



**Republic of Malawi**

**Ministry of Local Government and Rural Development**

**in association with**

**Malawi German Programme for Democracy and Decentralisation (MGPDD)**

**And**

**the Royal Norwegian Embassy (RNE)**

**A Strategy for Capacity Development for  
Decentralisation in Malawi**

**FIRST DRAFT REPORT**

**on**

**Phase 1: Capacity Assessment**

**December 2005**

# A Strategy for Capacity Building for Decentralisation in Malawi

## Stage 1 - Capacity Assessment

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## **Acknowledgements**

On behalf of MLGRD, the Assessment Team would like to thank all individuals and organisations who provided their time, ideas and experience to the Assessment process.

## **Authors Note**

This is a First Draft Report of a Capacity Assessment/Mapping Exercise prepared primarily to facilitate stakeholder workshops for the formulation of a Comprehensive Strategy for Capacity Development for Decentralisation in Malawi. It attempts to synthesise and summarise a wide range of capacity issues arising in the main organisations involved with decentralisation drawing on previous studies additional new fieldwork. In carrying out the Assessment, the team found itself reviewing progress with the decentralisation programme as a whole. This was to be expected to a large extent in that Capacity Development is in reality and approach to development rather than discrete training programmes. The time available for the Assessment was too short and the inputs by several of the team members too constrained to enable an authoritative in depth exercise to be carried out – neither was that the intention. The team believes however that the material presented when read with the NDP 1 Review provides a sound background for the Strategy formulation workshops. The report also lays the Workshops by introducing ideas and an analytical framework.

## Acronyms and abbreviations

<b>ADB</b>	African Development Bank
<b>ADC</b>	Area Development Committee
<b>ADCs</b>	Appointments and Disciplinary Committees (in Assemblies)
<b>AEC</b>	Area Executive Committee
<b>AIP</b>	Annual Investment Plan
<b>CA</b>	Capacity Assessment
<b>CB</b>	Capacity Building
<b>CBNA</b>	Capacity Building Needs Assessment
<b>CD</b>	Capacity Development
<b>CSO</b>	Civil Society Organisation
<b>CW</b>	Community Work
<b>DA</b>	District Assembly
<b>DC</b>	District Commissioner
<b>DDF</b>	District Development Fund
<b>DDP</b>	District Development Plan
<b>DDPF</b>	District Development Planning Framework
<b>DDPS</b>	District Development Planning System
<b>DEC</b>	District Executive Committee
<b>DED</b>	German Development Service
<b>DFID</b>	Department for International Development
<b>DHRMD</b>	Department of Human Resources Management & Development – Office of the President & Cabinet (OPC)
<b>DS</b>	Decentralisation Secretariat
<b>EPA</b>	Environmental Protection Area
<b>EU</b>	European Union
<b>GoM</b>	Government of Malawi
<b>GTZ</b>	German Agency for Technical Cooperation
<b>HIV/AIDS</b>	Human Immunodeficiency Virus/Acquired Immunity Deficiency Syndrome
<b>HOD</b>	Head of Department
<b>HR</b>	Human Resources
<b>IEC</b>	Information, Education and Communication
<b>IFAD</b>	International Fund for Agricultural Development
<b>IFMIS</b>	Integrated Financial Management Information System
<b>IMTC</b>	Inter-Ministerial Technical Committee
<b>KS</b>	Association of Norwegian Local and Regional Authorities
<b>LASCOM</b>	Local Government Service Commission
<b>LG</b>	Local Government
<b>LGSA</b>	Local Government Services Act
<b>MALGA</b>	Malawi Local Government Association
<b>MASAF</b>	Malawi Social Action Fund
<b>MCA</b>	Malawi College of Accountancy
<b>MCTC</b>	Magomero Community Training College
<b>MEDI</b>	Malawi Entrepreneurs Development Institute
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MEPD</b>	Ministry of Economic Planning and Development
<b>MoF</b>	Ministry of Finance

<b>MGCS</b>	Ministry of Gender and Community Services
<b>MGDS</b>	Malawi Growth and Development Strategy
<b>MGPDD</b>	Malawi-German Programme for Democracy and Decentralisation
<b>MIM</b>	Malawi Institute of Management
<b>MLGRD</b>	Ministry of Local Government & Rural Development
<b>MP</b>	Member of Parliament
<b>MPC</b>	Management Procurement Committee
<b>MPRS</b>	Malawi Poverty Reduction Strategy
<b>NAC</b>	National Aids Commission
<b>NACIT</b>	National College of Information Technology
<b>NAO</b>	National Audit Office
<b>NDP</b>	National Decentralisation Programme
<b>NGO</b>	Non Governmental Organisation
<b>NICE</b>	National Initiative on Civic Education
<b>NLGFC</b>	National Local Government Finance Committee
<b>NORAD</b>	Norwegian Agency for Development
<b>NRC</b>	National Resources College
<b>OD</b>	Organisational Development
<b>OPC</b>	Office of President and Cabinet
<b>PS</b>	Principal Secretary
<b>PSIP</b>	Public Sector Investment Plan
<b>PSRC</b>	Public Sector Reform Steering Committee
<b>PSRP</b>	Public Sector Reform Programme
<b>SDI</b>	Staff Development Institute
<b>SEP</b>	Socio-Economic Profile
<b>SW</b>	Social Work
<b>TA</b>	Traditional Authority
<b>TORs</b>	Terms of Reference
<b>UDF</b>	United Democratic Front
<b>UNCDF</b>	United Nations Capital Development Fund
<b>UNDP</b>	United Nations Development Programme
<b>UNV</b>	United Nations Volunteer
<b>USAID</b>	United States Agency for International Development
<b>VAP</b>	Village Area Plan
<b>VDC</b>	Village Development Committee

# **PART ONE: INTRODUCTION, OBJECTIVES AND BACKGROUND**

## **1. Introduction**

1.1 This Report is the output from first phase of a two-phase assignment to develop a Strategy for Capacity Building for Decentralisation in Malawi. It documents a Capacity Assessment exercise covering a broad range of organisations and institutions involved in the Decentralisation process. The Assessment is primarily intended to provide a basis for key stakeholders to develop a comprehensive Capacity Building Strategy for decentralised Local Government which can focus and coordinate the capacity building activities of the National Decentralisation Programme. This will constitute Phase 2 of the overall exercise.

1.2 The review of the National Decentralisation Programme (NDP I) in 2004, highlighted the need for a capacity building strategy as follows:

*“A comprehensive capacity building strategy should be developed on the basis of the planned needs analysis, for both District Assemblies and central Ministries/ Departments involved in devolution. This should cover not only human resource development but other capacity deficiencies and factors. It should take into account relevant international experience (especially in Africa) in capacity building in support of decentralisation.*”

1.3 The Ministry of Local Government and Rural Development (MLGRD) responded by asking the Malawi German Programme for Democracy and Decentralisation (MGPDD) and the Capacity Building Needs Assessment (CBNA) Working Group to draw up appropriate Terms of Reference, which were discussed and refined during an exploratory visit by D. R. Mellors, the prospective Team Leader for the exercise in September 2005. The discussions focused on the following questions:

- Why was it necessary to conduct another Capacity Assessment when so many assessments have already been done and the basic capacity weaknesses are well known to the main stakeholders?
- Was it appropriate to carry out an external exercise when the best capacity building approach would be for each organisation to carry out its own assessment as part of an internally driven strategic/corporate planning process?
- How could a detailed encyclopaedic list of capacity weaknesses be compiled for so many different organisations in the short time available?
- How could optimum use be made of the opportunity?

1.4 It became clear from the discussions with MLGRD that its prime requirement at the present time is A Strategy for Capacity Building for Decentralisation – something which people felt was missing from NDP 1. Accepting the constraints of time and resources, it was therefore finally decided to proceed with the Assessment as a sort of informative mapping exercise utilising previous studies supplemented by additional fieldwork to provide an agreed basis for the most important component of the assignment – the CB Strategy formulation. The Assessment therefore takes a breadth rather than depth approach covering a wide range of institutions, organisations and actors with significant roles in the decentralisation process.

It is assumed that more detailed assessments (if and when they are required) will be undertaken by the organisations themselves as part of their own strategic/corporate planning.

1.5 This report is divided into 3 main sections:

- Introduction, Objectives and Background;
- Findings and Observations – capacities and issues at National, Assembly and Community levels;
- The Way Forward – proposals for Phase 2 and ideas on CB Strategies.

It is supported by 4 Appendices.

## **2. Objectives and Terms of Reference**

2.1 The objective of the Capacity Assessment is to provide an overview and analysis of the capacity weaknesses across all stakeholders in the decentralisation and capacity building process including the Local Assemblies themselves, the Institutional environment, the National level Support organisations, the Devolving Sector Ministries and the main Training Institutions. The Assessment should, as far as is practical and realistic, identify and analyse the main human capacity weaknesses (individual, organisational, institutional) and should also highlight financial and physical asset deficiencies in the District Assemblies. It will provide the basis for Phase 2 of the exercise which will involve brainstorming, formulating and agreeing a new Capacity Building Strategy for Decentralisation at workshops to be held in January/February 2006. Full details of the TORs are appended as Appendix 1.

2.2 In carrying out this assignment, the consultancy team are acting as agents of the MLGRD. As the co-ordinator of the Decentralisation Programme and the regulator of the Assemblies, the MLGRD has a particularly important role to play in both the Assessment and the Strategy Formulation. It is therefore important that the assignment is driven by the Ministry of Local Government from the highest levels. In particular the Ministry must clearly lead the Strategy formulation so that it can then lead the co-ordination and management of the ensuing capacity building programme.

2.3 The assessment has involved the following organisations:

- A sample of Local Government Assemblies agreed with the Working Group – including aspects of staffing, structures, organisational systems, physical assets etc.
- Selected community leaders, Chiefs, MPs and ex Councillors in each of the sample Assembly areas,
- The Ministry of Local Government and Rural Development and the Decentralisation Secretariat at the National level,
- Other Supporting Agencies at the National Level – the Local Authorities Service Commission – LASCOM, the National Local Government Finance Committee – NLGFC, Malawi Association of Local Government Authorities - MALGA,
- The leading devolving Ministries in particular Health, Education, Agriculture, in terms of their capacities to promote sectoral devolution at District level,
- The Ministry of Economic Planning and Development, Ministries of Finance, and the Department of Human Resources Management and Development - OPC, in terms of any role that affects the performance of District Assemblies,

- The nominated list of 8 Training Organisations and any other relevant supply side organisations, looking in particular at the relevance and quality of the training programmes offered and the capacities of the organisations to respond to the needs,
- Donor agencies/Programmes in terms of their views and intentions regarding support for decentralisation in Malawi.

### **3. Methodology**

3.1 The Capacity Assessment Fieldwork exercise was largely carried out between 9<sup>th</sup> and 29<sup>th</sup> November with follow up meetings in early December 2005. It involved a team of 5 Malawi based members (Mr Darwin Pangani from MLG, Mr Jack Ngulube from the Decentralisation Secretariat, Ms Laura Schmidt from MGPDD, Mr Arthur Liwonga and Mr Hilarie Chimota from DHRMD), and three international consultants (Mr Rob Mellors – Team Leader, Mr Andrew Mlalazi – Zimbabwe, and Mr Kurt Ole Ugland from Norway). The team:

- conducted a literature review,
- designed and implemented survey questionnaires for meetings at National, District and Community Levels,
- undertook visits to 10 District Assemblies (Chiradzulu, Neno, Rumphi, Mzuzu City, Salima Town & District, Kasungu Town & District, Lilongwe City & District),
- held focus group meetings in 6 Districts with ex Councillors, Chiefs, MPs and a number of VDCs/ADCs,
- held semi structured interviews with Sector Ministries and key stakeholders at National level and talked to relevant support organisations and donors.

3.2 A list of all those consulted and interviewed is attached as Appendix 2.

3.3 An Interim Wrap Up Meeting was held on 28<sup>th</sup> November at which the Team presented a progress report, preliminary findings and a proposed Way Forward to the Ministry of Local Government & Rural Development, members of CBNA Working Group and key Stakeholders. The meeting discussed the presentation and endorsed the proposed Way Forward for Stage 2, the Strategy Formulation (see Part 3).

3.4 In carrying out this assignment, it has not been the intention of the consultancy team to document every capacity weakness, list every vacant post etc. such activities should ultimately be the responsibilities of the District Assemblies and national organisations themselves. There is wealth of information from reviews and previous work on various aspects of the decentralisation programme. Much of this is of a high calibre and remains very relevant to the formulation of a CB Strategy. Indeed during much of our work we have found ourselves coming to similar conclusions. This report will, therefore, draw on previous reviews and focus on further analysis of the capacity issues. It will then try to present these in the context of a potential Capacity Building Framework which will constitute the main deliberative agenda of the strategy formulation workshops.

## **4. Background**

4.1 In 1998 The Malawi Government adopted a National Decentralisation Policy and passed a new Local Government Act based on the 1995 Constitution in which Local Government was enshrined. The Policy and the Act provide for the establishment of Local Assemblies as the key institutions to deliver social and economic services more efficiently. They describe a devolution model for decentralisation rather than one of deconcentration or delegation. The National Decentralisation Policy, therefore, seeks to devolve powers, functions, responsibilities, and resources to enable Local Governments perform their roles adequately. This is expected to improve the delivery of public goods and services to people at all levels as part of the Government's Poverty Reduction Strategy 2002 - 2005.

4.2 The Government adopted an incremental implementation strategy to devolution through a ten year National Decentralisation Programme (NDP). The implementation of the National Decentralisation Policy is planned to cover a period of ten years divided into two phases. The first phase was for a period of four years 2000/2001 to 2003/2004. The first phase had 7 components:-

- Legal Reforms
- Institutional Development and Capacity Building
- Building a Democratic Culture
- Fiscal Decentralisation
- Accounting and Financial Management
- Sector Devolution
- Local Development Planning and Financing Mechanisms

4.3 NDP 1 included the building of capacity for the management of the program by establishing relevant Local Government Support Institutions - the National Local Government Finance Committee (NLGFC), Malawi Local Government Association (MALGA); and strengthening of existing institutions like the Ministry of Local Government and Rural Development. The programme further sought to support Training Institutions to enable them run capacity programs in local government management. Other key activities included support to ministries to prepare sector devolution plans and transfer of functions to assemblies; recruitment and training of staff and systems development in areas of development planning, fiscal devolution, financial management and accounting and human resource management.

4.4 The programme was reviewed in 2004. The review concluded that whilst there was encouraging will by some players especially at local level to put decentralization into practice, and that significant progress had been made in implementing the programme, there were also many implementation failures. It noted reluctance among some key central ministries to devolve functions and a lack of popular understanding of and pressure for decentralisation.

4.5 The Review made over 130 detailed recommendations but highlighted needs for:

- high level championship of decentralization,
- sustained socio-political transformation,
- legal reforms to amend the LG act and other sectoral legislation to remove ambiguities,
- MLGRD to drive the process and significantly improve management and

- coordination,
- the integration of the Decentralisation Secretariat members and activities into MLGRD and related organizations,
- increased momentum for Sector Devolution,
- improvements of the planning process to ensure greater local ownership and improved linkages with national plans,
- development of a Capacity Building Strategy,
- much more civic education to increase understanding of and pressure for decentralization,
- gender and HIV/AIDS Mainstreaming,
- increased donor support and co-ordination,
- improved monitoring and Review arrangements.

4.6 The Review has also guided the preparation of the second phase of the NDP for the 2005-2009 period. Having set up the basic institutions at the centre and at district level, it is the wish of the government that these institutions under NDP II begin to function effectively. Thus the goal of NDP II is to further develop functional local governments, deepening the decentralisation process at the district and village levels and improving the management and service delivery capacities of assemblies.

4.7 NDP II will specifically focus on:

- Deepening the gains made during the implementation of NDP I to further participatory democracy and local governance, accountability, and transparency,
- Developing capacities in assemblies and below the assemblies for improved service;
- Improving the management of the programme, institutionalizing a more sustainable, effective coordination and implementation framework for the implementation of a decentralized democratic local governance system,
- Effecting a smooth and speedy but orderly Sector Devolution Process, entrenching the management of devolved functions in assemblies,
- Developing operational linkages between the Decentralisation Policy and other Strategic National Policy Frameworks,
- Establishing sound Monitoring and Evaluation Structures for development.

4.8 The programme has four components related to its objectives namely:

1. **Sector Devolution** - Functions and responsibilities have been successfully transferred to local governments,
2. **Institutional Development and Capacity Building** - Functional and effective institutions for management of the Decentralisation process established,
3. **Fiscal Devolution and Financial Management** - Local governments in a position to manage and account for resources transparently,
4. **Local Development Planning and Financing Mechanisms** - Increased capacity of local governments to promote economic, social, physical development planning and development.

4.9 Many of the outputs under each of these programmes are concerned with Capacity Building. In fact the whole of NDP2 should be viewed as a Decentralisation and Capacity Building Programme rather than Capacity Building being compartmentalised under one component.

4.10 Various capacity building initiatives relating to local government have been instigated over the past 15 years most notably since the UNDP Pilot District Focus for Development Programme. During the Assessment we were unable to find any authoritative listing of these initiatives let alone any sort of synthesis. This could be a useful exercise at least ‘for the record’.

4.11 Since the current National Decentralisation Programme was initiated in 2001, donors have supported various capacity development elements as shown in the following table.

**Table 4.1 NDP I: District and Components Distribution amongst Donors**

<b>DONOR</b>	<b>Areas of Support</b>	<b>Districts</b>	<b>Amount US\$</b>
UNDP/ UNCDF	Institutional and capacity development Fiscal decentralisation Local development planning and financing Financial accounting and management	Nkhata-Bay, Mzimba, Mchinji, Kasungu, Dedza, Ntcheu, Thyolo, Chiradzulo, Mangochi, Machinga, Nsanje and Chikwawa	12 Million
NORAD	Local development planning and financing Institutional and capacity development Fiscal decentralization Financial accounting and management	Blantyre, Zomba, Dowa, Nkhota-kota, Ntchisi, Karonga Balaka, Rumphi and Likoma	4.5 Million
	Legal reforms Sector devolution Building a democratic culture through civic education	National wide coverage	
ADB	Local development planning and financing (DDF) Institutional and capacity development Fiscal decentralisation (including micro finance) Financial accounting and management	Chitipa, Lilongwe, Salima, Mwanza, Phalombe, Neno and Mulanje	16.155 Million
GTZ	Civic education for local governance Fiscal decentralisation Financial accounting and management Improved service delivery Local development planning	Country-wide	3.101 Million

4.12 Unfortunately little information on these various initiatives has been evaluated or systematically shared. There was no central actor taking stock of the initiatives and no ‘lessons learnt’ were established. The Malawi-German Programme for Democracy and Decentralisation (MGPDD) has put together an Inventory of Documentation Relating to the Decentralisation Process in Malawi (last update: August 2005) which brings together a large number of programme review and evaluation documents inter alia from donor agencies. To establish which kind of capacity-building initiatives have taken place, these documents would have to be reviewed and discussions held with responsible officers.

## 5. Capacity Building – An Overview

### Introduction:

5.1 Crucial to the development of a Capacity Building Strategy for Decentralisation (The How) is a clear understanding and agreement about what capacity development is. This section of the report will suggest a definition of capacity development and will describe a holistic model for its description and analysis in the Malawian local government context. The model should then go on to provide a basis for developing a Capacity Development Strategy. It is essential that common agreement of the model be achieved as a first step in the Formulation Workshops.

### What is Capacity Development

5.2 There have been many attempts to define capacity development over recent years. The following composite elements represent a synthesised consensus view. (Appendix 4 describes Kaplan's ideas of a 'capacitated organisation').

*Capacity development is a long term process which:*

- *increases the level of social capital in a society or organisation – knowledge, skills, attitudes, the ability to establish productive relationships,*
- *is endogenous and involves learning,*
- *is broad and involves individuals, organisations and societies at different stages of development,*
- *involves a society/organisation changing its rules, institutions and standards of behaviour,*
- *enhances an individual or organisation's ability to set and achieve objectives, perform functions, respond, solve problems, adapt and exert discipline on itself,*
- *develops the will, the vision, the structures and systems, cohesion and the values to make progress over time.*

5.3 A commonly accepted short hand is: *the process by which individuals, institutions and societies develop abilities to perform functions, solve problems as well as set and achieve goals. It is premised on ownership, choices, and self-esteem.* In a recent publication, the World Bank shows it has started to recognise the centrality and the complexity of capacity building. It has no formal definition of its own but acknowledges the need for commitment and ownership and also that capacity building involves individual, organisational and institutional dimensions.

### Institutions and Organisations

5.4 Capacity building in the 1970s was largely synonymous with training for **individuals** through scholarships, external and "on-the-job" training, and tools and equipment for people in key positions. In the 1980s, however, it was becoming obvious that Capacity development was outgrowing its training focus which was now complemented by an increased **organisational** focus involving organisational audits, restructuring, advisory support, and help with the development of financial and HR systems. Yet again, however it was proved to be futile to pursue improved capacities at the organizational level through skill development and improved management techniques that run counter to the pattern of incentives held in place by the wider institutional environment. Thus in the 1990s many other non-technical

factors were recognised - values, motivations, conflict, organizational heritage and culture – as affecting performance. In short an understanding of the wider **institutional** framework and the need to focus on overall outcomes was also required.

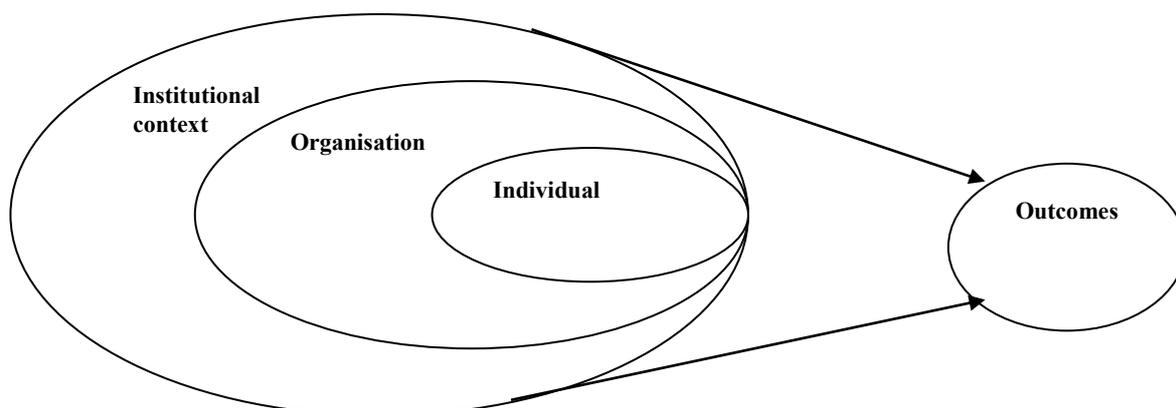
5.5 Effective capacity building thus requires attention to all three dimensions but if the institutional environment is non conducive, only limited sustainable gains can be achieved by addressing organizational and individual weaknesses.

5.6 The terms Institutions and organisations now have quite precise meanings. Institutions are often referred to as ‘the rules of the game’. According to North, they “...consist of formal rules, informal constraints-norms of behaviour, conventions, and self imposed codes of conduct - and their enforcement characteristics. The rules of the game shape the environment and incentives that drive behaviour and performance – the carrots, sticks and conditions. They may be formal - legal systems, property rights, enforcement mechanisms; or informal – customs, traditions. They may operate at different levels (e.g. laws, constitutions, political positions), social (e.g. norms of conduct), family (e.g. inheritance rules) or institutions of government.”

5.7 “As institutions are the ‘rules of the game’, organisations and individuals are the players of the game. Organisations are groups of players who come together for a common purpose or to achieve specific objectives. They adapt their structure and activities according to the external institutional environment - the rules of the game.” Examples of organisations include political parties or local governments, firms, businesses, churches and schools. They usually have discrete boundaries, a budget, and a structure. Organisations at one level can set the institutional rules for another level e.g. national ministries setting rules for local governments.

### **Institutional, organisational and individual development**

5.8 Overall capacity development requires an understanding of both organisational reform and the bigger institutional environment. Development interventions are more likely to succeed if they promote improvements in wider institutional competencies as well as in organisational and individual technical competencies.



## Implications for CB Strategy

5.9 Institutional development is a typically complex and slow process rather than a linear one. It has to address and build on local realities. The institutional environment is continuously changing sometimes creating new opportunities which need to be exploited by competent Capacity Building programmes. This presents a challenge to the traditional concept of deficiency analysis and gap filling with its linear approach of identification, design, appraisal, implementation, monitoring and evaluation. To take full account of the institutional environment, many CB interventions have to be informed by experience and developed as they go along. It usually requires:

- a long term approach,
- a process approach where, within agreed overall objectives for institutional change, outputs and the activities and inputs required to achieve them are reviewed and refined as development proceeds,
- particular attention to monitoring and review, to provide a framework for adapting interventions to take account of progress and of changing conditions.

5.10 Individual, technical or organisational interventions that leave unsatisfactory institutions intact will probably achieve nothing in the end. Successful institutional development is very dependent on real commitment from stakeholders, especially those at senior levels. Outsiders can support e.g. at the top end through advice, assistance to improve policy making capacity, public expenditure management, new incentive mechanisms etc, and from the "bottom up" by promoting the voice and partnership of the people. They can also facilitate organisations and train individuals but it is usually not worth proceeding if high level commitment is not there.

5.11 Changing the rules of the game is inherently difficult and is likely to be resisted by those groups that benefit from the status quo – often the very groups who control the power of the state. It is thus crucial to understand the political context, and the limits and constraints on political capacity to implement policy priorities.<sup>1</sup> These constraints are directly related to levels of political legitimacy and the strength of representative institutions. Institutional appraisal therefore requires identification of the institutional components and analysis of their various characteristics.

5.12 An important component of such an appraisal is a stakeholder analysis. Stakeholders include decision makers, intended beneficiaries and intermediaries. Such an analysis helps to ensure that interventions take account of local knowledge, make the interests of key stakeholders transparent and build ownership of a capacity building reform process. It also helps to gauge opposition to change, and to see whether there are ways of mitigating it.

5.13 In summary, institutional change is slow and difficult, and sometimes impossible. Whilst a Capacity Assessment can provide a map of what needs to change, it is important that the Strategy development exercise honestly assesses what is likely and possible. The gap will most likely define the more intractable institutional problems. If this is too great there is no point in proceeding.

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<sup>1</sup> *Building Political capacity for Poverty Reduction*, Governance Department, DFID, 2002

## **Capacities for Local Government in the Malawian Context**

5.14 Local Government, although sometimes viewed more as a sector from a national perspective, is in reality a complete level of government in its own right and hence requires a holistic strategy for capacity building. Figure 1 below presents a useful model or map for identifying the institutional, organisational and individual elements which need to be assessed in the development of such a strategy. The diagram provides a basis for understanding the factors which contribute to the outcomes we are trying to e.g. improved services, infrastructure, empowered communities etc. It enables us to be clear about whose capacities we are really focusing on and what specific capacities we consider as crucial to achieve the desired outcomes.

### **Whose Capacities?**

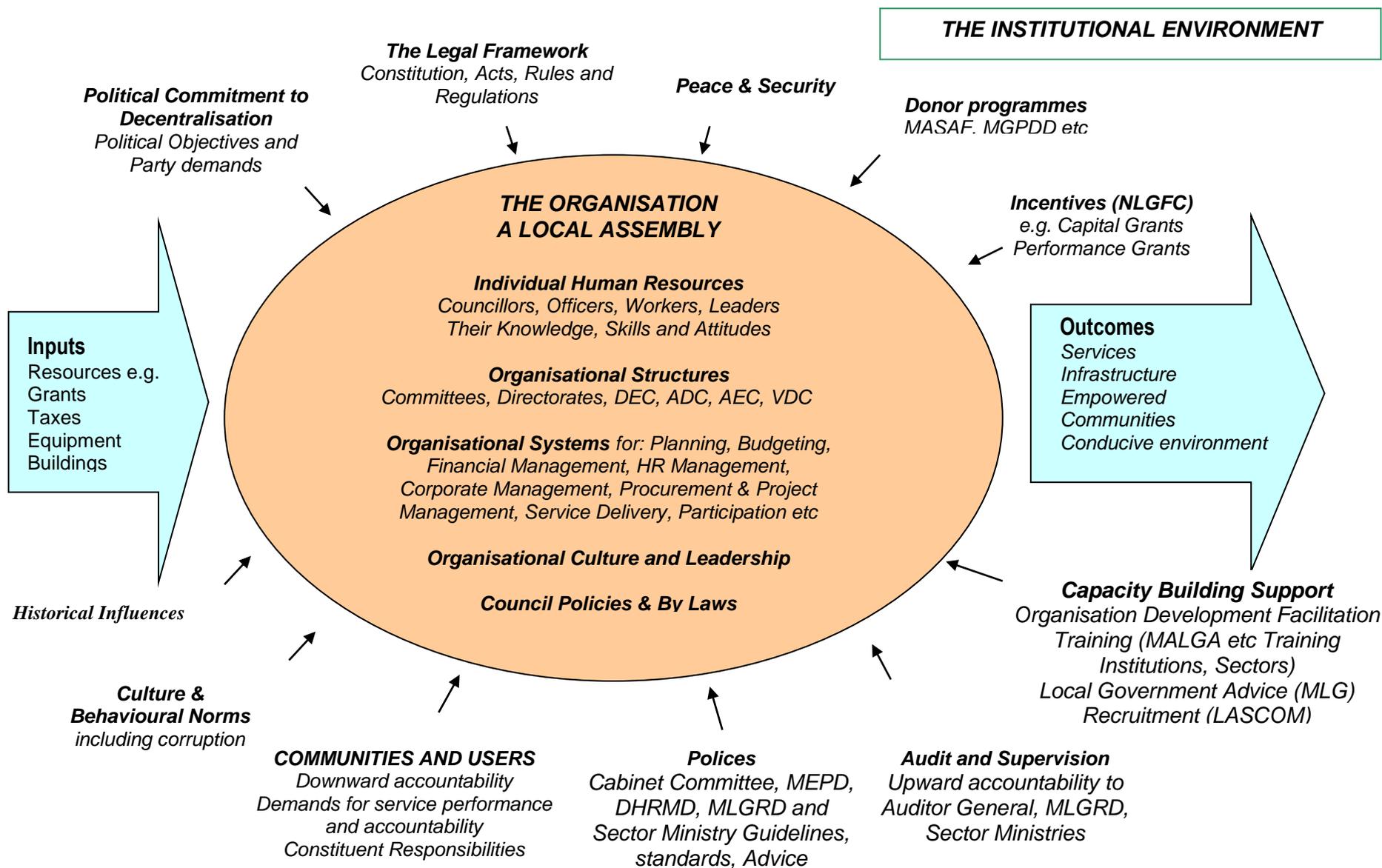
5.15 From the various elements in the diagram, the key organisations and players would include:

- a) The community as a whole in terms of its role in local governance;
- b) The District with particular reference to the Assembly Secretariat, Sector officials, the Councillors, the district line ministries, the Traditional Authorities, MPs and the sub-District structures;
- c) At the National level: Government organisations (both politicians and officials) who are primarily responsible for District support and regulation, and for creating the enabling environment in which Districts operate. More specifically;
  - Political leaders who set the overall laws and policies re Local Government and decentralisation,
  - The Ministry of Local Government, other local government organisations (e.g., LASCOM, NLGFC) and individuals who effect the over-arching decentralisation and local government policies and frameworks,
  - Sector Ministries who are devolving their functions to Local Assemblies,
  - Local Government capacity building, support and training organisations e.g. MALGA,
  - Donor supported programmes providing incentives through grants etc. e.g. MASAF, UNDP, NORAD, ADB, GTZ,
  - Public Sector training organisations,
  - Private Sector training or OD providers with interests in Local Government.

