



Office of the Director of Public Procurement

# Procurement Capacity Development and System Strengthening Plan

November 2007

## List of acronyms

ACB	Anti-Corruption Bureau
CD	Capacity Development
CGS	Central Government Stores
CPAR	Country Procurement Assessment Report
DHRMD	Department of Human Resource Management and Development
IAU	Internal Audit Unit
IFMIS	Integral Financial Management Information System
IPC	Internal Procurement Committee
MCA	Malawi College of Accountants
M&E	Monitoring and Evaluation
MT	Medium-term strategy
NAO	National Audit Office
NGO	Non-Governmental Organisation
ODPP	Office of the Director of Public Procurement
OPC	Office of the President and Cabinet
PCA	Procurement Capacity Assessment
PE	Procuring Entity
PD	Professional Development
PPA	Public Procurement Act
PRO	Public Relations Officer
RAR	Regulatory, Advisory and Review Department
SBD	Standard Bidding Document
SME	Small and Medium-Sized Enterprise
SPU	Specialised Procurement Unit
ST	Short-term strategy
TNA	Training Needs Assessment
UNDP	United Nations Development Programme
UoM	University of Malawi

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## 1. Introduction

This Capacity Development and System Strengthening Plan is based on the findings of the Procurement Capacity Assessment 2007 (PCA 2007).

The Plan is made up of a number of short-term and medium-term capacity development (CD) strategies, together providing a coordinated basis for all procurement capacity development initiatives until 2012.

### 1.1 Capacity Development Approach

The CD strategies of this Capacity Development and System Strengthening Plan have been developed applying the UNDP approach to Capacity Development<sup>1</sup>. This approach defines capacity development not only as training and competence development at the individual level, but also as strategies covering the organisational and societal levels. In accordance with the UNDP approach, both short-term and medium-term CD strategies presented in this Plan are divided into the following four categories:

- Institutional Reform and Incentives
- Knowledge, Training and Learning
- Leadership Development
- Accountability and Voice Mechanisms

The CD Strategies have been shaped from the capacity gaps identified in the PCA. In practice, this was done by revisiting the identified capacity gaps with a view to identifying the reasons behind these gaps. Based on the established reasons, CD strategies for each gap were mapped. When a complete mapping of CD strategies had been made, the various strategies were reviewed, mainstreamed and consolidated into a coherent Capacity Development and System Strengthening Plan. The mapping of CD strategies is included in the Capacity Development Strategies Worksheet in Annex 2.

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### 1.2 Coordination and Monitoring of Capacity Development Strategies

To allow for measuring the progress achieved as a result of the capacity development initiatives, each CD strategy has attached a set of output indicators, outcome indicators, baselines and targets. While most progress indicators can be measured based on the monitoring tools already available, some indicators require development of new monitoring techniques, tools or indicators. The implementation of strategies related to the improvement of the monitoring functions hence constitutes a milestone in the development of a system for continuous progress tracking. See also section 2.1.9 and 2.3.1.

The implementation of the CD strategies in this Capacity Development and System Strengthening Plan is to be led by the ODPP, either alone or in collaboration with relevant stakeholders. However, for some capacity gaps the development of sustainable CD strategies requires the input and coordination of several public institutions. This is particularly true for the capacity gaps

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<sup>1</sup> See UNDP Practice Note on Capacity Development, July 2006, for further details on capacity development strategies.

found in areas in which procurement meets other core public functions, such as audit, public financial management, human resources and anti-corruption. In this Plan, such capacity gaps are addressed by strategies of intensified dialogue and coordination.

Based on the strategies in this Capacity Development and System Strengthening Plan as well as the subsequent costing exercise to be carried out by the ODPP, it is recommended that the ODPP develops a formal implementation plan including an updated overview of the timing and sequencing of all CD strategies. Moreover, it is recommended that the ODPP carries out an annual evaluation of the CD strategy implementation status and updates the implementation plan accordingly.

### **1.3 Structure of the Plan**

The Plan is structured as follows:

- Chapter 2 presents a number of detailed short-term strategies (ST), or “quick wins”, i.e. areas in which capacity development may be achieved relatively quickly with only small efforts and resource inputs.
- Chapter 3 presents a range of medium-term strategies (MT) covering more complex and resource demanding capacity development initiatives for the period 2008-2012.

In Annex 1, a consolidated proposal for the timing and sequencing of both short-term and medium-term CD strategies is presented.

## 2. Short-term Capacity Development Strategies

This chapter presents the short-term CD strategies developed based on the capacity gaps identified in the PCA 2007.

The short-term strategies focuses mainly on “quick wins”, i.e. areas in which capacity development may be achieved with only small efforts and resource inputs, thus contributing to fast and low-cost improvements of the procurement capacity.

The short-term strategies are divided into three categories: Institutional Reform and Incentives; Knowledge, Training and Learning; and Accountability and Voice Mechanisms.

### 2.1 Institutional Reform and Incentives

#### 2.1.1 *ST-1: Develop Standard Bidding Documents (SBDs) for routine services*

While SBDs have been developed for most goods, works, and services, no SBDs for routine services are yet in place. The Procurement Capacity Assessment found that the lack of SBDs for routine services in some cases leads PEs to rely on other types of SBDs, hereby creating unnecessary constraints for bidders' participation.

This strategy addresses such issues by developing Standard Bidding Documents for routine services. This is done in three steps:

- Develop SBDs for routine services
- Disseminate new SBDs to all PEs
- Incorporate new SBDs into the package of all SBDs (including the recently developed SBD CD-ROM)

The strategy should be followed up by training in use of the new Standard Bidding Documents. See also the separate strategy MT-12, section 3.2.1.

<b>ST-1: Develop Standard Bidding Documents for routine services</b>			
Timeframe	6 months	Priority	High
Responsible	ODPP RAR	Stakeholders	None
Output indicators	<ul style="list-style-type: none"> <li>▪ SBDs for routine services developed</li> <li>▪ SBDs for routine services disseminated to all PEs</li> <li>▪ SBDs for routine services included in SBD package</li> </ul>		
Outcome Indicator	<ul style="list-style-type: none"> <li>▪ % of procurements carried out using the appropriate SBDs, as assessed by the Institution Compliance Assessment</li> </ul>		
Baseline	<ul style="list-style-type: none"> <li>▪ &lt;10% of procurements carried out use appropriate SBDs (estimate)</li> </ul>		
Target	<ul style="list-style-type: none"> <li>▪ 90% of all procurements use appropriate SBDs</li> </ul>		

#### 2.1.2 *ST-2: Develop catalogue of common user items with standard specifications*

The PCA 2007 identified the development of generic and neutral technical specifications to be a main challenge in almost all PEs. According to the PCA, neither procurement officers nor technical staff from user departments or advisors from specialised bodies (such as the Director of Buildings, the Gov-

ernment ICT Committee, and the Plant and Vehicle Hiring Organisation) are sufficiently informed to develop generic specifications.

This strategy aims at assisting procurement officers, technical staff and advisors by providing standard specifications for a wide range of common user items.

The strategy includes the following activities:

- Create a catalogue of common user items for which standard specifications are needed.
- Adopt standard specifications for listed items (e.g. based on UNICEF or IAPSO catalogue).
- Disseminate the catalogue of common user items with standard specifications to procurement officers and key technical staff at PE level and advisers of specialised bodies.

The strategy should be followed up by sensitisation activities targeting procurement officers, technical staff and specialised advisers. See also separate strategies ST-12 (section 2.2.1) and MT-1 (section 3.2.1).

<b>ST-2: Develop catalogue of common user items with standard specifications</b>			
Timeframe	9 months	Priority	High
Responsible	ODPP RAR	Stakeholders	None
Output indicators	<ul style="list-style-type: none"> <li>▪ Catalogue of common user items with standard specifications developed</li> <li>▪ Catalogue disseminated to relevant staff in all PEs and specialised bodies</li> </ul>		
Outcome indicator	<ul style="list-style-type: none"> <li>▪ % of procurements with adequate technical specifications, as assessed by the Institution Compliance Assessment</li> </ul>		
Baseline	<ul style="list-style-type: none"> <li>▪ &lt;5% of procurements have adequate technical specifications (estimate)</li> </ul>		
Target	<ul style="list-style-type: none"> <li>▪ 50% of procurements have adequate technical specifications</li> </ul>		

2.1.3 *ST-3: Develop and disseminate instructions on procedures for recruitment of procurement officers, including job descriptions*

As no common service currently exists for the procurement profession, the recruitment of procurement officers shall take place at the PE level based on the establishments issued. The procedures for recruitment are, however, unclear to many PEs.

The purpose of this strategy is to develop a clear framework for recruitment of procurement officers, by:

- Developing a brief step-by-step instruction to PEs on how to recruit procurement officers. The instruction should cover all stages from requesting an establishment to advertising positions using the criteria listed in the job descriptions, evaluating candidates and contracting successful candidates. Furthermore, the instructions should also contain a brief overview of expected future developments in the recruitment process. To the extent that the development of such instructions requires prior agreement between DHRMD, OPC and the

Treasury, it is recommended that this agreement is carried out as part of the first activities under strategy MT-2, cf. section 3.1.2.

- Disseminate instructions, including job descriptions, to HR staff and SPU staff in all PEs.
- Make recruitment instructions and job descriptions available on the ODPP website.

<b>ST-3: Disseminate job descriptions and instructions on recruitment procedures to procurement officers at PE level</b>			
Timeframe	6 months	Priority	High
Responsible	ODPP PD	Stakeholders	DHRMD OPC Treasury
Output indicators	<ul style="list-style-type: none"> <li>▪ Step-by-step instruction developed</li> <li>▪ Instructions and job descriptions disseminated to all PEs</li> <li>▪ Recruitment instructions and job descriptions available on ODPP website</li> </ul>		
Outcome indicators	<ul style="list-style-type: none"> <li>▪ Number of procurement positions established at PE level</li> <li>▪ % of established positions filled</li> </ul>		
Baselines	<ul style="list-style-type: none"> <li>▪ 76 procurement positions established at PE level</li> <li>▪ &lt;10% of established positions filled (estimate)</li> </ul>		
Targets	<ul style="list-style-type: none"> <li>▪ 400 procurement positions established at PE level</li> <li>▪ 80% of established positions filled</li> </ul>		

*2.1.4 ST-4: Review ODPP staff qualifications with a view to adjusting requirements and re-advertising ODPP vacancies*

The PCA 2007 established that the ODPP does not have sufficient capacity to carry out its core functions at an adequate level. Two of the main reasons identified were a large number of vacant positions and an inadequate supply of qualified staff when positions are advertised.

The strategy proposed to address these issues is made up by three steps:

- Assessing whether all listed job requirements are necessary or whether alternative competence profiles may be acceptable.
- Identifying alternative sources of qualified staff, e.g. people with professional backgrounds in audit, finance, HR, marketing or monitoring who would have transferable competencies.
- Re-advertising positions with revised profiles and conducting targeted campaign to attract candidates from these alternative groups (e.g. through professional associations, universities/colleges etc).

It should be noted that in so far as the ODPP is successful in filling the vacant ODPP positions, a strategy for the relocation of the ODPP office to new premises is likely to be required. It is recommended that this issue is raised during the first annual evaluation of the CD strategy implementation status, and that an adequate strategy is included in the updated implementation plan if need be.

