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)

Capacity Building Needs Assessment (CBNA)
and
Capacity Development Strategy (CDS) for Decentralisation in Malawi

Executive Summary

September 2006
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PART 1:

CAPACITY BUILDING NEEDS ASSESSMENT (CBNA)
1.0 Introduction

1.1 This Executive Summary of the Capacity Building Needs Assessment (CBNA) presents the main highlights of issues contained in the 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.

1.2 During discussions with Ministry of Local Government and Rural Development (MLGRD), it became clear that its prime requirement at the present time is A Strategy for Capacity Building for Decentralisation to provide an agreed basis for addressing issues raised by the Programme Document of the NDP II, covering a wide range of institutions, organisations and actors with significant roles in the decentralisation process.

1.3 This Executive Summary briefly describes the Assessment findings and recommendations of the Main Report, which is divided into 3 main sections:

- Background
- Findings and Observations – capacities/issues at National, Assembly and Community levels
- The Way Forward – proposals for Phase 2 and ideas on Capacity Development Strategies (CDS).

2.0 Background

2.1 The review of the National Decentralization 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.”

3.0 Findings and Observations

3.1 Following its 1990s experiments with a District Focus Approach, Malawi has made steady progress along the road to a devolved system of local government. Major landmarks have included:

- The entrenchment of local government in the 1995 Constitution of the Republic of Malawi;
- The passing of a new Local Government Act, 1998;
- 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 National Decentralisation Programme;
- The establishment of interagency co-ordination structures such as the Cabinet
Committee and the Inter-ministerial Technical Committee on Decentralisation;

- 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 revitalization of MALGA;
- The initiation of sector devolution plans.

3.2 All these initiatives indicate a vision for devolution. Whilst considerable progress has been made at the Centre 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. After 5 years of implementation of NDP I there have in fact been relatively little real devolution. The heavy hand of central government is inhibiting the chances for locally accountable and empowered Assemblies. Structures, systems and senior staff are all decided by the Centre. The elected councilors – the core of the local government system - are largely marginalized. 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 councilors’ role. At the same time, Assemblies have few competent staff to manage the complex activities brought about by the decentralization process.

3.3 The political environment for implementing the decentralisation process is further complicated by the dispute between the President and his original sponsoring Party UDF and a proposal for impeachment. The political uncertainties could also have significant implications for the holding and timing of Local Government Elections.

3.4 Some Public Servants including District Commissioners have also become politicized as have the Chiefs. The Chiefs are still contact points for Government in rural areas.

3.5 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 Banda era and continued political patronage all militate against assertive communities and empowered local authorities.

3.6 Poverty at community level undermines the local revenue base for Local Assemblies and hence the need to develop 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.

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

3.8 The approach to Capacity Building has been one suited to deconcentration rather than devolution. It has been based on supply driven training, especially focused on higher level bureaucrats, administrators and technical personnel. Little attention has been given to councilors. The local training institutes have only been marginally involved.

3.9 So, 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?’

3.10 Overall, it seems the Programme is at a potential turning point with the dissolution of the DS, the NDP II document out on the table and new proposals for an LDF. There is now 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 MLGRD on its core business. A renewed drive for devolution will require a radical change of Capacity Development approach – one which moves away from supply driven training to an approach which empowers and trains and 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), and to give more space for learning so that empowerment and capacity can grow.

3.11 Donors and external support agencies in general, by their mode of operation, can either reinforce or undermine local government systems and structures. It appears that some donor programmes are seriously undermining fledgling local government systems. Some donor organisations are said to be discrediting the capacities of Assemblies deliberately to maintain a raison d’etre for their own staff jobs. It is, however, the responsibility of the Malawi Government (MLGRD, MEPD) to manage and coordinate these donor interventions such that they augment and strengthen government systems.

**Capacities of National Level Local Government Support organisations**

**The Cabinet Committee on Local Government and Rural Transformation**

3.12 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. It has met and approved the NDP II 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.

**The Inter-Ministerial Technical Committee**

3.13 IMTC was set up to coordinate and provide technical support to the development and implementation of decentralisation policy. One major problem is its size – over 60
members, too large for a management coordinative structure and it has tended to become an information exchange forum.

3.14 It is not clear if the IMTC will continue under NDP II. The NDP II document suggests just that. 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 the much needed linkage between the National Decentralisation Policy to other Public Sector Reform (PSR) policies.