### **What Capacities?**

5.16 The next question is to decide what specific organisational and institutional capacities each of the actors needs to develop if they are to play their complementary roles in a local government service delivery system. Table 1 presents the ideas on these ‘desired capacities’ for each level used as the basis for this assessment. In addition to the organisational and institutional capacities each involves developing the knowledge, skills, attitudes and behaviours of the individuals which make up these organisations.

**Figure 5.1 A Local Government Institutional and Organisational Model**



**Table 1 – Organisational and Institutional Capacities Required at Different Levels for effective Decentralised Service Delivery**

Community Level	District Level	National Level
<p><i>Communities with a capacity to:</i></p> <ol style="list-style-type: none"> <li>1. Understand their <b>constitutional roles and responsibilities</b> in a local government system.</li> <li>2. Be informed on <b>development issues</b> within their District.</li> <li>3. Organise themselves and advocate.</li> <li>4. Identify their development needs and communicate these through the <b>District Planning system</b>.</li> <li>5. <b>Demand feedback</b> on progress on their expressed needs.</li> <li>6. <b>Demand transparency and accountability</b> from their elected representatives and the District as a whole.</li> <li>7. Participate where appropriate in <b>the implementation, maintenance and operation of projects and programs</b> in their area.</li> <li>8. Appreciate the importance of <b>local revenue</b> in financing District activities and services.</li> <li>9. <b>Engage with support agencies</b> operating in their areas.</li> </ol>	<p><i>District Assemblies with a capacity to establish and operate structures and systems and to:</i></p> <ol style="list-style-type: none"> <li>1. Clearly <b>understand the role of LG</b> and the Assembly.</li> <li>2. To make By-Laws,</li> <li>3. Promote <b>development coordination</b></li> <li>4. Promote increasing <b>civic understanding, participation and democracy</b>.</li> <li>5. Promote participatory development through <b>District Development Planning</b></li> <li>6. <b>Plan, implement, monitor and evaluate development projects and programs</b>.</li> <li>7. <b>Procure contractors, equipments etc</b>.</li> <li>8. <b>Prepare, manage and review an Annual Budget</b> that services a Strategic Development Plan.</li> <li>9. Raise and <b>manage the District’s financial resources</b>.</li> <li>10. Improve their <b>corporate performance</b> in effective management of resources.</li> <li>11. Manage and develop the <b>District’s human resources</b>.</li> <li>12. <b>Manage capital assets</b>.</li> <li>13. Ensure (<b>Plan, Manage and Monitor?</b>) <b>effective and efficient Service delivery in key sectors such as Health, Education, Agriculture, Roads, Water development</b>.</li> <li>14. Promote increasing <b>local economic development</b>.</li> <li>15. Promote <b>sustainable management of land and natural resources</b>.</li> </ol>	<p><i>The Political establishment, MLG, MF, MEPD, DHRMD, LASCOM, NLGFC, Sector ministries, MALGA and donor supported programmes with a capacity to support local government through:</i></p> <ol style="list-style-type: none"> <li>1. Preparation and committed implementation of a Constitution, LG Act and a <b>National policy on decentralisation</b>.</li> <li>2. Provision of <b>guidelines on the roles, functions and responsibilities of Districts and sub District Structures</b>.</li> <li>3. Establishment and management of systems for the financing of Assemblies through block grants or other sources.</li> <li>4. Provision of <b>guidelines for the operation of District planning, budgeting, revenue and accounting systems</b>.</li> <li>5. Preparation of <b>Guidelines on District structures and staffing</b>.</li> <li>5. <b>Recruitment of staff on behalf on District Assemblies</b>.</li> <li>6. Preparation of <b>background studies and Research</b>.</li> <li>7. Provision of <b>policy and technical guidelines and technical support</b> re the operation of sectoral offices. (Zones)</li> <li>8. Preparation of <b>guidelines on minimum service standards</b></li> <li>9. <b>Co-ordination of government, donor and NGO funded initiatives</b> related to District development. (Zones)</li> <li>10. Preparation of a <b>Capacity Building Strategy</b>.</li> <li>11. <b>Co-ordination and management of Decentralisation and Capacity Building Programmes</b>.</li> <li>12. <b>Facilitation of responses to training needs for decentralisation</b> including the establishment and operation of systems for the provision of <b>District and Regional training and systems for the provision of District Assembly Organisational Development</b>.</li> <li>13. <b>Negotiation with donors re resource mobilisation and support for CB</b>.</li> <li>14. <b>Procurement</b> of CB inputs re consultancy, equipment etc.</li> <li>15. <b>Monitoring and evaluation</b> of decentralisation, capacity building and service delivery.</li> <li>16. <b>Facilitation of information sharing and capacity building experiences</b> between Districts.</li> </ol>

## **PART TWO: FINDINGS AND OBSERVATIONS**

### **6. The Institutional Environment**

6.1 To develop appropriate capacity building strategies it is important to understand the underlying issues of the institutional environment – **the drivers of decentralisation**. These can be both positive and negative. The main factors considered here are the historical influences, cultural and social factors, the legal environment, political influences, general development policies and the influence of donors and external agencies. None of these issues is considered in great depth, however, their summary analysis gives an impression of the forces impacting on the implementation of decentralisation and indicates issues to be taken on board during the strategy formulation.

#### **Local Government in a historical perspective**

6.2 Some of the constraints affecting the implementation of the present decentralisation programme can be best understood by setting the process in a historical context.

6.3 The first formal local governments in Malawi were the Chief's Councils established in 1912. These comprised the Chiefs of a District advised by the District Commissioner who was the only central government employee. In 1953, these Councils were super-ceded by the District Councils which gradually established wards and elected councillors (Chiefs now being ex officio members). In addition, the non-elected District Commissioner was replaced by an elected chairman.

6.4 This essentially democratic institutional arrangement worked well until the mid 1960's when the introduction of the single party state began to have negative consequences on participation. The chiefs, many of whom possessed popular traditional legitimacy were removed as council ex-officio members. Election to council seats was subjected to party pre-selection. District Commissioners and the councils lost most of their powers as local service delivery was increasingly dominated by the sector ministries. Central Government took over the posting of all senior local government staff and the authorities lost the freedom to collect revenues.

6.5 From 1966 onwards, a network of development committees was established including District Development Committees (DDCs), Area Action Committees and Village Action Committees. These structures had little to do with decentralisation or participation and were essentially extensions of central government at local level. They became the main channel for central government resources. The District Development Committee had no corporate status and therefore was not a local government body. Its membership comprised the District Commissioner as chairman, traditional chiefs, Local Officials, Party Representatives, local Members of Parliament and a number of other appointed representatives. It had no staff of its own, no revenue raising powers and no accountability to the local people. Line ministries ran the affairs of the districts. The Area Action Committees and the Village Action Committees were networks of the party machinery at sub-district level. They reported to the District Development Committee. These new structures were accountable to the Office of the President and Cabinet (OPC).

6.6 With the coming of Multiparty democracy in 1994 and the 1998 Local Government Act, a somewhat hesitant move was made back towards democratic and representative

District Councils now to be called District Assemblies. These new bodies are constituted by elected councillors from the Wards (although the first elections were delayed till 2000) but also include the Chiefs and MPs as ex officio non voting members. The VDCs and ADCs are retained as development structures coordinated by the DEC at District level. Whilst the new Assemblies therefore mark a transition back to democratic Councils, they retain elements of the original Chiefs Councils and the DDC based structures of the 1960s. In many Assemblies this mixture of structures has led to a constant trial of strength between the TAs, the MPs, the Sectors and the Councillors.

6.7 This tension is also reflected at National level. Whilst MLG has a vision of devolved local governments with elected Councillors in a dominant role, the OPC has preferred a gradual transition to devolution with a deconcentration phase first and MPs /TAs playing an active role in the District Assembly’s affairs.

<b>CAPACITY ISSUES – HISTORICAL INFLUENCES</b>	
<b>Institutional</b>	<ul style="list-style-type: none"> <li>• Recognise that development of local government is an evolutionary process.</li> <li>• Promote recognition of the roots of the present ambiguities/constraints in local government especially traditional versus democratic systems conflict.</li> </ul>

### **Cultural and Social Factors**

6.8 Cultural values strongly influence what people want and what they fear and hence the incentives for change. In cultures like Malawi with a strong traditional influence, worthy values such as respect for elders, discipline and obligation are customary and important for social cohesion. Even in the context of rapid social change, these values are still evident. Leaders are accorded high levels of respect (at least initially) and assume widespread powers over people and resources, which can be used or abused. Election into power confers de facto the right to lead rather than the obligation to represent – position, status and respect are ‘wanted’ more than development goals and their delivery.

6.9 Abuse of modern day political power in a culture with few checks and balances can seriously undermine respect for the democratic system and weaken societal cohesion and discipline.

6.10 Hierarchy and respect values reinforce bureaucratic behaviour to the detriment of task and merit driven structures and systems. The administrative culture is not performance driven and its bureaucratic mindset often fails to deliver. In this context, the practices of ‘demanding and responding’ on the basis of clearly articulated rights and responsibilities (as a ratepayer for example) are weakly developed. Those who demand run the risk of exclusion and the general populace tends to become dependent and passive with regard to self motivated development.

6.11 According to the MPRS, the mindset of the general population is often regarded as “one of laziness and dependency on Government, due to the lack of economic empowerment, historical experience that Government and donors will provide and the terms of political discourse, which create expectations of material gain in return for political allegiance.”<sup>2</sup>The

<sup>2</sup> Malawi Poverty Reduction Strategy 2002 - 2005

MPRS goes on to state that “the mindset of the public service is perceived as one of ‘business as usual’, laziness and personal greed. This is in large part caused by the existing incentive structure with low basic salaries, lack of performance monitoring, lack of sanctions against poor performance (or rewards for good performance), and promotion systems based on regionalism, tribalism, seniority and political affiliation rather than merit. In this context, an elaborate structure of allowances and perks has emerged as effective salary support that is ripe for abuse and distorts management priorities.”

<b>CAPACITY ISSUES – CULTURAL AND SOCIAL FACTORS</b>	
<b>Institutional</b>	<ul style="list-style-type: none"> <li>• Long term transformation of civic attitudes regarding rights and responsibilities in local government.</li> <li>• Empowerment of Communities and Assemblies to demand accountability.</li> <li>• Reduce influence of big man syndrome and patronage.</li> <li>• Attitudes, ethics and discipline in public service.</li> </ul>

**Legal Factors**

6.12 The legal basis for the decentralisation programme is provided by the 1995 Constitution, the 1998 Local Government Act (and its subsequent amendments) and the 1998 National Decentralisation Policy.

6.13 Of particular note, given the marginalised position of councillors in many districts, is that the Constitution clearly states that local authorities shall be responsible for ‘representation’ of the people (146[2]) and that ‘administrative personnel’ shall be ‘subordinate to local councillors... to execute and administer the lawful resolutions and policies of those councillors’ (147[3]).

- 6.14 The Decentralisation Policy of 1998 intends:
- i) devolution of administration and political authority to the district level
  - ii) integration of government agencies at the district level
  - iii) diversion of the centre of implementation responsibilities to the districts
  - iv) assignment of functions and responsibilities to different level of government and
  - v) promotion of popular participation in the governance and development of districts.

The Assessment Team perceives limited implementation of these intentions.

6.15 The 1998 Act was found to be in conflict with the Constitution as it made no provision for LASCOM. This was corrected with a 1999 amendment, although the amendments now took away the powers of the Assemblies to hire, fire and employ all their staff – undermining the accountability relationship between the Councillors and their employees. There are also many other pieces of legislation which were found to be in conflict with the LG Act. A major review of the Act and other related legislation was therefore undertaken by a team of local consultants in 2003 – 4. A comprehensive report was produced and amendments drafted for the LG Act. Unfortunately these amendments and proposals have still not been submitted to Parliament.

6.16 The 2004 NDP 1 Review identified the need for further amendments to the LG Act to include:

- Definition of the roles and responsibilities of all the major actors in decentralisation including MLGRD,
- Definition of the roles and responsibilities of the sector ministries with regard to decentralisation,
- Definition of the relationship between MLGRD and other sectoral ministries,
- Definition of the legal decentralised structures below in the district assemblies,
- Definition of the legal status of zonal/regional bodies of the central government.

6.17 It went on to make a series of important and practical recommendations regarding the harmonisation of 17 other laws (governing the operations of sector ministries etc) with the LG Act. These laws had been identified in 1999 as requiring amendment but little had been done by 2003. This inaction was attributed to a lack of incentive on the part of the sectors, lack of resources available to finance the legal reviews and the low capacity of the law commission to provide support.

6.18 The current assessment has found that the legislative amendments proposed to the LG Act and the proposed reviews of sectoral legislation have still not been acted upon 2 years later. According to MLGRD, this is said to be the result of the process being overtaken by events in the Public Sector Reform Programme. Several sectors are undertaking comprehensive reviews of their structures and functions. Mechanisms for fiscal decentralisation are being refined. MLGRD therefore feels that further review of the Act and other legislation should be initiated through the PSR process (rather than in isolation) so as to take full account of these complementary reforms. Other explanations offered for the lack of progress have centred on lack of capacity and finance with the Law Commission.

6.19 The lack of action in this important dimension of the institutional framework for decentralisation raises serious questions of commitment and/or competence on the part of MLGRD and the OPC. This must be fully addressed during the Strategy formulation.

<b>CAPACITY ISSUES – LEGAL ISSUES</b>	
<b>Institutional</b>	<ul style="list-style-type: none"> <li>• Clarify, improve and harmonise all legislation relating to decentralisation including LG and sectoral acts</li> </ul>
<b>Organisational</b>	<ul style="list-style-type: none"> <li>• Management of the Decentralisation Process by MLGRD and OPC. These reforms are long overdue.</li> <li>• Capacity of the Law Commission</li> </ul>
<b>Individual</b>	
<b>Resources</b>	<ul style="list-style-type: none"> <li>• Funding for legislative reforms</li> </ul>

### **Political Factors**

6.20 The National Decentralisation Programme is being implemented in a multi-party political environment following the 1993 referendum. Multi-party Presidential and Parliamentary Elections were held in 1994, which were won by the United Democratic Front (UDF). The political system is still maturing and according to MPRS is characterised by patronage and regionalism rather than being driven by issues or policies. The big man syndrome is still prevalent.

6.21 Some Public Servants including some District Commissioners have also become politicised as have the Chiefs. The Chiefs are still contact points for government in rural areas. Their position in society carries considerable influence and they retain powers over

land – they are thus perceived by politicians as key agents in generating or maintaining support. They have often been used and bought off by politicians of the ruling party. This practice further strengthens them vis a vis the elected representatives – the Councillors and the MPs – in short it undermines democratic local government.

6.22 Effective representative based devolution requires a level of political equality and a strong role for transparently elected councillors. The extent of patronage based politics, the politicization of other actors and the marginalization to the representative role of Councillors (many of whom are also part of the patronage networks) is a serious threat to effective local government. For reasons of maintaining the ‘affection’ of the people there has also been an apparent lack of political will on all sides to make and implement the hard development oriented decisions.

6.23 The political environment for implementing decentralisation is further complicated by the dispute between the President and his original sponsoring Party UDF and a proposal for impeachment. These events could both influence and slow down the pace of decentralisation policy implementation at National level. They could also have implications for the balance of power at District level reinforcing the influence of MPs and TAs in the Assembly. MPs in general have always seen strong councillors as competitors, potentially undermining their influence and status in the same political space.

6.24 The political uncertainties could also have significant implications for the holding and timing of Local Government elections.

<b>CAPACITY ISSUES – POLITICAL FACTORS</b>	
<b>Institutional</b>	<b>Presidency, Cabinet</b> <ul style="list-style-type: none"> <li>• Being seen to endorse decentralisation thereby giving confidence and clarity to Assemblies and central sectors.</li> <li>• Creating links between decentralisation and political interests.</li> <li>• Reducing patronage and the level of politicisation of chiefs and DCs.</li> <li>• Question of non partisan local government?</li> </ul>
<b>Organisational</b>	
<b>Individual</b>	
<b>Resources</b>	

### **Other Policies**

6.25 It is also important to set decentralisation and capacity building in the context of the overarching policy environment and national planning systems. The main national policies that affect the decentralization implementation process include the Poverty Reduction Strategy, Malawi Economic Growth Strategy, the SWAps (sector wide approaches) and the Public Sector Investment Programme.

#### *Malawi Poverty Reduction Strategy (MPRS) and Malawi Growth and Development Strategy*

6.26 The MPRS ran from 2002 – 2005 and is now expiring. Its goal was to achieve “sustainable poverty reduction through socio-economic and political empowerment of the poor”. Good Governance was one of its 4 pillars and included the Decentralisation policy – ensuring that public and civil society institutions and systems protect and benefit the poor.

Devolving the planning and implementation of local projects was widely believed to be a more effective and efficient means of reducing poverty than using central government structures in Malawi. The MPRS states that “devolution will fundamentally transform the way Government works and interacts with the public, both administratively and politically. Local Governments will crucially be accountable to the population of their district, through the District Assemblies.”

6.27 The MPRS acknowledges challenges to decentralization of:

- sustaining the political will and technical commitment needed to complete the implementation of devolution,
- accelerating capacity building programmes in the Assemblies and Districts,
- developing a sustainable financial base for the Assemblies whilst institutionalising accountability and transparency of resource use at a district level,
- building consensus and commitment to the devolution of functions from line ministries to assemblies,
- building a democratic culture and participatory institutions in the community so that people are empowered to participate,
- integrating gender and HIV/AIDS issues into training programmes at a district level.

6.28 The MPRS decentralisation strategy expresses 2 clear objectives:

a) Develop Institutional Capacity for Local Governance including an appropriate accounting and financial management system, computerization, activity based budgeting and effective administration systems for local Government.

b) Transfer Functions, Resources and Planning to Districts including the establishment of a local government financing system and the devolution of sectoral functions.

It also stresses the need for:

- an effective local development planning and management system integrated in to the national planning system (especially the MPRS),
- a consistent legal and operational framework for decentralization
- public understanding and appreciation of decentralisation through civic education programmes

6.29 Whilst the statements in the MPRS are all very clear in their support for decentralization, it is unclear whether there is a driver of the MPRS pushing to get these policies implemented. There have certainly been no clear or deliberate linkages between District plans and the MPRS, in fact most Districts are not much aware of it. However, it is likely that most district development priorities will fall within the scope of the MPRS. If government wishes local planning to take account of national plans there is need to ensure that short simplified versions (understandable by councillors) of these documents are made available to the Assemblies.

6.30 The Malawi Growth and Development Strategy has succeeded the MPRS and is to run for 5 years from 2006 – 2011. Many of its policies and strategies are the same as the MPRS but it gives greater attention to the Private sector and economic empowerment including Local Economic Development. Governance is one of its 5 themes including decentralization. It is recognized that decentralisation will not be sustainable unless there is

meaningful economic development in the local assemblies.

*Public Sector Reform*

6.31 The Malawi Public Sector Reform Programme includes the Civil Service Reform Program, the Privatization Programme, the development and implementation of the Integrated Finance Management Information Systems, and the National Decentralisation Programme. Its aim is to improve the efficiency and effectiveness of the public sector in service delivery.

CAPACITY ISSUES – OTHER POLICIES	
<b>Institutional</b>	<b>MEPD, OPC, MLGRD,</b> <ul style="list-style-type: none"> <li>• National promotion, coordination and management of development and governance policies.</li> </ul>

**Influence of donors and external agencies**

6.32 Donors and external support agencies in general, by their mode of operation, can either reinforce or undermine local government systems and structures. Substantial donor support through sectoral as opposed to local government channels, reduces the power and credibility of the Assemblies. Balkanisation of support to Districts leads to inequalities and system differences between Assemblies

6.33 It appears that some donor programmes are also seriously undermining fledgling local government systems. Some donor organisations are also said to be discrediting the capacities of Assemblies deliberately to maintain a *raison d’etre* for their own staff jobs. During the assessment, most Assemblies, whilst appreciating the resources provided by donors such as MASAF, IFAD, NAC, EU etc., complained of:

- imposition of projects – not respecting local priorities and often politically manipulated,
- complex manuals – unintelligible to councillors etc.
- parallel and usually demanding project planning systems,
- complex approval systems for projects, contracts etc and
- parallel funding, accounting and monitoring systems,
- use of district personnel for appraisal, monitoring etc of donor driven programmes without the payment of administration fees or inadequate allowances and often taking staff away from district duties e.g. DDF programmes,
- distortion of the self help culture,
- undermining of councillors roles.

6.34 It is the responsibility of the Malawian Government (MLGRD MEPD) to manage and co-ordinate these donor interventions such that they augment and strengthen government systems.

**CAPACITY ISSUES – DONOR INFLUENCE**

<b>Institutional</b>	<b>OPC, MLGRD, MEPD</b> <ul style="list-style-type: none"><li>• Establish clear policies, guidelines and enforcement re external programmes,</li><li>• Provide donors with information and co-ordination</li></ul> <b>Donors</b> <ul style="list-style-type: none"><li>• Operate in terms of Local Government Act with consultation with assemblies.</li><li>• Balkanisation approach</li><li>• Strong sector support, potential confusion re capacity building</li><li>• Declare resource allocations to Government.</li><li>• Appreciate their potential to support or undermine local systems</li><li>• Respect locally driven systems and appreciate the importance of local ownership and sustainability.</li><li>• Maintain simplicity</li><li>• Maintain a low profile. Avoid selling the donor agency at the expense of the local assembly e.g. Tee Shirts, vehicle logos.</li></ul>
<b>Organisational</b>	<b>Donors</b> <ul style="list-style-type: none"><li>• Avoid poaching essential local government staff</li><li>• Examine development assistance approach.</li><li>• Keep head office demands and targets to a minimum.</li><li>• Encourage local staff to support and facilitate rather than control.</li><li>• Build common local monitoring systems rather than imposing external donor ones.</li></ul>

## 7. Capacities of National Level Local Government Support Organisations

### Decentralisation Coordination Structures

7.1 The **Cabinet Committee on Local Government and Rural Transformation** is the main policy making body whose terms of reference include local government, devolution and the administration of traditional authorities. A new Committee has been appointed by the new President which has 11 nominated members and is chaired by Hon Henry Mussa, Minister of Transport and Public Works. Its Terms of Reference according to NDP 2 should be to:

- Formulate and review policy on Local Government;
- Guide and review the implementation of the Decentralisation Process and Programmes;
- Develop legal and institutional framework to promote collaboration between Central and Local Government;
- Mobilize resources;
- Formulate and review policies, strategies, and set priority programmes for rural transformation;
- Promote balanced economic, political and social development between urban and rural areas;
- Promote rural transformation through: Empowerment through micro-finance, Rural Infrastructure, Investment in small-scale agro-processing industries and Local Economic Development;
- Develop strategies for promoting public and private partnerships to ensure sustainable and equitable investment in rural areas;
- Strengthen networking among stakeholders in rural development.

7.2 It has met and approved the NDP2 and discussed the proposed amendments to the LG legislation. In the past the Cabinet Committee has suffered from frequent changes to membership and lack of continuity. Previous studies have questioned the absence of real political champions for the decentralisation policy. One would expect this Committee to include such champions – these are not yet apparent.

7.3 The **Inter-ministerial Technical Committee (IMTC)** was set up to co-ordinate and provide technical support to the development and implementation of decentralisation policy. An important function was to guide the Decentralisation Secretariat, approve its work plans etc. It was originally intended to be a committee of Principal Secretaries but now comprises a mixture of PSs and some senior officials from key ministries with a stake in decentralisation and local government. Some members, however, send only low-level representatives.

7.4 The Committee was most active in the early days of decentralisation but has since come to meet infrequently such that it can no longer be said to be fulfilling its purpose. These days few of its resolutions or minutes are followed up. One of its major problems is its size – over 60 members. This is too large for a management coordinative structure and it has tended to become an information exchange.

7.5 MLGRD acknowledges that this is not a desirable situation as it creates coordination difficulties and leaves them somewhat isolated in managing the implementation of the Programme. The lack of IMTC meetings has been put down to the busy schedules of the members and the lack of resources to fund the meetings. If decentralisation is a priority

policy of government, however, and MLGRD is keen to harness the collective energies of other sectors, one would have expected this Committee to be adequately resourced and to be central in the management and coordination process.

7.6 It is not clear if the IMTC will continue under NDP2. The NDP2 document suggests it will, however, others have suggested that its role will be incorporated into a new smaller higher level Committee of Principal Secretaries (**the Public Sector Reform Steering Committee**) thereby providing much needed linkage between the National Decentralisation Policy to other PRS policies. The PSRC will be chaired by the Chief Secretary which would also facilitate greater authority to be established over the implementation of decisions on decentralisation. This PSR Committee has not yet met but in NDP2 it is ascribed the following functions in connection with Decentralisation:

- Responsible for overall policy direction of the NDP II – 2005-2009;
- Approve the Annual Program Work plans and budgets prepared by the programme management;
- Review and approve all Technical proposals made by programme management;
- Make recommendations to the Cabinet Committee on Local Government and Rural Transformation.

(Note the PSRSC is an umbrella committee also mandated with the responsibility of providing policy direction of all public sector reform programmes, the NDP 2 document suggests that a small technical working sub-committee of the PSRSC on decentralisation will be created to provide technical backstopping and make recommendations to the main committee.)

7.7 According to NDP 2, the IMTC will have component task forces as follows:

- Sector Devolution – led by MLGRD
- Institutional Development and Capacity Building – led by DHRMD
- Fiscal Decentralisation and Financial Management – led by Treasury
- Local Development Planning and Financing Mechanisms – led by MLGRD

7.8 The MLGRD delegated the secretarial role for the IMTC to the Decentralisation Secretariat. With the dissolution of the DS, clear secretarial responsibilities need to be ascribed within MLGRD for back up to the Cabinet Committee and the secretarial roles for the PSRSC and the IMTC. As yet these arrangements appear unclear. The lack of clarity on these important management and co-ordination issues in the light of the ending of the DS needs urgent attention.

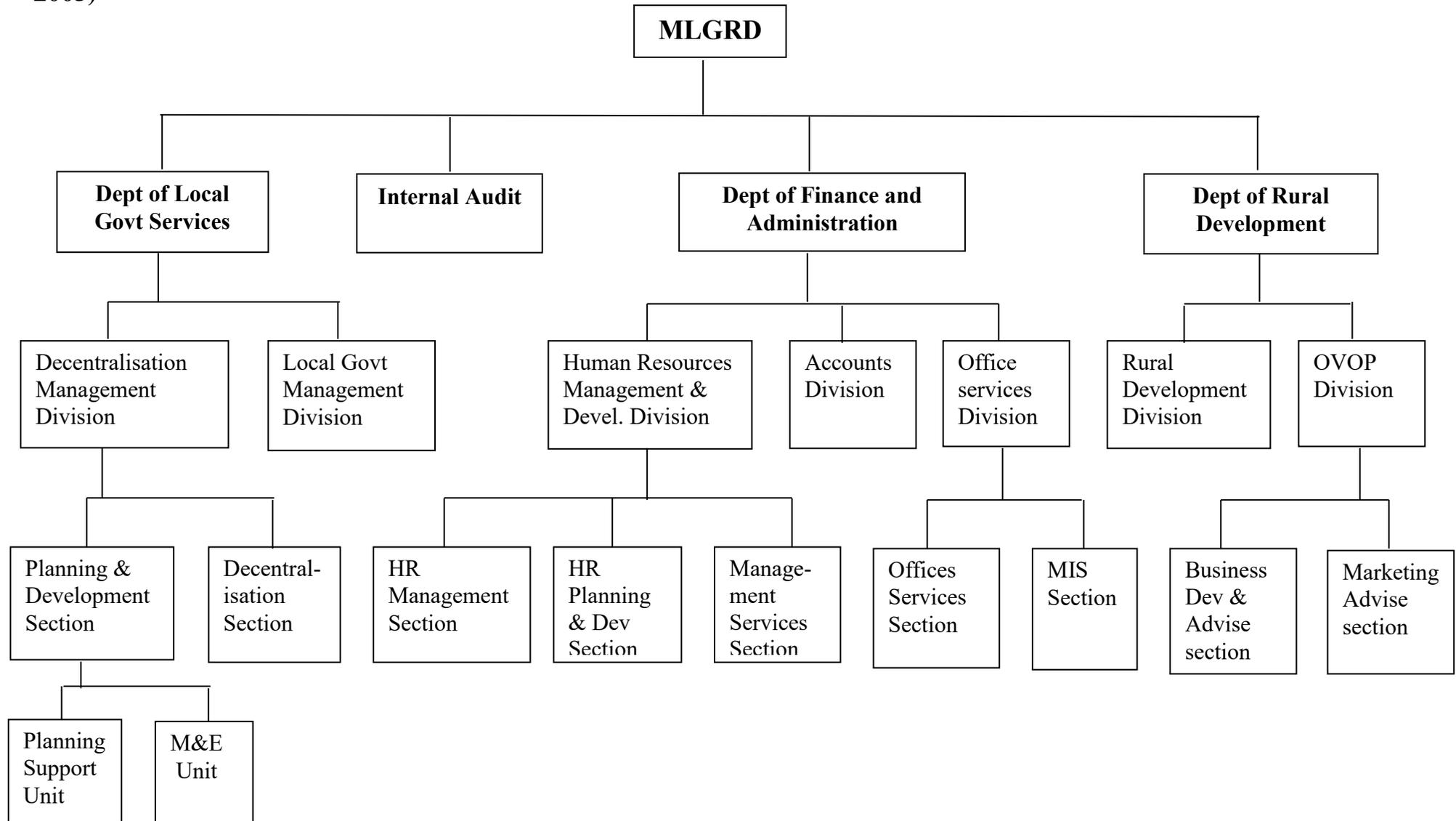
<b>CAPACITY ISSUES – DECENTRALISATION COORDINATION STRUCTURES</b>	
<b>Institutional</b>	<ul style="list-style-type: none"> <li>• Establish and provide clear policies on decentralisation addressing the question of lack of devolution at Assembly level.</li> <li>• Establish high level authority able to direct all Ministries in terms of decentralisation policy.</li> <li>• Ensure coordinated implementation of Decentralisation Programme.</li> </ul>
<b>Organisational</b>	<ul style="list-style-type: none"> <li>• Establish and maintain an effective interministerial forum for key sectors to participate in the decision making processes re decentralisation policy and implementation programmes where relevant.</li> <li>• MLGRD needs to establish efficient and effective secretarial function to the various committees, with precise minutes and follow up.</li> </ul>
<b>Individual</b>	
<b>Resources</b>	Funds for Meetings and Secretariat functions.