<b>ST-4: Review ODPP staff qualifications with a view to adjusting requirements and re-advertising ODPP vacancies</b>			
Timeframe	6 months	Priority	High
Responsible	ODPP Director	Stakeholders	ODPP ME ODPP RAR ODPP PD
Output indicators	<ul style="list-style-type: none"> <li>▪ Vacant job profiles are revised</li> <li>▪ Vacant positions are re-advertised</li> </ul>		
Outcome indicator	<ul style="list-style-type: none"> <li>▪ % of established ODPP positions that are vacant</li> </ul>		
Baseline	<ul style="list-style-type: none"> <li>▪ Approx. 50% of ODPP positions are vacant</li> </ul>		
Target	<ul style="list-style-type: none"> <li>▪ &lt;10% of ODPP positions are vacant</li> </ul>		

2.1.5 *ST-5: Initiate HRD activities with a view to retaining existing ODPP staff*

Due to the low availability of highly qualified procurement professionals in Malawi, the capacity of ODPP to carry out its functions in the future largely depends on its ability to retain existing ODPP staff, including those returning from study leave in 2007 and 2008.

This strategy therefore looks at initiating a number of HRD activities with a view to retaining existing ODPP staff. The following HRD components should be included in the strategy:

- Ensure that existing staff performance appraisal mechanism is operational including face-to-face meeting at least once per year focused on reviewing performance and planning for next period.
- Ensure that focus of performance appraisal is motivational by ensuring that staff know what is expected from them by identifying annual Key Performance Indicators (or similar) for each staff member related to the key focus areas of ODPP for that period.
- During performance appraisal discussions, encourage discussions on career aspirations and how they can be supported within ODPP.
- As part of performance appraisal discussions, prepare annual staff development plan for each staff member.
- Consolidate staff development plans into ODPP learning plan. Identify ODPP "learning manager" to ensure that learning activities are implemented.
- Roll out performance appraisal approach to all ODPP staff at all levels.
- Undertake performance/staff development discussion including identification of Key Performance Indicators (or similar) and development plan with staff returning from study leave within one week of return.

<b>ST-5: Initiate HRD activities with a view to retain ODPP staff</b>			
Timeframe	1 year	Priority	High
Responsible	ODPP Director	Stakeholders	ODPP ME ODPP RAR ODPP PD
Output indicators	<ul style="list-style-type: none"> <li>▪ Annual performance/staff development meeting held with each staff member</li> <li>▪ Annual staff development plan for each staff member prepared</li> <li>▪ Face-to-face performance/staff development meeting undertaken with staff returning from study leave within one week of return</li> </ul>		
Outcome indicator	<ul style="list-style-type: none"> <li>▪ % of established ODPP positions that are vacant</li> </ul>		
Baseline	<ul style="list-style-type: none"> <li>▪ Approx. 50% of ODPP positions are vacant</li> </ul>		
Target	<ul style="list-style-type: none"> <li>▪ &lt;10% of ODPP positions are vacant</li> </ul>		

#### 2.1.6 *ST-6: Develop plan to phase out prior review function*

The PCA 2007 identified the ODPP prior review function as a potential area of conflict of interest to the organisation and as a threat to the independence of procurement operations carried out at PE level.

To establish a sound division of responsibilities between the ODPP and the operational level of the PEs, a plan must be developed to phase out the prior review function and replace it by a more adequate post facto monitoring mechanism.

As a minimum, the plan should contain:

- A final date for full phasing out of the prior review mechanism, e.g. 2 years.
- A detailed plan for a gradual adjustment of thresholds upwards, including new thresholds for each category of bidders and procurements and fixed dates of future upward adjustments.
- A strategy to develop a robust post facto review mechanism to replace prior review. This should be implemented for any PEs that meet the defined standards prior to the deadline and will fully replace all prior review by the deadline for all PEs regardless of whether or not they have met the standard.
- A strategy for full integration in the ongoing Institution Compliance Assessment to ensure long-term compliance and performance improvement.
- A parallel strengthening of existing control mechanism (audit, sanction, etc.), cf. strategy MT-3, section 3.1.3.

It is recommended that the plan also defines:

- Clear standards to be met by PEs to receive full delegation of procurement authority. This may include clearly defined milestones that trigger step-by-step increases in delegation thresholds.
- For each PE that currently does not meet the above standard, an agreed improvement plan that ensures that standards are met in time for the final phasing out.

<b>ST-6: Develop plan to phase out prior review function</b>			
Timeframe	1 year	Priority	High
Responsible	ODPP Director	Stakeholders	ODPP ME ODPP RAR ODPP PD
Output indicator	<ul style="list-style-type: none"> <li>▪ Plan for phasing out of ODPP prior review function is in place</li> </ul>		
Outcome indicator	<ul style="list-style-type: none"> <li>▪ Level of phasing out of ODPP prior review function</li> </ul>		
Baseline	<ul style="list-style-type: none"> <li>▪ ODPP prior review for procurements over established thresholds</li> </ul>		
Target	<ul style="list-style-type: none"> <li>▪ ODPP prior review function fully replaced by ODPP post facto review function</li> </ul>		

2.1.7 *ST-7: Set up procedures to ensure complete procurement information on the ODPP website*

Despite significant improvements in this area, the PCA 2007 found that the ODPP website still lacks important key procurement documents such as the Regulations and which are only available at the Government Printer in Zomba, Mzuzu and Lilongwe. A key issue in this regard is the lack of clear procedures on the type of information to be uploaded to the website, the responsibility for collecting and uploading it, and the frequency of uploading.

Procedures to improve the procurement information available on the ODPP website should include:

- A clear specification of the types of information which as a minimum should be represented on the website. This should include:
  - Background information about the ODPP and the public procurement setup in Malawi.
  - All legal documents (including the Act, Regulations, SBDs, Desk Instructions, Circulars).
  - All key communications and documents developed by the ODPP targeting the PEs (e.g. on job descriptions, directions on IPC setups at local government level, etc.)
  - Procurement information uploaded by PEs, e.g. on procurement plans, tender opportunities, award notices, etc.
  - Procurement statistics based on ODPP monitoring activities, cf. strategy ST-9.
  - Publications targeting the public, e.g. newspaper articles on procurement, procurement journal articles, etc.
  - An FAQ section for bidders and procuring entities respectively, in which answers to questions frequently asked by the two groups (e.g. via helpdesk functions and during ODPP visits to PEs) are provided.
  - Etc.
- The responsibility for actively requesting, collecting and uploading procurement information should be clearly assigned, e.g. to the PR Officer at the ODPP.
- The frequency of updating the website should be clearly established, e.g. at least once per month.
- Clear incentives should be developed to ensure that uploading takes place in accordance with the established procedures. E.g. by including uploading of procurement information as a Key Performance Indicator in the PR Officer's performance appraisal.

The strategy should be followed up by continued sensitisation activities diffusing knowledge about the ODPP website, cf. separate strategies MT-12 (section 3.2.1) and MT-13 (section 3.2.2).

<b>ST-7: Set up procedures to ensure complete procurement information on the ODPP website</b>			
Timeframe	3 months	Priority	High
Responsible	ODPP Director	Stakeholders	ODPP PRO
Output indicator	<ul style="list-style-type: none"> <li>▪ Officer assigned for the website</li> <li>▪ Procedures clearly outlining the content of procurement information, and the frequency and responsibility of uploading, have been established</li> <li>▪ Fully developed website</li> </ul>		
Outcome indicators	<ul style="list-style-type: none"> <li>▪ Status on updating of ODPP website</li> <li>▪ Status on completeness of procurement information available from the ODPP website</li> </ul>		
Baselines	<ul style="list-style-type: none"> <li>▪ The ODPP website is not updated regularly</li> <li>▪ Key procurement documents are not available</li> </ul>		
Targets	<ul style="list-style-type: none"> <li>▪ The ODPP website is updated at least monthly</li> <li>▪ All relevant key procurement documents are accessible and downloadable to the public from the ODPP website</li> </ul>		

*2.1.8 ST-8: Review and revise existing mechanism for uploading procurement information to the ODPP website*

This strategy addresses the lack of an operational website on which procurement plans, tender opportunities and award notices are systematically published. While the ODPP website does provide for uploading of procurement information, this functionality is rarely used, apparently due to lack of information about the requirement to upload procurement information and/or lack of knowledge about how to practically upload the information.

To enhance the use of the mechanism, a review should be carried out with a view to establishing potential areas in which simplified procedures may be introduced and revising the mechanism accordingly. The activities of this strategy should include:

- A review of the IT requirements and functionality of uploading procurement information.
- A review of the administrative requirements for uploading information, i.e. whether clear requirements exist and whether these focus on procurements above a set value that reflects established thresholds.
- A review of the communication aspect of the uploading mechanism, i.e. how and to which extent PEs have been systematically informed about the requirement to upload.
- Revision of the mechanism based on the findings of the review.

To support the use of the revised uploading mechanism, operational guidelines for PEs should be developed and disseminated and follow-up training conducted. For separate strategies on these aspects, see also strategies ST-12 (section 2.2.1) and MT-12 (section 3.2.1).

<b>ST-8: Review and revise existing mechanism for uploading procurement information on the ODPP website</b>			
Timeframe	3 months	Priority	High
Responsible	ODPP PRO	Stakeholders	PSA&P
Output indicators	<ul style="list-style-type: none"> <li>▪ Mechanism reviewed</li> <li>▪ Revisions (if any) implemented</li> </ul>		
Outcome indicator	<ul style="list-style-type: none"> <li>▪ % of procurement plans, procurement notices and contract awards on ODPP website (assessed by comparison between Quarterly Procurement Report and website postings)</li> </ul>		
Baseline	<ul style="list-style-type: none"> <li>▪ &lt;5% of procurement plans, procurement notices and contract awards on website</li> </ul>		
Target	<ul style="list-style-type: none"> <li>▪ 95% of procurement plans, procurement notices and contract awards on website</li> </ul>		

#### 2.1.9 ST-9: Initiate activities to enhance ODPP monitoring function

While the ODPP has in place numerous channels to collect procurement information (Institution Compliance Assessments; Quarterly Procurement Reports; prior review mechanism), no system for aggregation and analysis of the data collected is yet in place, the key reasons being a lack of the tools and competencies needed to carry out data aggregation and analysis.

To acquire the necessary competencies, skills and tools to enhance the ODPP monitoring function, the following steps should be taken:

- Review how to best aggregate and analyse data from Institution Compliance Assessments and Quarterly Procurement Reports. The review should look at such aspects as:
  - Monitoring skills and competencies already available among ODPP staff.
  - Existing monitoring tools, including ICT based tools such as database programmes.
  - To which extent existing HR competencies and tools may be utilised when setting up systems of aggregation and analysis, and to which extent new competencies/tools are needed.
  - Available means of data collection.
  - The role of PEs in the data collection, including motivational factors (“what’s in it for me” – e.g. the possibility of generating PE specific statistics, benchmarking PEs against each other, etc.).
- Based on the conclusions of the review, develop tools capable of undertaking data aggregation and analysis.
- Based on the conclusions of the review, undertake staff development and/or recruitment to acquire the necessary competencies to aggregate and analyse data.

The strategy should be supported by adequate mechanisms for publication of the procurement statistics generated. On this matter, see separate strategy ST-7, cf. section 2.1.7.

<b>ST-9: Initiate activities to enhance ODPP monitoring function</b>			
Timeframe	1 year	Priority	High
Responsible	ODPP ME	Stakeholders	None
Output indicators	<ul style="list-style-type: none"> <li>▪ Review conducted</li> <li>▪ Tools for aggregation and analysis developed</li> <li>▪ Aggregation competencies acquired through competence development and/or recruitments</li> </ul>		
Outcome indicator	<ul style="list-style-type: none"> <li>▪ Share of data from Institution Compliance Assessment and Quarterly Procurement Reports aggregated, analysed and published on the ODPP website</li> </ul>		
Baseline	<ul style="list-style-type: none"> <li>▪ Data collected data is not aggregated, analysed and disseminated</li> </ul>		
Target	<ul style="list-style-type: none"> <li>▪ All collected data aggregated, analysed and disseminated</li> </ul>		

2.1.10 *ST-10: Establish dialogue between ODPP and relevant authorities to establish good practices for record keeping*

As noted in both the CPAR 2004 and the PCA 2007, the record and filing system displayed in PEs is poor. One aspect of this problem is that most procuring entities make use of inappropriate filing systems complicating public inspection. This is often due to the fact that record keeping procedures vary between departments and require records related to different aspects of the procurement process to be filed in different departments. Thus, payment records are in many cases kept with the accountant, completion reports in the relevant user department, etc.