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

3.15 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.

3.16 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 was phased out by December 2005. The Functional Review has created a rather complex and confusing hierarchy of Mission, purpose, functions and strategies for MLGRD.

3.17 MLGRD is responsible for the coordination and management of the whole decentralisation process. Under the new proposals MLGRD will have four Departments, the most crucial of which in terms of decentralisation is the Local Government Services Department. This Department will have two Divisions:
- The Local Government Management Division and
- The Decentralisation Management Division.

3.18 The LG Management Division will provide advisory services on policy, finance, service standards and by-laws to District Assemblies. 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. Successive reviews (1997, 2001 and 2005) have pointed out that the Ministry has weak capacity to provide leadership as well as to coordinate and manage implementation of decentralisation due to lack of appropriately qualified personnel in key technical operational areas. 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.

**Department of Human Resource Management and Development (DHRMD)**

3.19 The Department of Human Resources Management and Development in OPC is responsible for the management of the Public Service. It provides human resource planning, development and management services and through the Staff Development Institute, training, research and consultancy to the Public Service.

3.20 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
Capacity Building Needs Assessment and Capacity Development Strategy

proper transfer of functions. 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.

Ministry of Economic Planning and Development (MEPD)
3.21 MEPD has divisions for National Planning, Monitoring and Evaluation of National Policies and Development and PSIP. In conjunction with MLGRD, MEPD has developed a Road Map for Monitoring and Evaluation of the status of District Development and the implementation of development activities. MEPD and MoF in conjunction with MLGRD should coordinate 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.

Ministry of Finance (MoF)
3.22 The Ministry of Finance is now responsible for implementing financial transfers to District Assemblies. 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.

Local Government Service Commission (LGSC)
3.23 The Local Government 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 would combine the LGSA and the LG Act but these have not been passed. There is presently a contradiction between the LGSC Act and the LG Act, with the amended LG Act saying that LGSC is empowered only to recruit staff down to Directorship. Assemblies complain about the performance and operations of LGSC. 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.

National Local Government Finance Committee (NLGFC)
3.24 NLGFC was set up in 2001. 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.

3.25 NLGFC is understaffed. 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. NLGFC’s work is appreciated by the Assemblies and is regarded as one of the most helpful support organisations. The NLGFC workload will be significantly increased when all sectoral budgets are integrated. However, if the Local Development Fund proposal takes off, integrating all the transfers except MASAF into one system will be a challenge.

Malawi Local Government Association (MALGA)
3.26 Originally formed in 1966, MALGA is an independent umbrella association representing all District Assemblies. MALGA’s financial base is quite weak. Its operating
costs are largely met by members’ subscriptions. Major costs, including salaries and activities, have been financed by donors like NORAD/RNE.

3.27 MALGA’s effectiveness has been questioned in the past, especially its effectiveness as a lobbying agent. 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.

Audit Function - National Audit Office

3.28 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.

Devolving Functions

Integration Plans

3.29 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.

Staffing/Transfer of staff

3.30 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. 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.

Finances and restructuring of budgets

3.31 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

3.32 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.

Capacity Assessments Issues

Attitudes

3.33 There is a strong expression of sector interest and commitment to proceed with the devolution plans. Sectors are generally positive about 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.

3.34 Thus, there 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.

**Orientation Workshops**

3.35 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 those that were initially involved were either transferred to other ministries or resigned. 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.

**Devolution plans**

3.36 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.

**Sector Guidelines**

3.37 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.

**Pace of Implementation**

3.38 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.

**Staffing**

3.39 There is a tendency to focus on proposing devolved structures at District level that demand a huge labour force, office space and equipment. However, 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. Staff conditions of service have not been rationalised. 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 LGSC.

**Ministry of Local Government and Rural Development**

3.40 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.

**District Assemblies’ Devolution Task Forces**

3.41 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.

**Capacities of District Assemblies**

3.42 The structure of Assemblies in their institutional context is shown in Figure 3.1 of the main document. The National Decentralisation Programme aims at strengthening Assemblies so that they carry out their functions efficiently and effectively. During its sampling visits, the Assessment team observed numerous examples of determination and positive effort in the Assemblies and their communities. Councillors are expected to participate in the deliberations of all committees and take the issues for further deliberations at District Assembly. In the absence of Councillors this work has been 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**

3.43 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.

