

**MINUTES OF THE TRIPARTITE REVIEW MEETING OF
THE PUBLIC SECTOR CAPACITY DEVELOPMENT PROGRAM
OFFICE OF THE PRESIDENT AND CABINET CONFERENCE ROOM
WEDNESDAY, NOVEMBER 7, 2012, 09:30 HRS**

1.0 Present

1.	Mr. C. Msosa, PS (A), Chairperson	OPC	charlesmsosa@yahoo.com
2.	Ms. N. Kitahara, DRR (P), Co-Chair	UNDP	naomi.kitahara@undp.org
3.	Mr. E. Misomali, ARR	UNDP	ernest.misomali@undp.org
4.	Mr. P. Matanda, PS (F)	OPC	matandapat@yahoo.com
5.	Mr. D. Kandoje, PS	PSRMU	dkandoje1@hotmail.com
6.	Mr. T. Sitimawina, PS	MoEPD	tedsitima@yahoo.com
7.	Mr. L. Sikwese, Director	OPC/PSRMU	luckie.sikwese@yhoo.com
8.	Mr. H. Chimota, DHRM	DHRMD	hchimota@yahoo.com
9.	Mr. T. Kalembo, AD (RR)	O/DPP	tkalembo@odpp.gov.mw
10.	Dr. R. Arinaitwe, CD Spec.	UNDP/OPC	raphael.arinaitwe@undp.org
11.	Mr. M. Chipula, Director	OPC/e-Govt.	maganizo.chipula@opc.gov.mw
12.	Ms. D. Gausi, US	OPC/PSRMU	deansgausi@yahoo.co.uk
13.	Mr. V. Nkosi, Prog. Analyst	UNDP	venge.nkosi@undp.org

2.0 Introduction and Opening Remarks

The meeting was opened with a prayer by Ms. Dean Gausi. Following the prayer, the Principal Secretary, Administration PS (A) welcomed participants to the meeting. He apologized for starting the meeting late and pointed out that this resulted from some communication problems. He then thanked Ms. Naomi Kitahara, UNDP Deputy Resident Representative, Program, for making herself available for the meeting.

He went on to say that the purpose of the Tripartite Review (TPR) Meeting was to assess the progress made on the implementation of the Public Sector Capacity Development Program (PSCDP), discuss some operational issues and map out the way forward. He indicated that the meeting will also discuss lessons learned from implementation of the old Program and issues raised in the 2010 Audit Report. He concluded that these lessons should help in implementing the new program.

3.0 Remarks by UNDP Deputy Resident Representative, Program

In her remarks, the DRR/P, Ms. Naomi Kitahara, conveyed apologies from Richard Dictus, UNDP Resident Representative, who was supposed to Co-Chair the Meeting. She stated that UNDP had been supporting the Program since October 2008 to the tune of \$6.5 million. During the implementation, a number of achievements were realized including: (i) the review of the Malawi Public Service Regulations; (ii) the reintroduction of leadership and management courses; (iii) the review of the Internal Audit Manual; and (iv) the review of the public procurement regulations and sensitization of procurement entities (PEs) on these regulations.

This, notwithstanding, the Program was weighed down by difficulties in assessing the actual impact. This was largely due to poor design, in terms of scope and coverage, as well as lack of clear performance indicator framework. However, the DRR/P emphasized that based on lessons learned, the newly designed Government Program Document (PD) on Public Sector Management Reforms and Capacity Development as well as UNDP's Project Support Document (PSD) on

Public Service Capacity Development Project (PSCDP), have taken these weaknesses into consideration. The new design builds in a holistic and long-term approach to capacity development of the public sector that will ensure transformational change.

She further pointed out the need to mobilize resources for implementing both the PD and the PSD with a cost of \$37 million and \$10 million, respectively. In the spirit of Paris Declaration on Aid Effectiveness, the DRR/P asked the Government to take a lead role, together with UNDP, to ensure that the funds are mobilized. She again urged the Government to popularize the activities of the new Program/Project as a way of bringing out “public persona”. The DRR/P commended Government on the progress made regarding operationalization of the Public Administration Sector Working Group (PA-SWG).

She concluded by asking the participants to openly and critically examine the Terminal Program Report and the 2013 draft Annual Work Plan and map out clear strategies that will help to achieve transformational results.

4.0 End of Program Progress Report

4.1.1 Presentation of the Report

Presenting the End of Program Report, the Program Coordinator, Mr. Sikwese, stated that although it was difficult to “*pin-point*” the impact of the Program during its implementation period, the public service has benefitted in a number of aspects. For example, Under Component 1: Leadership and management, following Public Service Administration (PSA) Courses, more women were promoted to Principal Secretary (PS) level – 26% in 2011 against 19% in 2008. In addition, the Cabinet Ministers and Principal Secretaries Handbooks were reviewed as a way of re-defining roles and responsibilities of ministers and PSs. The Government also finalized Code of Ethics and Conduct for the public service.