To address this issue, it is necessary to initiate a dialogue between ODPP and relevant authorities for the purpose of establishing agreement on good practice in record keeping. The dialogue should cover at least the following issues:

- Which records are required to be kept for monitoring purposes, audit purposes, etc.)?
- How may the requirements and preferred filing systems of different institutions/departments be balanced?
- To which extent is electronic record keeping an option?
- How can complete filing be ensured?

<b>ST-10: Establish good record keeping practices</b>			
Timeframe	1 year	Priority	High
Responsible	ODPP ME	Stakeholders	Accountant General; MoF; NAO; IAU; DHRMD
Output indicators	<ul style="list-style-type: none"> <li>▪ Dialogue on record keeping practices initiated</li> <li>▪ Template for good record keeping developed</li> </ul>		
Outcome indicators	<ul style="list-style-type: none"> <li>▪ % of PEs using adequate filing systems, as assessed by Institution Compliance Assessment</li> <li>▪ % of PEs with complete procurement records, as assessed by Institution Compliance Assessment</li> </ul>		
Baselines	<ul style="list-style-type: none"> <li>▪ &lt;5% of PEs use adequate filing systems (estimate)</li> <li>▪ &lt;5% of PEs have complete procurement records (estimate)</li> </ul>		
Targets	<ul style="list-style-type: none"> <li>▪ 50% of PEs have proper filing systems</li> <li>▪ 20% of PEs have complete procurement records</li> </ul>		

2.1.11 *ST-11: Develop a mechanism for electronic collection and publication of complaint decisions*

The PCA 2007 identified that no mechanism for collection and publication of complaint decisions is in place, thus rendering complaint decision information inaccessible to the public.

It is hence recommended that a mechanism for collection and publication of complaint decisions be developed by the ODPP. The mechanism should cover both decisions made at PE level and complaint review decisions made at Review Committee level.

In light of the well-functioning ODPP website already in place, it is recommended that an electronic mechanism is set up, if possible allowing PEs to upload their complaint decisions directly to the relevant section of the website.

The mechanism should be followed up by sensitisation activities targeting PEs, e.g. through guidelines and sensitisation training on how to use the uploading function, cf. ST-12 (section 2.2.1) and MT-12 (section 3.2.1).

<b>ST-11: Develop a mechanism for electronic collection and publication of complaint decisions</b>			
Timeframe	1 year	Priority	Medium
Responsible	ODPP RAR	Stakeholders	ODPP PRO
Output indicator	<ul style="list-style-type: none"> <li>▪ Mechanism for electronic uploading developed</li> </ul>		
Outcome indicator	<ul style="list-style-type: none"> <li>▪ % of complaint decisions published, as assessed by Institution Compliance Assessment</li> </ul>		
Baseline	<ul style="list-style-type: none"> <li>▪ 0% of complaint decisions are published</li> </ul>		
Target	<ul style="list-style-type: none"> <li>▪ 70% of complaint decisions are published</li> </ul>		

## 2.2 Knowledge, Training and Learning

2.2.1 *ST-12: Develop guidelines to assist PE practices in the procurement cycle*

A major conclusion of the PCA 2007 was that procurement staff in most PEs are suffering from a general lack of information about the legal framework, principles and procedures of procurement. While sensitisation and training activities are carried out, these do not nearly cover the immediate or long-term need for competence upgrading.

By developing guidelines for a wide range of procurement cycle related activities, the purpose of this strategy is to provide additional operational and easy-to-understand guidance to PEs. In a situation characterised by insufficient training and sensitisation supply, such guidance is vital to enhance the compliance and performance of PEs.

Based on the findings of the PCA, it is suggested that guidelines are developed on the following topics:

- **Standard Bidding Documents:** Introduction to the purpose of SBDs; the different types of documents; the requirement to use SBDs; the importance of using the correct SBDs; how to use different SBDs; where to ask if the procurement officer needs more assistance on how to use the SBDs; how to assist suppliers in responding

to the SBDs. The guidelines should also include instructions covering SBDs for routine services once these are developed.

- **Evaluation criteria:** Introduction to different types of evaluation criteria; the requirements related to use of evaluation criteria; when to apply which criteria; how to employ the selected evaluation criteria during evaluation; who to consult if more information is needed. The guidelines should target both procurement officers, technical staff in user departments and advisors from the specialised entities.
- **Technical specifications:** What are generic and neutral specifications; requirements for technical specifications; how to develop generic specifications; typical pitfalls; use of standard specifications (see strategy ST-2, section 2.1.2); who to consult when further assistance is required. The guidelines should target both procurement officers, technical staff in user departments and advisors from the specialised entities.
- **Complaint procedures:** Introduction to the three-tier complaint system; the PE complaint procedures; how to handle complaints from bidders; how to deal with verbal complaints; when and how to advise bidders to complain; requirements to publicise complaint decisions; how to upload complaint decisions; who to consult regarding questions about the complaint procedures.
- **Procurement planning:** Introduction to the importance of procurement planning; the requirements related to procurement planning; the tools available to carry out procurement planning; the role of the procurement officer in procurement planning; how to deal with unexpected procurements; etc.
- **Record keeping:** Introduction to the importance of good record keeping; requirements as to which types of documents should be filed; filing system requirements; other record keeping requirements; how to restructure record keeping in the PE; how to handle the common challenges to record keeping; etc. The development of guidelines should be preceded by the establishment of agreed good practice for record keeping, cf. ST-10 (section 2.1.10).
- **Uploading procurement information:** Introduction to the uploading mechanism in place; requirements related to publication of procurement information; step-by-step guide to uploading of procurement information; who to consult in case of problems; etc. The development of guidelines in this area must be preceded by a review of the existing uploading mechanism; see ST-8 (section 2.1.8).
- **Contract execution:** Introduction to the importance of good contract execution; the obligations of the procurement officer during contract execution; how to administrate contracts for different types of goods, works and services; how to cooperate with user departments during contract execution.
- **Political interference:** How to identify political interference in different aspects of the procurement cycle; how to respond to political interference; when and where to ask for help.

All guidelines should be in an easily read language, be operational, problem-based and include examples covering the typical situations facing the procurement officer. Where possible, guidelines should be based on a step-by-step approach making them easily applicable in concrete situations.

To the extent possible, guidelines should be incorporated into the Desk Instructions, hereby providing PEs with one compiled set of instructions covering all key aspects of the procurement cycle.

The guidelines should be disseminated through a number of channels, e.g. on the ODPP website, during ODPP monitoring visits to PEs, during training etc. Issuing the guidelines as circulars (as they become ready) may also be considered.

The guidelines developed should be followed up by short-term training activities for relevant staff in the PEs. For separate strategy in this area, see MT-12 (section 3.2.1).

<b>ST-12: Develop guidelines to assist PE practices in the procurement cycle</b>			
Timeframe	6 months	Priority	High
Responsible	ODPP PD	Stakeholders	ODPP ME ODPP RAR ODPP PD
Output indicators	<ul style="list-style-type: none"> <li>▪ Guidelines developed</li> <li>▪ Guidelines disseminated to all PEs</li> </ul>		
Outcome indicators	<p><b>Standard Bidding Documents:</b></p> <ul style="list-style-type: none"> <li>▪ % of procurements carried out using the appropriate SBDs, as assessed by Institution Compliance Assessment</li> </ul> <p><b>Evaluation criteria:</b></p> <ul style="list-style-type: none"> <li>▪ % of procurements with adequate evaluation criteria, as assessed by Institution Compliance Assessment</li> </ul> <p><b>Technical specifications:</b></p> <ul style="list-style-type: none"> <li>▪ % of procurements with adequate technical specifications, as assessed by Institution Compliance Assessment</li> </ul> <p><b>Complaint procedures:</b></p> <ul style="list-style-type: none"> <li>▪ % of PEs aware of procedures for review, as assessed by Institution Compliance Assessment</li> <li>▪ Number of written complaints received at PE level, as assessed by Institution Compliance Assessment</li> </ul> <p><b>Procurement planning:</b></p> <ul style="list-style-type: none"> <li>▪ % of procurements not in accordance with procurement plans, as assessed by Quarterly Procurement Reports</li> </ul> <p><b>Record keeping:</b></p> <ul style="list-style-type: none"> <li>▪ % of PEs using adequate filing systems, as assessed by Institution Compliance Assessment</li> </ul> <p><b>Publication of procurement information:</b></p> <ul style="list-style-type: none"> <li>▪ % of procurement plans, procurement notices and contract awards on ODPP website</li> </ul> <p><b>Contract execution:</b></p> <ul style="list-style-type: none"> <li>▪ Score in CPI sub-indicator 8(a)</li> </ul> <p><b>Political interference:</b></p> <ul style="list-style-type: none"> <li>▪ % of PEs subject to political interference, as assessed by Institution Compliance Assessment</li> </ul>		
Baselines	<p><b>Standard Bidding Documents:</b></p> <ul style="list-style-type: none"> <li>▪ &lt;10% of procurements use appropriate SBDs (estimate)</li> </ul> <p><b>Evaluation criteria:</b></p> <ul style="list-style-type: none"> <li>▪ &lt;50% of procurements have adequate evaluation criteria (estimate)</li> </ul> <p><b>Technical specifications:</b></p> <ul style="list-style-type: none"> <li>▪ &lt;5% of procurements have adequate technical specifications (estimate)</li> </ul> <p><b>Complaint procedures:</b></p>		

	<ul style="list-style-type: none"> <li>▪ &lt;25% of PEs are aware of procedures for review (estimate)</li> <li>▪ &lt;5 written complaints received per PE per year (estimated average)</li> </ul> <p><b>Procurement planning:</b></p> <ul style="list-style-type: none"> <li>▪ No data</li> </ul> <p><b>Record keeping:</b></p> <ul style="list-style-type: none"> <li>▪ &lt;5% of PEs have proper filing systems (estimate)</li> </ul> <p><b>Publication of procurement information:</b></p> <ul style="list-style-type: none"> <li>▪ &lt; 5% of procurement plans, procurement notices and contract awards on website</li> </ul> <p><b>Contract execution:</b></p> <ul style="list-style-type: none"> <li>▪ Score 1 in 2007</li> </ul> <p><b>Political interference:</b></p> <ul style="list-style-type: none"> <li>▪ 50% of PEs subject to political interference</li> </ul>
Targets	<p><b>Standard Bidding Documents:</b></p> <ul style="list-style-type: none"> <li>▪ 90% of all procurements use appropriate SBDs</li> </ul> <p><b>Evaluation criteria:</b></p> <ul style="list-style-type: none"> <li>▪ 95% of procurements have adequate evaluation criteria</li> </ul> <p><b>Technical specifications:</b></p> <ul style="list-style-type: none"> <li>▪ 50% of procurements have adequate technical specifications</li> </ul> <p><b>Complaint procedures:</b></p> <ul style="list-style-type: none"> <li>▪ 95% of PEs are aware of procedures for review</li> <li>▪ &gt;10 written complaints received per PE per year (average)</li> </ul> <p><b>Procurement planning:</b></p> <ul style="list-style-type: none"> <li>▪ 75% of all procurements are in accordance with previously defined procurement plans</li> </ul> <p><b>Record keeping:</b></p> <ul style="list-style-type: none"> <li>▪ 50% of PEs use proper filing systems</li> </ul> <p><b>Publication of procurement information:</b></p> <ul style="list-style-type: none"> <li>▪ 95% of procurement plans, procurement notices and contract awards on website</li> </ul> <p><b>Contract execution:</b></p> <ul style="list-style-type: none"> <li>▪ Score 2 in 2009</li> </ul> <p><b>Political interference:</b></p> <ul style="list-style-type: none"> <li>▪ &lt;25% of PEs subject to political interference</li> </ul>

2.2.2 *ST-13: Develop private sector guidelines on how to handle Standard Bidding Documents in the bidding process*

The PCA 2007 concluded that many suppliers' access to the procurement market is inhibited by capacity constraints, including lack of a basic understanding of the procurement system and technical procurement language. Specifically, many suppliers fail to respond adequately to the SBDs which in practice constitutes a barrier to their market entry.