**Views of the Secretariat and the DCs**

3.44 The Secretariats see Councillors as of too low a calibre, some describe them as ‘horrible’ – they believe that minimum qualifications of MSCE should be applied. In some Assemblies the Councillors are also seen as ‘too political’ and threatening to Secretariat members. They tended to interfere in the day to day management of departments, leading to regular clashes between themselves and heads of departments.”

**Councillors**

3.45 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. 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. They feel that MPs sometimes overpower them and that the MPs want to silence the Councillors.
Chiefs
3.46 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
3.47 Some MPs think 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. MPs say their roles should be complimentary with those of the Councillors.

Perception of the Centre from the Districts
3.48 There is a general feeling of inadequate support. The following were the views on some of the potential support providers:

Cabinet Committee
3.49 There is little knowledge of the work of this Committee even amongst DCs although they are aware of circulars which may emanate from it.

MLGRD
3.50 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 to run with, coordinate, monitor and evaluate the decentralisation programme. The Staff in the District Assemblies have complained of feeling they don’t belong anywhere – that no-one is monitoring their progress. The Ministry is requested to do more to support the District Assemblies in managing change especially over the issue of sector devolution.

NLGFC
3.51 This organisation is appreciated by the districts although they believe its functions have now been taken over by Treasury.

LGSC
3.52 LGSC 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 LGSC does not seem to have proposals about their improvement.

MALGA
3.53 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. There are many issues facing District Assemblies that remain unattended to.

Sector Ministries
3.54 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.
Donors
3.55 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.

Government Ministers
3.56 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.

District Development Planning
3.57 Almost all districts (except newly created ones like Neno) have standard plan documents including Socio Economic Profiles, District Development Planning Frameworks and three Year District Plans. These were all prepared and printed under a centrally driven programme in 2001/2002.

3.58 Criticisms from the Districts include the fact that the plans were hastily done 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.

3.59 The main problem with these plans is that they are not really owned by the Districts especially by the Councillors and the Communities.

Procurement
3.60 Assembly Management Procurement Committees are said to be working reasonably well, but donors like the World Bank are very concerned about the involvement of the DoF and the DC whom they fear have undue influence. As happens with Bank projects, donors give complex and detailed guidelines on procurement which are overburdening and confusing many of the Assemblies.

Budget preparation management and review
3.61 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. Unfortunately Councillors have been largely marginalised in the budget preparation and monitoring processes.

Revenue raising and transfers
3.62 Most Assemblies like local governments everywhere complain of a lack of funding. Local Governments are however meant to receive 5% of national revenue through the GRF (excluding development grants) but the present level of funding is around 2%. 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.

Financial management
3.63 The Finance Committees are generally composed of higher caliber councillors. Their meetings are more regular and focused although in some Assemblies records are very poor – one had no minutes for over three years! Staff weaknesses in the Finance Directorates are particularly limiting. Some sectors also use Assembly Finance Directorate for their work putting additional strain on the system.
Auditing
3.64 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. In terms of final accounts audits, these are meant to be carried out by the National Audit Office (NAO). Unfortunately this process is way behind schedule with many Assemblies more than three years behind. Audits of donor funded programmes such as DDF and MASAF are up to date as these are done by the programmes themselves.

Corporate issues
3.65 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. Corporate structures have been decided centrally. Objectives and systems are also mainly handed down from above, giving little sense of a self-motivated and self-directed organisation on how best to organise itself to fulfil its purpose. There is limited sense of a District Team because sector heads still belong to their sector ministries and look to them for appointments and salaries.

3.66 Councillors’ awareness of corporate issues is very limited. TORs for Committees are not well articulated such that Councillors have a minimal sense of what they are there for.

Administration
3.67 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 Assembly Committees; sector ministry heads are often not invited.

Meetings
3.68 The frequency of full meetings of Assemblies varies from District to District. Some meet at least four times per year, others less frequently. Cities are much better organised and systematic with very good records of both full Assembly and Committee meetings.

Human Resources Management and Training
3.69 Most Assemblies are inadequately staffed in terms of their present structures let alone the expanded ones presented in the Functional Review. 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.

Capital asset management
3.70 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. At the present time, Assemblies generally lack adequate vehicles and equipment. Visits to rural districts also suggest that asset management systems were weak.