A major activity under Component 2: Human resource Planning and Management was the review of the Malawi Public Service Regulations (MPSR). Although the revised regulations are yet to be used, they will go a long way in ensuring an efficient and effective public service. A total of 20 human resource officers went through a degree program at University of Malawi, Chancellor College and ShareWorld University to improve their skills and competencies. The Government has also embarked on conducting a Comprehensive National Human Resource Survey to benchmark future planning and management of human resource in both the private and public sectors.

Under Public Financial Management and Audit, a major activity was the review of the Internal Audit Charter and Internal Audit Manual. The Charter establishes the mission and scope of internal audit activity while the Manual provides operational guidance to ensure that there is consistent approach to audit assignments in all ministries, departments and agencies (MDAs). Furthermore, 120 internal auditors were trained on the use of the two documents.

Realizing that there were some overlaps between UNDP and the Japanese International Cooperation Agency (JICA) in the area of Program and Project Management, an agreement was reached that JICA should continue in this area. JICA assisted in the development of the Project planning Manual through its Capacity Enhancement Project.

On public procurement, a number of activities were concluded. These included development of standard bidding documents (SBDs), integrating procurement planning with the national budget formulation process, as well as short-term training of procurement entities (PEs) to understand

procurement rules and procedures. As a way of increasing the pool of procurement officers in the country, the Office of the Director of Public Procurement (O/DPP) placed 20 students to do a Bachelors' Degree in Supply Chain Management at the University of Malawi, The Polytechnic. These students have been deployed both in the public and private sectors. On the down side, an audit conducted in 2011 indicated that in spite of all the above intervention procurement compliance by PEs has gone down.

The intervention in the Information and Communication Technologies (ICT) largely focused on improving the functionality of the Government Area Network (GWAN) by doubling the bandwidth from 2 megabytes to 4 megabytes. Also, computers were purchased for the National College for Information Technology (NACIT) for training its students.

Concluding the presentation, Mr. Sikwese indicated that OPC will soon carry out an end of project survey to document the impact of the Program. This will complement anecdotal evidence provided so far on the Program. He further went on to say that the Program was viewed to be highly relevant as it contributed to Theme 5: Improved Governance of the Malawi Growth and Development Strategy I (MGDS I). In terms of sustainability, there now exists a strong ownership of the Program. However, the absence of the Program Board undermined the need to provide proper policy direction to the Program.

4.1.2 Discussions on the Progress Report

- Members agreed that the Program has indeed benefited the public service and that there is need to document some of these achievements and relate them to impact. That said, it was observed that the Progress Report, being final, should also have included an inventory of the equipment purchased under the Program. This TPR Meeting should have provided a forum for discussion on transfer and/or disposal of assets.

In response, it was stated that the Asset Inventory was left out considering that the newly reformulated project is yet to be signed. As such, PSRMU was in dilemma as to whether to introduce this issue during the TPR or not. However, the Inventory List is available.

- It was also observed that despite huge investment in public procurement, compliance still remains an issue. Members wanted to know if there are any lessons that could be learned which could feed into the activities of the Public Finance and Economic Management Reform Program (PFEM – RP).

Responding to this, O/DPP indicated that the Office is still assessing compliance by PEs. The findings being referred to were from the preliminary audit report which has to be finalized. Once this is done, O/DPP will have a complete picture. Members urged O/DPP to quickly finalize the report and present the findings at the GFEM/PFEM meeting.

5.0 Presentation and Discussions of Audit Issues

The Principal Secretary, Finance, Mr. Patrick Matanda gave a run through of 2010 Audit Issues and Status. Below are the issues:

- *Log books not used on motor vehicles:* The audit report observed that OPC has two vehicles under the Program assigned to staff members that, according to Government regulations, are not supposed to maintain log books. Commenting on this, the DRR/P indicated that project vehicles are not allocated to individual(s) but are there to facilitate

program/project activities. As such, irrespective of the position of the officer, log books have to be maintained.

- *Inadequate insurance cover for project fixed assets:* According to Government rules and regulations, only vehicles are insured. Other assets are not insured. It was agreed that all fixed assets purchased under the project should be insured.
- *Payment of transactions not adequately supported by third party documents:* Currently, the generally accepted practice within the public service is for procurement transactions to be supported by quotations. Also, officials from civil services have designated hotels where to stay – in which case, the 3-quotations rule becomes invalid. The DRR/P indicated that the 3-quotations rule is a must to get value for money. Where hotels are pre-designated, Government needs to go into long-term agreements to circumvent the rule.
- The PS (F) asked if UNDP could clarify its position in whether auditors from the National Audit Office (NAO) and Central Internal Audit Unit (CCIAU) should be auditing projects – such as UNDP projects. According to the PS (F), the refusal by the donor community to use these auditors on their programs/projects is as good as giving “vote of no confidence” to these Government institutions. In response, the DRR/P indicated that following the HACT assessment, NAO and CIAU do not have the capacities. As such, UNDP will continue contracting independent auditors as we go into the cycle.