To enhance the capacity of the private sector to enter the procurement market, a set of operational guidelines on how to understand and respond to SBDs should be developed. The guidelines may include:

- A brief description of the SBDs used for procurements in Malawi.
- An explanation of each section included in the SBDs for different types of goods, works and services.

- Examples of how to deal with the most common challenges facing bidders during bid preparation.
- A check-list for bidders on what to keep in mind when completing each section of the SBDs.
- A glossary explaining the most commonly used procurement terms used in the SBDs.
- A reference to a helpdesk which may be consulted for further questions. On this, see also MT-15 (section 3.2.4).

The guidelines should be developed by ODPP but taking onboard input from private sector associations to ensure that the guidelines adequately address the specific needs of the sector, including small and medium-sized enterprises. Hence, the drafting of guidelines should be preceded by a focused dialogue between the ODPP and representatives of a broad range of private sector associations.

To ensure that the guidelines reach as many suppliers as possible (including SMEs), they should be disseminated combining a variety of communication channels such as:

- The ODPP website
- Distribution of free copies to all private sector associations
- Distribution to all registered suppliers
- Distribution to PEs who can disseminate them among interested bidders when a need arises
- Dissemination during sensitisation workshops (see also MT-14, section 3.2.3)

<b>ST-13: Develop private sector guidelines on how to handle SBDs</b>			
Timeframe	1 year	Priority	High
Responsible	ODPP PD	Stakeholders	Private sector associations
Output indicators	<ul style="list-style-type: none"> <li>▪ Dialogue established between ODPP and private sector</li> <li>▪ Guidelines developed with input from private sector representatives</li> <li>▪ Guidelines broadly disseminated</li> </ul>		
Outcome indicator	<ul style="list-style-type: none"> <li>▪ Score in BLI sub-indicator 7(b)</li> </ul>		
Baseline	<ul style="list-style-type: none"> <li>▪ Score 2 in BLI sub-indicator 7(b) in 2007</li> </ul>		
Target	<ul style="list-style-type: none"> <li>▪ Score 3 in BLI sub-indicator 7(b) in 2009</li> </ul>		

### 2.2.3 *ST-14: Disseminate Standards of Ethics for the procurement profession and develop strategy for follow-up activities*

At the time of writing the PCA 2007, Standards of Ethics for the procurement profession had been developed but not yet disseminated to all relevant stakeholders.

The dissemination of the Standards of Ethics constitutes a quick win in terms of developing a procurement profession characterised by integrity.

Once disseminated, the Standards of Ethics need to be followed up by sensitisation activities (e.g. articles, guidelines, radio spots, etc.), carried out ei-

ther by the ODPP or by the yet-to-be-established professional procurement body who have been appointed the future body responsible for promoting the Standards of Ethics.

<b>ST-14: Disseminate Standards of Ethics to all stakeholders to the public procurement system</b>			
Timeframe	6 months	Priority	Medium
Responsible	ODPP PD	Stakeholders	ODPP PRO; Profession pro- curement body
Output indicators	<ul style="list-style-type: none"> <li>▪ Standards of Ethics disseminated to full target group</li> <li>▪ Follow-up sensitisation activities delivered</li> </ul>		
Outcome indicators	<ul style="list-style-type: none"> <li>▪ Score in BLI assessment</li> <li>▪ Score in CPI assessment</li> </ul>		
Baselines	<ul style="list-style-type: none"> <li>▪ Score 1 in the 2009 BLI assessment of sub-indicator 12(g)</li> <li>▪ Score 0 in the 2009 CPI assessment of sub-indicator 12(g)</li> </ul>		
Targets	<ul style="list-style-type: none"> <li>▪ Score 3 in the 2009 BLI assessment of sub-indicator 12(g)</li> <li>▪ Score 2 in the 2009 CPI assessment of sub-indicator 12(g)</li> </ul>		

## 2.3 Accountability and Voice Mechanisms

### 2.3.1 *ST-15: Initiate increased systematic monitoring of areas identified as critical in the Procurement Capacity Assessment*

To ensure long-term compliance and performance improvement in areas identified as weak, increased systematic monitoring must be introduced in these areas.

This strategy introduces two extensions to the existing ODPP monitoring system:

- **Increase number of indicators being monitored through Institution Compliance Assessments and Quarterly Procurement Reports:** New indicators should cover those areas identified as critical in the PCA 2007, including (but not necessarily limited to):
  - Existence of adequate procurement filing system (new question in Institution Compliance Assessment)
  - Existence of completion reports (inserted as a new column in Quarterly Procurement Report)
  - Publication of complaint decisions (new question in Institution Compliance Assessment)
  - Awareness of procedures for review (new question in Institution Compliance Assessment)
  - Number of written complaints received (new question in Institution Compliance Assessment *or* inserted as a new column in Quarterly Procurement Report)
  - Existence of complete, consolidated procurement plan prior to the beginning of a new financial year (new question in Institution Compliance Assessment)
  - Level of political interference that the PE has been subject to (new question in Institution Compliance Assessment)

- Procurement function placed at an adequate level in the organisational hierarchy of the PE (new question in Institution Compliance Assessment)
- **Introduce procurement case monitoring:** It is recommended that monitoring of a sample of procurement cases be introduced, hereby allowing for tracking of contract-specific trends. In each PE visited, the ODPP should select a fixed number of procurement contracts, e.g. 5, through random sampling based on procurements carried out in the previous financial year. Based on a review of the selected procurement cases, it is suggested that at minimum the following indicators be measured:
  - Use of correct procurement method
  - Use of correct advertisement
  - Use of correct SBDs
  - Existence of neutral and generic technical specifications
  - Existence of adequate evaluation criteria in tender documents
  - Use of established evaluation criteria during evaluation
  - Completeness of procurement file
  - Compliance with procurement plan

It is recommended that this strategy is implemented in parallel with the development of tools and competencies for aggregation and analysis of collected data (ST-9, cf. section 2.1.9) in order to ensure that the scaled up monitoring in fact does translate into procurement statistics.

<b>ST-15: Initiate increased systematic monitoring of areas identified as critical in the Procurement Capacity Assessment</b>			
Timeframe	1 year	Priority	High
Responsible	ODPP ME	Stakeholders	None
Output indicators	<ul style="list-style-type: none"> <li>▪ New indicators have been introduced to the Institution Compliance Assessment and the Quarterly Procurement Report</li> <li>▪ Monitoring based on procurement cases has been introduced</li> </ul>		
Outcome indicator	<ul style="list-style-type: none"> <li>▪ Level of monitoring data generated in the areas listed in the strategy</li> </ul>		
Baseline	<ul style="list-style-type: none"> <li>▪ None of the areas listed in the strategy are monitored</li> </ul>		
Targets	<ul style="list-style-type: none"> <li>▪ Monitoring in all areas listed has been initiated</li> <li>▪ The first set of aggregated results are available for each of the areas listed in the strategy</li> </ul>		

### 3. Medium-term Capacity Development Strategies

This chapter presents a number of more complex and resource demanding CD strategies for public procurement in the period 2008-2012.

The medium-term CD strategies are divided into four categories: Institutional Reform and Incentives; Knowledge, Training and Learning; Leadership Development; and Accountability and Voice Mechanisms.

#### 3.1 Institutional Reform and Incentives

##### 3.1.1 *MT-1: Establish dialogue with the Ministry of Finance with a view to enhancing procurement planning procedures*

The PCA 2007 identified a number of weaknesses in the field of procurement planning. These include lack of integration between procurement planning and budget formulation, non-existence of procurement plans in many PEs, and inability to comply with these in the PEs having procurement plans.

The extensive deficiencies in the procurement planning area call for a face-to-face dialogue between the ODPP and the Ministry of Finance. The face-to-face dialogue should aim for:

- Developing a strategy for the cash-flow area to address the issue of low monthly allowances which today constitutes a major barrier to carrying out large procurements at PE level.
- Developing a strategy for integration of procurement plans into the budget formulation process, including establishment of new incentives for procurement planning and use of procurement plans.

The above activities should be accompanied by an operational action plan and a detailed schedule for the implementation of the agreed improvements.

<b>MT-1: Establish dialogue with a view to enhancing procurement planning procedures</b>			
Timeframe	2 years	Priority	High
Responsible	ODPP Director	Stakeholders	Ministry of Finance, Accountant General and PEs
Output indicators	<ul style="list-style-type: none"> <li>▪ At least 4 dialogue meetings held</li> <li>▪ Agreed strategy for improved cash-flow mechanism and integration of procurement planning in the budget formulation process developed.</li> <li>▪ Strategies implemented</li> </ul>		
Outcome indicators	<ul style="list-style-type: none"> <li>▪ Score in BLI sub-indicator 3(a)</li> <li>▪ % of PEs with procurement plans</li> <li>▪ % of procurements carried out in accordance with procurement plans</li> </ul>		
Baselines	<ul style="list-style-type: none"> <li>▪ BLI score 0 in 2007</li> <li>▪ &lt;10% of PEs have procurement plans (estimate)</li> <li>▪ No data</li> </ul>		
Targets	<ul style="list-style-type: none"> <li>▪ BLI score 3 in 2009</li> <li>▪ 95% of PEs have procurement plans</li> <li>▪ 75% of all procurements carried out are in accordance with previously defined procurement plans</li> </ul>		

3.1.2 *MT-2: Define a joint strategy for the development of a sustainable procurement profession*

The establishment of a public procurement profession in Malawi has been hampered by a number of systemic flaws, including the lack of a clear recruitment system and a career path capable of attracting ambitious civil servants to the profession. In practice, these factors have slowed down the establishment of the competent procurement cadre urgently needed to enhance public procurement in Malawi.

A first necessary step to overcome the above described gaps is to initiate a formalised dialogue between the key public institutions involved in the development of the procurement profession, i.e. ODPP, DHRMD, OPC and the Treasury.

The purpose of establishing a dialogue should be to define a joint strategy for the development of the procurement profession, including:

- A clear system for recruitment of procurement officers. The system may take either the form of a common service for the procurement profession, or procedures facilitating and empowering the PEs to carry out their own recruitments.
- A career ladder making promotion possible and clearly defining the requirements needed.
- An individual and organisational performance appraisal mechanism providing procurement officers and PEs with appropriate incentives to enhance their procurement performance (see also separate strategy MT-6 in section 3.1.6).
- Endorsement of the job descriptions already developed by the ODPP, hence enabling their use as basic tools in the recruitment process as well as for purposes of performance measurement.

The parties involved in the development of the joint strategy should aim at finalising this work within the first year of its initiation, hereby allowing for early implementation of the agreed activities.