### **The Ministry of Local Government and Rural Development (MLGRD)**

7.9 Prime responsibility for Decentralisation and Local Government was previously handled by the Department of Local Government in the Office of the President and Cabinet. In July 2004 the DLG was changed into a Ministry of Local Government and Rural Development (MLGRD) with the local government portfolio being combined somewhat inconsistently with a portfolio of Rural Development. The One Village One Product Programme was also transferred from the Ministry of Agriculture to MLGRD.

7.10 A functional review of the Ministry was carried out by DHRMD in May 2005 to create a new structure and work out how best it could absorb and reintegrate functions from the Decentralisation Secretariat which is being phased out by December 2005. The new structure proposed by the review is shown in Figure 7.1. The recommendations of this functional review have not yet been implemented and may need to be re-examined in the light of a new capacity building strategy and its implementation.

**Figure 7.1 Proposed Structure for the Ministry of Local Government & Rural Development (Functional Review 2005)**



7.11 Pending implementation, the functions of the Department of Rural Development are being carried out by some staff in the Department of Local Government as the former has no formal staff or structure. This is despite the fact that the Ministry is seriously understaffed, e.g. its present day Department of Local Government has a vacancy rate of 58% amongst its authorised establishment of 24.

7.12 The Functional Review has created a rather complex and confusing hierarchy of Mission, purpose, functions and strategies for MLGRD. The purpose of MLGRD is said to be “to promote and accelerate local governance and participatory democracy by creating an enabling environment in the implementation of the Local Government Act (1998) and the Decentralisation Policy so as to attain socio-economic development and social stability of the district. To achieve this, the Ministry should perform the following functions:

- The coordination and facilitation of accelerated local governance and social stability of District Assemblies;
- The coordination and facilitation of socio-economic development of rural areas;
- The provision of Internal Audit Services;
- The provision of finance and administrative services.”

7.13 The strategic objectives of the Ministry are described as:

- “To provide policy and legal framework for the efficient and effective operations of the Assemblies.
- To promote an effective system of local governance and development.
- To provide linkage between central and local governments.
- To promote socio-economic development of the rural masses.”

7.14 Although not specifically mentioned in the above, MLGRD is also responsible for the coordination and management of the whole decentralisation process. Specific terms of reference for management of the NDP 2 programme include:

- Prepare and consolidated work plans and budgets from the Component Thematic Working Groups;
- Provide secretariat to the Technical working sub-committee on decentralisation and be the chair of the Inter-ministerial Technical Committee;
- Coordinate the implementation of the NDP II through technical support to sectors in areas of devolution and local development planning;
- Monitor implementation of the annual work plans and prepare quarterly and annual progress reports and submit to the PSRSC and Donors;
- Coordinate implementation of the PSRSC resolutions;
- Provide technical support to District Assemblies in the decentralisation and approve their projects and work plans to be funded under the programme;
- Mobilise resources for the NDP II.

7.15 Under the new proposals (ref Fig 7.1) MLGRD will have 4 Departments, the most crucial of which in terms of decentralisation is the Local Government Services Department. This Department will have 2 Divisions:

- The Local Government Management Division and
- The Decentralisation Management Division.

7.16 The LG Management Division will provide advisory services on policy, finance, service standards and by laws to District Assemblies. (7 professional staff establishment)

7.17 The Decentralisation Management Division will “take the lead for planning, coordination and facilitation of the implementation of the decentralization policy as well as facilitating and coordinating the process of informing, educating and communicating with the general public to raise awareness for the Decentralisation Policy.” To achieve this it will have 2 Sections:

- A Decentralisation Section responsible for the development of linkages between the Ministry and other stakeholders and the facilitation of the process of informing, educating and communicating with the general public to raise awareness for the Decentralisation Policy. (5 professional staff establishment)
- A Planning and Development Section responsible for consolidating and reviewing Assembly development plans, providing technical backstopping to the Assemblies in the development of plans, and monitoring and evaluation of impact of the Assembly development projects. (14 Professional staff establishment)

7.18 Successive reviews (1997, 2001 and 2005) have pointed out that the Ministry has weak capacity to provide leadership as well as to co-ordinate and manage implementation of decentralisation due to lack of appropriately qualified personnel in key technical operational areas. In its strategic plan of 2004, the Ministry notes the following as its own weaknesses:

- Lack of strategic direction
- Poor team work
- Lack of HRD plan
- Dysfunctional structure
- Inadequate transport, office equipment and plant.

7.19 Little seems to have changed. It would seem that changing the status of Local Government from a Department in OPC to a Ministry does not so far seem to have enhanced its authority vis a vis decentralisation. Adding the rural development function and OVOP has served to blur rather than focus the mission of the Ministry at a time when it is seriously understaffed and has the added challenge of reintegrating important functions from the Decentralisation Secretariat. The present situation in which the Department of Rural Development has no recognised structure puts tremendous pressure on existing Ministry staff who cannot realistically cope with the work demands of the two departments never-mind the additional DS functions.

7.20 There is need to clarify and simplify the Ministry’s hierarchy of objectives etc. presented by the functional review and to clearly integrate the key functions as presented in the NDP 2 document. There will also be need to revisit the functional review once the implications of NDP 2 and the Strategic Plan for Capacity Building are clearly established so that MLG has a logical structure which is appropriate and adequate for its functions.

<b>CAPACITY ISSUES – MLGRD</b>	
<b>Institutional</b>	<ul style="list-style-type: none"> <li>• Capacity for administrative support for DAs</li> <li>• Transfers of Senior local government personnel</li> <li>• Capacity for regulation of District Assemblies</li> <li>• Management of a Capacity Building Programme</li> </ul>
<b>Organisational</b>	<ul style="list-style-type: none"> <li>• Authority to coordinate and manage decentralisation vis a vis other Ministries</li> <li>• Question of adequacy of structure to handle functions transferred from DS especially Capacity Building</li> </ul>

	<ul style="list-style-type: none"> <li>• Capacity to provide Secretarial services to IMTC and other coordinating/policy committees</li> <li>• Present Dysfunctional Structure</li> <li>• Future MLGRD structure and objectives blurred by combination with Rural Development and inclusion of ad hoc programmes such as OVOP Serious understaffing</li> <li>• Staff culture</li> </ul>
<b>Individual</b>	Appreciation of CD approaches
<b>Resources</b>	<ul style="list-style-type: none"> <li>• Resources for Meetings and managing the programme</li> <li>• Funding for Capacity Development Programme and NDP2</li> </ul>

## DHRMD

7.21 The Department of Human Resources Management and Development in OPC is responsible for the management of the Public Service. Its mandates include:

- continuous review of public service related needs at various levels of government administration,
- periodic review of the extent of decentralisation and
- administration of public service conditions of service.

It provides human resource planning, development and management services and through the Staff Development Institute, training, research and consultancy to the Public Service.

7.22 In terms of the decentralisation policy it has been given the role of ensuring that there are sustainable functional structures in the districts, adequate human capacity and proper transfer of functions. It has conducted Functional Reviews for the devolved District Assemblies and the MLGRD. These reviews have assumed total devolution but have so far not been implemented (over 2 years later). The delay is said to have been caused by the process of obtaining Cabinet approval. This was granted earlier in 2005 and MLGRD has recently obtained an establishment warrant from MoF to implement the new structures from July 2006.

7.23 Ideally functional reviews should be part of internal strategic/corporate planning exercises carried out by each Assembly themselves. They should enable each organisation to determine its own structure (in relation to its functions and resources) its own capacity development plan, DHRMD could play the role of facilitator for such exercises.

7.24 DHRMD's strategic plan identifies some of its own weaknesses as a general lack of strategic direction and innovation, weak institutional capacity, coordination and communication, outdated policies, regulations and practices and the lack of an appropriate HR Policy. Its strategic plan for 2005/08 intends to address these issues.

<b>CAPACITY ISSUES – DHRMD</b>	
<b>Institutional</b>	<ul style="list-style-type: none"> <li>• Realism and affordability of proposed District Assembly structures External imposition of structures rather than promotion of internally driven strategic/corporate planning.</li> <li>• Effective structure for MLGRD.</li> </ul>
<b>Organisational</b>	Implementation of its own strategic plan
<b>Individual</b>	
<b>Resources</b>	

## **MEPD and MoF**

7.25 MEPD has divisions for National Planning, Monitoring and Evaluation of National Policies and Development & PSIP. Each is staffed by a Director, 3 Deputy Directors with associated Assistant Chief Economists, Principal Economists and Economists. MEPD also has staff placed in Planning Units in each sector ministry. MEPD is the subject of capacity assessment of its own as part of Capacity Building programme for Economic Management and Policy Coordination.

7.26 MEPD has responsibilities for establishing and managing national planning frameworks and for managing the Public Sector Investment Programme in the context of the National Plans. Following the expiry of the MPRS at the end of 2005, the current planning context is provided by the 5 year Malawi Growth and Development Strategy whose themes include Social development, Sustainable economic growth, Governance, Infrastructure, and Social Protection.

7.27 In terms of District Planning, MEPD agree with the NDP 1 review that the District Planning system developed by MLGRD and DS requires integration with other national planning frameworks. MEPD do not intend to take over responsibility for District Planning from MLG but will provide advice to the Planning Division in MLGRD. In turn the Planning division will issue planning guidelines to the Districts.

7.28 It is the intention of MEPD that the PSIP which presently only covers the sector ministry investments, will include a window for District Grants like DDF or the proposed LDF, bringing all capital funding under one instrument by 2006 - 7. They see planning being a two way process – guidelines sent to the districts and 3 year investment plans coming back up from the districts to be incorporated in a 3 year PSIP. This poses a major question with regard to project appraisal. The PSIP process requires that all development projects be appraised by MEPD. With support from the EU, MEPD have produced a very comprehensive and detailed Project Planning and Appraisal Manual which is being sent out to all Districts and Sectors. Whilst a comprehensive document technically, the Manual is likely to be too complex for most District Assemblies to take on board. It would be impractical for the District Plans to be appraised by MEPD who do not have adequate human or financial capacity on the ground. One approach would be for project appraisals to be carried out by the Districts themselves, however rudimentary, with technical backstopping provided by sector ministries at a zonal or regional level.

7.29 In conjunction with MLGRD and other interested agencies, MEPD has developed a Road Map for Monitoring and Evaluation of the status of District Development and the implementation of development activities. Under this initiative, District M&E officers will be posted into the Directorates of Planning & Development at Assembly level. They will be responsible for updating the Malawi Socio Economic database, integrating all monitoring data and updating SEPs etc. Donor funding has been obtained for the first 18 months of this initiative after which the Officers will be formally employed by LASCOM under MLG. It is anticipated that some sectors like Health and Agriculture will also maintain their own M&E activities at District level. This initiative is seen as a transitional first step.

7.30 MEPD and MoF in conjunction with MLGRD should co-ordinate donor support to the Assemblies and ensure that such support complies with GoM systems. All donors have to sign co-operation agreements at central level and it is important that central government

ensures that local government capacities are enhanced by external programmes rather than undermined by imposed parallel operational systems and practices.

7.31 The Ministry of Finance is now responsible for implementing financial transfers to District Assemblies in response to budgets sent to it by NLGFC (previously NLGFC were an intermediary in the transfer process). For three of the newly devolving sectors, Agriculture, Health and Education, transfers have been initiated for various operational expenses to newly created Assembly bank accounts. Signatories to these accounts include the district sector heads and the respective DCs. This arrangement ring fences the resources whilst making them more accessible to the districts.

<b>CAPACITY ISSUES – MEPD, MOF</b>	
<b>Institutional</b>	<ul style="list-style-type: none"> <li>• Effective planning and funding systems which give incentives for districts to plan and which allocate funds accordingly</li> <li>• Simple planning guidelines, acceptance of less than perfect district plans in the interests of local ownership,</li> <li>• District Plans reflecting national planning priorities as well as local priorities</li> <li>• Consistent resource flows to Assemblies according to budgets</li> </ul>
<b>Organisational</b>	<ul style="list-style-type: none"> <li>• Project appraisal capacity for PSIP. How can appraisal be done?</li> <li>• Inconsistencies in legislation between LG Act and Public Finance Act</li> </ul>
<b>Individual</b>	
<b>Resources</b>	

## **LASCOM**

7.32 The Local Authorities Service Commission is established under section 147(4) of the Constitution and its operations are guided by the Local Government Services Act 1983. Proposed amendments to the LG Act<sup>3</sup> would combine the LGSA and the LG Act but these have not been passed.

7.33 LASCOM is intended to regulate the appointment and terms/conditions of service for Assembly employees. LASCOM has effectively become a recruitment and employment agent for Local Governments, recruiting personnel from DC/CEO level down to EO level (all of the staff in the present DA Secretariats down to Executive Officer grade). There is presently a contradiction between the LASC Act and the LG Act, with the amended LG Act saying that LASCOM is empowered only to recruit staff down to Director level.

7.34 LASCOM's role as a recruitment agency for individual Assemblies is actually bogus since the personnel recruited by LASCOM are posted and transferred by MLGRD. It is de facto, a recruitment agency for the Ministry.

7.35 The original 1998 local Government Act made Assemblies themselves responsible for hiring, employing and firing their own staff. This was changed through amendments in 1999 on the basis of protests by civil servants who felt insecure at the prospect of being employed by what they considered were low capacity, politicised Assemblies. The NDP 1 review report recommends that the LASCOM arrangements should be temporary and that Assemblies

<sup>3</sup> Local Government Amendment Bill 2003 (not passed)

should again be responsible for their own recruitment and employment functions once their Appointments and Disciplinary Committees have adequate capacity. In this case the basis for LASCOM would fall away.

7.36 LASCOM is also presently responsible for handling issues of discipline, however, this function would seem to overlap with that of the HR division in MLGRD. It claims to sort out disciplinary cases within 6 months. This function should ideally revert to the Assembly ADCs.

7.37 If staff matters are not handed over to the Assemblies, LASCOM may also become responsible for recruiting and employing sectoral personnel after devolution. There is intended to be a 2 or 3 year grace period when central government personnel have a choice to remain with the Civil Service Commission or transfer to LASCOM.

7.38 LASCOM is seriously overstretched in terms of its own capacity. It has an establishment of 31 but only half these positions are filled. According to the MASAF assessment, even the existing personnel are inadequately qualified. LASCOM is funded under a MLGRD vote and is short of resources and equipment.

7.39 In terms of its effectiveness, LASCOM states that it has filled all the DC and CEO posts of the Assemblies plus 60 to 70% of other senior posts. Other informants suggest that the occupation rates are less than 50%.

7.40 Assemblies complain about the performance and operations of LASCOM. It is said to be very slow and bureaucratic at recruiting people. It is also said to be affected by political interference with some people imposed on Assemblies as a result of patronage.

7.41 Surprisingly, LASCOM has no database of Assembly employees. MLG transfers DA staff without necessarily informing LASCOM.

<b>CAPACITY ISSUES – LASCOM</b>	
<b>Institutional</b>	<ul style="list-style-type: none"> <li>• Validity of LASCOM’s role versus Assembly ADCs.</li> <li>• Delays in recruitment and disciplinary services.</li> <li>• Lack of Accountability of LASCOM to DAs.</li> <li>• Lack of accountability of DA staff to their Assemblies.</li> <li>• Political interference in recruitment.</li> <li>• LASCOM’s role in relation to devolving sector staff?</li> </ul>
<b>Organisational</b>	<ul style="list-style-type: none"> <li>• Shortages of LASCOM staff</li> <li>• Communication between LASCOM and MLGRD re transfers etc.</li> </ul>
<b>Individual</b>	Competences of LASCOM staff
<b>Resources</b>	Funding and resources of LASCOM

### **National Local Government Finance Committee (NLGFC)**

7.42 NLGFC was set up in 2001. Section 149 of the Constitution specifies that NLGFC shall:

- receive revenue estimates and budgets from all assemblies;
- examine and supervise accounts of local government authorities in accordance with any Act of Parliament,
- make recommendations relating to the distribution of funds allocated to local

- government authorities;
- prepare a consolidated budget for all Local Government Authorities and estimates after consultation with the Treasury, which shall be presented to the National Assembly for information purposes before the commencement of each financial year;
- make application to the Minister of Finance for supplementary funds where necessary.

7.43 The Committee advises on issues of local government finance, manages and monitors the financial transactions between central and local governments. It also provides financial management support to Local Assemblies.

7.44 The Mwadiwa Review of 2003/4<sup>4</sup> highlights questions regarding the financial qualifications of the committee members and the fact there is no fixed chairperson. It make 3 recommendations regarding changes to the Committee membership and improvement of legislation governing the function of the Committee. These recommendations are copied by the MASAF Report<sup>5</sup> and the legislative suggestions are reiterated by the NDP 1 review. No action has been taken on any of these recommendations.

7.45 NLGFC is understaffed. It is serviced by a professional staff of 5 (4 Financial analysts and 1 Economist). None of the 9 Assistant Financial Analyst posts are filled. Additional staff, which includes an accountant and an IT specialist are due to move from the DS to NLGFC. The Assemblies are divided geographically amongst the analysts so that good relationships and understanding are maintained. Despite being overstretched, the staff are motivated and making a significant impact on the Assemblies through provision of advice, clear and timely budget ceilings and on the job support to struggling Financial Directorates.

7.46 Funding of the operations of NLGFC was initially combined with the consolidated vote providing fiscal transfers to the Assemblies. This was an unclear arrangement and is being addressed? The NLGFC has also received major funding support from NORAD but this is now being limited to funding of specific activities from 2006 leaving GoM responsible for salaries and general operating expenses. It remains to be seen if GoM can adequately fund the operation of NLGFC including maintaining the premium salaries and conditions to which the personnel have become used.

7.47 NLGFC's work is appreciated by the Assemblies and is regarded as one of the most helpful support organisations. It is working on a new participatory budgeting manual for the Assemblies which will be used by all the sectors. The NGLFC workload will be significantly increased when all sectoral budgets are integrated and if the Local Development Fund proposal takes off integrating all the transfers except MASAF into one system.

7.48 NLGFC manages to check through and consolidate DA budgets within the 90 day target period. Despite queries raised by the Assemblies, it claims it does not alter or approve the budgets though it identifies mistakes or anomalies and informs the Assemblies of expenditures which will be 'allowed' before they approve their own budgets. NLGFC is no longer responsible for effecting financial transfers to the Assemblies. It simply advises

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<sup>4</sup> Mwadiwa R. P. et al The review of the LocalGovernment Act(1998), the National Decentralisation Policy, and other relevant legislation and policies impacting on local governance issues March 2004

<sup>5</sup> O&M Associates/Millennium Consulting 2005, Assessment of Financial Management Capacity of Local Assemblies, Malawi Social Action Fund February 2005.

Treasury. There are reports from the Assemblies however of their budgeted transfers being under funded, severely compromising their operational and development programmes. NLGFC seems powerless to prevent these cuts.

7.49 As yet no ceded revenues are being transferred to the Assemblies however a UNDP supported study is underway and it is hoped that ceded revenues will be transferred from the start of the next financial year.

7.50 NLGFC is not responsible for significant amounts of training other than on the job support. They have however prepared the Financial Regulations and Guidelines for Local Authorities and have run short programmes for Finance Committees.

7.51 NLGFC notes a very gradual improvement in the financial management performance of the Assemblies but the main weakness remains the deficient numbers of qualified staff especially Directors of Finance, Assistant Directors and Internal auditors. Assembly salaries are simply too low to retain finance staff.

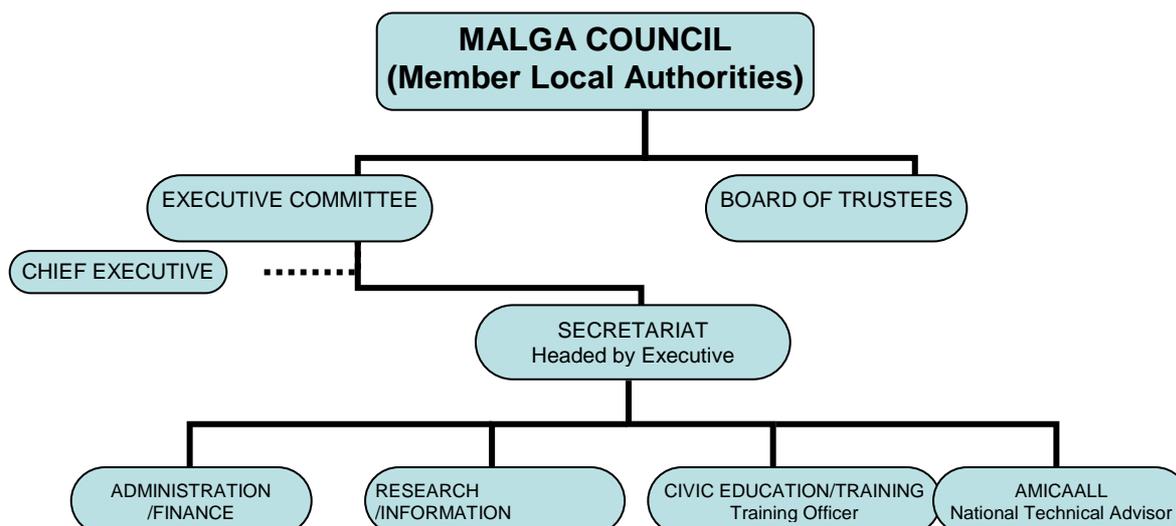
<b>CAPACITY ISSUES – NLGFC</b>	
<b>Institutional</b>	<ul style="list-style-type: none"> <li>• Need for clear consistent resource allocations to Assemblies.</li> <li>• Unclear legislation- Question of NLGFC approving LA budgets as per the 1998 Act. The unpassed amendments of 2003 change this to ‘allow expenditure’.</li> <li>• Use of financial incentives for Assemblies which strengthen locally driven planning and service delivery systems and promote improved organisational performance.</li> <li>• Guidelines for budgeting and accounting for devolved functions.</li> <li>• Implementation of ceded revenues</li> </ul>
<b>Organisational</b>	<ul style="list-style-type: none"> <li>• Maintenance of staff levels and recruitment of additional of high calibre personnel for NLGFC to deal with increasing workload resulting from increased funding to LAs as devolution proceeds.</li> </ul>
<b>Individual</b>	
<b>Resources</b>	Funding of NLGFC especially with a reduction in NORAD support.

## **MALGA**

7.52 Originally formed in 1966, MALGA is an independent umbrella association representing all District Assemblies. Its objectives are:

- To secure a strong, coherent voice for local government at all levels,
- To be an effective link between local government and central government,
- To work collaboratively with other non-governmental organisations at all levels,
- To provide and extensive range of value added services to local authorities,
- To generate additional income from value added services to expand the work of the Association.

7.53 MALGA has a Board of Trustees with 4 members. Its supreme organ is the MALGA Council which has a Chairperson and one or two members from each Assembly. There is also an Executive Committee of 12 elected members which oversees the implementation of policies and programmes. MALGA has a Secretariat has 7 staff members, 6 professionals including a recently appointed CEO. It is currently restructuring itself to be more effective according to the organogram below.



7.54 MALGA’s financial base is quite weak. Its operating costs are largely met by members subscriptions (K80,000 for DAs, K120,000 for Town Assemblies and K240,000 for cities) although these have not been raised for 4 years. Major costs, including salaries and activities, have been financed by donors like NORAD (institutional support from the Norwegian Association of Local & Regional Authorities [KS]), GTZ, AMICAALL and World Bank.

7.55 MALGA’s effectiveness has been questioned in the past. General meetings have often been dominated by trivial issues including lengthy debates on Councillors allowances. Assemblies also feel that the MALGA Secretariat was ‘busy with itself’. There is a tendency for Assemblies to view MALGA as the Secretariat rather than an organisation of themselves including its other structures.

7.56 MALGA’s performance as a lobbying organisation has been weak (it has only met the Minister of LG once in the last 4 years) although there are signs that this is now changing. There is much to lobby about, not least the lack of meaningful devolution and the marginalisation of the elected councillors vis a vis Chiefs, MPs, DCs and Sectors. This has now been compounded by the failure to hold Local Government elections. Since it represents Local Assemblies as a whole rather than just the elected members, MALGA still believes it has a mandate to continue its work despite the absence of Councillors.

7.57 MALGA has been given responsibility for the Induction training of the next batch of Councillors. It strongly believes that improving the understanding and capabilities of Councillors will dramatically change the balance of power in the District Assemblies and lay the building block for a major improvement in accountability and performance. To conduct the training MALGA has organised the preparation of a comprehensive Councillors Training manual which covers all aspects of a councillor’s role. Councillor Training however should not be a one off supply driven event.

<b>CAPACITY ISSUES – NLGFC</b>	
<b>Institutional</b>	<ul style="list-style-type: none"> <li>• Need to develop clear views and policy analysis as basis for lobbying. Members need to focus on issues beyond personal allowances etc.</li> <li>• Training capacity and training approach.</li> <li>• Lobbying capacity re implementation of decentralisation</li> </ul>
<b>Organisational</b>	<ul style="list-style-type: none"> <li>• Staffing of MALGA</li> <li>• General awareness and understanding of LG amongst MALGA members</li> </ul>
<b>Individual</b>	
<b>Resources</b>	Financing of MALGA including subscription levels

### **Audit Function - National Audit Office**

7.58 There is legislative confusion with regard to the responsibility for auditing Assembly Accounts. The Constitution ascribes the function to the NLGFC whereas the Local Government Act (section 54 [1]) gives responsibility to the Auditor General or an auditor appointed by him. The Public Audit Act generally gives the Auditor General the mandate to audit public bodies and this seems more appropriate in terms of the Assemblies.

7.59 There are massive backlogs of Assembly audits which are being compounded each year. Some Assemblies have not been audited for 5 years and most for 3 years. This is the result of Assemblies being unable to produce final accounts in the prescribed time (within 6 months of the end of each financial year) and the inadequate capacity of the NAO's Office in terms of staff and resources.

<b>CAPACITY ISSUES – AUDIT</b>	
<b>Institutional</b>	• NAO unable to maintain the audit function and hence maintain check and balance on Assemblies.
<b>Organisational</b>	• Legislation ambiguity for the audit function, Constitution vs LG Act Staffing of NAO
<b>Individual</b>	
<b>Resources</b>	Resources of NAO

## **8. Sector Devolution and the Capacities of Sector Ministries**

### **Introduction**

8.1 Devolution involves the transfer of authority, specific functions and resources from central government ministries/departments to the Local Assemblies. The process represents a commitment to local autonomy and is based on the notions of:

- democratic accountability of service delivery through elected representatives;
- responsiveness of service delivery mechanisms to local needs and variations in those needs;
- subsidiarity - deciding which services are best overseen and delivered at the lowest possible local level;
- co-ordination and integration of services to effect cross-cutting policies;
- efficiency and effectiveness of service provision, including consideration of the number of units delivering services.

8.2 The transfer of these functions and authority is based on Sector Devolution Guidelines that require each sector to undertake a functional analysis of the core areas defined in the National Decentralisation Policy and prepare a Sector Devolution Plan. The preparation of Sector Devolution Plans should be a participatory process involving a number of organisations including the Sector Task Forces on Devolution, Inter-ministerial Task Force on Devolution, the Ministry of Local Government and Rural Development, Ministry of Finance, the Department of Human Resources Management and Development, District Assemblies and the Cabinet through the Cabinet Committee on Local Government and Rural Transformation.

### **The Process**

8.3 The devolution process has involved the following steps:

- Preparation of Sector Devolution Guidelines – Ministry of Local Government and Rural development
- Formation of National Devolution Inter-ministerial Committee
- Formation of Ministerial Devolution Task Forces
- Conducting Orientation Workshops for the Ministries on the Decentralisation Policy, Local Government Act, the Devolution Guidelines and how to prepare Devolution Plans
- Ministries preparing their own Sector Devolution Plans
- Preparation of integration plans by District Assemblies
- Submission of Sector Devolution Plans to the Decentralisation Secretariat for consolidation
- Approval of Sector Devolution Plans by Cabinet Committee on Decentralisation

8.4 Sectors were required to produce sector devolution plans, while districts were required to develop integration strategies. MLGRD, with the support of OPC, DHRMD and MoF, was to review the institutional arrangements and ensure that sectors avoided dumping their unwanted or problematic functions onto District Assemblies. The devolution process was set for ten years divided into two phases: phase one having been implemented between 2002 and 2004, and phase two planned for 2005 to 2010.

8.5 Government also sought to safeguard the process by insisting on uniformity of operations. Towards the attainment of this objective, all sectors were to develop plans for the smooth implementation of the devolved functions by the Assemblies and to be responsible for ensuring that these plans were implemented accordingly. Sectors would thus be required to carry out supervisory visits to assemblies and conduct monitoring and evaluation.

## **Progress**

### *Sector Devolution Guidelines*

8.6 The Sector Devolution Guidelines were prepared in June 2000 and were used in helping sectors prepare their Sector Devolution Plans. The guidelines have been regularly updated in response to the requirements of devolving sectors. There was a call for the development of a comprehensive strategy to guide devolution. The NDP II has been a response to this.

### *Devolution Plans*

8.7 Sector Devolution Plans were to include:

- List of functions to be devolved,
- Legal implications of devolution,
- Staffing implications and arrangements,
- Financial implications and arrangements,
- Provisions for training the assemblies to perform the functions,
- Work-plans indicating the activities to be undertaken (when, how and by whom).

8.8 Through workshops organised through the Decentralisation Secretariat, ten sectors prepared and circulated their Sector Devolution Plans. These plans were later approved by the Cabinet Committee on Decentralisation. There are differences in content from ministry to ministry depending on the divisibility of the service under consideration and on the implications to local government capacity. The sector plans are on average, though, very ambitious about what can be achieved in the present context

### *Orientation of Sectors and Staff*

8.9 Through the Inter-Ministerial Committee on Decentralisation, orientation workshops were planned and conducted for the ten ministries that had completed their devolution plans. The objective of the workshops was to build capacity of the Sector Devolution Task Forces to improve their Sector Devolution Plans. It was also to work on the mind-set of sector officials so that they do not resist the devolution process. This process will probably need to continue as there is still resistance among some sector officials. A number of sectors just complied with the cabinet directive without giving serious thought to the feasibility of their devolution proposals. Some sectors doubt the capability of Assemblies delivering services where sectors themselves in the past have failed. They feel that the pace of devolution is too fast. As a result of this reluctance, few sectors have developed guidelines for the provision of technical assistance to Assemblies for the devolved plans.

