capital Hill (1 month) | OPC | None  | None  |
|  |  | Streamline Disciplinary Cases Management process(1 month) | D HRMD | None | None  |
| **Sub objective 2: Maximise effective use of IT in GOM** |
| 6.2.GOM using ICT to improve performance  | Scope to extend the use of IT for communications and to support service delivery | Develop a prioritised PSM Action Plan for ICT initiatives to improve performance (2 weeks) | D E-Gov  | None  | None  |

**PROGRAMME SUPPORT (PS) 1: PROGRAMME MANAGEMENT**

**OBJECTIVE:** The PSM programme is effectively managed and implemented

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| --- | --- | --- | --- | --- | --- |
| PS 1.1 Effective programme management arrangements | Complex arrangements Reform process not being effectively driven  | Implement strengthened and streamlined PSM programme management arrangements(1 month)  | OPC | None | None  |
| PS 1.2 All other reform programmes are consistent with PSR and effective coordination arrangements in place  | Reform programmes not aligned and inconsistent  | Review of other reform programmes completed and inconsistencies identified and reported (1 month)  | PSRMU | None  | None  |

1. This table identifies elapsed times for each activity, which can be translated into deadlines when the start date of the plan has been agreed. [↑](#footnote-ref-1)