<b>MT-2: Define a joint strategy for the development of a sustainable procurement profession</b>			
Timeframe	3 years	Priority	High
Responsible	ODPP Director	Stakeholders	ODPP PD DHRMD OPC Treasury Procurement professional body
Output indicators	<ul style="list-style-type: none"> <li>▪ Formalised dialogue established</li> <li>▪ Strategy for the development of a procurement profession defined</li> <li>▪ Strategy fully implemented</li> </ul>		
Outcome indicators	<ul style="list-style-type: none"> <li>▪ Number of procurement positions established at PE level</li> <li>▪ % of established positions filled</li> </ul>		
Baselines	<ul style="list-style-type: none"> <li>▪ 76 procurement positions established at PE level</li> <li>▪ &lt;10% of established positions filled (estimate)</li> </ul>		
Targets	<ul style="list-style-type: none"> <li>▪ 400 procurement positions established at PE level</li> <li>▪ 80% of established positions filled</li> </ul>		

3.1.3 *MT-3: Establish formalised dialogue between ODPP, NAO, IAU and the Treasury with a view to improving the effectiveness of procurement audits*

The PCA 2007 identified a number of capacity gaps related to the auditing conducted in the field of public procurement. Gaps include lack of sufficient procurement proficiency among internal and external auditors, weak enforcement of audit recommendations, and lack of Internal Audit Committees.

While it is not up to the ODPP alone to develop strategies in this area, the Office has an important role to play in creating awareness about the type and scale of the problems identified from a procurement perspective.

It is hence recommended that formalised face-to-face dialogue is established between ODPP, NAO, IAU and the Treasury with the purpose of:

- **Establishing a strategy for enhancing auditors' procurement proficiency.** Activities in this area should include: Defining and agreeing on the level of desired procurement proficiency in the auditor profession; Defining a strategy for delivery of short-term procurement training for auditors; and Initiation of dialogue with Malawi College of Accountants (MCA) to consider possibilities for adding procurement-related topics to the training curriculum.
- **Developing a joint strategy for enforcement of procurement audit recommendations.** The strategy should propose a set of actions encouraging enforcement of recommendations, including incentives to enhance enforcement of sanctions for non-compliance.
- **Defining an action plan for establishment of Internal Audit Committees.**

<b>MT-3: Establish formalised dialogue between ODPP, NAO, IAU and the Treasury with a view to improving the effectiveness of procurement audits</b>			
Timeframe	2 years	Priority	High
Responsible	ODPP Director	Stakeholders	NAO IAU Treasury
Output indicators	<ul style="list-style-type: none"> <li>▪ Formalised face-to-face dialogue established</li> <li>▪ Strategy for enhancing auditors' procurement proficiency established</li> <li>▪ Joint strategy for enforcement of procurement audit recommendations developed</li> <li>▪ Action plan for establishment of Internal Audit Committees defined</li> </ul>		
Outcome indicators	<ul style="list-style-type: none"> <li>▪ % of auditors having undertaken short-term procurement training</li> <li>▪ % of audit recommendations being enforced</li> <li>▪ Number of PEs with an Internal Audit Committee</li> </ul>		
Baselines	<ul style="list-style-type: none"> <li>▪ 0% of auditors have undertaken procurement training</li> <li>▪ Very few audit recommendations are enforced</li> <li>▪ Only 6-7 PEs have established Internal Audit Committees</li> </ul>		
Targets	<ul style="list-style-type: none"> <li>▪ 50% of auditors have undertaken short-term procurement training</li> <li>▪ 50% of all audit recommendations are enforced</li> <li>▪ At least 30 PEs have established Internal Audit Committees</li> </ul>		

3.1.4 *MT-4: Scale up cooperation between ODPP and ACB with a view to developing joint solutions to critical corruption-related issues*

While ODPP and ACB are already collaborating on a broad range of issues, the PCA 2007 suggests that further dialogue is still needed to tackle some of the critical issues related to corruption in procurement.

In particular, enhanced cooperation should be initiated with a view to:

- **Establishing one single reporting mechanism:** At present, both ACB and ODPP host a mechanism for reporting cases of corruption in procurement. This activity should aim at merging the ODPP and ACB reporting functions into one single mechanism for reporting cases of corruption in procurement, hereby creating clear reporting lines for the benefit of the public. Furthermore, the cooperation in this area should look at how to ensure reporting confidentiality as well as public officials' and bidders' trust in reporting corrupt practices.
- **Strengthening the independence of procurement officers:** The frequency of political interference in the procurement process creates a need for ODPP and ACB to jointly consider possible ways to strengthen the independence of procurement officers in carrying out their jobs. Ideally, this strategy should also be linked to the development of guidelines for procurement officers on this matter, cf. ST-12 (section 2.2.1).

This strategy may also be implemented within strategy MT-11 aimed at accelerating the work of the oversight authority coordination mechanism, cf. section 3.1.11.

<b>MT-4: Scale up cooperation between ODPP and ACB with a view to developing joint solutions to critical corruption related issues</b>			
Timeframe	2 years	Priority	Medium
Responsible	ODPP Director	Stakeholders	ODPP ME ODPP PD ACB
Output indicators	<ul style="list-style-type: none"> <li>▪ One single procurement mechanism established</li> <li>▪ Strategy developed to strengthen the independence of procurement officers</li> </ul>		
Outcome indicators	<ul style="list-style-type: none"> <li>▪ Number of cases of corruption reported through the reporting mechanism</li> <li>▪ % of PEs subject to political interference, as assessed by the Institution Compliance Assessment</li> </ul>		
Baselines	<ul style="list-style-type: none"> <li>▪ An average of 30 yearly cases of corruption in procurement are reported through the reporting system (estimate)</li> <li>▪ 50% of PEs subject to political interference</li> </ul>		
Targets	<ul style="list-style-type: none"> <li>▪ At least 100 yearly cases of corruption in procurement are reported through the reporting system</li> <li>▪ &lt;25% of PEs subject to political interference</li> </ul>		

3.1.5 *MT-5: Review the need for Regulations targeting local level assemblies*

While the Regulations are generally considered to be adequately consistent and detailed to guide public procurement, many local government PEs find

that the Regulations do not sufficiently target the particular features of local level procurement.

To uncover the scope and scale of this problem, it is recommended that a review of the need for Regulations targeting local level PEs is carried out.

The review should seek to expose:

- The key issues related to the use of Regulations at local level
- The occurrence of such issues
- Particular problems related to the use of SBDs at local level

Based on the review, a strategy and implementation plan for the potential drafting of local level Regulations should be developed.

<b>MT-5: Review the need for Regulations targeting local level PEs</b>			
Timeframe	2 years	Priority	High
Responsible	ODPP ME	Stakeholders	Ministry of Local Government
Output indicator	<ul style="list-style-type: none"> <li>▪ Review conducted</li> <li>▪ Strategy and implementation plan developed</li> <li>▪ Regulations for local authorities developed</li> </ul>		
Outcome indicator	<ul style="list-style-type: none"> <li>▪ % of procurements using appropriate SBDs, as assessed by the Institution Compliance Assessment</li> </ul>		
Baseline	<ul style="list-style-type: none"> <li>▪ &lt;10% of procurements use appropriate SBDs (estimate)</li> </ul>		
Target	<ul style="list-style-type: none"> <li>▪ 90% of all procurements use appropriate SBDs</li> </ul>		

### 3.1.6 *MT-6: Develop a policy and mechanism for procurement performance management*

The lack of incentives associated with good performance in public procurement was identified by the PCA 2007 as one of the obstacles to improved procurement practices. For example, in the area of contract administration, sufficient follow-up often does not happen due to the fact that this task is among the least visible in the procurement officer's portfolio of tasks.

This strategy seeks to address this and other incentive problems by establishing a policy and a mechanism for procurement performance management allowing for evaluation of procurement performance at both the individual and organisational level.

The following steps must be completed to develop a policy and mechanism for procurement performance management:

- Establish dialogue between ODPP and DHRMD on rolling out a performance management system to procurement officers as a matter of priority.
- Undertake a study on good practice in measuring procurement performance with a view to developing a policy and mechanism for performance management. The study should cover such issues as:
  - Performance indicators
  - Performance standards
  - Incentives and rewards
  - Links between individual performance management and organisational performance management

- The role of the oversight body in monitoring with regard to motivating performance improvements versus sanctioning non-compliance
- Data collection
- Based on the study, design a policy and mechanism for performance management. The mechanism should include performance indicators in areas identified as critical by the PCA 2007, including follow-up on contract execution.
- Develop an implementation plan for the roll out of the policy and mechanism.
- Roll out the mechanism to all PEs at central government level.

<b>MT-6: Develop a policy and mechanism for procurement performance management</b>			
Timeframe	4 years	Priority	Medium
Responsible	ODPP ME	Stakeholders	DHRMD
Output indicators	<ul style="list-style-type: none"> <li>▪ Dialogue established</li> <li>▪ Study of best practice in procurement performance management undertaken</li> <li>▪ Policy and mechanism for procurement performance management designed</li> <li>▪ Implementation plan developed</li> <li>▪ Mechanism rolled out to all PEs at central government level</li> </ul>		
Outcome indicator	<ul style="list-style-type: none"> <li>▪ Number of procurement officers covered by performance management system</li> </ul>		
Baseline	<ul style="list-style-type: none"> <li>▪ No procurement officers covered</li> </ul>		
Target	<ul style="list-style-type: none"> <li>▪ 95% of procurement officers at central government level covered</li> </ul>		

### 3.1.7 *MT-7: Develop plan for the future role the Central Government Stores*

As described in the CPAR 2004 and the PCA 2007, the Central Government Stores have been unable to maintain its role as the mandatory provider of common supplies to all central government institutions since 2003. This situation is due to a number of financial and operational constraints which has eventually created a situation of lack of funds and stocks and uncompetitive prices, deliveries and services.

In addition to the above mentioned situation on the ground, it is noted that:

- The Government of Malawi had decided to pursue a decentralisation strategy for the public procurement area, according to which delegation of procurement decision-making authority has taken place. As a result, PEs have been capacitated to independently carry out their procurements with all the advantages that this carries.
- The existence of centralised providers of common supplies does not constitute international best practice in the procurement field.

Based on these arguments it is the view of the assessment team that the Central Government Stores should be phased out. It should be noted, however, that this recommendation is not shared by the ODPP and does not constitute Government of Malawi policy. For the purpose of this Capacity Development and System Strengthening Plan it is therefore recommended that an in-depth study of the Central Government Stores is carried out with a view to establishing:

- The existing capacity level of the CGS.
- The existing capacity level of the PEs to individually fulfil the functions of the CGS.
- The capacity development need associated with revitalising the CGS.
- Comparative advantages and disadvantages (in terms of implementation costs, resource requirements, time requirements and coherence with decentralisation reform priorities) of strengthening the CGS vs. strengthening the PEs.
- The need for follow-up activities should it be decided to phase out the CGS, e.g. need for retraining and redeployment of CGS staff, additional training of PE staff, etc.
- The need for follow-up activities should it be agreed to maintain the CGS and revitalise the organisation.

Based on the study, a strategy and implementation plan for the future role of the CGS should be developed and implemented.

<b>MT-7: Develop plan for the future role of the Central Government Stores</b>			
Timeframe	3 years	Priority	Medium
Responsible	ODPP Director	Stakeholders	Central Government Stores
Output indicators	<ul style="list-style-type: none"> <li>▪ In-depth study of the Central Government Stores conducted</li> <li>▪ Strategy and implementation plan for the future role of the CGS developed</li> <li>▪ Strategy implemented</li> </ul>		
Outcome indicator	<ul style="list-style-type: none"> <li>▪ Status on development and implementation of strategy</li> </ul>		
Baseline	<ul style="list-style-type: none"> <li>▪ No strategy for the role of CGS developed and implemented</li> </ul>		
Target	<ul style="list-style-type: none"> <li>▪ Strategy for the future role of the CGS developed and implemented</li> </ul>		

*3.1.8 MT-8: Establish coordination with a view to developing a completion report feedback mechanism*

To address the current lack of a feedback mechanism providing completion reports on the execution and completion of major contracts, it is recommended that systematic dialogue be established between ODPP and the Ministry of Economic Planning and Development.