### *Integration Plans*

8.10 The District Assemblies have not prepared plans to show how they propose to absorb and manage the functions devolved to them. For example, there are no plans to guide the integration of field staff in the three priority sectors that have devolved - Agriculture,

Education and Health. Even after their budgets have been devolved to the Assemblies, their field staff are not integrated into the Assembly Secretariat.

#### *Staffing/ Transfer of staff*

8.11 The amalgamation of staff from the former District Councils and District Commissioners' offices has been completed. All the staff, therefore, except those under sectors are in theory Assembly Employees though the DCs and Directors are in effect MLG employees with salaries are paid by Central Government. This process has not extended to sector staff despite the OPC circular of 2003 which outlined the process of transfer of staff and stated that all sector staff would be reporting to the DCs.

8.12 It was also the Government's intention that sectors devolving functions to the District Assemblies would release staff performing those functions. At the moment it does not appear that sectors have identified staff to be transferred. Instead the focus has been on the review of functional structures, which is leading to large and inflated staff establishments.

#### *Finances and Restructuring of budgets*

8.13 The National Local Government Committee in conjunction with MLGRD and MoF prepared a budget integration strategy that would see Assemblies assume full planning and budgeting for the devolved functions after three years.

#### *Review of legislation*

8.14 The MLGRD reviewed all the 28 relevant laws and 17 were recommended for repeal or amendments as appropriate. However, to date only few laws have been amended. Health, Lands and Education are in the process of amending their laws. The delays in amending the laws are said to have been caused by financial limitations and capacity of the Law Commission to facilitate the legal review process.

### **Issues/Capacity Assessments**

#### *Attitudes*

8.15 There is a strong expression of sector interest and commitment to proceed with the devolution plans. Sectors are generally positive about devolution. Most sectors have complied with the first part of the Cabinet Circular i.e. preparation of Sector Devolution Plans followed by sector devolution guidelines and are within reasonable limits of the national timetable set for sector devolution. This commitment is matched by widespread support for designing and implementing a capacity building programme for District Assemblies. Much remains to be done, however, to translate intentions into a meaningful devolution programme.

8.16 Neither responsibilities nor funding have actually been transferred to the District Assemblies. Even the finances for Health, Education and Agriculture which are being routed through the Assemblies have been ring fenced leaving no discretion with the Assemblies even within sector budgets. Sometimes the sectors are exploiting the ignorance of the Assemblies. For example, the National Roads Authority is implementing projects in the Assembly areas using the funds that are meant to have been allocated to the Assemblies but with no proper consultation with the local government officials. Thus, there also appears to be reluctance in some ministries to take further steps to transfer all responsibility and staff to District Assemblies. The resistance appears to come from middle levels of the ministries

where staff are not sure about their future career development, job security, pensions and other conditions of service.

8.17 This trend is not encouraging. Experience from elsewhere shows that civil servants who fear losing power and their jobs have successfully thwarted decentralisation efforts despite support for decentralisation from the ministry's senior management. Even if personnel cannot stop decentralisation, staff may succeed in retaining jobs, resulting in an oversized ministry still providing valuable services.

#### *Orientation Workshops*

8.18 The OPC and the Department of Local Government conducted orientation workshops for all the ministries. Financial support was also provided to the sectors to enable them to prepare their plans and guidelines. However, staff turn-over meant that the staff that were initially involved, were either transferred to other ministries or resigned. New staff members felt that they had to review all the work their predecessors had done, sometimes creating new directions and priorities for the programme.

8.19 There has also been a communications gap between the Task Force Members and management. In some cases the chairpersons of these Task Forces were not senior enough to influence the process within ministries. Senior members of staff especially those not in favour of decentralisation changed the focus of the strategies. This behaviour continues and will need to be adjusted through rationalising the level of representation at Task Forces including the Inter-ministerial Technical Committee.

#### *Devolution plans*

8.20 Most Sector Devolution Plans aim at a 'big bang' or single stroke delivery of devolution. Not all sectors can achieve this, especially those who have no presence at district level. Sectors need to ensure that District Assemblies are ready to absorb the functions that are being transferred to them. There is need for phasing based on minimum capacity requirements among District Assemblies. The Guidelines for Sector devolution call for two year interim arrangements to be made so as to allow for the reorientation of local staff, transfer of staff, transfer of assets and equipment, restructuring of budgets, establishment of technical support arrangements and establishment of quality control arrangements. Interim arrangements need to be made as per the circular.

8.21 The sector plans generally lack clear vision of the magnitude of change required to bring about devolution or to plan its implementation. The proposals have tended to be very ambitious. Specialised technical sectors, for example, roads, water, land survey, town planning, have presented proposals which if implemented in their present form would be unaffordable and unsustainable. There may be no need to devolve some of these services to the district level. If demand is normally low it may be more appropriate to provide these services from regional or zonal offices based on some agreed de-concentration model.

#### *Sector Guidelines*

8.22 The Sector Guidelines are presently inadequate. They give standards of service provision but are silent on methodology, how the functions will be managed and on the manpower and financial resources needed to maintain the service. Sectors need to put themselves in the shoes of District Assemblies to establish the feasibility of some of the proposals they have made.

### *Pace of Implementation*

8.23 It had been Cabinet's hope that capacity building programmes to help the new Assemblies establish efficient and effective administrative systems would have been implemented before or at the same time as sectoral functions were being transferred to the Assemblies. Unfortunately some sectors' devolution plans are moving in advance of capacity building strategies being implemented. In July 2005 Treasury transferred to the District Assemblies, the operational budgets of Ministries of Agriculture, Education and Health. The budgets have been ring fenced and are managed by the accounts staff of the respective ministries largely because the Assembly accounts staff have inadequate capacity in public sector accounting procedures.

### *Staffing*

8.24 There is a tendency to focus on proposing devolved structures at District level that demand a huge labour force, office space and equipment. Sectors have shown a desire to mirror their national level structures at district level. There has been less emphasis on describing the functions to be devolved and ways of performing them. Sectors are falling into the usual trap of allowing function to follow form, thus distorting the very logic of devolution which is more about function than form.

8.25 Staff conditions of service have not been rationalised. Staff fall under two categories. Firstly there are those that enjoy mainstream civil service conditions including current ministry staff employees – teachers, nurses, extension workers, etc and seconded staff – district commissioners. Secondly there are those that fall under common services consisting of employees that were absorbed from the old district councils and those who have been recruited on Assembly resources. The conditions of service differ in terms of allowances and pensions and the staff fall under different commissions – Civil Service Commission, Teaching Service Commission and Health Services Commission as well as LASCOM.

### *Ministry of Local Government and Rural Development*

8.26 The Ministry of Local Government as the Ministry responsible for the technical advice on the decentralisation process has not always had sufficient technical advisors to attend to the problems faced by ministries when preparing sectoral devolution plans. Less ambitious sector devolution plans could have been prepared had this advice been provided in a timely manner. It also appears that the Ministry did not have the technical capability to assess these plans as some have been passed without meeting the basic criteria required by the sector devolution guidelines.

8.27 Two functional reviews have been done since 1999 with the view of enhancing the capacity of the Ministry of Local Government to manage the Decentralisation Process. Filling of positions created particularly at the mid management level has been a problem. The 2005 Functional review has included a unit on decentralisation but there is no certainty of filling the posts. This issue becomes much more critical with the closing of the Decentralisation Secretariat which could seriously stall further progress.

### *District Assemblies' Devolution Task Forces*

8.28 District Assemblies' Devolution Task Forces were established and trained. Very few of these lived up to the challenge of developing their sector integration functions. The challenges included limited staffing levels, delayed communications from parent ministries on the process of devolution and high staff turnover. The hiatus caused by the delays in

implementing the Assembly Functional reviews has also undermined confidence and commitment.

*Assembly Integration Plans*

8.29 All Assemblies prepared the integration plans but these were never implemented due to limited finance. Assemblies also developed workplans outlining how they would rationalize office space to accommodate the new structures.

<b>CAPACITY ISSUES – DEVOLVING SECTOR FUNCTIONS</b>	
<b>Institutional</b>	<ul style="list-style-type: none"> <li>• Lack of devolution guidelines for Assemblies prepared by sectors.</li> <li>• Unrealistic sectoral structures</li> <li>• Overambitious devolution plans</li> <li>• Specialist functions could be deconcentrated not devolved</li> <li>• Need for review of sector legislation</li> <li>• Increased Assembly discretion re budgets</li> <li>• Lack of HR integration plans – conditions of service etc.</li> <li>• Question of Regional Offices and Zones – co-ordination etc and supply of technical support</li> </ul>
<b>Organisational</b>	<p><b>Ministries</b></p> <ul style="list-style-type: none"> <li>• Continued Resistance in some ministries to decentralisation</li> <li>• Concern over assembly capacities</li> <li>• Loss of institutional memory through staff turnover</li> </ul> <p><b>MLGRD</b></p> <ul style="list-style-type: none"> <li>• Inadequate capacity to provide technical advice to Ministries</li> </ul> <p><b>Assemblies</b></p> <ul style="list-style-type: none"> <li>• No integration plans</li> <li>• Integration of conditions of service</li> <li>• Lack of staff or budget integration in Assemblies</li> <li>• Weak or non existent devolution task forces</li> </ul>
<b>Individual</b>	
<b>Resources</b>	

## 9. Capacities of District Assemblies

### Introduction

9.1 According to the Local Government Act, the Assemblies have the following functions:

- Make policy decisions,
- Consolidate and promote local democratic institutions and participation,
- Promote infrastructure and economic development,
- Mobilize resources,
- Make by-laws,
- Appoint, develop, promote, and discipline staff,
- Promote cooperation,
- Register births and deaths.
- Maintain peace and security.

The national decentralisation programme aims at strengthening Assemblies so that they carry out their functions efficiently and effectively.

9.2 For the purposes of the capacity assessment some of the above functions have been further broken down as shown in the table below. Note: The team did not explore the issue of peace and security which would seem to be more appropriately handled from national level, neither did it look at the routine administration of births and deaths.

Capacities explored during the Assessment exercise	LG functions according to LG Act
Understanding of Local Government	
Development Co-ordination and cooperation	Promote cooperation
Make By Laws	Make by-laws Make policy decisions
Promote civic understanding, participation and local democratic institutions	Consolidate and promote local democratic institutions and participation
District development planning	Make policy decisions, Promote infrastructure and economic development
Planning monitoring and evaluation of development projects and programmes	Promote infrastructure and economic development
Procurement	
Budget preparation management and review	
Revenue raising	Mobilize resources
Financial management	
Corporate performance	
Human resources management	Appoint, develop, promote, and discipline staff
Capital asset management	
Service delivery – the devolved sectors	
Promotion of economic development	Make policy decisions Promote infrastructure and economic development
Promotion of sustainable natural resource & land management	Make policy decisions

	Register Births and Deaths
	Maintain Peace & Security

9.3 During its sampling visits, the Assessment team observed numerous examples of determination and positive effort in the Assemblies and their communities. Many of the councillors met were interested and committed; similarly some very capable officials shared their views. The team were left with the impression that there is considerable potential to build effective local governments if the Assemblies are given appropriate opportunities, encouragement and support. By the nature of this assignment however the team has given most attention to the identification of capacity deficiencies as listed in the following paragraphs. The observations are predominantly based on the situations in the District Assemblies. With their greater levels of sophistication, the deficiencies in the Cities are less obvious. The size of the city organisations would necessitate detailed assessments to be made for each one – way beyond the scope of this exercise.

### Structure of Assemblies

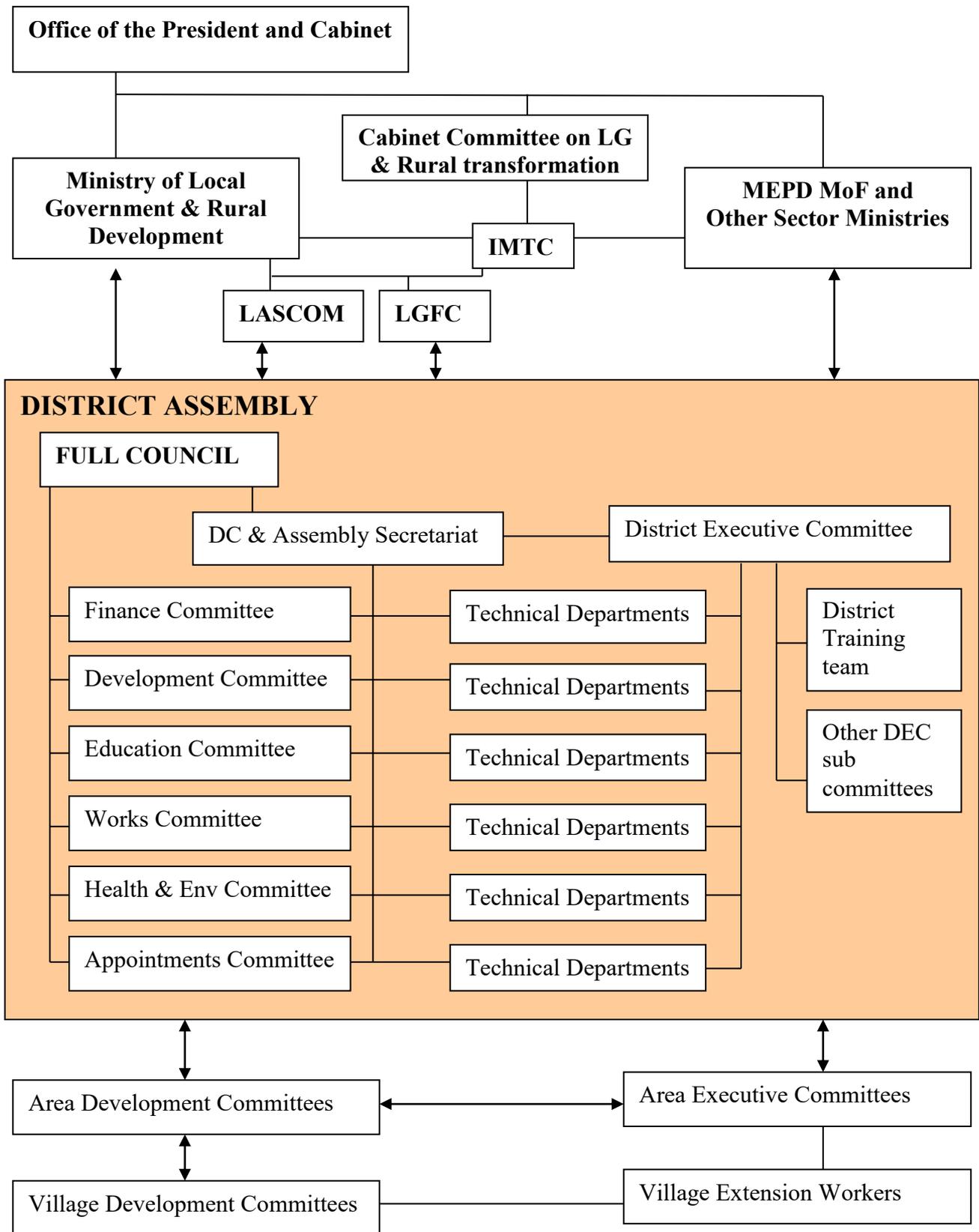
9.4 There are 28 District Assemblies, 3 City Assemblies, 1 Municipality and 8 Town Assemblies. The structure of the local government system as it affects the 40 District Assemblies is shown in Figure 9.1. In Districts with both a Town and a District Assembly there is uncertainty over proposals to merge the two and administer the Town through a smaller Area Committee or Board. This proposal has arisen because town wards are small and are considered to over represent the constituents. Town Assembly members however fear that amalgamation would destroy services in the town with urban revenues being spread over rural districts.

9.5 The Districts are headed by a District Commissioner who is still employed by Central Government along with the other senior Secretariat directors (Finance, Planning and Development, Administration, Public Works). The Cities, Municipality and Town Assemblies are headed by Chief Executive Officers also employed by central governments. They have a greater number of Directorates to take account of the extra functions they perform.

9.5 The full Assembly includes elected Councillors from their wards and ex officio Chiefs from their TAs plus MPs and 5 representatives of special interest groups. One Councillor is elected the Chairperson. Unfortunately there is a discontinuity in terms of the representative areas as the main sub-district structures (the Area Development Committees) are based on TAs rather than Wards. This composition also creates a competition between the Councillors, Chiefs and MPs for the same political space. Unfortunately this is compromising the status of councillors whose role is largely seen as a duplication or an irrelevance by the communities.

9.6 At the time of this assessment, there were no elected councillors and their role was being played by the ‘District Consultative Group’ - appointed members who include MPs, traditional leaders and other important/influential citizens of the district. Their previous term of office expired in March 2005 and no new elections were called. This unconstitutional position has caused much controversy. The reasons given have included failure to budget for the elections, food shortages and political manipulation. The absence of councillors throws the whole essence and raison d’etre of the local government system into limbo and into doubt.

**Figure 9.1 Institutional and Organisational Framework for Local Assemblies**



9.7 The LG Act requires each Assembly to set up 6 Standing Committees as listed below.

- A Finance Committee,
- A Development Committee,
- An Education Committee,
- A Works Committee,
- A Health and Environment Committee and
- An Appointments and Disciplinary Committee.

It may also set up other committees as it sees fit. The composition of each committee is determined by each respective Assembly.

9.8 In 2003 – 2004, DHRMD carried out a Functional Review of all the Assemblies and designed specific structures and establishments for each of them taking account of the impending devolution of functions from the sectors at national level. These reviews have generally proposed 5 new Directorates to be added to the existing 4 – Health and Social Services, Education Youth & sports, Agriculture, Environment Affairs and Natural Resources, Commerce and Industry and Internal Audit. At the present time there are many vacancies even in the existing senior positions in the Assemblies (30 to 50%), let alone when the Directorates are increased to nine. See table 9.1 below. Problems of staffing have been further compounded by the delay by MoF to issue the establishment warrant to MLGRD in order it to fill these posts. Additionally these managerial positions have a minimum entry qualification of a Bachelors Degree. Local Assemblies cannot attract and retain graduates, especially in remote areas. Filling these posts requires better incentives or transfers from the devolving sectors. This would however require a clear deployment policy on the decentralisation.

**Table 9.1 Examples of Staff Occupancy for Director Level in 6 Local Assemblies according to the new Structures proposed by the Functional Review 2004**

Position / Local Assembly	Chiradzulu	Neno	Rumphi	Mzuzu City	Kasungu	Salima
District Commissioner/ Chief Executive	Filled	-	Filled	Filled	Filled	Filled
Director Administration	-	Filled	-	-	Filled	Filled
Director Finance	Filled	-	-	Filled	Filled	-
Director Planning & Development	Filled	-	Filled	Filled	Filled	Filled
Director Public Works	Filled	-	-		Filled	Filled
Director Health & Social Welfare	-	-	-	Filled	-	-
Director Commerce & Industry	-	-	-	-	-	-
Director Education, Youth & Sports	-	-	-	-	-	-
Director Agriculture & Natural Resources	-	-	-	-	-	-
Internal Audit	-	Filled	-	-	-	-

9.9 The Technocrats at District level have their own coordinative and planning body – the District Executive Committee (DEC). This comprises all district heads of ministries, some NGOs and heads of planning departments in the District Assembly and is chaired by the Assistant District Commissioner. Its principal role relates to district and project planning functions in particular vetting projects submitted by ADCs to the DEC/District Assembly.

9.10 The link between the District Assembly and Communities in terms of development is provided by the Area Executive Committees AECs. They consist of extension workers, NGOs and some CBOs, who are technical advisors to the Area Development Committees. The Area Development Committees (ADCs) are the vehicles of development at local level. They follow the traditional leaders' boundaries and used to be headed by a chief but have since been democratised and can now elect their own chairman. Below the area level are villages managed through democratically elected Village Development Committees (VDCs). The councillors are expected to participate in the deliberations of all these committees and hopefully take the issues for further deliberations at District Assembly. In the absence of councillors this work is taken over by the members of the Area Executive Committees who pass the information through their offices at district level.

### **Understanding of Local Government – the perceptions of District Stakeholders**

9.11 As a starting point for the Capacity Assessment at District level, the assessment team held informal meetings with a range of stakeholders at District level to get a sense of their individual views on the experience of decentralisation to date. Whilst this was in no way a statistically sound sample, the views represent a set of perceptions which should influence the Capacity Building Strategy. District Assemblies are presently being run unconstitutionally without political leadership namely the councillors. Even when they were present, the councillors were largely ineffective because of lack of awareness of their roles, their deliberate marginalisation by the Secretariats and officials, and by the structures of the planning and development system

9.12 The awareness IEC campaign on television, radio and in the press has had a significant impact on increasing understanding of local government, roles and responsibilities. It is ironic and unfortunate that so soon after this success, the Government shows a lack of commitment to its own policies by delaying the Councillor elections.

#### *Views of the Secretariat and the DCs:*

9.13 The Secretariats see Councillors as of too low a calibre, some describe them as 'horrible' – they believe that minimum qualifications of Form 4 should be applied. In some Assemblies the Councillors are also seen as 'too political' and threatening to Secretariat members. Linked to this they feel there has been inadequate education of both Councillors and the Secretariat on their roles and relationships in a devolved system. "There was always confusion over the roles of councillors in District Assembly management. Councillors had a problem of drawing a line between policy and operational issues. They tended to interfere in the day to day management of departments, leading to regular clashes between themselves and heads of departments."

9.14 In terms of civic education, the Secretariats feel that although some training has been done, people need much more information on the role of the Assembly.

9.15 Officers in one of the cities feel that the public see them as a blockage to development, interfering too much in what the public want to do – 'build anywhere, trade

anywhere, etc.’ They also think the people perceive them as corrupt - the money collected is not seen to be improving services.

*Councillors:*

9.16 Councillors see the Assembly as an organisation that brings development and services closer to the people. It is the mother organisation where people discuss development through a bottom up approach. It facilitates development planning. It is an organisation to serve the rural masses on their projects and to promote a bottom up approach.

9.17 They see themselves as middle-men taking projects from the grassroots to the Assembly. They are close to the people and know their problems. They work voluntarily, and have no transport. If they were given more support they could do a much better job. Whilst others say their qualifications are inadequate, most feel that minimum qualifications are already adequate – it is commitment that is important not JC. Some people still come to them with issues especially after all the fuss of the radio campaign. If there is no urgency for elections how can councillors be important? They also see themselves as ‘watchdogs’ – the community is helpless without them.

9.18 Strangely there is a lack of identification with the Assembly amongst many Councillors. They see themselves bringing issues to the DC and the Secretariat i.e. the Assembly is the DC and the Secretariat rather than they themselves. Councillors feel that the issues they bring from the community are not acted on and their credibility is lost. This results in a lack of services and a loss of trust. They feel that Chiefs have a larger area and that they can focus on a smaller area and provide feedback which chiefs don’t do.

9.19 They feel that MPs sometimes overpower them and that the MPs want to silence the councillors and treat them as inferior. They don’t believe that MPs understand the local issues, rather they want to claim the limelight for bringing projects and development. They impose their choices. Councillors feel that Ministers and MPs don’t want them. “Government now sees Assemblies as a stumbling block and are bi passing the Assemblies and going straight to the communities.”

*Chiefs:*

9.20 Chiefs see their role as taking issues back to the people from the Assembly. Some Chiefs do see Councillors as the main players and that the people know everyone’s roles. However both Councillors and chiefs feel that the people do not miss the councillors, the Chief is now fulfilling their role.

*MPs*

9.21 Some MPs thinks decentralisation is a good thing but the implementation is stalled and not coordinated. It is being held back by the centre because of greed to control resources, inefficiency and lack of understanding even among civil servants.

9.22 MPs see the Assembly as ideally being a self-sufficient government at local level but everything is still being done centrally and sectorally. How to break the stalemate is the question. One claims he heard a rumour that Govt was going to get rid of Assemblies as a failure!

9.23 MPs say their roles should be complimentary with those of the councillors; MPs representing issues to national level and informing the Assembly of National policy whilst

councillors focus on local projects and liaison with the community. Sometimes there is conflict because Councillors themselves want to be MPs one day.

9.24 Some MPs feel they are often seen as a nuisance and resented in the Assembly, people try to exclude them from meetings by changing dates etc. One MP says he is blamed for lack of development because people don't understand his role and the Assembly is failing. He feels the DC is also under a lot of unfair pressure. "Govt Ministers are just up there enjoying themselves!" Some MPs feel that in many Assemblies, the Chairmen and DCs are in cahoots using the system for their own benefit, in others they are falling out and the Ministry fails to resolve this.

### **Perception of the Centre from the Districts**

9.25 There is a general feeling of inadequate support. The following were the views on some of the potential support providers.

9.26 **Cabinet Committee:** There is little knowledge of the work of this Committee even amongst DCs although they are aware of circulars which may emanate from it. Some suggest it could do more to push the sectors that are resistant to decentralisation.

9.27 **MLGRD:** This is seen as being helpful in communicating with the Assemblies on decentralisation. The responsiveness, training and support provided by the Decentralisation Secretariat has also been appreciated. However, overall the Ministry is seen as understaffed, failing (or not being allowed) to run with, coordinate, monitor and evaluate the decentralisation programme. Its staff in the DAs complain of feeling they don't belong anywhere – that no-one is monitoring their progress. Sometimes the Ministry makes decisions contrary to devolution e.g. with regards to staff transfers. The Ministry is requested to do more to support the District Assemblies in managing change especially over the issue of sector devolution.

9.28 **NLGFC:** This organisation is appreciated by the districts although they believe its functions have now been taken over by Treasury. It is responsive, provides helpful advice on budgeting and accounting matters. It provides training (on the job) and computer packages. It helps considerably with budget monitoring. It gives financial ceilings on time. However, with the transfer of its disbursement responsibilities to the Treasury, there has been a deterioration in service. Money is not released on time or if it is released it starts flowing steadily for three months but suddenly stops without explanation. There is a need for more accurate information on fund disbursements. The devolved funds are to be accounted for using the public sector (government) accounting system yet the District Assembly is on commercial accounting system.

9.29 **LASCOM** is perceived as ineffective. It has been very slow in processing appointments and settling disciplinary matters and releases its results very late. The conditions of service at District Assembly level are also seen as unattractive and LASCOM does not seem to have proposals about their improvement.

9.30 **MALGA:** MALGA is seen as concentrating on its own affairs and the allowances of the councillors rather than focusing on serious issues and the advice from DCs. The DCs feel that Councillors need more sensitisation on the functions and role of MALGA so that it has more direction and useful meetings. DCs now largely ignore its meetings. It is also perceived

to lack capacity and not be trusted with the important assignment of training councillors. The lobbying role of MALGA is also viewed as ineffective. There are many issues facing District Assemblies that remain unattended to.

9.31 **Sector Ministries:** Some sectors are seen as not willing to devolve. People are not sure of what will happen next. There is little sharing of information from the Centre.

9.32 **Donors:** Most donors want to run their own programmes rather than genuinely build the capacity of the Districts. They want separate accounts, reports etc. and in some cases they want to protect their own roles and in so doing make the Assemblies look incapable.

9.33 **Government Ministers:** Some are perceived as not supporting decentralisation and not clear about the policy or their roles. MPs, Ministers dominate Assembly meetings to show off their powers.

### **Promotion of development co-ordination and cooperation**

9.34 As planning authorities, a major role of Assemblies is to co-ordinate development activities in the District, to ensure that these are in line with Assembly priorities and to create maximum synergy between the different agencies wishing to fund development programmes. The District Development Plans including the DDPF should be the prime tool for facilitating this role. Co-ordination of donors and NGOs requires strong planning systems and a clear development vision amongst all the stakeholders in the Assembly – the Secretariat, the Councillors, the Sectors, Chiefs and MPs. All must understand and give full commitment to the district plan such that they present clear priorities to any donor entering the District. It is also the responsibility of the Assemblies to establish clear systems and procedures for planning, implementation and monitoring of development projects.

9.35 Unfortunately because the planning system is not functioning effectively (see next section), the co-ordination role is also jeopardised. Coordination is also compromised by the inadequate capacity of the few staff available to regulate the donors and to attend to all their many needs. The absence of clear and effective systems encourages different external agencies to pursue their own visions of development using their own systems thereby further undermining the fledgling Assembly systems. It has led to donors to introduce often complex systems with complex manuals. Instead of the Assemblies regulating the donors, the donors and NGOs are controlling the Assemblies. Several MPs noted that donor and NGO projects are uncoordinated and should all go through the Assembly and the plan in compliance with the LG Act section 58.

9.36 Not only are donor programmes creating parallel systems, they are recruiting competent staff from the Assemblies, attracting them with higher salaries and better conditions. These practices are undermining the capacities of the District Assemblies especially in terms of their project planning and management systems. Ironically some donors are also posting their own staff back into the Assemblies to do jobs that should be done by Assembly staff. These solutions are not sustainable and are in fact hampering the development of long term Assembly capacity.

### **Make By Laws**

9.37 Few Assemblies have been capable of passing and implementing By Laws to date although all 40 assemblies have recently had their four key personnel trained in Formulation

of By-Laws. It remains to be seen how the skills and knowledge will be utilised by the assemblies.

### **Promote civic understanding, participation, accountability and local democratic institutions**

9.38 Most Assemblies have not planned or implemented deliberate programmes of their own for making communities aware of the role of local government, individual/community rights and responsibilities or the service standards they should expect from the Assembly. To date it has been the Decentralisation Secretariat which has coordinated and funded IEC activities aimed at informing the larger public about decentralisation and decentralised service delivery. All districts however are now supposed to have trained IEC Teams but these function only when funds are available.

9.39 In most urban Assemblies, (while the councillors were in office) there were regular feed back meetings with the communities where the councillor would invite the relevant head of department to explain the programme details etc. Urban authorities are more aware of the need to maintain effective linkages with their constituents – perhaps because they are much more dependent on local revenue.

9.40 In the rural Assemblies, there is a weak political link between the District Assembly and the Communities. While councillors are elected from wards and take part in the deliberations of Area and Village Development Committees, they are not playing a strong representative role linking their constituents with the Assembly. The community needs to be aware, convinced and satisfied that the councillor is representing their views and proposals in the Assembly. The structural arrangement of the sub district organisations like the ADC and VDC (rather than a Ward Development Committee) seriously weakens the representative role of the Councillors and hence democratic accountability. Communities make their needs known through the ADC then to the DEC (rather than through the Councillor). In many districts public interest in the DA as an organisation depends very much on the personality of the Councillors.