Service delivery – the devolved sectors
3.71 Most of the basic services such as health, social welfare, education, agriculture and
forestry which were supposed to have devolved in full 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.

**Understanding and awareness at District level**

3.72 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. In the absence of information and assurances, most sector ministry staff remains insecure, especially about job security.

**Re-organisation and preparedness**

3.73 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.

**Offices and assets**

3.74 Sector offices are often separate from Assembly offices. In some Districts this creates operational problems.

**Fears**

3.75 Numerous fears (often of the unknown) were expressed by the sector staff regarding devolution. Typical fears included victimisation by Chiefs or Councillors, discriminatory employment practices, loss of promotional opportunities, ignorance of Councillors affecting rational planning and resource allocation and abuse of equipment and assets.

**Promotion of economic development**

3.76 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 pro-activity rather than passivity and dependency.

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

3.77 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.

**Capacities of Communities**

**Participation, Planning and Development**

3.78 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). Much practical learning has taken place amongst the officers and technocrats. Communities have been mobilised through their Committees to identify and participate in the implementation of bankable projects. Yet, lower level structures lack the capacity to participate in the implementation, operation and maintenance of development projects and programmes.
Demand feedback and accountability
3.79 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 feedback. However, in majority of cases there were no such meetings and the public remained ignorant of the projects and the workings of the Assembly.

Appreciation of Local Revenue
3.80 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.

Capacity Assessment of Training Institutions
3.81 Several documents, reviews and reports¹ 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.

3.82 Most reviews have commented on the need to strengthen the professional training institutions. Generally, stakeholders recommended improvements in the following areas:

- Incentives and working conditions
- Funds for professional development
- Autonomy of institutions
- Government support for infrastructural improvements.

4.0 The Way Forward – proposals for Phase 2 and ideas on Capacity Development Strategies (CDS)

4.1 Decentralisation is taking place against a background of considerable hardships 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. There are serious questions regarding the continued championship, coordination and implementation capacity of the decentralisation programme at the centre. In terms of Capacity Building, it is said there has never been a formal strategy.

4.2 Now, following the submission of the first draft Capacity Assessment Report, the Ministry of Local Government and Rural Development is expected to circulate it to those with an interest in the Capacity Development Strategy for Decentralisation. This should involve most Inter-Ministerial Technical Committee members and other key stakeholders

¹ For instance the GDP report for the first half of 2003, and The Programme Road Map, September 2003
including district representatives. There should, therefore, be a three-day stakeholders workshop to formulate and agree on different elements of an overall strategy for Capacity Building for Local Government.
PART II:

CAPACITY DEVELOPMENT STRATEGY (CDS)
1.0 Introduction

1.1 This Executive Summary describes the concept and overview of a Strategy for Capacity Development (CDS) based on definitions of Capacity Development in Section 2 of the main document as well as the weaknesses observed during the Assessment. The elements of the strategy were explored during the Strategy Formulation Workshop with government technocrats and further discussed with MLGRD and key stakeholders.

1.2 The Strategy for Capacity Building for Decentralisation provides an agreed basis for addressing issues raised by the Programme Document of the NDP II, covering a wide range of institutions, organisations and actors with significant roles in the decentralisation process.

2.0 The Objectives of the Capacity Development Strategy

2.1 In order to achieve the goal of ‘functional local governments that are able to effectively and efficiently deliver public services in response to the needs of the people, the following objectives were developed:

- To develop the capacities of District Assemblies so that they can sustainably carry out their functions in accordance with the Local Government Act;
- To empower and develop the capacities of communities so that they can take responsibility and play appropriate roles in a representative local government system;
- To enhance the capacity of relevant National Level Institutions and organisations to advise, respond to, support and monitor District Assemblies and manage the decentralization process.