The objective of this dialogue should be to develop and implement a mechanism to ensure that completion reports are systematically prepared for certification of budget execution and for reconciliation of delivery with budget programming.

<b>MT-8: Establish coordination with a view to developing a completion report feedback mechanism</b>			
Timeframe	4 years	Priority	Low
Responsible	ODPP RAR	Stakeholders	Ministry of Economic Planning and Development; Ministry of Finance

Output indicator	<ul style="list-style-type: none"> <li>▪ Coordination established</li> <li>▪ Mechanism developed</li> </ul>
Outcome indicator	<ul style="list-style-type: none"> <li>▪ Score in BLI sub-indicator 3(d)</li> </ul>
Baseline	<ul style="list-style-type: none"> <li>▪ Score 0 in 2007</li> </ul>
Target	<ul style="list-style-type: none"> <li>▪ Score 3 in 2011</li> </ul>

### 3.1.9 MT-9: Incorporate procurement provisions in the Code of Conduct

At the time of writing, a Code of Conduct applying to all civil servants is being developed by the DHRMD under the OPC.

The purpose of this strategy is to broaden the work on developing the Code of Conduct to a larger group of stakeholders, hereby ensuring that special provisions such as financial disclosure requirements are in place for public officials involved in public procurement.

The strategy should be carried out through the following steps:

- Establish dialogue between OPC, DHRMD, ODPP, ACB and MoF on the content of the Code of Conduct.
- Incorporate jointly agreed provisions for public officials working in the field of procurement to be included in the Code of Conduct.
- Develop joint strategy for dissemination of the Code of Conduct as well as follow-up sensitisation activities (with particular emphasis on procurement officers and other public officials involved in the procurement cycle), including division of dissemination/sensitisation responsibilities, types of sensitisation activities (such as radio spots, sensitisation workshops, etc.)

<b>MT-9: Incorporate procurement provisions in the Code of Conduct</b>			
Timeframe	2 years	Priority	Medium
Responsible	ODPP PD	Stakeholders	DHRMD ACB Ministry of Finance; Ministry of Justice
Output indicators	<ul style="list-style-type: none"> <li>▪ Dialogue on the Code of Conduct established</li> <li>▪ Public financial management/procurement provisions included in the Code of Conduct</li> <li>▪ Strategy for dissemination and follow-up sensitisation activities developed</li> <li>▪ Strategy implemented</li> </ul>		
Outcome indicators	<ul style="list-style-type: none"> <li>• Score in BLI assessment 12(g)</li> <li>▪ Score in CPI assessment 12(g)</li> </ul>		
Baselines	<ul style="list-style-type: none"> <li>• Score 1 in the 2007 BLI assessment of sub-indicator 12(g)</li> <li>▪ Score 0 in the 2007 CPI assessment of sub-indicator 12(g)</li> </ul>		
Targets	<ul style="list-style-type: none"> <li>• Score 3 in the 2009 BLI assessment of sub-indicator 12(g)</li> <li>▪ Score 2 in the 2009 CPI assessment of sub-indicator 12(g)</li> </ul>		

3.1.10 *MT-10: Review and optimise procurement setups at PE level*

The PCA 2007 encountered evidence that procurement units often report to other units and departments rather than being placed in a separate function in the organisational hierarchy, hereby failing to draw attention to the importance of the procurement function and causing unnecessary red-tape.

To address this issue, it is recommended that a more systematic review of the procurement setups at PE level is carried out with a view to developing and implementing a strategy for an optimisation of the setups.

This strategy thus includes the following activities:

- Conduct review of the current procurement setups at PE level.
- Based on the findings of the review, develop a strategy for future procurement setups, including a plan for the implementation of the new setups.
- Implement new procurement setups in accordance with the strategy.

<b>MT-10: Review and optimise procurement setups at PE level</b>			
Timeframe	4 years	Priority	Medium
Responsible	ODPP PD	Stakeholders	ODPP Director; representatives of key PEs
Output indicator	<ul style="list-style-type: none"> <li>▪ Review conducted</li> <li>▪ Strategy developed</li> <li>▪ Strategy implemented</li> </ul>		
Outcome indicator	<ul style="list-style-type: none"> <li>▪ % of procurement functions placed at an adequate level in the organisational hierarchy of the PE, as assessed by the Institution Compliance Assessment</li> </ul>		
Baseline	<ul style="list-style-type: none"> <li>▪ To be established during review</li> </ul>		
Target	<ul style="list-style-type: none"> <li>▪ 90% of procurement functions are placed at an adequate level in the organisational hierarchy</li> </ul>		

3.1.11 *MT-11: Accelerate the work of the coordination mechanism*

At the time of writing, a coordination mechanism has been established between the government oversight bodies of Malawi, and one coordination meeting has been held.

The coordination mechanism between oversight bodies potentially provides an excellent opportunity for addressing many of the capacity gaps identified in the PCA 2007, including the lack of procurement proficiency in the audit function, the weak enforcement of audit recommendations and legal provisions on corrupt practices, and the lack of a secure mechanism for reporting cases of corruption in procurement.

This strategy therefore focuses on accelerating the work of the newly established coordination mechanism and to use it actively as a forum to raise issues of importance to the efficiency and integrity of the public procurement system. Activities included in this strategy should cover:

- Setting up meetings at a fixed frequency, e.g. six meetings per year, to ensure momentum in dialogue and decision-making.
- Establishing working groups looking into specific problem areas requiring specialised work and not necessarily requiring the attention

- of all oversight institutions (e.g. issues related to procurement audits).
- Within the ODPP, developing a list of procurement-related issues that should be raised and dealt with at the coordination meetings within a certain time period.

While the responsibility of implementing this strategy rests with the entire group of oversight bodies, it is recommended that ODPP actively engage in proposing new initiatives and supporting the activities' set up, hereby contributing to generating quick results.

<b>MT-11: Accelerate the work of the coordination mechanism</b>			
Timeframe	4 years	Priority	Low
Responsible	ODPP Director	Stakeholders	Oversight bodies
Output indicator	<ul style="list-style-type: none"> <li>▪ At least four annual meetings held</li> <li>▪ Working groups established in at least three ODPP priority areas</li> </ul>		
Outcome indicator	<ul style="list-style-type: none"> <li>▪ Status on outcome indicators for strategies in sections 3.1.3 and 3.1.4</li> </ul>		
Baseline	<ul style="list-style-type: none"> <li>▪ Targets for strategies in sections 3.1.3 and 3.1.4 not met</li> </ul>		
Target	<ul style="list-style-type: none"> <li>▪ Target for strategies in sections 3.1.3 and 3.1.4 met</li> </ul>		

## 3.2 Knowledge, Training and Learning

### 3.2.1 *MT-12: Increase supply of short-term training options for procuring entities*

The development of an intensified and broadened short-term training supply for procurement officers and other staff involved in the procurement process at PE level should be a top priority for the ODPP in the coming years. Although short-term training and sensitisation is already being conducted on a number of topics, increased training – in the form of intensified training on existing topics and introduction of new training topics – remains one of the most vital factors in developing a competent procurement workforce.

While the short-term training delivered up to now has largely targeted senior staff heading procurement activities at PE level, the short-term training delivered under this strategy should change its approach towards non-senior staff members working in SPUs, IPCs and de facto procurement functions. In this way, the strategy aims to alleviate the procurement competencies of those staff actually carrying out procurements at PE level.

Training sessions should take as a starting point the daily work of procurement officers and be based on practical examples, case studies and exercises illustrating the relevance of the training topic to the daily work of the participants. Interactive learning methods should be applied as much as possible, and the training should allow participants to simulate realistic work situations.

While short-term training activities have already taken place in many areas, the following areas require intensified training supply:

- **Standard Bidding Documents:** Introduction to the purpose of SBDs; the different types of documents; the requirement to use SBDs; the importance of using the correct SBDs; how to use different SBDs; where to ask if the procurement officer needs more assis-

tance on how to use the SBDs; how to assist suppliers in responding to the SBDs. The training should also include instructions covering SBDs for routine services once these are developed.

- **The Act, Regulations and Desk Instructions:** Introduction to the documents and their use; their importance to the work of the PEs; how to obtain a copy of the documents; who to consult when further guidance is needed.
- **Uploading of procurement information:** Introduction to the uploading mechanism in place; requirements related to publication of procurement information; step-by-step guide to uploading of procurement information; who to consult in case of problems; etc. The training in this area should preferably be preceded by a review of the existing uploading mechanism; see ST-8 (section 2.1.8).

In addition to the above sensitisation training activities, the findings of the PCA 2007 also suggest a need for new sensitisation and training programmes, in particular in the following areas:

- **Complaint review framework:** Introduction to the three-tier complaint system; the PE complaint procedures; how to handle complaints from bidders; how to deal with verbal complaints; when and how to advise bidders to complain; requirements to publicise complaint decisions; how to upload complaint decisions (to be included in the training when a mechanism for electronic collection and publication of complaint decisions has been developed, cf. ST-11, section 2.1.11); who to consult regarding questions about the complaint procedures.
- **Technical specifications:** Definition of generic and neutral specification; requirements for technical specifications; how to develop generic specifications; typical pit-falls; use of standard specifications (see strategy ST-2, section 2.1.2); who to consult when further assistance is required. The training should target both procurement officers, technical staff in user departments and advisors from the specialised entities.
- **Evaluation criteria:** Introduction to different types of evaluation criteria; the requirements related to use of evaluation criteria; when to apply which criteria; how to employ the selected evaluation criteria during evaluation; who to consult if more information is needed. The training in this area should target both procurement officers, technical staff in user departments and advisors from the specialised entities.
- **Procurement planning:** Introduction to the importance of procurement planning; the requirements related to procurement planning; the tools available to carry out procurement planning; the role of the procurement officer in procurement planning; how to deal with unexpected procurements; etc.
- **Record keeping:** Introduction to the importance of good record keeping; requirements as to which types of documents should be filed; filing system requirements; other record keeping requirements; how to restructure record keeping in the PE; how to handle the common challenges to record keeping; etc. The training on good record keeping practices should also include training on best practices in electronic filing systems. The training delivery in this area should be preceded by the establishment of agreed good practice for record keeping, cf. ST-10 (section 2.1.10).
- **Contract execution:** Introduction to the importance of good contract execution; the obligations of the procurement officer during contract execution; how to administrate contracts for different types

of goods, works and services; how to cooperate with user departments during contract execution.

All trainings should be aligned with the guidelines developed for the various areas, cf. ST-12 (section 2.2.1). It is essential that the use of both guidelines and other available resources are actively promoted during training sessions.