9.41 Formal channels for accountability and participation should be provided through:

- the District planning process,
- the budget formulation and implementation process,
- Project implementation processes,
- Service feedback.

Unfortunately the Councillors are marginalised from all these channels by the way the Assemblies operate. Few of them hold meetings with their constituents to discuss the plan, budget or service satisfaction. There is little feedback to the Communities on the affairs of the DA. There is no annual performance review or annual report.

9.42 The low levels of local revenue also weaken the social contract between the Assemblies and their constituents. There are good examples of community expectation over market facilities however, where people directly relate the DA service to market fee payments – the main form of local revenue. Too few VDCs complain to the Assemblies on other issues or demand feedback because they don't know their roles. Community members are not encouraged to attend Assembly meetings.

9.43 There is a much higher level of participation in the local planning and implementation of development projects and programmes. Unfortunately these projects tend to be more closely identified with donor agencies rather than the Assemblies but these projects do provide a potential opportunity to foster increased interest, accountability and linkage between the Assemblies and their communities. Donors need to promote the image and interests of the Assembly rather than their own.

### **District development planning**

9.44 It is assumed District Assemblies are the Local Planning Authorities responsible for planning the development of the districts, though the Local Government Act gives inadequate emphasis to the centrality of these functions and their link to the Annual budget, merely listing them in the Second Schedule.

9.45 Planning activities in the Assembly centre around the Directorate of Planning and Development. The Directors are meant to be experienced graduates. Given the demands on these Directorates by the Assemblies themselves, the sector ministries and the numerous donor programmes, with their complex of systems and manuals, these departments are seriously overstretched in terms of basic manpower. Several Districts have no substantive DPD. Councillors and Chiefs on the Development Committee are said by the Secretariats to be of limited calibre and not to understand the plans.

9.46 Almost all districts (except newly created ones like Neno) have standard plan documents including Socio Economic Profiles, District Development Planning Frameworks and 3 Year District Plans. These were all prepared and printed under a centrally driven programme in 2001/2.

9.47 The content of these plans is generally commendable with much useful data, analysis etc. all professionally presented. There are clear goals and objectives and priorities are set out in DDPFs. They were prepared according to comprehensive MLG District Development Planning System (DDPS) guidelines and the level of participation was limited by the short preparatory time period.

9.48 Criticisms from the Districts include the fact that the plans were hastily done (sometimes by the DPD alone), largely based on secondary data and did not really incorporate the views of the VDCs and ADCs as these structures were quite weak and ill informed at the time. The present plans are sector based and not really integrated.

9.49 The main problem with these plans is that they are not really owned by the Districts especially by the Councillors and the Communities (some councillors barely recognise them). Whilst the SEPs/DDPFs may be used by the Secretariats, they are not used as the basis for the crucial function of transparent project prioritisation throwing into question the whole basis of the planning system. None of the data from these plans is presented on big maps or charts in Assembly buildings in an attempt to encourage progressive, rational and fair resource allocations or to stimulate thinking on district development.

9.50 Many projects and programmes in the 3 year plans have not been implemented due to budgetary constraints. The 3 years district plans 2002 – 2005 do not appear to have been ‘rolled’ or updated by the Assemblies – some say they are now in the process of preparing new ones. In such a scenario it is unlikely that there has been a genuine and informed

approval of the District plans by the Councillors – rather a rubber stamping of documents produced by technocrats.

9.51 Most District Plans are not directly related to national planning frameworks like the MPRS, MGDS – the councillors know little about these despite some attempts by NGOs to produce simplified versions. This fact is largely academic however because:

- a) the plans are not really used and
- b) almost all District projects and programmes are funded by donor programmes and will fit one of the categories in the MPRS. Most programmes are geared to alleviating poverty and raising incomes in the district.

9.52 The District Plans are further undermined by the fact that most of the Sector Ministries have their own district plans some of which are funded through the parallel PSIP system and which may or may not be integrated into the District Plans.

9.53 The District Planning system also fails to promote the role of the councillor in championing the development of his or her area. Community plans are developed by VDCs and transmitted upwards through ADCs (Chiefs Areas) and ultimately to the DEC (the technocrats). There are no Ward Development Committees or Ward plans which would identify the development planning system closely with the Councillor. Ideally one expects the plan to originate from the ward and then be carried to the Assembly by the councillor, later to be integrated into the District plan through Assembly Committees.

9.54 Each year an Annual Investment Plan is meant to be produced from the 3 year rolling plan. This should include an integrated list of projects and programmes to be undertaken in the District according to the agreed priorities. It should form the capital development component of the Annual District Budget.

9.55 Since the DDPFs are not used in setting priorities, it is unclear how the AIP is prepared fairly and transparently. Some Districts report a somewhat arbitrary meeting involving the Development Committee and the DEC. Other Districts report the Chiefs have the main say based on local effort of the people. Other districts report political interference or donor manipulation of the project selections and prioritisation process again stifling local ownership or responsibility.

### **Planning, monitoring and evaluation of development projects and programmes**

9.56 There is little active project planning and documentation in the District Assembly. The Assembly has relied on sectors for this activity. Given that implementation of projects has also largely been through sectors most of the experience gained in procurement and project implementation lies with sectors. Some of the main difficulties in project planning are in costings although MASAF has provided very good computer software for this purpose.

9.57 DEC or the sectors are meant to do the appraisals of project submissions from VDCs/ADCs through small multisectoral teams. They have a number of different standardised appraisal forms usually provided by Government Ministries and the different donors. There is the DDP Handbook from MLG, a highly detailed and complex Project Planning Manual from MEPD, an even more complex Manual from MASAF to name a few. There may be a need to provide another manual about how to use the all the operational manuals at the same time!

9.58 Appraisals are strongly influenced by distribution considerations and meeting sector benchmarks. Considerable weight is also given to community contribution levels (meant to be 25%), implementation practicality, community management and maintenance capacity and NGO support.

9.59 Assemblies (through the DPW and DPD) implement some projects directly but use contractors (e.g. for DDF and MASAF-LUMP projects). Most projects are now implemented by the Communities however. For DDF projects, Assemblies procure materials and appoint contractors, communities provide labour, manage the materials, nominate contractors and take responsibility for completion. They authorise payment of the contractor. For MASAF projects, communities have own bank accounts and cheques go to the communities.

9.60 Many donor funded projects undermine common Assembly project planning and implementation systems. Whilst they incorporate training activities, they don't trust Assemblies other than using their staff as agents. Assemblies complain they do not receive agreed agency fees (although this is meant to be 10%) yet their technocrats do appraisals, provide advice, support and supervision. They complain of being seriously overstretched and diverted from other Assembly duties.

9.61 Some Assemblies complain a great deal about the MASAF Programme although they acknowledge the benefits of the extra resources for the district. Politicians are said to manipulate MASAF projects to enhance their own credibility. This can involve imposing their own projects (often resulting in community non participation), or bi passing the cheque delivery process. EU projects are also said to largely bi pass the assembly decision making processes though they again expect Assembly inputs.

9.62 Project monitoring seems to be working much better. Monitoring is said to be the responsibility of a District Advisory Team (DAT) Most project documents include funds for monitoring and visits are carried out. For Assembly implemented projects, the Director of Finance keeps cash books recording project expenditures. The Secretariat and DEC members present regular monitoring reports on physical and financial progress. Councillors take more serious interest.

## **Procurement**

9.63 Assembly Management Procurement Committees are said to be working reasonably well (although there are also reports to the contrary). They run tender systems open to public scrutiny. The Committee members include Secretariat members plus sector heads. No councillors are involved in these committees. The Committees have been were trained by NLGFC and so far are not too much subject to corruption by vested interests. MASAF however, with its community based approach has introduced its own requirements re Procurement. They are very concerned about the involvement of the DoF and the DC whom they fear have undue influence. As with all Bank projects they give complex and detailed guidelines on procurement which are overburdening and confusing many of the Assemblies.

9.64 There are internal ceilings of K500,000 above which procurement must go to tender. For community projects, contractors are identified by communities but contracts are signed by the Assembly if they accept the choice.

## Budget preparation management and review

9.65 Annual Budget preparation is an important function of the Assembly, however the LG Act (section 51) does not prescribe exactly how this should be carried out. The budgetary preparation process and timetable is meant to be as follows:

Month	Activity
October	Mobilise HODs, agree on past performance, agree on formats and time-tables
December	Service committees come up with proposed activities and budgets for the coming year
February	The Finance Committee consolidates the service committee budgets
March	The full assembly adopts the budget and forwards it to the Local Government Finance Committee for scrutiny and preparation of report to Parliament.
June	The Local Government Finance Committee advises Assemblies of the outcome of their budgets.
July	The financial year begins

9.66 In most District Assemblies, however, budgets are largely prepared by Secretariats with some involvement of the Finance Committee rather than emanating from all the Assembly Committees. The situation is more participative in the urban Assemblies. Most Councillors do not understand the budgets and have not been adequately involved in their preparation or monitoring yet they are expected to adopt the final product. Although some Assemblies provide budget papers a week in advance of the approval meeting, others give no notice whatsoever and just ask Councillors to adopt. Sector Budgets are produced separately by the sectors themselves.

9.67 On the positive side, budgets are now meant to be activity based rather than incremental, facilitating more transparent resource allocation. The MASAF study however notes that there has been inadequate training in this new system and many departmental heads do not understand it, hence there has so far been little value added. It also suggests that Assemblies are advised late by NLGFC in terms of their ceilings, however all the Assemblies we visited had no complaints in this regard. These are usually notified in January. Adequate notice of grants etc is essential if the Budgeting process is to be meaningfully carried out and hard choices regarding priorities made by the Assemblies. All too often budget processes begin with estimates of expenditure rather than income.

9.68 Budgets are perceived (by some districts) to be approved nationally by NLGFC whereas NLGFC state that the approval is actually by the Assemblies themselves though they do have an option to withhold items of which they don't approve. The 2003 amendments to Section 51 of the LG Act clarified this ambiguity but are yet to be passed. With the present absence of councillors the 2006-7 budgets will be produced by the Secretariat and approved by the ad hoc Assembly members.

9.69 Budget monitoring through financial statements (quarterly) viewed alongside activity reports should form the basis of Council Committee meetings - monthly reports for the Finance Committee and Quarterly reports for the others. However these meetings are irregular and there is little systematic budget monitoring. Rarely would the Councillors consult the budget with their constituents. Annual Budget Review meetings are not held in most Districts.

9.70 Budget out turns can show big discrepancies, revenue estimates are over ambitious.

## Revenue raising and transfers

9.71 Most Assemblies like local governments everywhere complain of a lack of funding. Local Governments are however meant to receive 5% of national revenue (excluding development grants) but the present level of funding is around 2%. Studies earlier this year have recommended a review of local government financing arrangements such that realistic sustainable revenue levels can be achieved. There is need to find ways to increase significantly the level of local revenue independent of central transfers.

9.72 In most Districts, transfers from central government and donors make up over 90% of the revenue. This falls to 23% for the cities where most revenue is locally generated. See table 9.1 below. The high dependence of rural Assemblies on transfers seriously weakens their position as devolved semi autonomous organisations. Upward accountability tends to become dominant as opposed to downward accountability to Communities in such circumstances.

**Table 9.2 Main Funding Sources for Assemblies**

Source	Detail	% 2005 – 2006 Budgets
Central Government Transfers	General Resource Fund (Unconditional Formula Based Grant, 80% pop, 20% poverty)	All Assemblies – 31% District Assemblies – 41% Town Assemblies – 7% City Assemblies – 3%
	Sector Funds (Newly devolved funds to specific district sector accounts, mainly for GRC)	
	Chiefs Honoraria Funds (Payments to chiefs and headmen)	
	Salary Subsidy (for DCs, Directors etc. – LA employees on central payroll)	
Local Revenues	Property Rates (Town, Municipal and City Authorities)	All Assemblies – 21% District Assemblies – 3% Town Assemblies – 33% City Assemblies – 77%
	Other Fees and Charges (Markets, businesses etc)	
Donor Funds	MASAF	All Assemblies – 48% District Assemblies – 56% Town Assemblies – 60% City Assemblies – 20%
	DDF (ADB, UNCDF, NORAD) Formula Driven - 50% population 50% poverty indicators	
	EU	
	HIPC	
	Environmental Fund	
	National Aids Commission	

9.73 Fiscal transfers from the Centre are now made directly by Treasury on advice from the NLGFC. Transfers are meant to be monthly and some Assemblies say the system is working well. Others complain of a lack of predictability or shortfalls in these transfers. This gives excuses for the Secretariats to cutback on important meetings again marginalising councillors and compromising the accountability of the local government system.

9.74 Under the devolution programme, sector operational budgets for some activities of Agriculture, Health, Education and Gender were financed through devolved grants for the first time in 2005-6. This was a significant though limited step forward in the devolution programme. Grants were transferred directly into ring fenced sector accounts held at local banks. The DC, DoF, and sector heads are signatories to these accounts. It was unclear during the visits whether or not the DC or the Sector head was acting as the controlling officer. There were suggestions during the visits that these arrangements could be reversed due to Government's intention to establish a comprehensive central payments system. This would again undermine whatever little devolution has been established.

9.75 Capital funding to the Assemblies for development programmes comes mainly through the District Development Fund (DDF). These funds are allocated in line with the DDP as approved by the Assembly. DDF is funded by NORAD, UNCDF and ADB. Other capital funding is provided by MASAF (through 3 different windows.. ), JICA, etc.

9.76 Ideally all capital funds should be transferred through one consistent mechanism like the DDF. Some donors are however reluctant to transfer funds to the Assemblies directly because of poor management of DDF including 'borrowing' from capital funds to meet operational shortfalls. Parallel arrangement cause complexity, confusion over ownership and undermine capacity in the Assembly. Current proposals to review the intergovernmental fiscal transfer system and establish one window for capital development - Local Development Fund (LDF) – in the interests of transparency, simplicity and efficiency should be encouraged.

9.77 There are as yet no ceded revenues although there are proposals to initiate these for the next financial year. These would include Toll fees, Gambling & Casino Fees, Fuel levies, Motor Tax/ vehicle registration fees, Industrial Registration Fees.

9.78 Local revenue in the District assemblies is very low – due to absolute poverty and a limited revenue base. It mainly consists of market fees levied on market traders. Assemblies claim that their revenue collection systems are efficient. These systems, involving paid revenue collectors however, is not strictly checked or insured and the salaries of the collectors are very low, giving no incentive to perform well. The Assemblies also claim to have registers of ratepayers but do not have comprehensive databases. In the urban Assemblies, local revenue is a very important source of finance, in particular property rates. Shortfalls in rates are common however with Government itself being one of the major defaulters. Valuation rolls are largely out of date.

9.79 There are no updated by laws on revenue. These are urgently needed but there is little experience on by laws. An additional source of revenues for Assemblies could be from Business licences but these are presently issued by the central Ministry of Trade and Private Sector development. Additional revenue for the District Assemblies could also come from property rates, however, this requires the declaration of planning areas and the establishment of rateable values, e.g. in Salima. Lake Shore properties/lodges could be potentially rateable if appropriate By Laws were passed.

9.80 Councillors do get involved in promoting collections and see local revenue as important. They claim that many people resent paying market fees etc and don't know how the money is spent. However the people themselves and the chiefs actually say they do know

that the money is meant to be spent on development and recognise that people should pay something. Unfortunately, the Assemblies provide little feedback to the public on what happens to their taxes or fees. There is little understanding of the social contract.

9.81 Most Assembly commercial activities (resthouses, community halls, bottle stores etc) are loss makers due to low rates and inadequate management capacity. They are not now encouraged. Resthouses etc are thought to be better leased out to private sector operators.

### **Financial management**

9.82 The Assessment of Financial Management Capacities by MASAF carried out in February 2005 examined in considerable detail the capacities in all 40 Assemblies. The following points only complement the MASAF observations based on the limited field visit undertaken during this brief assessment.

9.83 The Finance Committees are generally composed of higher calibre councillors. Their meetings are more regular and focused although in some Assemblies records are very poor – one had no minutes for over 3 years!

9.84 Staff weaknesses in the Finance Directorates are particularly limiting. The financial management and accounting systems are inadequately operated largely because of deficiencies in the numbers and qualifications of the Finance Department staff. Staff shortages are largely due to low salaries and poor conditions. Good Accounts staff are poached off by NGOs and other programmes. Some sectors also use Assembly Finance Directorate for their work putting additional strain on the system.

9.85 At the present time the Finance Departments have 2 Divisions – Revenue and Development. Each department should contain a Director, 2 Assistant Directors, 2 Accountants, 2 Assistant Accountants and various accounts clerks. Most of these positions are vacant and many of the incumbents have inadequate qualifications. A good number of clerks have never received any formal accounts training. After implementation of the functional review the number of staff positions will increase significantly and the number of Divisions this will increase to 6 creating even more staffing challenges.

9.86 The conditions of service for finance staff vary between those employed by MLGRD (who are on civil service terms) and those locally hired by the Assemblies. It seems however that neither is adequate enough to attract suitably qualified personnel and there are few opportunities for any sort of career progression or promotion.

9.87 There is apparently a huge basic training need for financial staff. Except for the cities, virtually no Assembly manages to train its own staff – the only training is supply driven by donors, usually related to their own procedures, and usually very short term. The MASAF study suggests however that in many Assemblies additional training for existing staff would add little as many have too low a basic education or are close to retirement. They suggest that retrenchment would be the best course although again this is constrained by a lack of resources. In terms of training content for those staff retained, the MASAF study suggests basic courses in:

- Financial Management and control,
- Budgeting,
- Revenue mobilisation for Local Governments

- Basic book keeping, accounts and bank reconciliations,
- Basic computing and computerised accounting systems,
- Financial reporting,
- Strategic, corporate and financial planning,
- Procurement and contract management,
- Stores management,
- Monitoring & evaluation,
- HR planning, training and management.

9.88 The NLGFC has produced a straight forward Financial Regulations and Guidelines (2003) to assist the Assemblies with meeting the financial management requirements of the Local Government Act – section 53. This states that “Assemblies must keep proper books of accounts and other records and shall balance its accounts for that year and produce final accounts within 6 months of the end of the year.” NLGFC have also provided reporting formats.

9.89 Assemblies run a mixture of manual and computerised accounting systems. They maintain cash books, overall ledgers and bank accounts but these are often not kept up to date. This creates pressures for financial reports which may be done at the last minute, may be inaccurate and not properly discussed in Assembly committees. NLGFC requires monthly submissions as a precondition for funding – this should help Assemblies produce reports for internal purposes. Internal reconciliations between cash books, ledgers etc are also inadequate.

9.90 Bank accounts are maintained for the different funds each with its own cash book and ledger. Cash balances are meant to be done daily but this is often not the case. Bank reconciliations are often at least 2 years out of date making them almost meaningless for account management. Assemblies rarely do cash flows.

9.91 There is a need for many more computers and computerisation of accounts. The IFMIS Sage 100 Programme installation initiated by the Decentralisation Secretariat in selected Assemblies seems to have been halted due to hardware breakdowns, lack of manuals etc. even where it has functioned, the financial reporting element is reported to have failed. There is need to establish a robust accounts package as much time is wasted typing up manual accounts for the sake of reporting purposes.

9.92 Donor funded programmes all have their own specific accounting requirements causing additional stress for inadequate staff.

9.93 Specific accounts have been opened at National Bank for each of the devolving sectors. No virements are allowed even within these accounts without Treasury approval.. Main accounts are balanced monthly and monthly reports are produced.

#### *Auditing*

9.94 According to the LG Act, each Assembly should have an Internal Audit Department. Due to a lack of qualified personnel and resource constraints, most Assemblies in rural areas do not have internal auditors – there are in fact only 12 internal auditors in the 40 Assemblies. The MASAF Assessment notes that even where internal audit departments exist,

they usually comprise one person, with an unclear job description, who was transferred from the Finance or Administration Department and who has had little training on the internal audit function. These Internal Auditors usually report to the DoF rather than the Finance Committee. “The majority became internal auditors by virtue of attending a one week course organised by the NLGFC.”

9.95 In terms of final accounts audits, these are meant to be carried out by the National Audit Office (NAO) after the Assemblies have produced their final accounts within 6 months of the end of each financial year. Unfortunately this process is way behind schedule with many Assemblies more than 3 years behind – see section 7. The NLGFC acts as a sort of intermediary in this situation assisting the Assemblies to get their books up to date and ready for audit.

9.96 Audits of donor funded programmes such as DDF and MASAF are generally up to date as these are done by the programmes themselves.

### **Corporate issues**

9.97 Assemblies have not prepared their own strategic/corporate plans which incorporate their training plans as recommended by the Sector Devolution Guidelines Section 3.4 (e). In most Assemblies, vision or mission statements are not well articulated. Even if they do exist, they are usually handed down from above or hidden away in old planning documents. They are not on display to the public to inform them or what they can expect from the Assembly. One DC jokingly remarked – “ that they are waiting for an external push from the Ministry.”

#### *Structures*

9.98 Corporate structures (as summarised in Figure 9.1) have been decided centrally by MLGRD/DHRMD and revised/detailed for devolution by the functional review of 2003/4 (though yet to be implemented). Whilst central design promotes consistency, it reduces the level of accountability in the local Assembly taking away the opportunity/incentive for innovative thinking, priority setting and improved efficiency. This partly explains the lack of Assembly organisation charts on display either to the public or the staff and councillors – they are said to be ‘just understood’ by the Secretariat. The LG act lays down the requirements re Standing Committees etc. and these have been instituted with varying levels of success. There are no clear or strong relationships however between these committees and the departments which are meant to service them – although this may change with further devolution.

9.99 While there are community structures below the District Assembly level – Area Development Committees and Village Development Committees – they are not formally linked to the District Assembly structure. It is just an understanding that the structures prepare plans which somehow should find their way into the Assembly level.

#### *Functions and objectives*

9.100 The powers and functions of the District Assembly are described by the provisions of the Local Government Act. Overall however, one has the sense that objectives and systems are those simply handed down from above rather than internally derived. There is little sense of a self motivated organisation, thinking creatively about its functions and how best to

organise itself to fulfil its purpose. Rather the impression is one of a lower tier bureaucracy simply following the rules from above with its day to day activities.

9.101 Although some Assemblies have institutionalised weekly management meetings, in most there is only a limited sense of a District Team largely because the Sector heads still belong to their sector ministries and look to them for their appointments and salaries. The DC and the Directors are accountable to MLG who can transfer them at will and not the Councillors.

9.102 In terms of the Councillors' understanding of corporate issues, they have not really been made aware of their roles in the organisation and that in fact it is their responsibility to monitor and manage its corporate performance. Most can't understand, or are frozen out of, corporate and financial functions and they often fail to differentiate between policy making and day to day implementation.

9.103 ToRs for the committees were not well articulated. Councillors therefore have a minimal sense of what they are there to do.

#### *Administration*

9.104 There are basic administration systems in place but in some cases they are not operating effectively. e.g. meeting agendas are constructed without involving the Chairpersons of Council Committees; sector ministry heads are often not invited to their sector committees; minutes are either not produced or not circulated to Councillors; meetings are often not held with the DC citing lack of finance.

9.105 Transport is usually managed by the Director of Administration with varying levels of effectiveness. There is no cost centre for this activity nor any system of internal charging although most Assemblies have basic log sheets etc.

#### *Meetings*

9.106 The frequency of full meetings of Assemblies varies from District to District. Some meet at least 4 times per year, others less frequently. Finance Committees and Development Committees are usually more active than the other standing committees. Generally the Cities are much better organised and systematic with very good records of both full Assembly and committee meetings and resolutions which are properly numbered and easy to follow.

9.107 In rural Districts however, some DCs try to reduce the number of meetings to save time and money for other activities despite the fact that grants are provided specially to finance Assembly meetings. DCs perceive the Councillors as trying to maximise their allowances etc without any useful output whereas Councillors perceive DCs as trying to marginalise and control them. Other than Finance Committees and in some cases Development Committees, the standing committee meetings are quite irregular and inadequately minuted. Councillors are largely used to a rubber stamp Secretariat or sector decisions especially plans and budgets.

9.108 In some Districts, Assembly meetings are more often called to deal with the issues of donor programmes and NGOs than to address central Assembly business.

9.109 The DEC's meet much more frequently than the Assembly Committees. In some districts DEC's meet at least monthly and have quarterly review meetings. DEC's appear to be much more active and engaged than the Councillors.

9.110 Secretariats in some Assemblies hold weekly management meetings.

### **Human resources management**

9.111 Most Assemblies are inadequately staffed in terms of their present structures let alone the expanded ones presented in the Functional Review. There are one or two DC positions unfilled and approximately 50% of other Director posts vacant. Particularly serious are the numerous vacancies in key posts such as Director of Finance. Below the Director level there are generally significant shortfalls in terms of professionals whereas in non professional positions there are sometimes excesses. Overall there are also serious deficiencies in terms of qualifications and experience. Whilst generalised assessment exercises can identify the main capacity issues and constraints of Assemblies, each Assembly itself should carry out its own specific assessment as part of an internally driven strategic/corporate planning exercise.

9.112 The original LG Act foresaw Assemblies having responsibility for hiring, firing and managing their own staff. This was changed in a first round of amendments such that all senior staff above EO level are now employed through LASCOM and posted by MLGRD. Time periods to fill posts can be 1.5 months, although there are cases as long as 2 years. For EO positions and below, responsibilities lie with the Appointments and Disciplinary Committees of the Assemblies although there are reported to be hassles with getting authority from Treasury.

9.113 With regard to terms and conditions of employment, Section 26 of the original Act 1998 says Assembly may determine salaries and allowances paid to employees. Some Assemblies however report that MLG now instructs the Assemblies on what they must pay – in some cases undermining their budgets for locally employed staff.

9.114 Transfers of senior staff often occur in the absence of consultation with the Assemblies. These transfers appear to simply move a problem from one poor district to another good one or vice versa. They seem, in many instances, to be based on personal contacts rather than on objective criteria. Overall they seriously undermine the creation of committed, stable and responsible district teams with an allegiance to the development of the District.

9.115 The Assembly staff have generic job descriptions prepared by LASCOM and MLGRD with but usually with input from themselves. Generally there are few incentives in the system which might promote good performance. Some have an annual reporting/appraisal systems, or are talking of introducing them, but generally there are no performance management systems. There are 'Codes of Conduct' which were sent down by the Decentralisation Secretariat but awareness and implementation of these is questionable.

9.116 The Assemblies can only discipline the locally employed staff – others are handled by LASCOM or other Service Commissions. Some Assemblies report no disciplinary problems, others have quite long outstanding cases.

### *Training*

9.117 The District Assemblies rarely have their own training manpower development plans although they did submit their needs to the DS through a plan in 2003. Training is largely supply driven by Central Government agencies and donors and often does not respond to their immediate needs.

9.118 Secretariat members in particular receive numerous uncoordinated invitations to workshops by ministries and donor agencies which take them away from their posts for long time periods. These are often disruptive and frequently bring no gain to the Assembly – the main motivation being the per diem etc. paid by the external agency. Councillors and chiefs are highly critical of this.

9.119 Councillors in particular have received little training yet in many ways they are the most in need – most seem to recall one short workshop several years back. Finance and Development Committee members have received additional training support.

9.120 Some VDC members have recently received training which has been very helpful. It has focused on projects, reporting, roles and responsibilities.

### **Capital asset management**

9.121 Potentially Assemblies should be managing buildings, vehicles, office equipment and as devolution proceeds they should also have responsibility for more complex equipment and facilities presently owned by the sectors.

9.122 At the present time, Assemblies generally lack adequate vehicles and equipment. Town Authorities are also short of Fire fighting equipment. MLGRD is reported to have been unresponsive to Assemblies requests for capital equipment despite them being asked to make requests. Visits to rural districts also suggest that asset management systems were weak.

9.123 Assemblies do have registers of assets though they may be incomplete. There are maintenance policies for some assets but generally little attention is given to maintenance. There are store management systems , i.e. IPC is in place and they have a database of price lists. The MASAF study however notes that there are no regular stock counts and the absence of Goods Received Notices makes stock taking difficult – all in all the system is open to abuses and losses.

9.124 There are no real incentives to set up and run such systems since most assets are owned by central agencies or donors. Offices largely belong to MLG or other Ministries. Vehicles are owned by MLG or donor agencies. Major repairs and replacements are the responsibility of the centre. Donated vehicles are often not insured by the Assemblies. The situation in the cities is somewhat different but again the question of systems arises as there are various reports of vehicle abuse.

### **Service delivery – the devolved sectors**

9.125 Most of the basic services – health, social welfare, education, agriculture, veterinary, forestry etc. – are still provided by centrally run sector ministries through their offices at district level. The decentralisation programme envisages the majority of these services to be devolved to the Assemblies. Progress with devolution has been hesitant.

9.126 All the leading sectors involved in devolution already have offices and staff at District level. In some cases, such as health and agriculture, they operate as deconcentrated or delegated units. Further devolution will initially mean receiving their operational funding from the Assembly and transferring their lines of reporting/accountability to the Assembly rather than their regional or central sector offices. Ultimately it should also mean, integrated budgets, transferring ownership of assets, pooling of accounts and administration etc. Finally it is intended that district staff are fully employed by the Assemblies rather than the central government. A capacity assessment at this time is therefore primarily concerned with assessing:

- The level of understanding and awareness of devolution plans by the Sectors and Secretariats at District level, including the functions that are initially being decentralised,
- The reorganisation, capacity and preparedness of the Secretariats to operate as a devolved local government able to coordinate and manage services, handle finance, budgets and administration etc,
- The Capacity Issues exposed by experiences to date with the initial devolution of operational budgets,
- Problems re transfers of Offices and other asset Issues,
- Fears of Sector staff.

Some of the responses of three leading sectors at district level are summarised in table 9.2 below.