3.0 Weaknesses Observed during the Assessment

3.1 The weaknesses that were identified during the assessment exercise were as follows:

- **Provision of Physical Resources** - This has been a continuing but largely unaddressed need of the Assemblies. Most vehicles and equipment are not owned by Assemblies but remain with central government or donor agencies. Still a serious deficiency;
- **Staff transfers** – This has been attempted with all Director level staff of Assemblies being transferable by MLGRD and not accountable to Assemblies. It has enabled each Assembly to have a skeleton staff, but there are still major deficiencies in terms of posts filled and this method has failed to create accountability to Councillors;
- **Long term training** – This method has been used at National level but only to a limited extent at District level. It has made a contribution in developing the basic administrative, technical and financial skills of the technocrats and managers of the Assembly. In the case of long term training, most candidates leave the Assemblies on their return so impact has been very limited;
- **Short term training** – There has been a great deal of short term especially for District level technocrats and communities based around issues of project planning and
implementation, finance etc. Training of Councillors has been minimal. However, MALGA with support from MGPDD has now developed a comprehensive training manual for new Councillors. MGPDD has also supported the development of a number of manuals on a range of activities such as budgeting, by-laws, internal audit, accounts, conflict, property tax, urban planning and management, district planning, sector devolution, change management for leaders etc. These are due to be rolled out in 2006. There is a plethora of donor driven workshops which are financially attractive to District staff and take them away from their posts for excessive time periods;

- **Short responsive experiential training** – Has been undertaken by donor agencies mainly to enable officials and technocrats to understand project/programme manuals and procedures. Again, Councillors have rarely been involved;
- **Technical Assistance Advisors** – Have been posted by donor agencies in a number of Districts usually focusing on planning or finance. They have not played a generalist OD role and have tended to become dragged into hands on activities. They have had some impact in their technical field. These roles must be carefully monitored to avoid inducing dependency in the longer term interests of sustainability;
- **Organisation Development** – The 1990s District focus approach included specially trained District Training Managers who played the role of facilitators. Those involved with this programme report a high level of impact. There are other sectoral facilitation experiences which have also been quite successful. MGPDD has provided similar advisory/facilitation support in Rumphi and Zomba following a process approach. At Community level numerous NGOs facilitate empowerment programmes which have had success at the sub district level. Most experiences with this methodology have been time bound in specific areas. There has been no wide scale and coordinated use of this methodology in promotion of Local Government;
- **Cultural & Political Promotion** – There are no records of attempts to address this on a systematic basis;
- **Building the Capacity of the Supply side of CD** – The training institutions and supply side organisations are presently largely marginalised from the decentralisation programme. Whilst there have been limited initiatives at building the capacities of the Training Institutions, there has been no coordinated attempt to integrate supply and demand for local government CD and hence build their capacities in this area;
- **Community empowerment approaches** – This has been a major area of activity. Numerous donor funded projects have been undertaken by communities. Civic awareness programmes run by both Government and NGOs have been very active. Community Development Assistants under MGCSSW are posted to each Chief’s Area though half the positions are vacant. The NDP has funded IEC strategies for decentralisation. These initiatives are gradually making an impact;
- **Incentives/Funds/Grants** – These have been provided through DDF and other donor programmes like MASAF, however they have not been fully tailored to take advantage of their CD potential. Assembly technocrats have gained significantly from learning by doing. The proposed LDF has a range of incentives and sanctions built into it and will provide real incentives. Control mechanisms and complexity have often limited the CD impact of existing funds. Councillors have largely been marginalised from these learning opportunities;
- **Rules of the Game/Policies, laws etc.** – Serious efforts have been made in exploring legislative contradictions, designing and sending down structures and systems, producing procedural manuals etc. Implementation has often lagged e.g. in terms of
legislative amendments. There has been an excess of ‘guidance’, structural design from the centre undermining potential for independent thinking at Assembly level;

- Monitoring and Evaluation – M&E has largely been focused on donor programmes rather than the performance of Assemblies as local governments. Government requires Assembly and District staff to produce monthly or quarterly reports but these are simply sent up to national level and filed rather than being used by the Assemblies themselves. The potential of this area has not been realised. There is little or no feedback to communities and little demand for accountability.

### 4.0 Guiding Principles for a New Strategy

4.1 To effectively achieve the objectives and address the weaknesses stated above, a Capacity Development Strategy has to be developed:

- **That promotes empowerment and genuine devolution** with specific emphasis on the role of the elected councillors. Devolution is not only a ‘means’ to the ‘end’ of improving development, but also as an ‘end’ in itself. It is advocated as enabling democracy by bringing decision making closer to the people and thus ensuring that people assume greater control over their affairs. This generates commitment, which shows itself in peoples’ participation and in the mobilisation of local resources. These in turn are considered to be preconditions for sustainability. It is thus the antithesis of the syndrome expressed as “people waiting for the next round of grass roots development to be imposed on them from above” - a state of unsustainable dependency that fails to realise local potential;