<b>MT-12: Increase supply of short-term training options for PEs</b>			
Timeframe	4 years	Priority	High
Responsible	ODPP PD	Stakeholders	None
Output indicators	<ul style="list-style-type: none"> <li>▪ At least 200 PEs trained in each of the above areas</li> <li>▪ At least 400 staff members trained in each of the above areas</li> </ul>		
Outcome indicators	<p><b>Standard Bidding Documents:</b></p> <ul style="list-style-type: none"> <li>▪ % of procurements carried out using the appropriate SBDs, as assessed by Institution Compliance Assessment</li> </ul> <p><b>Act, Regulations, Desk Instructions:</b></p> <ul style="list-style-type: none"> <li>• % of PEs that have copies of the Regulations, as assessed by Institution Compliance Assessment</li> <li>▪ % of PEs that have copies of the Desk Instructions, as assessed by Institution Compliance Assessment</li> </ul> <p><b>Publication of procurement information:</b></p> <ul style="list-style-type: none"> <li>▪ % of procurement plans, procurement notices and contract awards on ODPP website</li> </ul> <p><b>Complaint procedures:</b></p> <ul style="list-style-type: none"> <li>▪ % of PEs aware of procedures for review, as assessed by Institution Compliance Assessment</li> <li>▪ Number of written complaints received at PE level, as assessed by Institution Compliance Assessment</li> </ul> <p><b>Technical specifications:</b></p> <ul style="list-style-type: none"> <li>▪ % of procurements with adequate technical specifications, as assessed by Institution Compliance Assessment</li> </ul> <p><b>Evaluation criteria:</b></p> <ul style="list-style-type: none"> <li>▪ % of procurements with adequate evaluation criteria, as assessed by Institution Compliance Assessment</li> </ul> <p><b>Procurement planning:</b></p> <ul style="list-style-type: none"> <li>▪ % of procurements not in accordance with procurement plans, as assessed by Quarterly Procurement Reports</li> </ul> <p><b>Record keeping:</b></p> <ul style="list-style-type: none"> <li>▪ % of PEs using adequate filing systems, as assessed by Institution Compliance Assessment</li> </ul> <p><b>Contract execution:</b></p> <ul style="list-style-type: none"> <li>▪ Score in CPI sub-indicator 8(a)</li> </ul>		
Baselines	<p><b>Standard Bidding Documents:</b></p> <ul style="list-style-type: none"> <li>▪ &lt;10% of procurements use appropriate SBDs (estimate)</li> </ul> <p><b>Act, Regulations, Desk Instructions:</b></p> <ul style="list-style-type: none"> <li>• &lt;50% of PEs have copies of the Regulations (estimate)</li> <li>▪ &lt;50% of PEs have copies of the Desk Instructions (estimate)</li> </ul> <p><b>Publication of procurement information:</b></p> <ul style="list-style-type: none"> <li>▪ &lt;5% of procurement plans, procurement notices and contract awards on website</li> </ul>		

	<p><b>Complaint procedures:</b></p> <ul style="list-style-type: none"> <li>▪ &lt;25% of PEs are aware of procedures for review (estimate)</li> <li>▪ &lt;5 written complaints received per PE per year (estimated average)</li> </ul> <p><b>Technical specifications:</b></p> <ul style="list-style-type: none"> <li>▪ &lt;5% of procurements have adequate technical specifications (estimate)</li> </ul> <p><b>Evaluation criteria:</b></p> <ul style="list-style-type: none"> <li>▪ &lt;50% of procurements have adequate evaluation criteria (estimate)</li> </ul> <p><b>Procurement planning:</b></p> <ul style="list-style-type: none"> <li>▪ No data</li> </ul> <p><b>Record keeping:</b></p> <ul style="list-style-type: none"> <li>▪ &lt;5% of PEs have proper filing systems (estimate)</li> </ul> <p><b>Contract execution:</b></p> <ul style="list-style-type: none"> <li>▪ Score 1 in 2007</li> </ul>
Targets	<p><b>Standard Bidding Documents:</b></p> <ul style="list-style-type: none"> <li>▪ 90% of all procurements use appropriate SBDs</li> </ul> <p><b>Act, Regulations, Desk Instructions:</b></p> <ul style="list-style-type: none"> <li>• 95% of PEs in the Institution Compliance Assessment have copies of the Regulations</li> <li>▪ 95% of PEs in the Institution Compliance Assessment have copies of the Desk Instructions</li> </ul> <p><b>Publication of procurement information:</b></p> <ul style="list-style-type: none"> <li>▪ 95% of procurement plans, procurement notices and contract awards on website</li> </ul> <p><b>Complaint procedures:</b></p> <ul style="list-style-type: none"> <li>▪ 95% of PEs are aware of procedures for review</li> <li>▪ &gt;10 written complaints received per PE per year (average)</li> </ul> <p><b>Technical specifications:</b></p> <ul style="list-style-type: none"> <li>▪ 50% of procurements have adequate technical specifications</li> </ul> <p><b>Evaluation criteria:</b></p> <ul style="list-style-type: none"> <li>▪ 95% of procurements have adequate evaluation criteria</li> </ul> <p><b>Procurement planning:</b></p> <ul style="list-style-type: none"> <li>▪ 75% of all procurements are in accordance with previously defined procurement plans</li> </ul> <p><b>Record keeping:</b></p> <ul style="list-style-type: none"> <li>▪ 50% of PEs use proper filing systems</li> </ul> <p><b>Contract execution:</b></p> <ul style="list-style-type: none"> <li>▪ Score 2 in 2009</li> </ul>

3.2.2 *MT-13: Conduct outreach activities targeting procurement officers*

To ensure that procurement competence and awareness of procurement-related issues are continuously addressed, also in-between trainings, it is vital that short-term training activities are accompanied by other outreach activities targeting procurement officers on an ongoing basis.

Outreach activities may address the same issues and topics as the short-term training described in section 3.2.1, but by using different means of communication.

In addition to the outreach activities already carried out by the PR Office of the ODPP, new activities such as the following may be initiated:

- FAQ on the ODPP website
- Problem page in The Public Procurer
- Open networking seminars for PEs addressing a specific procurement-related topic, such as use of SBDs, development of technical specifications, how to handle complaints, how to handle political interference etc. The duration of the seminar should not exceed two hours. Items on the agenda may include:
  - Presentation of the topic and the trends (by ODPP)
  - PE presentation on how to deal with the specific area
  - Open discussion and experience-sharing among participants

<b>MT-13: Conduct outreach activities targeting procurement officers at PE level</b>			
Timeframe	4 years	Priority	High
Responsible	ODPP PRO	Stakeholders	ODPP PD
Output indicators	<ul style="list-style-type: none"> <li>▪ Outreach activities delivered</li> </ul>		
Outcome indicator	<ul style="list-style-type: none"> <li>▪ As for MT-12 (section 3.2.1)</li> </ul>		
Baseline	<ul style="list-style-type: none"> <li>▪ As for MT-12 (section 3.2.1)</li> </ul>		
Target	<ul style="list-style-type: none"> <li>▪ As for MT-12 (section 3.2.1)</li> </ul>		

### 3.2.3 *MT-14: Scale up sensitisation workshops for private sector*

The PCA 2007 pointed to a broad lack of procurement awareness among potential bidders on the procurement market. Evidence of this is found in the fact that many bidders find themselves unable to understand and respond to the Standard Bidding Documents, use the existing formal complaint channels, etc.

The purpose of this strategy is to scale up the sensitisation workshops carried out for the private sector, hereby enhancing the capacity and competitiveness of the suppliers.

Sensitisation workshops should be shaped to fit the private bidders' perspective on the procurement process by being problem-based and provide operational advice, tips and tricks, while avoiding legalistic and theoretical approaches to procurement.

Topics included in the sensitisation workshop should include:

- **The role of the ODPP:** The role of ODPP in the procurement system; the role of the ODPP towards private suppliers.
- **The role of the PE:** What to expect from the PE in the bidding process; how to deal with irregularities.
- **Standard Bidding Documents:** How to complete the different sections of the SBDs; how to deal with frequently quoted barriers such as legal terminology, collateral, and lack of access to credit.
- **The complaint mechanism:** Introduction to the importance of submitting complaints, including how, when and why to do so.
- **Reporting corruption:** Overview of where, when and how to report instances of corruption in procurement.

- **Where to find more information:** Overview of the various channels of advice available to bidders and suppliers, including the ODPP website, the ODPP helpdesk (see also MT-15, section 3.2.4); and the guidelines developed for bidders (see also ST-12, section 2.2.1).

<b>MT-14: Scale up sensitisation workshops for private sector</b>			
Timeframe	4 years	Priority	High
Responsible	ODPP PD	Stakeholders	None
Output indicators	<ul style="list-style-type: none"> <li>▪ At least 8 sensitisation workshops delivered to the private sector</li> <li>▪ At least 200 private sector participants (including from SMEs) have undergone sensitisation</li> </ul>		
Outcome indicators	<ul style="list-style-type: none"> <li>▪ % of procurements carried out using the appropriate SBDs</li> <li>▪ Score in BLI sub-indicator 7(b)</li> <li>▪ Score in BLI sub-indicator 7(c)</li> </ul>		
Baselines	<ul style="list-style-type: none"> <li>▪ &lt;10% of procurements carried out use appropriate SBDs (estimate)</li> <li>▪ Score 2 in BLI sub-indicator 7(b) in 2007</li> <li>▪ Score 1 in BLI sub-indicator 7(c) in 2007</li> </ul>		
Targets	<ul style="list-style-type: none"> <li>▪ 90% of all procurements use appropriate SBDs</li> <li>▪ Score 3 in BLI sub-indicator 7(b) in 2009</li> <li>▪ Score 2 in BLI sub-indicator 7(c) in 2009</li> </ul>		

#### 3.2.4 MT-15: Establish formalised helpdesk function within ODPP

Although the ODPP has already taken on the role of providing ad hoc advice in response to telephonic and e-mail requests from PEs, no formalised helpdesk function for bidders and PEs yet exists.

The challenges facing both bidders and PEs in the procurement process suggest that a formalised helpdesk function would provide a much needed instant support option for bidders, suppliers, procurement officers and technical staff of user-departments to address frequently asked questions on for example how to apply SBDs and respond to them; how to develop technical specifications and evaluation criteria; how to submit and deal with complaints; etc.

To successfully establish a formalised helpdesk within ODPP, the following steps must be taken:

- Establish channels of communication (e.g. ODPP website; e-mail; helpdesk; etc.)
- Delegate the responsibility for the helpdesk function to selected ODPP staff members, including establishing the incentives needed to ensure that requests are handled effectively (e.g. through use of Key Performance Indicators, cf. ST-5, section 2.1.5).
- Establish procedures regulating the use and response of the helpdesk function, including maximum response time, etc.
- Raise awareness of the helpdesk functions, e.g. by adding a news advertisement on the main page of the ODPP website; systematically providing flyers informing PEs and private sector participants about the helpdesk function during sensitisation and training activities; including a section on the helpdesk in the Desk Instructions, etc.

<b>MT-15: Establish formalised helpdesk function within ODPP</b>			
Timeframe	2 years	Priority	Medium
Responsible	ODPP PRO	Stakeholders	ODPP ME ODPP RAR ODPP PD
Output indicators	<ul style="list-style-type: none"> <li>▪ Helpdesk with clear communication channels, responsibilities and procedures established</li> <li>▪ Awareness activities on the helpdesk function carried out</li> </ul>		
Outcome indicators	<ul style="list-style-type: none"> <li>▪ Score in BLI sub-indicator 7(b)</li> <li>▪ Score in BLI sub-indicator 7(c)</li> <li>▪ % of maximum CPI score across all sub-indicators in the OECD-DAC assessment</li> </ul>		
Baselines	<ul style="list-style-type: none"> <li>▪ Score of 2 in BLI sub-indicator 7(b)</li> <li>▪ Score of 1 in BLI sub-indicator 7(c)</li> <li>▪ 29% of CPI maximum score in OECD-DAC assessment 2007</li> </ul>		
Targets	<ul style="list-style-type: none"> <li>▪ Score of 3 in BLI sub-indicator 7(b)</li> <li>▪ Score of 2 in BLI sub-indicator 7(c)</li> <li>▪ 50% of CPI maximum score in OECD-DAC assessment 2009</li> </ul>		

3.2.5 *MT-16: Maintain development of long-term procurement training options*

Although the PCA 2007 identified a significant gap between the current procurement training demand and the existing training supply, new long-term training options in the making (primarily the BSc in Procurement and Logistics Management starting at the University of Malawi in 2008) are expected to partly fill this gap.