**Table 9.2 Devolution of Sectors – Present Situation for Health, Education and Agriculture**

	<b>Health</b>	<b>Education</b>	<b>Agriculture</b>
<b>Functions devolved</b>	Plans are to devolve management of all aspects of District Health Services including hospitals. So far only the GRC have been devolved. Salaries/pensions, promotions, training and capacity building, transfers all retained by Ministry	Basic primary Education only Ministry retains secondary education, sets standards, supplies books, furniture. Salaries/pensions, promotions, training and capacity building, transfers all retained by Ministry	Farmer training, Irrigation, Veterinary, Livestock extension etc. however these have always been run in a deconcentrated manner so there will be little significant change other than reporting to the DC. Salaries/pensions, promotions, training and capacity building, transfers all retained by Ministry
<b>Experiences to date</b>	Have set up local Bank Account with Assembly and Sector signatories for ORC. Budget is inadequate but was set by MoH. Funds now go from Treasury to Assembly to DHO. No significant change except now they theoretically report to DC. Planning largely sectoral	Have set up local Bank Account with Assembly and Sector signatories for ORC. Budgets done by MoE Division, not the Assembly but account managed by DoF at the Assembly. No virements possible at Assembly level. Works well Planning largely sectoral	Have set up local Bank Account with Assembly and Sector signatories for ORC.  Transactions now faster – system is working well.
<b>Assets</b>	Major assets in hospitals, health centres, vehicles, ambulances and equipment. Big question marks over transfers. New offices required in District Centres	Unclear about ownership of buildings and assets but maintenance should be Assembly responsibility	
<b>Staffing</b>	There are 4 – 6 Accounts staff in DHOs Office. These could successfully be moved to the Assembly. Staff will continue to be paid by the Central Ministry. Training is centrally controlled	Most staff will remain employed by the Min of Education through Teaching Service Commission. Salary payment function may be devolved but would not change significantly from present arrangements. Training is centrally controlled	Staff still recruited and employed by central govt.
<b>Fears</b>	Generally positive. Wait & See. Could slow down the provision of the service. Delays in processing cheques etc due to the DC being ‘out of office’.	Generally positive about devolution – should give more local opportunities. Fears of the unknown, e.g. Concerns about losing jobs, Councillor	Promotion of staff. Victimisation of staff by councillors or chiefs. Poor admin and management by the

	<p>Assemblies have many operational weaknesses which could pull down the service.          Inability of the Assemblies to understand complex technical issues.          Real fears of abuse of equipment and vehicles.          Health funds could be diverted to other uses.</p> <p>Discriminatory recruitment by Districts.          Loss of task driven cultures and incentives.</p>	interference	<p>Assembly          Loss of pensions          Fears of loss of professional guidance and support from their parent Ministry.</p>
<b>Main capacity Weaknesses</b>	Transport	<p>Big shortage of teachers          Big shortage of adequate school buildings and teachers houses          Weak management at District level</p>	<p>Accommodation          Lack of offices          Transport</p>

9.127 Since devolution involves transferring central sector-run functions to the Assemblies, many of the capacity constraints concerned with devolution will be those of the Assemblies themselves e.g. basic planning, budgeting, financial management, corporate management etc. Earlier sections have already discussed the capacity weaknesses in these areas.

9.128 It is also somewhat ironic that sectors are being asked to devolve when in fact the basic institution of the Assemblies is still largely controlled or managed by the Centre and itself is not an effective devolved organisation, e.g. the Secretariat staff are still employed and transferred by the centre, assets are still owned by the centre, the councillors (the core body decision makers of the Assembly) are absent or marginalised. In the absence of these issues being addressed, setting up local bank accounts etc run by the sectors and the DC is really just tinkering with the system. The real commitment of government with regard to decentralisation needs to be transparent and determined before the sectors can be expected to commit themselves wholeheartedly to the exercise. Sectors do not want to end up devolving themselves to the MLGRD rather than the Assemblies.

*Understanding and Awareness at District level*

9.129 There is no shared vision of what devolution entails and at what pace it should proceed. There is however, willingness and commitment to gain better understanding of what devolution means and to make it work. Generally since 2004, there has been a lack of clarity from the centre regarding procedures and guidelines. Different messages have emanated from MLGRD and the sectors themselves. In the absence of information and assurances, most sector ministry staff remain insecure, especially about their job security.

9.130 Many sectoral staff at district level complain that they have not been fully sensitised on the details of sector devolution plans. The Secretariats are also unclear about the precise role of Sectors in the devolved set up.

*Reorganisation and preparedness*

9.131 An OPC circular directed the District Assemblies to set up Task Forces/Committees that would oversee the devolution process. Such Committees were effectively formed in some districts in 2004 but did not perform as expected and generally lost momentum. The recent transfer of funds in 2005 direct to District Bank accounts forced some re-invigoration and arrangements to be made for managing the devolved funds. Cities are already operating through a more devolved approach and are in a better position to respond to new functions being transferred to them. Towns are unclear about their position in the current arrangements since there are proposals to integrate them into their rural Districts.

9.132 Functional reviews of all Assemblies were undertaken in 2003 –4 by DHRMD. New structures and staff establishments were designed for each Assembly. These have so far not been implemented. Some Districts have given thought to the Functional Review Reports but are unsure if and when they will be implemented. At the moment everyone seems to be employing a ‘wait and see’ attitude. They envisage the absorption and integration of the sectors as follows:

<b>District Department</b>	<b>Assembly</b>	<b>Sectors Absorbed /Integrated</b>
Administration		Information, Human resources sections from all devolving sectors

Finance	Finance officers from all devolving sectors
Planning and Development	Community Development, HIV/AIDS
Public Works	Water, Roads, Buildings
Health	Health, Social Welfare
Education	Education, Sports, Youth
Agriculture	Agriculture, Environment, Forestry, Fisheries, Mines
Commerce and Industry	Commerce and Industry
Internal audit	Auditors from devolving sectors

The City has prepared a plan that shows how the integration will proceed (not shown the plan). The City feels its departments are already providing the same services earmarked for devolution, devolution must therefore add on to what they have rather create new situations.

#### *Experiences to Date*

9.133 This year, for the first time, General Recurrent Expenditure budgets have been devolved to the District Assemblies for Health, Agriculture, Education and Gender. In some districts a joint annual budgeting exercise took place – in others the sectors simply produced their own budgets which were endorsed by the Assemblies. All the District Assemblies have set up separate accounts with local banks for each devolved sector. It seems the Town Assemblies have been excluded from this exercise? The accounts have 4 signatories, two from the Assembly and two from the District sector. Disbursements to the District Accounts have been effected but often are not notified to the Assembly by NLGFC or Treasury – money can sit in the account unutilised as a result. In other instances, transferred monies were not clearly identifiable. Generally the information system regarding the transfers needs to be improved.

9.134 Most sector officials say the new accounts have worked well and have facilitated more efficient operations. They are monitored by the Directorate of Finance and the sector staff. There are rumours that this new system may be abandoned in future and a new centralised system set up.

#### *Offices and assets*

9.135 Sector offices are often separate from Assembly offices. In some Districts this creates operational problems. Some additional arrangements may be required to facilitate day to day co-ordination. Some of the sectors have significant assets of vehicles, equipment etc. Since most Assemblies have weak systems of asset management, maintenance, replacement, insurance etc. and since most do not fully own the assets they already operate, there are major organisational, financial and capacity issues to be confronted in this area if the existing assets are to be properly managed and maintained after devolution. We saw little evidence of these being addressed.

9.136 According to the MLGRD, sector staff are still remain with their parent ministries at least for the next 2 years after which time they will have to make a choice as to whether to remain with Central government or move to the Assembly through LASCOM. It is not clear if most District staff are aware of this. They have a general expectation that sooner or later they will be moved to Assemblies but are so far happy to remain employed by central government.

### *Fears*

9.137 Numerous fears (often of the unknown) were expressed by the sector staff regarding devolution, though most had to admit that so far the experiences with the GRC funds had been positive. Typical fears included:

- victimisation by chiefs or councillors
- discriminatory employment practises
- loss of promotional opportunities
- loss of technical support
- loss of jobs
- loss of pensions
- incompetence of the Assemblies re management and planning etc.
- ignorance of councillors affecting rational planning and resource allocation
- Abuse of equipment and assets

### **Promotion of economic development**

9.138 Although this is a very important area, most Assemblies give it inadequate attention. It is the responsibility of the Development Committee and the Director of Planning and Development. In capacity terms, it is an area which requires proactivity rather than passivity and dependency – unfortunately the latter two conditions seem to be more prevalent in most Assemblies.

9.139 The emphasis at national level has now moved from the Malawi Poverty Reduction Strategy to the Malawi Growth and Development Strategy, incorporating a private sector dimension for the first time. This approach should be emulated at the District level. It should form a core theme in the District Development Planning Framework.

9.140 Particular focus should include economic infrastructure, development co-ordination amongst players in the productive sectors, business and market development support services.

### **Promotion of sustainable natural resource & land management**

9.141 As for economic development, this is a crucial area for most District Assemblies. Local Governments around the world traditionally get much of their revenue from land and natural resources. Whilst it is recognised that this is not presently the case for the District Assemblies in Malawi, it may well be crucial for them in the future. In any event the future prosperity of the districts will depend heavily on the natural resource base. Assemblies therefore have a fundamental interest in maintaining the resource base of the Districts.

9.142 During the assessment, little information was available regarding specific activities in this area or an acknowledgement of its importance.

<b>CAPACITY ISSUES – ASSEMBLIES</b>	
<b>Institutional</b>	<ul style="list-style-type: none"><li>• Proposals for Town Assembly integration into Districts</li><li>• Delays in Assembly elections</li></ul>
<b>Organisational</b>	<b>Structural Issues</b> <ul style="list-style-type: none"><li>• No accountability of senior staff to Councillors - Employment of DC &amp; Secretariat through MLGRD</li><li>• Inappropriate Assembly composition – MPs and TAs too dominant</li><li>• Inappropriate area representative structures – wards are not</li></ul>

	<p>planning or development areas and have no WDC</p> <ul style="list-style-type: none"> <li>• High levels of vacancy in key staff positions</li> <li>• Councillors overpowered by MPs</li> <li>• Councillors undermined by Chiefs</li> <li>• New Assembly structures very ambitious</li> <li>• Structures determined ‘from above’ – not internally owned</li> </ul> <p><b>Co-ordination</b></p> <ul style="list-style-type: none"> <li>• Planning system not followed</li> <li>• Parallel systems for projects introduced by donors</li> <li>• Non compliance of donors/NGOs with LG Act</li> </ul> <p><b>By Laws</b></p> <ul style="list-style-type: none"> <li>• Lack of knowledge/capacity to create new By Laws</li> </ul> <p><b>Promotion of Civic Participation</b></p> <ul style="list-style-type: none"> <li>• Weak political link between people and District Assemblies due to area representation</li> <li>• No planned Assembly programmes for promotion</li> <li>• Little feedback</li> <li>• Planning &amp; Budgeting systems marginalise councillors</li> <li>• Low local revenue</li> </ul> <p><b>Planning, Projects &amp; Procurement</b></p> <ul style="list-style-type: none"> <li>• System marginalises councillors, no WDCs</li> <li>• System not being followed, esp. DDPF for prioritisation, not functioning effectively resulting in lack of ownership esp. of AIPs</li> <li>• System undermined by politicians, parallel donor systems</li> <li>• Linkage of plans to national frameworks</li> <li>• Parallel sector plans</li> <li>• Complex manuals from MEPD/Donors</li> <li>• Appraisals and monitoring overstretch manpower</li> <li>• Parallel MASAF procurement system</li> </ul> <p><b>Budgeting</b></p> <ul style="list-style-type: none"> <li>• Lack of integration of budgets with sectors</li> <li>• Inadequate involvement of Assembly Committees and Councillors</li> <li>• Inadequate budget monitoring and review</li> </ul> <p><b>Revenue and Transfers</b></p> <ul style="list-style-type: none"> <li>• Low local revenue hence low accountability to communities, little feedback of use of revenue</li> <li>• Inadequate Revenue data bases and collection systems</li> <li>• Valuation roles need updating, Establishment of new rateable areas</li> <li>• Delays in fiscal transfers, lack of budget compliance</li> </ul> <p><b>Financial management</b></p> <ul style="list-style-type: none"> <li>• Very weak directorates in terms of manpower quantity &amp; quality</li> <li>• Fin management systems poorly followed.</li> <li>• Parallel donor accounting systems</li> <li>• Ineffective or non existent internal audit</li> </ul> <p><b>Corporate Management and Human Resources</b></p> <ul style="list-style-type: none"> <li>• Lack of corporate plans, missions, home grown structures, ToRs etc</li> <li>• Lower tier structures don’t link properly with Assemblies</li> <li>• Weak administrative systems</li> </ul>
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	<ul style="list-style-type: none"> <li>• Meetings irregular or missed</li> <li>• Few HR plans or training plans</li> <li>• Senior staff transferable and not accountable</li> </ul> <p><b>Asset Management</b></p> <ul style="list-style-type: none"> <li>• Registers etc often inadequate or out of date</li> <li>• Ownership and insurance questions</li> <li>• No cost centres for transport management</li> <li>• Stores management systems open to abus</li> </ul> <p><b>Service sectors</b></p> <ul style="list-style-type: none"> <li>• Devolution still to be effected, first operational budgets working well</li> <li>• Concerns over capacities of DC Office and Finance staff to handle sector budgets</li> <li>• Assets not yet transferred</li> <li>• Staff issues still unclear, functional reviews not implemented</li> </ul> <p><b>Promotion of Economic and Natural Resource Development</b></p> <ul style="list-style-type: none"> <li>• Assemblies give little priority to these issues</li> </ul>
<b>Individual</b>	<p><b>Councillors</b></p> <ul style="list-style-type: none"> <li>• largely unaware of their roles</li> <li>• lack individual qualifications?</li> <li>• are over political?</li> <li>• inadequately trained for Committees like Planning &amp; Finance</li> <li>• ill-informed on budgets</li> <li>• unaware of Corporate issues</li> <li>• more interest in allowances that development</li> </ul> <p><b>Staff</b></p> <ul style="list-style-type: none"> <li>• Inadequate numbers of qualified planners</li> <li>• Inadequate Finance Staff, absolute shortages, poor conditions of service, some untrainable &amp; need retrenchment, need for wide range of basic training.</li> <li>• Most personnel inadequately informed on devolution process</li> <li>• Controlling Mindsets of some DCs</li> </ul>
<b>Resources</b>	<ul style="list-style-type: none"> <li>• Low levels of local revenue</li> <li>• Lack of vehicles and equipment</li> <li>• Lack of computers and packages for accounts</li> <li>• Ownership questions re vehicles and equipment</li> </ul>

## **10. Community Capacities for their roles in decentralisation**

### **Introduction**

10.1 One of the main aims of the Malawi Decentralisation Policy is to create and consolidate the young democracy and allow the people to take active role on issues of governance and development. Through the policy Government hopes to strengthen institutions for governance and development at the local level, which will facilitate the participation of the grass roots in decision making. It is also hoped that this will promote accountability and good governance and in turn help Government reduce poverty.

### **Community Organisation and Participation**

10.2 The following are the most active and consistent development structures at community level:

- Village Development Committees (VDC)
- Area Development Committees (ADC)
- The Ward
- Area Executive Committee (AEC)

10.3 The VDC is the lowest level development structure. Membership is drawn from the village or villages making up the VDC and consists of elected persons, women representatives, councillor and extension workers. Their main functions include:

- identification and prioritisation of community needs;
- preparation of project proposals and submitting these to ADCs;
- communicating on community-based issues with the ADC and district level and vice-versa;
- supervision, monitoring and evaluation of the implementation of development activities in the villages;
- initiation of community self-help projects;
- encouraging and bringing together community resources for people's participation in self-help activities; and,
- reporting to the relevant communities' Group Village Headmen (GVHs) on the activities of the committee.

10.4 The ADC is the next level of representation and it consists of VDC chairpersons and their secretaries, councillors, representatives of religious groups, youth and women as well as the business community and chairperson of the AEC. ADC functions include:

- identification of projects, setting up of priorities and preparation of project proposals addressing community needs that cover more than one VDC;
- organising monthly meetings together with VDCs from their area;
- supervision, monitoring and evaluation of the implementation of projects;
- mobilising resources for self-help projects; and,
- improving and prioritising project proposals for VDCs for submission to the district.

10.5 The Ward is a recent creation of the Local Government Act. It is the lowest unit for local government administration. Councillors are elected on a ward basis. Wards are somewhat of a duplication of the area development committees and the councillors as the head of the wards have found it difficult to create a meaningful developmental role for them.

10.6 AECs consist of extension workers, teachers and NGOs operating in the area. Their main responsibility is to advise VDCs and ADCs on all aspects of development. Specifically their role is to:

- train VDC and ADC members;
- prepare operational guidelines for VDCs and ADCs;
- assist and advise the VDC and ADC to identify and prepare project proposals;
- review/appraise project proposals before submission for funding;
- assist VDCs and ADCs in the preparation of project implementation plans; and,
- set up and help run monitoring and evaluation systems

10.7 The ward, area and village development committees' development efforts are complemented by other community based or civil society organisations e.g. farmers, conservation groups, AIDS orphans etc.

10.8 In the past VDCs and ADCs were chaired by traditional leaders in whose boundaries they fell. Traditional leaders possess significant power and influence as a result of their previous role as custodians of customary land. They also play an important role in community mobilisation and organisation. There are, however, signs of change in some communities who have initiated a process of democratising these structures. Instead of these committees being headed or chaired by the traditional leaders, the communities have opted for an elected chairperson. Some of the traditional leaders are co-operating with these internal reforms and it is hoped that this attitude will grow and lead to the creation of a more democratic system at local level.

10.9 The community development structures link to the District through the District Executive Committee (DEC). The problems associated with the DEC, the District Assembly and the role of the councillor have already been discussed in the previous section.

10.10 While there is overwhelming evidence that communities are enthusiastic about and identify with these VDCs and ADCs, there are institutional and capacity issues that have to be addressed. First, there is need to integrate these structures into the local government system. The Local Government Act has created wards but remained silent on how the ward relates to the village and area development committees. This makes it difficult for the councillor to play a meaningful role in co-ordinating development at local level.

10.11 Secondly, there is limited capacity in the development structures to act as meaningful vehicles for community empowerment and to propel development. The committees have not been adequately trained to understand their roles and responsibilities. Where capacity exists, it relates to project planning and implementation as a result of community involvement and training in NGO and donor programmes. This is insufficient to allow the community to fully participate in their development and hold public officials accountable for their actions.

### **Understanding Decentralisation and the role of the District Assembly**

10.12 The message of decentralisation is slowly reaching communities although its full implications appear not to be known. Government embarked on radio broadcasts and publicity through posters. This effort, together with messages passed by officials at public meetings, has been successful in taking the message to the communities.

10.13 Communities have a reasonable understanding of decentralisation although they may have no clear idea of how to utilise the benefits of decentralisation to improve their lives. Decentralisation is seen as bringing decision making powers and resources to the people – they can choose their priorities, hire contractors and supervise the implementation of projects. Beyond this there does not seem to be clarity on the processes involved in the transfer of decision making powers to the people or how the power will be utilised. Communities would appear to be seeing some decision-making powers transferred to their own village and area development committees but not shared with their District Assemblies. There is a common view though that the process of decentralisation is stalling and its implementation is not well co-ordinated. Community leadership believes decentralisation is being held back because of lack of understanding of government intentions by civil servants and their greed to control resources.

10.14 There is a varied understanding/interpretation of the role of the District Assembly by the community and its leadership including Chiefs, Councillors as well as MPs. Some people find it difficult to make a clear separation between the District Commissioner’s Office and the District Assembly. Generally, communities see the Assembly as an institution set by government to assist people. It has different sectors and includes the District Commissioner and Councillors, with the District Commissioner in charge reflecting their long association with the District Commissioner and his role in development. Its job is to assist with development through projects channelling development from central to local government – “a vehicle for co-ordinating development.” They see the Assembly (not the councillors) as a very important organisation, more important than donors as it bring donors to them and coordinates development.

10.15 District Assemblies are also seen as an extension of central government operations. They are not really appreciated as bodies which could be held accountable by the people or as part of the democratic space that extends from the village up to the national level. People are not clear about how to interact with these Assemblies suggesting that there has been insufficient education regarding local government. The vehicle for linking communities and their Assembly ought to be provided by the councillor as well as the planning and budgeting system. As shown in previous sections, councillors are at the moment marginalised by the development structures.

10.16 People are not sure of the role of the Councillor and before recent training had little idea. Some see councillors as some sort of assistants to the District Commissioner. In one case, capable councillors who actually linked communities to the Local assembly were termed as Councillors of the people, while the non-performing ones were termed as Councillors of Assembly Meetings.

10.17 Generally people perceive the Chief as more useful than the Councillor and do not mind the absence of the Councillors, they just use the Chief as before. The VDC does not use the Councillor to relay issues upwards. Instead it uses the ADC, the Chief and the sector reps at VDC and ADC level. The VDC believe councillors should be development conscious and should have qualifications to JC. They should work voluntarily. Payment is not the main thing

10.18 VDCs don’t think MPs do much for them, “they just go to parliament”.

10.19 In the past elections, few people went for voting because they could see no purpose in having both councillors and MPs – they lacked knowledge of the different roles. They also object to candidates being imposed by the parties (UDF, MCP, AFORD) and will only vote in future if these things are remedied. “Elections should be non partisan.”

### **Participation, Planning and Development**

10.20 Community planning systems and development have so far been promoted and sustained by donor and NGO programmes and support (e.g. UNCDF, MASAF, EU community projects, etc). Communities have been mobilised through their committees to identify and participate in the implementation of bankable projects.

10.21 Planning starts at village level. VDCs prepare village plans with assistance from the AECs. The process adopted is simple. All village representatives assemble at a school or village centre to identify and prioritise the development issues they face. Issues identified could be access, quantity or quality of water, disease or high illiteracy in the community. Thereafter the representatives decide on the investment plan for the village. The investment plan is a simple matrix showing types and objectives of projects selected, the beneficiaries, possible source of funding, implementation responsibilities and time table etc. The Village plans are then processed upwards to the Assembly through a complex process of screening, refinements and improvements by the ADCs.

10.22 The planning system has visible outputs in terms of plans and projects that have been implemented. However the community capacity to plan and participate in planning and development has been variable. First, the plans have been nothing other than long shopping lists. Area Executive Committee members have limited skills and experience to guide the community in strategic planning. Secondly, there appears to be competition to influence choice of priorities in the village plans. MPs have tried to influence the choice of priorities, with preference being given to politically visible projects such as classrooms, roads and bridges. Such projects are easy to use as campaign material. MPs have also tended to want to by-pass local structures to present proposals to the DEC and DDC without the knowledge of the communities or even the traditional authority.

10.23 Lower level structures also lack the capacity to participate in the implementation, operation and maintenance of development projects and programmes. The VDCs and ADCs operate with very limited financial resources from sectors and NGOs. Implementation is through project committees formed at village and area level. In the majority of cases, the cheque for the project is given straight to this committee, although there have been instances where the money has come through the District Assembly. Communities are happy with this system that allows the money to pass straight on to them without going through the District Assembly books. They find this empowering and motivating. Unfortunately, while this support is helping to sustain interest in planning, it is, to a large degree, actually undermining the work and capacity of the District Assembly and the long term sustainability of community development programmes. This arrangement gives neither the Assembly nor the community an opportunity to create and manage their own planning and implementation systems. Each donor or NGO has its own reporting system resulting in several accounting procedures to be followed by communities. There is need for harmonised flow of funds and standardised reporting procedures.

10.24 Once the money is disbursed, the project committees prepare their detailed work-plans, find the materials and organise themselves for completing the task. Where an external

contractor has to be hired, they rely on the Assembly assistance to find a suitable contractor and then sign a contract. The community would normally be consulted on the selection of the contractor.

### **Demand feedback and accountability**

10.25 Accountability is the degree to which District Assemblies or relevant local level committees have to explain or justify what they have done or failed to do. Some Assemblies have used public meetings as a medium to inform citizens or feed-back. Such meetings have been reported to be effective as a mechanism for encouraging citizens to express their views and obliging officials to answer. However, in majority of cases there were no such meetings and the public remained ignorant of the projects purportedly done for them.

10.26 There is also no evidence that communities have demanded feedback from councillors on progress. Thus, neither councillors nor the Assembly were held accountable. This was due to high illiteracy levels in the community, fear, lack of awareness about citizen rights, etc. In one District the community members said “You’d have to be brave and aggressive to ask for information”. Many do not dare to ask directly or to complain. There were also cases where communities ignored councillors who were perceived to be acting as agents of political parties first rather than representatives of their communities.

10.27 Councillors have difficulty being accountable to their communities when they themselves are marginalised by the Assembly especially in the preparation of the plan and the budget. They appear to have just rubber stamped the decisions already made by the officers. Most of them were not familiar with the planning process, although some admitted they had received copies of the plan and had endorsed it without understanding its content.

### **Appreciation of Local Revenue**

10.28 Officials and ex-councillors claim that:

- many people resent paying levies and fees to Assemblies,
- cannot afford to pay as they are poor, etc and
- do not know how the money is spent.

However, communities who are aware of the role of the Assemblies dispute this. They actually know that the money is meant to be spent on services and development and recognise that people should pay something. There is clear recognition that Assemblies cannot fulfil their mandate without adequate financial resources including local rates and user charges.

10.29 What appears to be a problem is finding a formula for reaching an agreement between the Assembly and the residents on the level of services to be provided and the required contribution by the community in order to meet that level of service - a kind of social contract. This will come through more intensive civic education, exposure of communities to the current work of the Assemblies as well as transparency in budget preparation and management. Once citizens begin contributing to the Assembly budget they will want to be kept informed about how their money is being spent thus opening opportunities for greater accountability among the elected representatives.

## Engagement with Donors

10.30 Community members were very happy to engage with donors. Actually they prefer dealing with donors more than their Assemblies. They say that the donors consult with them, are transparent in the use of resources and stick to schedules with money not running out during implementation.

<b>CAPACITY ISSUES – COMMUNITIES</b>	
<b>Institutional</b>	<ul style="list-style-type: none"> <li>• Community structures don't link properly into the Assemblies because not based on Councillor Wards</li> </ul>
<b>Organisational</b>	<ul style="list-style-type: none"> <li>• Competition between Chiefs, Councillors and MPs</li> <li>• Little real participation in District Planning</li> <li>• Planning systems confused by parallel donor systems</li> <li>• Community structures largely based on decisions from above or donors.</li> </ul>
<b>Individual</b>	<ul style="list-style-type: none"> <li>• Need for much more community based training and awareness especially on role of Assemblies, Councillors, decentralisation, budgets, local revenue, accountability, planning, projects, rights and responsibilities</li> <li>• Lack of confidence to demand feedback</li> </ul>
<b>Resources</b>	Overall poverty, lack of employment opportunities, infrastructure

## 11. Capacity assessment of Training Institutions

### Introduction

11.1 Several documents, reviews and reports<sup>6</sup> have commented on the absence of a clear capacity building strategy under the decentralisation programme. The “drift” in the capacity building component experienced in NDP I and the undue focus on “training courses” instead of the more wide “capacity building,” should - according to the NDP I review team - be addressed in the future as a matter of urgency.

11.2 The 2001 Review described the training approach in the following way: “*The Secretariat normally identifies some of its staff members as responsible for the design of the training activity. Then the actual training is conducted by teams combining a staff member from the Decentralisation Secretariat and from the assemblies*”. Although the process may have had a slightly more professional approach in the following years, the planning, implementation and monitoring processes of the training programme have not involved the Malawian training institutions in any significant way.

11.3 Most reviews have commented on the need to strengthen the professional training institutions. The Programme Road Map, September 2003, states that “Institutionalisation of training into training institutions will have to continue. The local training institutions to benefit in this programme include:

- *Staff Development Institute, SDI*
- *Malawi College of Accountancy, MCA*
- *Magomero Community Training College, MCTC*
- *The Natural Resources College, NRC*
- *The Malawi Institute of Management, MIM*”

Later three more institutes were added to the list (all under the umbrella of the University of Malawi):

- *Bunda College*
- *Chancellor’s College*
- *The Polytechnic*

and the final list included still two more institutes to make it a total of 10:

- *Malawi Entrepreneurs Development Institute (MEDI)*
- *National College of Information Technology (NACIT)*

11.4 The 10 institutes are identified by the government as the prioritised institutions for capacity building in local government. A very brief description of these is given below (in alphabetical order).

### Magomero College

11.5 Magomero is the only college in Malawi that trains students in social work (SW) and community work (CW). The institution has a capacity of about 80 fulltime students as well as facilities for short-term courses and workshops.

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<sup>6</sup> For instance the DGP report for the first half of 2003, and The Programme Road Map, September 2003

11.6 The education in SW and CW are of 1 year duration including 6 months field placements. The College has a resident staff of 6 and has 4 part time tutors from other institutions. All students are finding positions in the districts after being educated at Magomero. The HIV/AIDS epidemic and the consequent social problems create new and demanding challenges for social and community workers. The Staff at Magomero are concerned with how their courses can assist the workers to face these challenges on all levels.

11.7 Magomero has limited internet access, and there is a strong need to strengthen the College both technically and professionally.

### **Malawi College of Accountancy (MCA)**

11.8 MCA is a Government training institution with a total number of about 2600 students, 1800 at the main campus in Blantyre and 800 in Lilongwe.

11.9 The Blantyre campus is modern but already too small to meet the demand. The Lilongwe campus has even more limited physical capacity compared with the potential number of students. It has too few classrooms and a library with a limited amount of up-to-date literature. It has recently received a number of computers from USAID. The Blantyre campus offers accommodation for about 120 students, while the Lilongwe campus has no such facilities.

11.10 Most of the teaching at MCA comprises generic accounting courses aimed at qualifying students as registered accountants. The private sector is the major market for MCA students. In addition to generic training programs, the college offers tailor-made courses, both for the private and public sector. MCA is equipped to be a key training institution for capacity building in financial management for the decentralisation process.

### **Malawi Entrepreneurs Development Institute (MEDI)**

11.12 MEDI is an incorporated trust promoted by the Ministry of Labour and Vocational Training with a campus about 60 km from Lilongwe. Its primary mandate is to create employment in the SME-sector in Malawi by offering entrepreneurship development programmes, and by strengthening the Malawian entrepreneurial culture.

11.13 The Institute was established in the late 1970s to offer vocational training. Its main focus has since then been directed at business development training. Present activities include vocational training in specific subjects, and entrepreneurial programmes for women, youth etc. Most of its activities are conducted off campus.

11.14 The Institute has good accommodation facilities and a good library. It has excess capacity for its own activities and can thus offer accommodation and training for external groups and organisations as well. Technical training equipment for all sectors is obsolete and new investments are needed to equip the Institute to train students in using more modern equipment. Although the Institute is not directly working with decentralisation challenges, it strives to address an important part of the general development challenge in Malawi.

### **Malawi Institute of Management**

11.15 Malawi Institute of Management (MIM) is situated just outside Lilongwe. Its campus and training facilities are modern and well equipped with hotel-standard accommodation facilities.

11.16 MIM is a non-governmental, non-research business school, offering both short courses and degree programmes within the general fields of business economics, financial management, information technology, general administration and management. It has a small but professionally strong management and faculty. In addition to the in-house faculty MIM has a pool of adjunct faculty from the universities, private sector and public sector who are called upon when needed to help with the teaching and consultancies.

11.17 MIM has a well-developed network with international universities. It has the professional and physical capacity to be engaged to a much larger extent in the decentralisation process for management training of key staff.