- **Is activity based and promotes sustained learning:** Adults, especially those not used to an academic discipline, learn most effectively by doing. An approach is required which generates action in all the spheres of Assembly activity and engages all stakeholders in the action reflection process. There should be an emphasis on methods which promote sustained learning after the initial inputs are withdrawn;

- **Which is responsive, flexible and follows a long term process approach?** Capacity Development is a long term process which cannot be ordered and delivered through a series of discrete top down inputs. Capacity develops in a non linear fashion with each organisation starting from a different point and going through the steps of a learning process in response to different stimuli in its own time. One can speed up the steps but rarely jump them;

- **Is comprehensive – multi-level encompassing the three objectives:** Change at one level stimulates change at other levels. A strategy which includes interventions at all levels can ensure that changes are mutually reinforcing;

- **Is equitable** covering all Districts: Limited area based strategies significantly reduce management problems and can perhaps promote more rapid change in specific areas. However they may give rise to balkanised programmes with different approaches being used in different areas, undermining the learning achievable by a unified approach and creating inequalities between districts. Consideration should also be given to mechanisms for giving additional support to the weaker or more disadvantaged Assemblies;

- **Addresses the issue of Gender Mainstreaming:** Gender issues need to be exposed and analysed at all levels;

- **Which encompasses HIV/AIDS programmes:** There are major resources and
activities being promoted by government and donors around HIV/AIDS. These are real issues for the Assemblies and need to be incorporated in CD programmes rather than being dealt with separately.

5.0 The Proposed Strategy

5.1 The Strategy proposed incorporates the above principles and makes organisational development a central methodology especially at the District Assembly level. The other methods should be brought in to complement this methodology at various stages in the capacity development process.

5.2 Organisation Development (OD) is a complex educational strategy for system improvement using reflective self-analytic methods. A synthesized definition of OD (French & Bell) is as follows:

“Organisation Development is a long term effort, led and supported by top management, to improve an organisation’s visioning, empowerment, learning and problem solving processes, through an on-going, collaborative management of organisation culture - with special emphasis on the culture of work teams - utilising the consultant facilitator role and the theory and practise of applied behavioural science, including action research.”

5.3 This definition confirms that the CD Strategy must be clearly led by top management (especially those in MLGRD). Secondly District Assemblies, Communities and National Level Organisations (as work teams) will improve their visioning etc. and learn through problem solving processes utilizing the services of consultant facilitators. The term ‘action research’ infers learning-by-doing. Also inferred in the definition are such concepts as shared problem identification and decision making, shared ownership of problems and solutions, learning by self-examination both as individuals and organisations. Consistent with the philosophy of decentralisation, the approach is neither to impose nor to teach but to draw out on latent potentialities. This is the objective of facilitation.

5.4 Adults learn most effectively through a participative experiential process. This process can build on their existing knowledge and experience and provide solutions which are relevant, immediately applicable and owned. The OD methodology involves the participating organisations learning-by-doing, starting with the systems, structures, skills and attitudes they already possess. As experience grows, weaknesses become apparent and mistakes are made. These can then be addressed by internal analysis, reorganisation, new systems, or by different training interventions such as on-the-job training, experiential workshops or technical training courses. There is no blueprint time-table, so each organisation must go through each step of the learning process in its own time. The change and learning process should involve all elements of the organisation so that it grows and develops as a whole.

5.5 To create this learning process, the following key inputs or components are proposed for the CD Strategy which will then need to be skilfully mixed and managed:

- **Funds to District Assemblies and Communities** – capital and operational, acting as both the means of delivering tangible projects or services and as incentive fuel for
the CD process;

- **Equipment, vehicles etc. at district and national levels** enabling the organisations and providing CD opportunities;
- **Re-examination of the staffing policy for local governments** to give greater autonomy to Assemblies and scope for increased incentives;
- **Facilitators at all three levels acting as catalysts** taking advantage of the stimuli of funds to create awareness and ownership of weaknesses and opportunities, to explore and implement solutions, to promote learning;
- **Training and training funds at both district and national level** largely to enable responsive training options to locally identified needs;
- **A regulated institutional environment** providing appropriate sanctions;
- **A Self-Monitoring and Evaluation System**.