6.0 Presentation and Discussion of Draft 2013 AWP

Mr. Sikwese, the Project Coordinator, presented the draft 2013 AWP for the new Project Support Document (PSD) on Public Service Capacity Development Project. He hinted that the preparation of the draft 2013 AWP was on the assumption that the PSD will be signed. The planned budget for 2013 is estimated at \$1,511,269.

He added that based on last year’s TPR recommendations, the AWP is more focused with measurable indicators. The Components have been streamlined to: (i) public service policies, regulations, strategies and guidelines; (ii) leadership, management and public service ethics and integrity; (iii) human resource planning and management; (iv) information communication and technology/e-government policy; and (iv) project management and coordination.

Mr. Sikwese further stated that the Component on ICT has been included in AWP but with no costing of the activities. This follows UNDP’s position that it will not support ICT activities until the Government shows its commitment to mobilize funds for hardware infrastructure. He then asked UNDP to reconsider its position considering the importance of ICT for leadership.

On mobilization of resources, Mr. Sikwese also stated that OPC has written to the Ministry of Finance on resource mobilization for the larger Government Program Document. Already, the African Capacity Building Foundation (ACBF) has shown interest in supporting the program.

A number of comments were made by the DRR/P on the draft AWP. These included:

- The need for consistency between the AWP and Project Support Document;
- The need to provide a complete picture of the 2013 budget -- by incorporating unfunded activities; and

- The need for immediate investment in information collection for indicators that lack both baseline and target data.

The meeting also observed that the budgeted amount \$2,400 for vehicle running and maintenance may not be enough and needs to be revised upwards.

7.0 Summary of Decisions

- a) Despite the challenges, the meeting noted that there has been good progress in the implementation of the Program. These positive developments included:
 - Review of policy frameworks;
 - Leadership and management training activities which have resulted in more women being in leadership positions;
 - Development of internal audit guidelines and manuals that provide a platform and will need to be further strengthened under PFEM and HACT; and
 - Realization of the fact that in spite of various procurement trainings, issues still remain that need to be tabled at GFEM meetings.
- b) Regarding audit, the quality of project audit reports has improved during the implementation period. That said, OPC needs to intensify the proper management of vehicle log books as well as ensure that, consistent with UNDP regulations, all project equipment is insured. In addition, OPC should submit to UNDP an inventory list of all project assets as soon as possible. The TPR agreed to transfer the assets from old to new project.
- c) As a matter of clarification, following the UN Inter-Agency HACT macro-assessment findings, NAO and CIAU auditors will not audit UNDP projects for the new UNDAF Cycle -- 2012-2016. The UN will contract out to independent auditors to carry out audit exercises. The audit of 2011 expenditures is on-going, and the report will be made available shortly.
- d) The draft 2013 AWP was agreed in principle and will need to be revised based on comments given.
- e) On partnership building, there is need for Government leadership to avoid the perception that the PD and PSD are UNDP-driven. The Government should also endeavor in giving a true picture to development partners that it has adequate capacity to mobilize and manage a program as large as the one being developed.
- f) It was also agreed that audit and procurement components of the on-going project would now form part of the PFEM. The procurement audit report of O/DPP for the current year will be made available to UNDP shortly.
- g) It was clarified that a vehicle logbook should be available per vehicle, and not per person. The idea is to monitor the vehicle usage for the project's intended purposes.
- h) Members noted that the Project Planning Manual was completed through funding from the Japanese International Cooperation Agency (JICA) under the Capacity Enhancement Project.

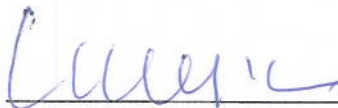
8.0 Closing Remarks

The PS (A) thanked all the participants to the meeting and valued their contributions. He urged them to continue with the same spirit as the Government goes into implementing the new program. He then declared the meeting closed.

Signed by:

Name:

Mr. Charles Msosa:



Position:

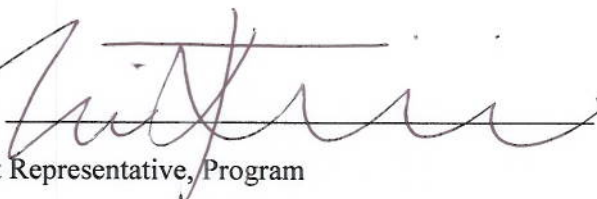
Principal Secretary, Administration, Office of the President and Cabinet

Date:

5/12/12

Name:

Naomi Kitahara:



Position:

UNDP Deputy Resident Representative, Program

Date:

4/12/12