### **National College of Information Technology (NACIT)**

11.18 NACIT was established in Blantyre in 1984 to train government personnel in administration and computer studies through short courses. It offers one-year diploma courses, two-years advanced diploma studies, and operates a third year honours degree in co-operation with London Metropolitan University in the UK.

11.19 NACIT has campuses both in Lilongwe and Blantyre. The institute employs about 20 full time teachers whose salaries are paid through the Ministry of Information and Tourism. In addition to the government-salaried staff, NACIT employs more than 30 external teachers for specific courses.

11.20 NACIT has no funds to support students. More than 70% of the students are from the private sector. Most of the students follow courses in Lilongwe. Shortage of funding and physical capacities are major obstacles for expansion at NACIT. The number of students could be increased considerably if sufficient facilities were added.

### **Natural Resources College (NRC)**

11.21 NRC was built with financial and technical assistance from the Canadian Government between 1982 and 1985. The campus is impressive and well kept. It has a board-and-lodging facility for 680 students with large parts having recently been upgraded. The average number of students during the past few years, however, has been about 100, indicating that the physical resources have been heavily underutilised. The College is trying to utilize the extra capacity by hosting meetings, seminars and other arrangements.

11.22 The College is now organised as a Public Trust. The teaching staff consists of 7 members, but the College has a network of qualified persons that could be engaged for teaching activities when/if needed.

### **Staff Development Institute (SDI)**

11.23 SDI is situated about 20 km outside Blantyre. It was established in 1962 to train officers for the Malawi Civil Service. In 1992 a Local Government Department was established on the initiative of the then Ministry of Local Government. SDI has at the moment a staff complement of about 25. It has accommodation facilities for 200 students, including specific facilities for 80 ladies.

11.24 SDI offered around 40 different courses for nearly 900 participants in 2005, either at their Mpemba campus or as in-house training in district administration, etc. Courses are

offered in accounting, communication, general management, legal studies and rural development. The number of students has fluctuated between 1000 and 1.400 annually during the last six years.

11.25 Specialised courses are offered in local languages for traditional leaders. Subjects are related to customary law, resource mobilisation, project management and human rights. Traditional leaders are key advocates of national HiV/AIDS policies, and represent an important contact point for public services.

11.26 SDI is well equipped both physically and professionally to be more actively included in the decentralized training strategy.

#### **University of Malawi: Bunda College, Agricultural Policy Research Unit**

11.27 Bunda College is a part of the University of Malawi and has units for education and research in the agricultural and home economics sectors. The College offers Bachelor and Masters programs in both these sectors. It owns a farm of about 7000 acres with a dam used for fish farming. The College has an accommodation capacity of 500 students as well as a hostel for conferences and other short term programs.

11.28 There is a great need for qualified personnel at district levels to give technical support and advice to farmers. Bunda has a well-established network of international contacts, and has the necessary qualifications to support capacity building in the decentralisation process.

#### **University of Malawi: Chancellor College**

11.29 Chancellor College is situated in Zomba, and is the main campus of the University of Malawi. It has a well-kept campus that comprises university faculties in Natural Sciences, Law, Humanities, Education and Social Sciences. The campus provides quite spacious facilities for the approximately 2000 students. The buildings, however, are fully utilized, and there is a shortage of offices and other facilities.

11.30 The Department of Political and Administrative Studies offers several courses with special focus on capacity building in relation to the decentralisation program. The Department runs BA programmes in Public Administration and Human Resource Management. In addition to the ordinary educational programmes, the Department of Political and Administrative Studies offers tailor-made courses for high ranking civil servants and MPs.

#### **University of Malawi: The Polytechnic**

11.31 Malawi Polytechnic, established in 1965, is the only college in Malawi (besides Bunda College) that offers engineering studies. With four faculties: Commerce, Engineering, Applied Sciences and Education and Media, the College offers a wide range of degree programmes. The Polytechnic also offers short courses in management through the Management Development Centre, and both short courses and 'tailor-made' courses through the 'Continuing Education Centre'

11.32 The Polytechnic has about 200 core academic staff, the majority of whom have a Masters degrees and/or PhDs. The college collaborates with other training institutes in the country and with universities abroad.

### **Capacity assessments of Malawian training institutions**

11.33 There are several crucial elements that affect the capacity of training institutions in any country. Such elements may include:

The institutional environment and general quality of working conditions for the staff,  
The internal organisation,  
Funding, or the lack of funds for professional development,  
The degree of autonomy – e.g. flexibility as to the use of funds etc.  
Staff incentives e.g. remuneration policies etc.

11.34 The training institutes in Malawi face challenges in all of the above. The government seems to have been fairly passive in terms of support for infrastructural improvements. It has also done less than expected to involve the institutions in developing and implementing the capacity building programmes of the decentralisation process.

11.35 Virtually no part of the Decentralisation Secretariat's training plans has been institutionalised within Malawian Training Institutes. A large part of the training under the programme has taken place outside Malawi, and most of what has been conducted inside Malawi has been implemented by local or external consultants of MLG&RD or DS.

11.36 Malawian training institutes in general lack the physical and professional resources that international institutes enjoy. In spite of this there is a huge need to involve them in the training process for reasons of national identities, financial considerations and professional development at the institutes. National institutes all over the world play a central role in developing training curricula, monitoring the effects of implemented activities, and carrying out studies and research on how to design, develop and implement the most effective capacity building programmes under the national policies. A key element of the decentralisation capacity building strategy of MLGRD should have been – and must from now on be – to develop the capacity of the training institutes such that they can fulfil many of the training needs of the decentralisation programme in an effective and efficient way.

A long term decentralisation capacity development strategy must therefore include an active capacity building strategy for the Training Institutes as a fundamental part.

11.37 The following paragraphs present a summary of our initial general assessments of the capacity and competence in the 10 training institutions in terms of their capacity and competence to meet the capacity building needs of the decentralised government sector.

#### **General comments on the institutional policy environment**

11.38 There has been, and continues to be a lack of policy from the MLGRD and the DS to involve Malawian training institutes in the National Decentralisation Programme. One of the institutes felt so marginalised that it thought that "*We could not continue to beg for courses*". Too little effort has been made so far to develop the national institutes as centres of excellence under the decentralisation process. One reason could be found in the fact that the position as Human Resource Co-ordinator at MLGRD has been vacant since mid-2004, but this would appear to be only a minor effect seen in the light of a general lack of policy direction to strengthen the national institutes.

11.39 The report "Training in 2004" (issued by the DS April 2005) describes through a candid review of the NDP activities the approach, the priorities and the implementation of the NDP training initiatives for that year. The budget was approved in August 2004 - long after most of the training of central level personnel under the 2004 plan was completed. The

activities prioritised the central level (12 of 15 training proposals for central staff were implemented) while according to the report “*two thirds of the planned training courses were not undertaken especially at district and community level due to inadequate funding*”. The training budget has mainly been used for training of 16 people in Europe, USA and Africa. Only 6 of the central staff attended courses implemented by Malawian institutes.

11.40 In cases where the local institutes do not have the required professional staff, foreign experts should have been brought to Malawi to do the training together with Malawian institutes, thus leaving new knowledge, pedagogical approaches and professional dissemination techniques in the Malawian institute. A clear policy to include the national institutes in planning, implementation and monitoring of training plans should have been enacted from the start.

### **Technical capacity and facilities**

11.41 There is a huge variation among the training institutions as regards the quality of technical facilities. Some institutes have received considerable amounts of donor support and have excellent facilities; others lack the most basic facilities. Some (e.g. MEDI and NRC) are hugely underutilised; others (e.g. MCA and NACIT) have a considerable lack of physical infrastructure with limited funds to expand.

11.42 Investing in new physical facilities seems to be dependent on donor funding. There is a general impression that funding through government takes too long time. In some cases this applies even if there is a sufficient financial surplus in the institute as government approvals/permissions may take a year or two. The government ownership structure seems to be a restrictive factor for most institutes.

11.43 Despite these problems, the majority of the 10 institutes have adequate technical facilities to act as a resource for training of all levels of personnel under the decentralisation programme. There is little need to send candidates abroad for lack of technical training facilities in Malawi. However, for some institutes space requirements are larger than existing facilities, and there is a need to expand classroom and accommodation in some cases. Until such investments are made, one solution is to create a platform for co-operation between the various institutes to utilise buildings in a better way than what is the case at present.

### **Institutional and organisational structures**

11.44 The ownership structure (institutes are mostly government controlled) seems to be a hindrance for the management in meeting the market demands. In some cases the institutes face delays in decision-making e.g. for physical investments; in other cases the institutes are restricted by having to rigidly obey government regulations with regard to the number of staff and salary levels for key personnel. Some institutes are, however, already in the process of being turned into trusts and will have a more independent status.

11.45 These rigidities are undermining the competitiveness of the Government Institutes versus the private sector. Experienced staff are leaving for better-paid positions in the private/NGO-sectors. The local management may feel restricted in its ability to prevent this, or may find “intelligent” solutions to solve the problem. There is a need to loosen government control and give more autonomy to the management of the institutes. The board and management must be given more freedom in adapting their curriculum, employment conditions and facilities to meet the needs of the market.

### **Financial and operational facilities**

11.46 Assessments of the financial situation of the training institutes has been impossible as none of them produced a financial statement for the team. The following comments are therefore based on statements made by the management. A traditional balance sheet and profit/loss account would have given more information.

11.47 All institutes have a mix of revenue from both government and from training fees. Most of the revenues come from self-generated funds, and most institutes struggle with an inadequate financial situation. Most of the training activities are donor promoted and donor financed, and only a very small part of operational income (except from the basic university studies) originates from government-supported activities. Even in cases where replacement of staff has been discussed has the government support been unclear.

11.48 Funding constraints and government control seriously limit the ability of institutes to respond to investment opportunities even where these are likely to be financially beneficial. One institute e.g. said that given certain investments it could double its activity – and amortise the investment - within a short period of time. In general all institutes feel that they are restricted in their efforts to make useful investments. They have limited financial room and authority to develop new and relevant courses, and do not have the financial capacity to develop professional competence in necessary research activities.

11.49 Normally in the world of training institutes, there are good opportunities and incentives both for trainers as well as for the institution to initiate extra-curricula activities. Such activities increase the income for both. In some of the Malawian institutes any extra income will be remitted directly to the ministry, leaving no financial incentive for the institution. There is a need to address this restriction and allow full local authority of the revenue.

### **Relations to the decentralisation activities**

11.50 NDP II specifies 6 main project components. Capacity building is an integrated element in all of them, but is an explicit element in “Component 2”. A competent local government is a precondition for the successful implementation of strategic issues under each component. During the past years Malawian training institutions have been ready to take responsibility of their roles in capacity building in the decentralisation process but for the reasons discussed above this has not materialised.

11.51 We admit that the lack of contact between the central level and the training institutes is not only due to government policy or negligence. The institutes themselves may not have been active enough in marketing their competence both towards relevant government ministries and to donors who could have lobbied on their behalf. There is a need for a joint forum of representatives from both the government and the institutes to address the issues highlighted above. The initiative to establish such a forum depends on both the central political level and the management of the ten institutions, but it would be natural for the government to take the first step. There is clearly a need for both the government and the institutes to start a dialogue where competence building in the decentralised government sector is the main subject.

## 12. Some Concluding Thoughts

12.1 Following its experiments with a District Focus approach for a more decentralised system of development in the early 1990s, Malawi made steady progress along the road to a devolved system of local government. Major landmarks included:

- The entrenchment of local government in the Constitution,
- The passing of a new Local Government Act,
- The formulation of a National Decentralisation Programme and the establishment of a Decentralisation Secretariat to manage implementation of the programme,
- Attraction of donor support to the Programme,
- The establishment of interagency co-ordination structures such as the Cabinet Committee and the Inter-ministerial Technical Committee,
- The establishment of specific support agencies like the NLGFC,
- The entrenchment of the District Development Fund as a capital funding mechanism for districts,
- The formulation of a participative District Development Planning system,
- The revitalisation of MALGA,
- The initiation of sector devolution plans.

12.2 These initiatives all indicate that there has been a clear sense of vision for devolution and a determined driving force towards its achievement. Much useful work has been done, and although momentum has slowed, the Decentralisation Programme continues to push forward with ambitious new structures for the Assemblies and substantial functional plans for the sectors. As pointed out in the NDP 1 Review however, there remain numerous issues to be resolved at the Centre, not least the harmonisation of legislation.

12.3 Whilst considerable progress has been made at the Centre in terms of driving decentralisation from the top, much less has been achieved at the level of the Assemblies themselves – a situation exemplified by the fact that there are presently no elected Assembly bodies in place and are unlikely to be for some time.

12.4 After 5 years of implementation there has in fact been very little real devolution. At every point the heavy hand of central government is inhibiting the chances for locally accountable and empowered Assemblies. Structures, systems, senior staff are all decided by the Centre. The elected councillors – the core of the local government system - are largely marginalised. They are unable to properly represent their constituencies, their senior staff are not accountable to them, the TAs retain the allegiance of the people, the MPs compete with them, they are sidelined in the planning and budgeting processes and some donor funded programmes promote either themselves or alternative community based structures at the expense of the councillors role. At the same time, Assemblies have few competent staff to manage the complex activities brought about by decentralisation.

12.5 Overall the resulting system at District level is more akin to one of deconcentration/delegation than devolution. Undoubtedly establishing an effective devolved local government system in a country like Malawi is a major challenge and a long-term process. The socio cultural traditions of hierarchy and popular deference, the history of colonial subjugation, the authoritarian rule of the post Banda era and continued political patronage all mitigate against assertive communities and empowered local authorities.

12.6 Decentralisation is also taking place against a background of considerable hardship for the majority of the people. Their daily lives are dominated by issues of basic survival in the face of poverty, food shortages, HIV/AIDS and environmental degradation. Such poverty undermines the potential local revenue base for local Assemblies and hence the development of accountability relationships between the people and their Assemblies. Until recently the people have also been largely ignorant of decentralisation – a situation now being addressed through civic awareness programmes.

12.7 There are also serious questions regarding the continued championship, co-ordination and implementation capacity of the decentralisation programme at the Centre. MLGRD itself, a central player, has limited intergovernmental authority and has serious capacity weaknesses. At the same time it is taking on many of the functions of the Decentralisation Secretariat which is being disbanded.

12.8 In terms of Capacity Building, it is said there has never been a formal strategy. In reality the de facto approach has been one suited to deconcentration rather than devolution. It has been an approach based on supply driven training, especially focused on higher level bureaucrats, administrators and technical personnel. Little attention has been given to Councillors. The training has been largely donor funded through various national level organisations, predominantly the DS. The local training institutes have only been marginally involved.

12.9 Despite all the achievements of the Centre in pushing forward with the Decentralisation Programme, the lack of empowerment at the District level provokes observers to ask: Is this due to caution, the sheer size of the task or a lack of real will? Does government as a whole (Politicians and Senior Civil servants) still want to pursue devolution or would it be much more comfortable and expedient to stick with deconcentration? Are outside donors in fact the main drivers of decentralisation through the power of their funds?

12.10 Overall it seems the Programme is at a potential turning point with the dissolution of the DS and the NDP 2 document out of the table but not formally launched to donors etc. There is an opportunity to inject new commitment, make a real choice between devolution and deconcentration, elect new councillors, renew donor support, take some real gambles with empowering Assemblies and focus MLG on its core business. Failure to take the opportunity could lead to a gradual erosion of the vision. Assemblies will continue to flounder. Donor support will ebb away. Some Ministries will devolve and at the first major problem declare the policy a failure. Ultimately the system will inefficiently revert to deconcentration by default.

12.11 So where does all this leave us in relation to a Strategy for the Capacity Development of Local Government? Much depends on whether people choose devolution or deconcentration as the best system for local development in Malawi. If the choice is to go for real devolution there is need for a radical change of Capacity Development approach. One which empowers as well as trains. One which puts Assemblies and Councillors at the Centre. Such an approach will require Government to take more risks, to espouse the centrality of the elected Assembly, to trust and give real responsibility to Assemblies (be it over a limited number of functions), to give more space for learning if empowerment and capacity are to increase. More thought is given to these ideas in the final section of this report.

12.12 The current NDP2 Document continues to see Capacity Building in the old

deconcentration paradigm. Institutional Development and Capacity Building are one component of the programme when in fact they should encompass the whole of the programme. Capacity Building continues to be seen as ‘Training (supply driven)’ – a point further illustrated by making DHRMD the lead agency for the Task Force for this component. This will need to be re-examined. To quote Polidano and Hulme<sup>7</sup>, *"Training on its own is an utterly inadequate response to the problem of low capacity; but it is a conflict-free measure which is politically painless and easy to deliver. Donors and governments find it convenient to emphasize training in public sector reform."*

12.13 We end this section with a further quotation to provoke new thinking for the Strategy formulation process from Deborah Eade of Oxfam<sup>8</sup>:

*"Capacity building is an approach to development, not something separate from it. It is a response to the multi-dimensional processes of change, not a set of discrete or pre-packaged technical interventions intended to bring about a pre-defined outcome."*

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<sup>7</sup> Polidano and Hulme, 1999; Public Management reform in developing countries". Public Management", vol.1 Issue 1 1999 121-132, University of Manchester, Institute of Development Policy and Management.

<sup>8</sup> Eade, D. (1997) Capacity Building. An approach to people-centred development, Oxford: Oxfam

## **PART THREE: NEXT STEPS**

### **13. Formulation of a Strategy for Capacity Building for Decentralisation**

13.1 Following the submission of the first draft Capacity Assessment Report, the Ministry of Local Government is expected to circulate it to those with an interest in the Capacity Development Strategy for decentralisation. This should probably involve most IMTC members plus other key stakeholders including some district representatives. In late January/early February, between 30 and 40 stakeholders will be invited to a 3 day brainstorming workshop to formulate and agree different elements of an overall strategy for Capacity Building of Local Government.

13.2 The outputs of this workshop should be taken by the Ministry and presented to 2 or 3 separate single day consultative workshops involving senior civil servants (PSs), politicians and donor agencies. The consultative workshops will both inform and help refine the new strategy.

13.3 The original terms of reference for the Capacity Assessment visualised a highly detailed and comprehensive gap analysis in relation to all aspects and all players in the decentralisation process. This present report, although providing a framework for such an analysis, has only highlighted the main issues for the purposes of the Strategy formulation process and would in no way claim to meet the level of detail originally envisaged. If the Ministry and other stakeholders still require the comprehensive capacity assessment encyclopaedia it will be necessary to set up an appropriate mechanism for its compilation. We would however suggest that time and resources would be better spent in establishing a simple routine institutional monitoring system for the decentralisation process based on key indicators derived from this report. As far as possible such a system should originate from an internally owned District Annual Reviews.

## 14. An Approach to Strategy Development

### Going beyond training

14.1 As highlighted earlier, the present strategy for capacity building mirrors the approach of The Jeynes Report which espoused blueprint supply driven training. The impact of this approach has not been evaluated but it is judged by most stakeholders to have been limited.

14.2 A key starting point for developing the new Strategy will be to confirm whether or not Malawi is still genuinely committed to the concept of devolved semi autonomous local governments or whether in fact a deconcentrated system of local administration is more appropriate to its historical, cultural and political background. The answer to this question has a major bearing on the range and type of strategies employed. A devolved system requires the development of empowered, self learning, self driving organisations as suggested in Section 5 and alluded to throughout this report. A deconcentrated system however requires the development of different capacities, ones that enable people to be better able to follow the rules and guidelines from above.

14.3 If the answer to the question is devolution, it is then important to agree the extent of the devolution of functions. The present Local Government Act suggests comprehensive devolution of most services to the District Assemblies. This is ambitious in the timescale proposed. Whilst we would have considerable sympathy with a big bang approach to the implementation of devolution, the present haste to devolve major service sectors to local authorities - which have not yet even established the basic elements of devolved local governments e.g. genuine democratic assemblies (Councillors) managing their own staff and their own development plans and budgets - is seriously challenging. It may be more appropriate to devolve real power to enable the local authorities to genuinely manage their development plans, budgets and infrastructure provision before over burdening them with complex operational services. Again the answer to this question will significantly impact the strategies chosen for Capacity Development.

14.4 Let us assume for the purposes of this exercise however that a significant amount of devolution remains the agreed objective. Experiences with Capacity Development for devolution elsewhere in the world and especially in Africa, suggest that there is need for strategies to include much more than training programmes. These strategies should try to encompass the range of elements described in section 5 by for example establishing an active, internally driven system of continuous learning and improvement amongst all the stakeholders in the decentralisation process rather than them being passive recipients of training and manuals. They should be flexible, process driven and should put as great an emphasis on the quality and sustainability of the organisations themselves (the Assemblies) as on the outputs they produce (the services). We need to recognise that healthy and productive organisations are rare and valuable development resources without which no services are sustainable.

14.5 Such an approach is not without risks and may entail a bumpy and exciting ride. To quote Peter Morgan a leading capacity building specialist, who is conducting a comprehensive ECPDM evaluation of capacity building initiatives:<sup>9</sup>

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<sup>9</sup> Morgan P., 1998; Capacity and Capacity Development – Some Strategies. Political and Social Policies Division, CIDA.

*“Many participants in capacity building are concerned about clear objectives, accountability, the achievement of agreed results, transparency and predictability and the meeting of contractual requirements. Yet the process of capacity development is inherently unpredictable and un-programmable. It depends critically on constant learning and adaptation to be effective. Detailed planning fails virtually in all cases. Managing the tension between achieving desired outcomes and maintaining an unpredictable learning process becomes one of the main challenges involved in achieving effective results.”*

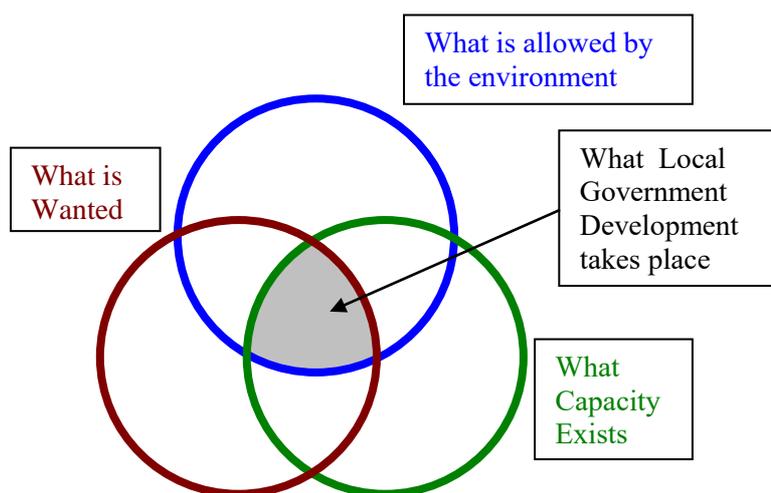
14.6 So we have a difficult challenge on our hands, one to which there are no absolute answers but rather principles and pointers derived from common sense and previous experience. It is likely that the answers will not be black and white, rather shades of grey and so our overall strategy will be multifaceted. But a crucial question will be: How to create an internally driven self learning process both in the Assemblies themselves and in the organisations which are meant to support them?

### **A Framework for developing the Strategy**

14.7 The local government development process can be analysed from 3 perspectives;

- a) What organisations ‘want’ to do, firstly in terms of their development goals and secondly in terms of their own desire to go through the change process to achieve them (‘derived capacity development wants’ or commitment) whether these wants are internally generated or the result of external pressures/incentives or even ‘need to survive’ strategies,
- b) What organisations presently have the ‘capacity’ to do in terms of their human, and financial resources and
- c) What organisations are ‘allowed’ to do by the socio-political, legal and economic environment;

14.8 The 3 perspectives can be represented by 3 interlocking circles - the greater the degree of overlap, the greater the local government development that can be achieved. A local government capacity development strategy should be trying to enlarge each of the circles and increase their degree of overlap.



14.9 The workshops will therefore amongst other issues, explore the following questions:

<b>Question</b>	<b>Relevant Circle</b>
1. How conducive is the historical, political, socio cultural and legal environment to effective devolution and what strategies can be employed to improve this;	Enlarging the allowed (environment)

2. How to stimulate and advocate development wants in the Assemblies:	Enlarging the wanted
3. How to create incentives/pressures such that capacity development is wanted (self driven capacity development):	Enlarging the wanted
4. How best to support continuous learning in response to these capacity development wants;	Enlarging the capacity
5. How best to provide and maximise the effectiveness of training;	Enlarging the capacity
6. How best to orient national level organisations and ministries to both promote and to respond to the capacity development needs of the Assemblies and what their responses might be;	Enlarging the allowed
7. How to monitor and manage the overall local government development progress.	Managing all three circles

14.10 In answering these questions, the participants will piece together a holistic, logical and consistent strategy for capacity development which addresses the objective of ‘developing District Assemblies as genuine learning organisations committed to carrying out their core functions more effectively and in response to the demands of their ratepayers/constituents’. It is likely that the strategy will draw on the menu of methodologies listed in Table 14.1 below and lessons from other African programmes shown in Table 14.2.

14.11 Experience from other countries in Africa demonstrates that major organisational and institutional improvements can be achieved through a participative, practical, process approach to capacity building using facilitators (at different levels), capital and CB grants, experiential and basic skills training, all of which contribute to generating practical understanding of local government roles and how they can be fulfilled. It also demonstrates that ultimate sustained success depends on strong ownership and commitment by the central political and administrative leadership, which must do more than pay lip service to such a programme. Ultimately the central authority must also be prepared to change and become “responsive” as well as directive.

**Table 14.1 Capacity Building Methodologies for Local Government Development**

<b>ORGANISATIONAL METHODOLOGIES</b>									
<b>Provision of Physical resources</b>	<b>Staff Transfers Restructuring</b>	<b>Long Term Training Local &amp; Overseas (include. Distance Learning)</b>		<b>Short Term Training</b>		<b>Short Responsive Experiential training</b>	<b>Demonstration and Learning by Doing</b>	<b>Technical Assistance Advisors</b>	<b>Organisation Development – Priorities on people and ownership Action and reflection</b>
Most basic approach. Provide funds, vehicles, buildings, equipment etc.	Technical & professional staff Kick start CB programs	Basic Skills	Professional and technical courses. Local & overseas	Short courses – General purpose and Basic Skills Bulk Training with Manuals	Specific purpose Project based	Responsive Training Experiential workshops	Study Tours Demonstration Visits Networking	TA Advisors with Counterparts TA Advisors – Hands Off	Facilitators and Consultants working with DAs and Ministries

<b>INSTITUTIONAL ENVIRONMENT METHODOLOGIES</b>						
<b>Cultural and political promotion</b>	<b>Building the Capacity of the Capacity Supply side - Local Training Institutes and CB Organisations</b>	<b>Community Participation &amp; Empowerment demanding accountability</b>	<b>Incentives</b>		<b>Rules of the Game Clear definition of roles &amp; responsibilities</b>	<b>Monitoring Regulation and Audit</b>
Establishing clear political understanding and support.  Promoting change in socio cultural attitudes which undermine empowered local government.  Encouraging accountability.	Involving local institutes in the development of CB Strategies.  Creating links between govt CB programmes and CB supply organisations.  Building capacities of local training institutes.  Building capacities of other non governmental Capacity Development 'suppliers/facilitators'	Organisation Development at community level.  Participatory Community Based Planning  Budget consultation  Building the role of traditional leadership in local government.	Unconditional Block Grants based on needs driven formulae.	Conditional – Performance driven Qualification criteria.  Use of formulae to increase the precision of the incentives.  Tied grants for specific sectors or for capacity building.	Local Government legislation  Policies  Prescribed staffing structures and systems  Prescribed service standards  Technical guidelines	Regulating Ministry ensuring LA compliance with legislation.  Institutionalised annual budget reviews.  Audit systems.

**Table 14.2 Some lessons from other African Local Government CD Programmes**

**Guiding Principles to stimulate ownership and commitment**

Strengthening ownership and commitment is fundamental to the design and successful implementation of a capacity building programme. It is necessary to stimulate ownership and commitment using advocacy, financial inducements or some other motivator. Some guiding principles suggested for doing so include:

- a) Ensure CB programmes are owned by both officials and politicians.
- b) Entry points to Assemblies should centre around budgeted activities which achieve maximum involvement.
- c) Capital or operational funding can be a powerful stimulus to action – its need identified by ‘gaps’ between plans and budgets.
- d) Programmes have more chance of being sustainable if they are based around locally raised revenue (financing participatory plans) rather than external funds. Institutionalise regular (participatory) reviews and performance monitoring to assess responses to local needs and promote internal self learning and sustainability.
- e) There are no short cuts to progress in the institutional learning. Issues affecting delivery performance have to be perceived, analysed and understood if change is to be owned and institutionalised and this will only come about after several annual budgets have been implemented and reviewed.
- f) Ensure internal pressures (e.g. for performance, accountability, etc) are maintained to drive the learning process.
- g) Ensure that technical assistance does not take responsibility away from local people and institutions.
- h) Do not induce dependency on donors, nor create institutional destruction. Do not allow the learning process to be driven according to donor timetables and donor needs to disburse funds as this will compromise local ownership. Follow timetables based on annual budget cycles.

Only use loan finance (World Bank etc) for productive projects. The conditionalities and procedures are far too inflexible for process, human development and capacity building programmes. Neither do such programmes guarantee a sufficient return.

**Designing and operating capacity development processes**

Only when the development goal and the means for achieving it are established as wants can capacity development be effectively facilitated. Practical lessons for designing and operating capacity development activities include:

- a) Maintain a low, relatively invisible donor or central government profile.
- b) Adopt a learning-by-doing process-approach to building capacity for improved governance.
- c) Separate facilitation roles from capital funding.
- d) Facilitate capacity building content when appropriate through creating demand for responsive training or consultancies. Go on to facilitate implementation of the training lessons or consultancy recommendations.
- e) Adopt an approach to implementation that is flexible and incremental, starting from existing capacities and build from there.
- f) Do not underestimate the complexity of change involving paradigm shifts in organisational culture. The pace of change should be determined by the ability of institutions to absorb change and should be assessed annually around a budget performance review.
- g) Effective facilitation is absolutely essential to the success of process projects. Success depends on following a clear logic that leads to understanding of how institutions can be organised so as to fulfill their functions.
- h) It is crucial to recruit competent facilitators, with the right skills, knowledge and attitudes. They should have (a) a level of expertise (both process and content) which is linked to establishing credibility with those being affected by change; (b) skill in the methods used to facilitate institutional change, and (c) personality characteristics which reflect the social skills required of a facilitator.
- i) The facilitation role is best played by ‘objective outsiders’, i.e. by those who have no stake in the formal

bureaucratic hierarchy and are not constrained by local cultural factors.