### Training and Training Funds

5.6 Training remains an important CD input, however, it should be demand driven wherever possible and should be immediately applicable in action. Training needs will be exposed by standard training needs analyses, strategic planning exercises by the Assemblies themselves and through the ‘action-reflection-learnin-by-doing-process’. These needs should be addressed by an appropriate combination of the following:

- Long Term Technical Training;
- Short Term Technical Training;
- Experiential workshops;
- On-the-job-training;
- Study Tours and demonstration visits.

5.7 It is suggested that Assemblies and National Level Organisations be offered access to formulae driven, performance related training grants such that they have to prioritise their organisations training needs as part of a Strategic/HR plan.

### Policy and Legal Framework

5.8 Clear legal frameworks, policies, regulations and standards are required to maximise the learning opportunities stimulated by the presence of funds and catalysed by facilitators. They become the basis for the ‘sticks’ in the system, with the ‘carrots’ being the incentive grants etc. Without them Assemblies and or communities have no reference points or standards against which to regulate and monitor their activity.

### Monitoring and Evaluation

5.9 Monitoring and Evaluation represent the more formal aspects of reflection in an ‘action-reflection-learning-process’ and are essential elements of a Capacity Development Strategy. Wherever possible M&E should be carried out by the organisation itself e.g. the District Assembly or the local community. Stakeholders at national level with an interest in the performance of the Assemblies should try to take advantage of local M&E processes rather than create their own. This avoids duplication and promotes increased local learning. It may require some collaboration in the choice of indicators. At some point an Assembly should develop some sort of functional log frame which will provide a detailed basis for self-monitoring.

5.10 Routine M&E can be built into the District Assembly systems in the form of
standard Committee agendas, standard physical and financial reporting formats and through a District Annual Review where the key questions become, “Have we achieved what we set out to achieve? If not, why not? And what are we doing to improve our performance next time around?”

6.0 Outputs at District Level

6.1 In terms of the Constitution Local Governments (District Assemblies) are the key instruments for national development and good governance. District Assemblies have been assigned the responsibility of delivering basic services. In terms of the Local Government Act, some of the functions the District Assemblies have to perform include:

- Consolidate and promote local democratic institutions and participation;
- Make policy decisions;
- Promote infrastructure and economic development;
- Mobilise resources;
- Make by-laws;
- Appoint, develop, promote and discipline staff.

6.2 It is generally agreed that while there is considerable potential to perform these functions, there are capacity gaps that will need to be addressed and filled. The purpose of this section is to mention the outputs that will address the concerns of District Assemblies.

6.3 Outputs express the desired qualities of a capacitated District Assembly. They are the intended results of the Capacity Development Programme. They can also be easily used as milestones of what has been accomplished at various stages during the life of the programme. The outputs for this objective are suggested as follows:

- Councillors, Traditional Leaders and MPs and Staff understanding their roles and responsibilities;
- District Assemblies able to make by-laws;
- District Assemblies able to promote and coordinate development;
- District Assemblies willing and able to promote increasing civic understanding, participation and democracy;
- District Assemblies willing and able to promote participatory development through District Development Planning;
- District Assemblies able to plan, implement, monitor and evaluate development projects and programs;
- District Assemblies able to procure contractors, equipments etc;
- District Assemblies able to prepare, manage and review an Annual Budget that services a Strategic Development Plan;
- District Assemblies able to raise and manage the District’s financial resources;
- District Assemblies willing and able to improve their corporate performance in effective management of resources;
- District Assemblies able to manage and develop the District’s human resources and manage capital assets;
- District Assemblies able to ensure effective and efficient Service delivery in key sectors such as Health, Education, Agriculture, Roads, Water Development;
7.0 Outputs at Community Level

7.1 If the overall strategy is implemented, the desired outputs at community level will be as follows:

- Communities understanding their constitutional roles and responsibilities in a local government system;
- Communities informed on development issues within their District;
- Communities allowed, wanting and able to organise themselves and advocate;
- Communities wanting and able to identify their development needs and communicate these through the District Planning system;
- Communities able to demand feedback on progress on their expressed needs;
- Communities able to demand transparency and accountability from their elected representatives and the District as a whole;
- Communities allowed and able to participate where appropriate in the implementation, maintenance and operation of projects and programs in their area;
- Communities able to appreciate the importance of local revenue in financing District activities and services;
- Communities able to engage with support agencies operating in their areas.