- j) Provide support at different levels in the bureaucracy based on where de facto power lies.
- k) Training should respond to particular needs emerging from the process and be immediately relevant to practice.
- l) Distinguish between genuine mistakes and 'resistance'. Genuine mistakes should be seen as learning opportunities and used as entry points to facilitate joint analyses of causes and consequences. Crises and conflict should not be avoided, but seen as tests of commitment and reflected back in such terms.
- m) Promote self monitoring - develop a shared and owned institutional monitoring system which not only measures progress with in improving performance but which also sets future performance targets for all stakeholders within the next annual budget.

### **Managing local Government Capacity Development Programmes**

- Avoid autonomous donor-funded project management units parallel to ministries and departments. They will undermine government institutions. Be careful in setting up project management units within government ministries. Again they undermine the host institution or become compromised by it.
- A Ministry Programme should adopt and maintain a task culture through activity based budgeting, which should be spread to cover the entire Ministry budget.
- Programme/Project management should be shown in the relevant Ministry budget as an activity of the department(s) whose terms of reference cover project objectives.
- Where capital grants or loans are to be disbursed from the Centre to District Assemblies, locate this activity with the department that would normally have such responsibility. This will strengthen ownership and accountability, and help to build capacity.
- Externally funded programmes should avoid employing valuable established Government personnel as members of their external task forces, rather they should build and support such personnel in their established posts. If or where local personnel are involved in the management of programme resources, accountable to donors, ensure appropriate systems are set up to protect them from political pressures.
- In the case of multi-donor funded programmes, ensure they are strongly owned and co-ordinated by the host government. Despite good intentions, individual donor demands, can compromise the approach and design of a programme. Programme reviews and evaluations should be based on institutionalised government/ministry performance reviews (i.e. their own annual budget reviews that lead into the next annual budgeting exercise).
- Individual donors must ensure they participate and that ToRs are acceptable for their needs. Large programmes can be compromised by a succession of individual donor reviews and separate decision making processes.

14.12 A simple example of a strategy developed for and by an Aboriginal Council in Australia is Thamarrurr Regional Council, in the Northern Territory, Thamarrurr has identified priorities and developed a Strategic Plan. It also has real powers over a substantial number of services such as housing, buildings, the local swimming pool, environmental health, water, power and sewerage; and over a range of social services and employment programs, as well as transport and natural resource management. However, it is reliant on other levels of government for key resources and for provision of health, education and some other services.

14.13 The elements of a capacity development strategy that are being, or have been, put in place include:

- a partnership arrangement with the national and Territory levels of government working together, based on some clear mandates; (enlarging the allowed circle)
- a governance body which has two-way legitimacy and some real powers; (enlarging the allowed circle)
- political support at a high level; (enlarging the allowed circle)
- some efforts to reduce regulatory constraints; (enlarging the allowed circle)
- additional resources and access to good information; (incentives inducing enlargement of the wants circle)
- a highly experienced, community development officer to support the council and community and facilitate some of the communications flows and relationships (enlarging the capacity circle)
- community leaders with a strong drive to improve the situation and a long-term approach. (enlarged wants circle)

These conditions will need to be sustained, and enhanced over a long time period for real change to occur. Note however the absence of the word training!

14.14 To quote Peter Morgan once again<sup>10</sup>: *“People everywhere can create amazing organisations if they have access to some resources, a protected operating space, some encouragement and the chance to create some meaning in their lives and those of others.”*

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<sup>10</sup> Morgan P. 2004; What is Capacity? Going beyond the Conventional Wisdom. From News from the Nordic Africa Institute 2/2004

## APPENDICES

### APPENDIX 1: Terms of Reference

#### 1. Introduction

1.1 Following the development of a Concept Paper on Capacity and Resources Needs Assessment by the MGPDD and the DS, and its subsequent approval by the MLGRD, the CBNA Working Group drew up Terms of Reference for a Capacity Building Needs Assessment including the preparation of a Capacity Building Strategy and Programme. The Terms of Reference responded to one of the main recommendations from the Review of the Malawi Government's National Decentralisation Programme 1 – 2001 to 2005:

*“a) A comprehensive capacity building strategy should be developed on the basis of the planned needs analysis, for both District Assemblies and central Ministries/ Departments involved in devolution. This should cover not only human resource development but other capacity deficiencies and factors. It should take into account relevant international experience (especially in Africa) in capacity building in support of decentralisation.*

b) Systematic training needs analyses should be undertaken to form the basis for designing future training programmes. Such programmes should place more emphasis on training of personnel at local levels. In addition Gender and HIV/AIDS should be an integral part of such training programmes.

*c) As staffing levels are strengthened at Assembly levels, the assessment of training needs design and implementation of training programmes should be done by the Assemblies themselves with the centre providing support in the form of financial resources.”*

1.2 In taking forward the Terms of Reference, the CBNA Working Group facilitated an exploratory visit by the possible Team Leader for the assignment, Mr. Rob Mellors. He spent one week in Malawi from 4<sup>th</sup> to 10<sup>th</sup> September 2005 during which time he met the PS MLGRUD and a range of the key players involved with the Decentralisation and Local Government. At the end of the visit he presented some ideas to the Working Group and facilitated a discussion on the main objectives of the exercise and the best means of achieving these. The following document presents a proposal based on those discussions.

#### 2. Background

2.1 The Malawi Government in 1998, adopted a National Decentralisation Policy and a new Local Government Act based on the 1995 Constitution. The Policy and the Act provide for the establishment of Local Governments as the key institutions for that would deliver social and economic services more efficiently. The National Decentralisation Policy therefore seeks to devolve powers, functions, responsibilities, and resources to enable Local Governments perform their roles adequately.

2.2 The Government adopted an incremental implementation strategy to devolution. The implementation of the National Decentralisation Policy was planned to cover a period of ten years divided into two phases. The first phase was for a period of four years begun in the 2000/2001 fiscal year and ended was completed in the 2003/2004 financial year.

2.3 The second phase planned for the 2005-2009 period seeks to deepen the decentralisation process at the district and village levels and improve the management and service delivery capacities of assemblies.

2.4 The success of the decentralisation process in the country will depend on sustained political and technical will and the full support and cooperation of all stakeholders. The Government will continue to establish a broad understanding and consensus at each stage of the decentralisation implementation process.

2.5 Having set up the basic institutions at the centre and at district level, it is the wish of the government that these institutions began the real business for which they were created for, that is, service delivery in an efficient and effective manner. Thus, the focus of NDP II is to enhance the operational capacity of assemblies in service delivery.

2.6 The National Decentralization Programme Phase II [2005-2009] will specifically focus on:

- Deepening the gains made during the implementation of NDP I to further participatory democracy and local governance, accountability, and transparency;
- Develop capacities in assemblies and below the assemblies for improved service;
- Institutionalizing a more sustainable, effective coordination and implementation framework for the implementation of a decentralized democratic local governance system;
- Entrench the management of devolved functions in assemblies.

### **3. Objectives of the Capacity Assessment and Strategy Development Exercise**

3.1 The prime objective of the assignment is to prepare an MLG driven Capacity Building Strategy for Decentralised Local Government in Malawi which can focus and co-ordinate the essential capacity building activities of Malawi's National Decentralisation Programme. The Strategy will be developed on the basis of a capacity assessment.

3.2 The objective of the Capacity Assessment is to provide an overview and analysis of the capacity weaknesses across all stakeholders in the decentralisation and capacity building process including the Local Assemblies themselves, the main Training Institutions and the National level institutions which constitute the operating environment for the assemblies. The Assessment should in particular, as far as is practical and realistic, identify and analyse the main human capacity weaknesses (individual, organisational, institutional) and should highlight financial and physical asset deficiencies in the District Assemblies.

3.3 The assessment should also facilitate the development of a capacity monitoring system as it should identify specific capacity indicators which can be evaluated at agreed intervals.

## **4. Approach**

4.1 Decentralisation is obviously a policy of the Government of Malawi as a whole and all Ministries and agencies involved at local assembly level have crucial roles to play to ensure the policy is successfully put into effect. The Ministry of Local Government (MLGRD) however has particularly important roles to play as both the co-ordinator of the

Programme and as the Ministry responsible for the development, regulation and support of the Local Assemblies themselves.

4.2 Ideally it would be preferable for this exercise to be carried out by the Ministry itself. Accepting the need for consultancy support however, it is therefore essential that all the elements of this assignment are not only driven but seen to be driven by the Ministry of Local Government from the highest levels. In particular the Ministry must clearly be seen to lead the Strategy formulation such that it is then in a position to lead the co-ordination and management of the ensuing capacity building programme.

4.3 The Consultancy Team will therefore behave as an agent of the Ministry in carrying out the assignment and will expect to work closely with Ministry officials in all aspects. They will purposefully facilitate the Ministry's role. In this context it is assumed that The Decentralisation Secretariat and the Malawi German Programme for Decentralisation and Democracy will similarly approach the assignment as part of the Ministry Team.

4.4 At the District Level, the team will assume that the District Commissioners will take a lead in driving the assessment, which will, in effect, be helping them to appraise their own organisations in the spirit of capacity building. The experience of the District Commissioners will be invaluable to the whole exercise.

## **5. The Capacity and Training Needs Assessment**

### **Output**

5.1 The principle output of the Capacity and Training Needs Assessment will be an assessment report organized under the main headings of Individual, Organisational, Institutional Environment Capacity analysis followed by an analysis of the capacities of the leading Training organisations to respond. The Assessment Report will be submitted to the Ministry and the Technical Working Group by the end of November 2005.

### **Scope of Work**

5.2 It is important to be realistic about the purpose and level of effort for the exercise. In the time available the assessment, it cannot hope to produce an encyclopaedic list of all weaknesses nor attempt to detail every training need etc. rather it will analyse the main capacity issues and weaknesses and will present whatever quantitative data is available on staff and assets.

5.3 The assessment will therefore involve the following organisations:

- A sample of 8 Local Government Assemblies to be agreed with the Working Group. Both the capacities of the individual Councillors and Officials will be covered plus an overview of assets and infrastructure. Most emphasis will be given to the organisational analysis in terms of structures, systems and linkages. Issues such as the HIV impact and Gender mainstreaming will be mentioned but detailed analysis of these will be left to the specialist organisations which deal with them,
- Selected community leaders in each of the sample Assembly areas,
- The Ministry of Local Government and the Decentralisation Secretariat at the National level,

- Other Supporting Agencies at the National Level – the Local Authorities Service Commission – LASCOM, the National Local Government Finance Committee – NLGFC, Malawi Association of Local Government Authorities MALGA,
- The leading 7 devolving Ministries in particular Health, Education, Agriculture, in terms of their capacities to support sectoral operations at District level,
- The Ministries of Finance, the Ministry of Economic Planning and Development and the Human Resources department of the Ministry of Public Service, in terms of any role that affects the performance of District Assemblies,
- The nominated list of 8 Training Organisations and any other relevant supply side organisations, looking in particular at the relevance and quality of the training programmes offered and the capacities of the organisations to respond to the needs,
- Donor agencies especially UNDP/UNCDF, NORAD, ADB, GTZ/DED, World Bank, CIDA.... Etc in terms of their views and intentions regarding support for decentralisation in Malawi.

### **Consultancy Team**

5.4 The Assignment will be carried out by a core team of 4 consultants supported by Malawi Government Officials and the Malawi German Decentralisation and Democracy Programme. The proposed team is as follows:

Consultant 1: Governance – local government functions, structures and systems, Development Co-ordination, Development Planning – Team Leader

Consultant 2: Sector devolution and local government services, other institutional issues

Consultant 3: Training and training institutions

Consultant 4: Local background, political environment, traditional leadership, community roles and responsibilities, physical assets and staffing data.

5.5 Whilst each consultant will be responsible for their specific output areas, the team will work as a co-ordinated unit to ensure all the cross linkages are adequately addressed.

5.6 The consultants should all have University Qualifications preferably to Masters Degree level and most importantly should have 10 years relevant experience working in local government development, capacity building, local government training.

5.7 Since an extensive assessment of the financial capacities of local governments has been carried out by MASAF, it is assumed that the study will not replicate this work and will use the findings of the MASAF study. During the subsequent strategy formulation and programming exercises it may be necessary to include an input from a Local Government Finance specialist.

5.8 As the lead agency, it is assumed that personnel from the Ministry of Local Government will support the exercise through:

- a) Facilitating the necessary introductions for all meetings and visits.
- b) Gathering basic data of Local Government staffing including Staff establishments, posts filled, qualifications and years of relevant experience of incumbents.
- c) Gathering basic data on Local Government Physical Assets including Offices, Transport and Office Equipment.

5.9 Logistical support will be provided by the Ministry of Local Government and the Malawi German.... Especially in terms of transport, accommodation, office and library

facilities. Particular inputs will be required to support the 4 workshops envisaged during the assignment. These will include arranging appropriate venues, catering, participant invitation and accommodation, stationery backup etc.

### **Phasing and activities**

5.10 The Assessment will be carried out over a 6 week period (See Bar Chart 1) as follows:

Week 1: Background preparations, outline framework development,

Week 2: Literature Review, Team Co-ordination, Introductory stakeholder workshop.

Week 3: Visits to 8 Local Governments – Rural and Urban as per the proposed list.

Week 4: Institutional Environment, Interviews and meetings with MLG, Sector Ministries, MALGA, Local Government Support structures – LASCOM, NLGFC, Donor supported Programmes – MASAF, UNCDF, NORAD, GTZ, Policy, Co-ordination and Management Structures for decentralisation – Cabinet Committee on Decentralisation, Inter-ministerial Technical Committee.

Weeks 5 & 6: Report Writing.

5.11 It is anticipated that weeks 2,3, and 4 will be field based in Malawi. At the end of week 4 there will be a debriefing meeting with the Ministry of Local Government and the Task Team. It is proposed that the background preparations during the week of October 10th with the team mobilising in Malawi on October 17<sup>th</sup> 2005. If there are time constraints this could slip back by one week or so.

5.12 The consultants will operate as teams of two accompanied by relevant MLG officials when visiting the Districts. At National level and when visiting the Training Institutions, the 2 person team approach will be continued although inevitably some interviews and meetings will be undertaken individually.

5.13 For the assessment of the training institutions it would be desirable that an appropriate independent local consultant with a strong training institution background be appointed to join the Training Consultant for 1 to 2 weeks.

## **6. The Capacity Building Strategy**

### **Output**

6.1 The key output of this part of the assignment will be achieving agreement, ownership and understanding amongst all stakeholders of an effective and practical strategy for building the capacity of the Local Assemblies.

### **Scope of Work and Activities**

6.2 The Capacity Building Strategy will include an overall approach based on key principles developed from experience and best practice in developing countries over the past two decades. It will be based on the conclusions of the assessment exercise building on from the same analytical frameworks as the assessment, namely Figure 1 and Table 1.

6.3 To achieve the output the team is expected to carry out the following activities:

- a) Team brainstorming to develop a strategic approach and specific strategy options to address the main capacity weaknesses identified in the assessment;

- b) Preparation of options/modules for an expanded Working Group Workshop;
- c) Facilitation of a Workshop of an Expanded Working Group members to review; design and recommend strategy options;
- d) Facilitation of Consultation Workshops with key stakeholders as follows:
  - Workshop of Politicians led by Minister of Local Government
  - Workshop of Technocrats led by PS Local Government
  - Workshop of support agents, NGOs and donors led by PS;
- e) Preparation of the Strategy based on Workshop Outputs.

6.4 Development of the strategy options under activity (a) and (b) would involve looking at individual, organisational and institutional environment weaknesses and proposing specific interventions to address them. The analyses and options would be the focus of an Expanded Working Group Workshop (c) – the Working Group being 30 to 40 key individuals from a range of the main stakeholder organisations representative of the different levels and sectors.

6.5 It is important to avoid presenting finalised cut and dried consultant solutions to the workshops. This would induce a passive critical attitude from the stakeholders rather than the creative active one, which comes from real ownership. The approach would therefore be to stimulate a degree of brainstorming and offer a range of remedial options.

6.6 The output from the Workshop (c) would be a Draft Capacity Building Strategy which would form the input to 3 Consultative workshops (d). These consultative workshops would engage 3 different sets of actors: the politicians with an emphasis on policy making and promotion; the technocrats with an emphasis on design and implementation and the donors, NGOs and support agencies with an emphasis on support methodologies, resources and facilitation.

6.7 Following the workshops the consultants would be responsible for the preparation of a final draft of the Capacity Building Strategy.

### **Consultancy Team and Other Actors**

6.8 The same team of Consultants and supporting actors is envisaged for the Strategy Development as for the Capacity Assessment.

6.9 Even more important in this case is the need for the MLG to be the clear driver of the exercise. It would therefore be most appropriate for senior personnel from the Ministry to be involved in agreeing the content and planning of the 4 workshops envisaged and in leading the discussions.

6.10 As mentioned earlier however, it would be advantageous to also include a local government financial specialist during the strategy (and programming) phases of the assignment to assist with specific financial proposals and possibly the overall costing of the programme.

### **Phasing**

6.11 Development of the Strategy is expected to be a 4 week exercise, two of which would be in Malawi running the various workshops. Given the need for an interval for the circulation and absorption of the Capacity Assessment and the likely disruptions of Christmas

and New Year, it is considered most appropriate to undertake the exercise from mid January 2006.

6.12 The timetable of the activities is shown in Bar Chart 2 and a Summary of Consultancy and Accommodation inputs is shown in Table 2.

## 7. Costed Programme

7.1 Once a Capacity Building Strategy has been agreed there will be need to ensure it is consistent with the National Decentralisation Programme Phase 2. Until that point is reached it is difficult to predict exactly what detail will be required for the costing of a Capacity Building Programme. It may be that donors will commit to specific elements of the Strategy and then subsequently work out detailed costs with the Government. Alternatively they may prefer an overall outline costing exercise on the strategy before they commit to any component of it. It is suggested that approximately 3 to 4 weeks of total consultancy time be earmarked for a programming/cost exercise subject to the outcome of the Strategy Workshops.

### Summary of Consultancy and Accommodation Inputs

#### Capacity and Training Needs Assessment and Strategy

Consultant		Assessment	Strategy	Total Consult	Total Acc
Consultant 1 & TL	Days	35	25	60	
	Accomm	23	15		38
Consultant 2 Sectors etc	Days	29	20	49	
	Accomm	23	15		38
Consultant 3 Training	Days	29	22	51	
	Accomm	23	15		38
Consultant 4 Local Inputs	Days	29	19	48	
	Accomm	6	0		6
Local Training Consult	Days	12	0	12	
	Accomm	12			12
Finance Consult	Days		17	17	
	Accomm		13		13
<b>TOTALS</b>				<b>237</b>	<b>145</b>

**APPENDIX 2: List of Persons Met**  
**CAPACITY NEEDS ASSESSMENT**

*People Met and Interviewed*

**Rumphi District Assembly**

1.	Mr R. K. Simwaka	District Commissioner
2.	Mr W. F. Gausi	Planning and Development - RDA
3.	Mr S. W. Longwe	Administration - RDA
4.	Mr A. C. Mhango	Finance -RDA
5.	Mr S. B. C. Mwakabama	Ministry of Education
6.	Mr K. Nkhonde	Ministry of Agriculture
7.	Mr C. P.C. Nyirenda	Ministry of Agriculture
8.	Mr P. Mfuno	Ministry of Health
9.	Mr H. Kasonda	Ministry of Health
10.	Mr J. Mwenechanya	Ministry of Health
11.	Mr G. Harawa	Ministry of Health
12.	Mr C. Mwakalagho	Ministry of Health
13.	Mr G. Mwalwanda	Ministry of Health
14.	Ms T. Nyasulu	MGPDD – GTZ Rumphi
15.	Mr A. Chima	Gender, Child Welfare and Community Services
16.	SGVH Vyalema	Bumba Chief
17.	Mr K. M. G. Kumwenda	Ex-councillor
18.	Mr C. Q. Chisi	Ex-councillor
19.	Ms F. Mapanga	NICE Officer
20.	Mr O. C. Mkandawire	ADC Chairman
21.	Mr M.K. Mhone	Jaghala VDC/Secretary
22.	Mr S. M. Kapira	Jaghala VDC/Chairman
23.	Mr P. G. Chikalamba	ADC/VDC Member
24.	PGVH Chigwere	ADC/VDC Member
25.	Mr E. C. Kaunda	VDC Chairman
26.	Ms D. E. Mkandawire	VDC Chairlady
27.	Ms J. Mhango	VDC Vice Secretary
28.	Mr W. D. Kumwenda	VDC Chairman
29.	Mr J. J. Zimba	VDC Chairman

**Mzuzu City Assembly**

30.	Mr S. Chirwa	Chief Executive
31.	Mr W. Phiri	Director of Finance
32.	Mr V. Masina	Ag. Director of Administration
33.	Mr K. Malombe	Assistant Director of Engineering Services
34.	Mr A. Kayuni	Assistant Director of Health Services
35.	Mr M. Kaunda	Director of Planning and Development

**Salima District Assembly**

36.	Mr G. Rapozo	District Commissioner
37.	Mr K. Harawa	Director of Planning
38.	Mr P. Dokali	Director of Administration
39.	Mr A. Chiwanda	Salima RDP

40.	Mr G Nkhoswe	Forestry Department
41.	Mr M. Phiri	Gender and Community Services
42.	Mr R. Mbewe	Education
43.	Mr B. Nakawonga	Rural Housing
44.	Mr A. Pulaizi	Fisheries Department
45.	Chief Khombedza	Traditional Authority
46.	Chief Msosa	Traditional Authority
47.	Chief Kambwiri	Traditional Authority
48.	Chief Kambalame	Traditional Authority
49.	Chief Pemba	Traditional Authority
50.	Senior Chief Ndingi	Traditional Authority
51.	Mrs Kamponje	Ex-Councillor
52.	Mr J. Zagwazatha	Ex-Councillor
53.	Mr N. Chapuma	Ex-Councillor

#### **Kasungu Town Assembly**

54.	Mr S. Ngoka	Chief Executive
55.	Mr Abubakar Nkhoma	Director of Planning
56.	Mr Matola	Accountant
57.	Mr Martin	Skills Youth Network
58.	Mr Saini	CCAP Representative
59.	Mr Katola	Chairperson – Kasungu Town Plot Allocation
60.	Mr F. Chirwa	NICE Officer
61.	Mr J. Mlewa	Former Councillor
62.	Mr S. Mangwazu	Former Councillor
63.	Chief Mwase	Traditional Authority

#### **Neno District Assembly**

64.	Mr Kandiado	Acting District Commissioner
65.	Mr Puluma	Acting Director of Finance
66.	Mr J.J. Dziwani	District AIDS Co-ordinator
67.	Mr B. P. Mpapa	Rep District Education Manager
68.	Mr B.K. Mangulama	Forestry Department
69.	Mr Tembo	Officer in Charge at Neno Rural Hospital
70.	Mr Morson Dalion Sawa	Ex Councillor Kalioni Ward Dev Committee Chairman
71.	Mr Mike Mlongoti	Ex Councillor Finance Committee
72.	Chief Mlauli	Traditional Authority
73.	Chief Ngozei	Traditional Authority
74.	Mr Frank Zoto	Civic Education Officer NICE
75.	Mr Mark Katsonga Phiri	MP

#### **Chiradzulu District Assembly**

76.	Mr Felix Sapala	District Commissioner
77.	Mr Chimwemwe Kamanga	Director of Public Works
78.	Mr A. Tsilizani	Director of Finance
79.	Mr W. Chikuni	Director of Planning
80.	Mrs Judith Kafwamba	Director of Administration
81.	Mr Vinkhumbo	District Health Officer
82.	Mr C. Naunje	District Education Manager
83.	Mr A. Steppe	MP Chiradzulu West

- |     |                    |                                     |
|-----|--------------------|-------------------------------------|
| 84. | Sen Chief Kadewere | Traditional Authority Ndunde HQ     |
| 85. | Chief Mpama        | Traditional Authority Mbulumbuzi HQ |
| 86. | Mr K.E.A. Gomayi   | Ex Councillor Nyungwe Ward          |
| 87. | Mr M Kazembe       | Ex Councillor Boma Ward             |
| 88. | Mr F.C. Mathumba   | Ex Councillor Namikoko Ward         |

### **Lilongwe City Assembly**

- |     |                  |                 |
|-----|------------------|-----------------|
| 89. | Prof. Mkandawire | Chief Executive |
|-----|------------------|-----------------|

### **Lilongwe District Assembly**

- |     |                    |                       |
|-----|--------------------|-----------------------|
| 90. | Mr Charles Kalemba | District Commissioner |
|-----|--------------------|-----------------------|

### **Ministry of Local Government and Rural Development**

- |     |                |                          |
|-----|----------------|--------------------------|
| 91. | Mr W. Samute   | Principal Secretary      |
| 92. | Mr S. Ligomeka | Director LGS             |
| 93. | Mr. L. Sikwese | Deputy Director Planning |

### **Decentralisation Secretariat**

- |     |                  |                   |
|-----|------------------|-------------------|
| 94. | Dr Aubrey Mvula  | Programme Manager |
| 95. | Mr Alifeyo Banda | M&E Officer       |

### **Ministry of Health**

- |     |                |                      |
|-----|----------------|----------------------|
| 96. | Mrs Masimbe    | Sen Dep Secretary    |
| 97. | Mr H. Mpanyula | Under Secretary      |
| 98. | Mr N. Kalanje  | Director of Planning |

### **Ministry of Lands, Physical Planning and Surveys**

- |      |                      |                                    |
|------|----------------------|------------------------------------|
| 99.  | Mr Samson Sanyika    | Housing                            |
| 100. | Mr Felix Tukula      | Commissioner for Physical planning |
| 101. | Mr Daniel Gondwe     | Surveyor General                   |
| 102. | Mr Benny Sumbwi      | CHROMO                             |
| 103. | Mr Kelby Chirwa      | DFA                                |
| 104. | Mr George Nthachi    | CHO (EM&V)                         |
| 105. | Mr Francis Majankono | Commissioner for Lands             |

### **Ministry of Irrigation and Water Development**

- |      |                    |   |
|------|--------------------|---|
| 106. | Mr G W P Malunga   | Principal Secretary                       |
| 107. | Mr O M Kankhulungo | Director of Water and Sanitation Services |
| 108. | Mr S C Y Maweni    | DIS                                       |
| 109. | Mr L A Kasapha     | CHRMD                                     |
| 110. | Mr Y E B Kamphale  | CE  |
| 111. | Mr R W M Nakanga   | DFA                                       |
| 112. | Mr L Chipofya      | AO  |

### **Ministry of Education**

- |      |            |
|------|------------|
| 113. | Mr Khozi   |
| 114. | Mr Maleta  |
| 115. | Mr Lalinga |
| 116. | Mr Kiuchi  |
| 117. | Mr Sumaisi |

**Ministry of Agriculture**

118. Dr. G. Luhanga                      Controller of Agricultural and Extension Services  
119. Mr G Dzimarirana                  Director of Planning Services  
120. Mr K Kanyenda                      Director of Extension Services

**Malawi Teaching Service Commission**

121. Mr R Kayesi                          Executive Secretary

**Malawi Health Services Commission**

122. Mr S B Sapa                          Executive Secretary  
123. Mr S P Chembe                      Deputy Executive Secretary

**Malawi Local Government Service Commission**

124. Mr C. Mwaghupighu                Executive Secretary  
125. Mr H. Mbetewa                      Chairman

**Ministry of Economic Planning and Development**

126. Mr P. Nyirongo                      Chief Economist (Development)  
127. Mr H. Kumwenda                    Deputy Chief Economist (M&E)

**Office of the President and Cabinet (OPC)**

128. Mr Maluza                          Clerk to the Cabinet

**NLGFC**

129. Mr Kadewere

**MALGA**

130. Mr Mondywa                          Executive Director  
131. Mr. B. Khungwa                      Training Manager  
132. Mr Gedenk                          Technical Advisor

**NORAD**

133. Ms Traalim

**MGPDD**

134. Mr Bodo Immink

**MASAF**

135. Mr Charles Mandala

**DED**

136. Mr Frank Sigmund

**UNCDF**

137. Mr Bill Chanza

**World Bank**

138. Mr Francis Mbuka  
139. Mr Donald Mphande

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## APPENDIX 4                      A            PICTURE            OF            A            CAPACITATED ORGANISATION

From Kaplan A. 1999 the Development of Capacity. Community Development Resource Association, Geneva.

The organisation is directed and focused; that is, it has a clear sense of its own identity in terms of its own strengths, as well as in terms of its intended impact in its relationships with others, and with its context. It focuses on its sources of inspiration. It is able to strategise and prioritise, and it is able to adapt its strategies with flexibility and foresight. It does not complain about the many unfavourable external conditions which impact on it, but rather takes full responsibility for its own circumstances and believes that it can impact and affect those circumstances. It is self critical and self reflective, attributing any problems it may have to its own lack of strategic coherence, or management competence, or focused vision, or evaluative stance, rather than on outside factors beyond its control. It concentrates on what it can do, rather than lamenting what it cannot do.

It takes time to learn from its successes and failures. It takes time to understand itself, to evaluate honestly, to become aware of its strengths and weaknesses, to hone its methodology and sharpen its strategic edge, rather than spending all its time on constant activity in the field. It takes the time to develop its staff; not simply to ensure that they are trained, but to encourage them to develop inner resourcefulness, creativity and self critique. It concentrates, then, on developing a kind of robust capability, rather than relying on the setting up of organisational structures and procedures, the securing of material resources, or the specific skills of staff. Of course these latter elements are of vital importance, and organisations which are badly structured or which are unstructured, which lack adequate and appropriate organisational procedures, which lack material resources and skilled staff, can hardly be said to be capacitated.

Organisations which lack these latter elements will fail; but the point we are trying to make here stands. It is essential that an organisation regard these elements as sufficient, and as the departure point for capacity, given the volatile and ever-changing reality with which organisations interact and which they are trying to affect, lies in the ability to learn and focus, to adapt and respond, to move and change and develop, to harness creativity and innovation, to motivate and inspire its members, to achieve resilience and flexibility. It is a relentless quest for quality and self awareness that enables organisations, rather than an emphasis on securing quantifiable indicators or organisational functioning.

Kaplan on Organisation Development

*“Organisational thinking which begins with structure, skills or resources will leave the organisation confused and incapacitated. The way to process organisational transitions is to gain clarity with respect to understanding and purpose, develop resultant strategy, and become aware of debilitating cultural patterns. Only then, and in response to these things, can questions of structure and skills and resources be adequately addressed.*

*Shifting to a process perspective, to a focus on the whole rather than the parts, to a recognition of the relationships between the parts, to an appreciation of the seminal role of the invisible elements at the top of the organisational hierarchy of complexity, to an apprehension of the fields which structure and form organisations, requires a new way of thinking and seeing. Understanding the governing factors of organisational capacity, and learning to perceive them, is one component of capacity building. Another is an appreciation*

*of how organisations develop over time. An understanding of organisational capacity, an understanding of the development process through which organisations move, and an ability to work with ambiguity and contradiction, are necessary in order to engage in effective capacity building.”*