8.0 Outputs at National Level

8.1 The desired outputs at national level are as follows:

- Preparation and committed implementation of the Constitution, LG Act and National policy on decentralization;
- Provision of Guidelines on the roles, functions and responsibilities of Districts and sub-District structures;
- Establishment and management of systems for the financing of Assemblies through block grants or other sources;
- Provision of Guidelines for the operation of District planning, budgeting, revenue and accounting systems;
- Revised Staffing Policy on behalf on District Assemblies and preparation of Guidelines for District structures and staffing;
- Provision of Technical Assistance;
- Preparation of Guidelines on minimum service standards;
- Coordination of government, donor and NGO-funded initiatives related to Districts;
- Coordination and management of Decentralisation and Capacity Building Programmes;
- Facilitation of responses to training needs for Decentralisation;
- Negotiation with donors for resource mobilisation and support for Capacity Development;
- Procurement of CB inputs re consultancy, buildings, equipment etc;
- Monitoring and evaluation of Decentralisation, Capacity Development and Service
9.0  Proposed Strategies for Training Institutions

9.1  There must be a clear political will to support the institute sector financially and politically. The support must not influence the independence of the institutes, but keep a clear professional focus. Coordination and contact between the Government and the institutes must be done through the Task Force for Institutional Development and Capacity Building or other appropriate forum.

9.2  The process of converting ministerial-governed institutes into more autonomous institutions should continue.

9.3  Malawian institutes must be encouraged – and provided with necessary resources – to enter into collaboration agreements with individual institutions – or with professional networks – abroad.

9.4  Training Institutes should carefully cultivate their core competence. The capacity and competence to develop relevant and problem-specific curricula must have the strongest priority.

9.5  Training Institutes must follow a policy of continuously modifying long term courses in line with international curricula. They must establish links with relevant regional or international institutes to develop modern and problem-oriented curricula for long- and short term training.

9.6  Training Institutes should be well equipped to carry out consultancy work, project studies and assessments for donors and the public sector management. This activity can become a major source of income for the institutes and should be pursued actively.

9.7  NDP II must allocate funds for the institute sector to develop core competence in their specific field. Funds generated by the institute must be retained in the institute and decisions as to how to reinvest the funds in the best possible way must be taken by the institute.

9.8  Training Institutes must provide the necessary facilities for exchange of resource personnel, visits, seminars or study tours abroad. These facilities must not be given based on seniority, but on the professional needs of the institute. Peer learning and twinning arrangements for staff exchange should be encouraged.

9.9  Most of the necessary investments in technical facilities will have to come from resources generated by the institute – either from own activities or from donor funding.

9.10  The process of establishing relevant and professional linkages to international institutes should be restarted.
10.0 Management Coordination and Implementation

10.1 Every effort should be made to use existing permanent management structures and build their capacities rather than create autonomous project management units parallel to ministries and departments. Such units are likely to undermine government institutions. Management responsibilities for different functions should be allocated to the organisations or departments that would normally deal with them. Similarly, the Strategy should build on existing NDP II coordination and financing arrangements wherever possible.

10.2 Valuable Government personnel should be supported in their established posts rather than contracted out into temporary external donor units.

10.3 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). In the case of donor funded programmes, individual donors should ensure that they participate according to the government timetable 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.

10.4 Decentralisation and Capacity Development cut right across most agencies of Government and as such require the attention of a high level inter-ministerial policy making body. The existing policy making structures being used for NDP II – namely the Cabinet Committee on Decentralisation and Rural Transformation and the Public Sector Reform Committee of Permanent Secretaries - are suited to policy making for the Capacity Development Strategy. As the lead Ministry, MLGRD should be servicing the Committees by providing background information and tabling agenda/discussion items. The relationships between the various policy making and management structures proposed are illustrated in Figure 9 of the main CDS Report.

11.0 Conclusion and the Way Forward

11.1 The Executive Summary of the Capacity Development Strategy has highlighted the main issues that came out from the document which in turn was derived from the Strategy Formulation Workshop and from further meetings with the Ministry of Local Government and Rural Development and various other stakeholders. It has been established that such a strategy requires much further work and commitment especially from MLGRD, who are the drivers of the Capacity Development, with support from their partners.

11.2 The way forward for this study is that steps should be taken to let stakeholders fully understand the proposals outlined by the strategy, conduct further consultations with stakeholders, and finally to organise a workshop which would provide the basis for preparing a detailed Capacity Development Programme Implementation Plan.