To maintain the positive development in this area, it is recommended that:

- Close collaboration between ODPP and the long-term training providers is maintained.
- A Training Needs Assessment for the public procurement area is carried out by the ODPP in conjunction with the main long-term training providers within a period of two years. The purpose of the TNA shall be to identify the scale and scope of existing training needs among PEs, allowing for adjusting training curricula and supply. The available funding opportunities for students wishing to pursue a degree in a procurement related subject should also be reviewed as part of the TNA, hereby assessing the need for additional government funding/scholarships.
- A systematic evaluation setup is developed and made operational. Through this mechanism, ODPP and the long-term training suppliers shall receive ongoing feedback from students (future procurement officers) and employers (PEs) on the quality and relevance of the training supply.

The above activities shall serve to ensure that the content of the existing and emerging long-term training options fit the needs of the procuring entities. Furthermore, they will enable the ODPP to continuously assess the demand for additional (types of) training and take action when necessary.

<b>MT-16: Maintain development of long-term procurement training options</b>			
Timeframe	4 years	Priority	Medium
Responsible	ODPP PD	Stakeholders	ODPP ME MIM SDI UoM/Polytechnic Others
Output indicators	<ul style="list-style-type: none"> <li>▪ TNA carried out</li> <li>▪ Evaluation mechanism established and operational</li> </ul>		
Outcome indicator	<ul style="list-style-type: none"> <li>▪ Score in BLI sub-indicator 6(b)</li> </ul>		
Baseline	<ul style="list-style-type: none"> <li>▪ Score of 0 in BLI sub-indicator 6(b)</li> </ul>		
Target	<ul style="list-style-type: none"> <li>▪ Score of 2 in BLI sub-indicator 6(b)</li> </ul>		

### 3.3 Leadership Development

#### 3.3.1 MT-17: Sensitisation on good practice in procurement

While a number of procurement training and sensitisation activities today exist for staff involved in procurement operations, sensitisation activities targeting leaders, i.e. the management level of public institutions, the politicians and parliamentary committees, are very limited.

At the same time, the findings of the PCA 2007 suggest that an enhanced understanding of procurement operations, and the importance attached to the procurement function, at leadership level is an important driver when establishing new systems and procedures to facilitate sound and efficient procurement.

Sensitisation activities targeting leadership levels may include:

- Sensitisation workshops on good practice in procurement, including the value and advantages of procurement planning (also to be attended by key representatives from the Ministry of Finance).
- PR material for politicians and top officials raising awareness of the link between sound procurement practices and better service delivery.

Both sensitisation workshops and PR materials should take a “what’s in it for you” perspective on procurement, e.g. by giving examples of areas in which procurement has contributed to good governance outcomes.

<b>MT-17: Management sensitisation on good practice in procurement</b>			
Timeframe	4 years	Priority	High
Responsible	ODPP PD	Stakeholders	None
Output indicators	<ul style="list-style-type: none"> <li>▪ At least 4 annual sensitisation workshops delivered</li> <li>▪ PR material developed and disseminated to a broad range of politicians and top officials</li> </ul>		
Outcome indicator	<ul style="list-style-type: none"> <li>▪ Improved score in BLI sub-indicator 3(a)</li> <li>▪ % of PEs that have been subject to political interference, as assessed by Institution Compliance Assessment</li> </ul>		
Baselines	<ul style="list-style-type: none"> <li>▪ Score 0 in 2007</li> <li>▪ 50% of PEs have been subject to political interference</li> </ul>		

Targets	<ul style="list-style-type: none"> <li>▪ Score 3 in 2009</li> <li>▪ &lt;25% of PEs have been subject to political interference</li> </ul>
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### 3.3.2 MT-18: Sensitisation activities targeting management level in civil society

The PCA 2007 found that the level of social audit and control exercised by civil society and media organisations in the procurement area is limited, the main reasons being a low awareness about the importance of procurement on service delivery and a lack of capacity (e.g. leadership and skills set) to get involved in the area.

For the above reasons, this strategy seeks to enhance awareness and leadership capacities through sensitisation workshops for the management level.

Sensitisation workshops should focus on such issues as:

- The importance of public procurement to service delivery.
- The public procurement setup and framework in place.
- The key issues facing the procurement system.
- Existing tools in place to monitor public procurement (e.g. the OECD-DAC assessment methodology; the UNDP Procurement Capacity Assessment tool; the monitoring tools applied by the ODPP, etc.)
- How to stay updated on public procurement issues (e.g. the ODPP website, subscription to The Public Procurer, etc.)
- The importance of civil society organisations in conducting social audit and enhancing the integrity of the system.

<b>MT-18: Sensitisation of civil society on good practice in procurement</b>			
Timeframe	4 years	Priority	Medium
Responsible	ODPP PD	Stakeholders	None
Output indicator	<ul style="list-style-type: none"> <li>▪ At least 6 sensitisation workshop delivered</li> </ul>		
Outcome indicator	<ul style="list-style-type: none"> <li>▪ Number of NGOs indirectly involved in monitoring of procurement-related issues</li> </ul>		
Baseline	<ul style="list-style-type: none"> <li>▪ 1-2 NGOs are involved in monitoring of procurement-related issues</li> </ul>		
Target	<ul style="list-style-type: none"> <li>▪ At least 5 NGOs are involved in monitoring of procurement-related issues</li> </ul>		

## 3.4 Accountability and Voice Mechanisms

### 3.4.1 MT-19: Conduct public information campaign with a view to enhancing awareness of the importance of public procurement

As public procurement is still a relatively new area in Malawi, public awareness of procurement-related matters is still relatively low. As described in the PCA 2007, this affects the development of efficient procurement systems in several ways, e.g. through low public interest in the field, limited social audit, lack of applicants for procurement positions, etc.

To enhance public awareness of the strategic importance attached to procurement, it is recommended that an awareness campaign is carried out. The campaign should be in line with previous and existing campaigning initiatives carried out by the ODPP and target civil society organisations, media

and the public at large. Issues that should be covered by the campaign include:

- The importance of the public procurement to service delivery
- The public procurement setup and framework in place
- The important role of the procurement officer
- The roles of the public in relation to procurement
- How to handle irregularities or corruption in public procurement
- Where to read more

As the previous public campaigns carried out by the ODPP, this strategy should be implemented using a variety of communication channels, including radio and TV spots at local and national channels, newspaper ads, flyers and leaflets, and other means of communication so far found successful by the ODPP.

<b>MT-19: Conduct public awareness campaign on public procurement</b>			
Timeframe	2 years	Priority	Medium
Responsible	ODPP PRO	Stakeholders	ODPP PD
Output indicator	<ul style="list-style-type: none"> <li>▪ Public information campaign planned and delivered</li> </ul>		
Outcome indicators	<ul style="list-style-type: none"> <li>▪ Number of NGOs involved in monitoring of procurement-related issues</li> <li>▪ % of established procurement positions filled</li> </ul>		
Baselines	<ul style="list-style-type: none"> <li>▪ 1-2 NGOs are indirectly involved in monitoring of procurement related issues</li> <li>▪ &lt;10% of established procurement positions filled (estimate)</li> </ul>		
Targets	<ul style="list-style-type: none"> <li>▪ At least 5 NGOs are involved in monitoring of procurement-related issues</li> <li>▪ 80% of established positions filled</li> </ul>		

3.4.2 *MT-20: Establish procedures for regular review of consistency between Quarterly Procurement Reports and actual procurement on the ground*

The PCA 2007 identified that procurement information such as procurement plans, procurement notices and contract awards is in most cases not made available to the public on the ODPP website. This makes it difficult to assess to which extent procurement is conducted in accordance with procurement plans.

To address these issues, procedures for regular review of consistency between Quarterly Procurement Reports and procurement information uploaded to the ODPP website should be developed. The review shall address the following three core areas:

- Are procurement plans, procurement notices and contract awards uploaded on the ODPP website as required?
- Is the uploaded information complete?
- Are the procurements undertaken (listed in the Quarterly Procurement Reports) consistent with the procurement plan published on the ODPP website at the beginning of each financial year?

The following aspects should be considered when establishing procedures for the regular review:

- **Review intervals:** How often should reviews be carried out? Will reviews take place on an ongoing basis or at fixed intervals (e.g. by the submission of Quarterly Reports)?
- **Sample size:** How many PEs shall be reviewed during each review?
- **Sampling method:** How will the ODPP guarantee that the sample is unbiased?
- **Follow-up on inconsistencies:** If inconsistencies are detected through the review, which follow-up activities should be carried out?

Depending on the review format chosen, it may be considered incorporating the procedures developed under this strategy into the post facto review mechanism to be established. On this see also ST-6, cf. section 2.1.6.

<b>MT-20: Establish procedures for regular review of consistency between Quarterly Procurement Reports and actual procurement on the ground</b>			
Timeframe	2 years	Priority	Medium
Responsible	ODPP ME	Stakeholders	None
Output indicator	<ul style="list-style-type: none"> <li>▪ Procedures for regular review of consistency between Quarterly Procurement Reports and publicised procurement information are in place</li> </ul>		
Outcome indicators	<ul style="list-style-type: none"> <li>▪ % of procurement plans, procurement notices and contract awards on ODPP website</li> <li>▪ % of procurements in accordance with procurement plans</li> </ul>		
Baseline	<ul style="list-style-type: none"> <li>▪ &lt;5% of procurement plans, procurement notices and contract awards on website</li> <li>▪ No data</li> </ul>		
Targets	<ul style="list-style-type: none"> <li>▪ 95% of procurement plans, procurement notices and contract awards on website</li> <li>▪ 75% of all procurements carried out are in accordance with previously defined procurement plans</li> </ul>		

### 3.4.3 MT-21: Accelerate dialogue with the private sector, particularly SMEs

The systemic and capacity constraints inhibiting many, particularly smaller, suppliers' access to the procurement market are according to the PCA 2007 partly attributable to the lack of dialogue between public and private stakeholders.

This strategy seeks to tackle this problem by accelerating the dialogue between ODPP and the private sector, in particular SMEs, by scaling up the existing SME initiative led by the ODPP. More specifically, the following initiatives are recommended:

- Minimise intervals between meetings (at least four yearly meetings)
- The ODPP shall actively seek to encourage broad SME representation at the meetings, e.g. by requesting SME input to the meeting agendas, SME presentations during meetings, etc.
- Workgroups focusing on specific capacity or systemic SME constraints, with equal representation of private and public sector members, should be set up with a view to developing strategies for improvement of SME conditions in specific areas (such as collateral, access to credit, etc.)

<b>MT-21: Accelerate dialogue with the private sector, particularly SMEs</b>			
Timeframe	2 years	Priority	Low
Responsible	ODPP Director	Stakeholders	ODPP PD
Output indicators	<ul style="list-style-type: none"> <li>▪ At least 4 yearly meetings held by the SME initiative</li> <li>▪ Each SME initiative has representation from at least 5 SMEs</li> <li>▪ At least 4 workgroups are set up and operational</li> </ul>		
Outcome indicators	<ul style="list-style-type: none"> <li>▪ Score in BLI sub-indicator 7(a)</li> <li>▪ Score in BLI sub-indicator 7(b)</li> <li>▪ Score in BLI sub-indicator 7(c)</li> </ul>		
Baselines	<ul style="list-style-type: none"> <li>▪ Score of 1 in BLI sub-indicator 7(a)</li> <li>▪ Score of 2 in BLI sub-indicator 7(b)</li> <li>▪ Score of 1 in BLI sub-indicator 7(c)</li> </ul>		
Targets	<ul style="list-style-type: none"> <li>▪ Score of 2 in BLI sub-indicator 7(a)</li> <li>▪ Score of 3 in BLI sub-indicator 7(b)</li> <li>▪ Score of 2 in BLI sub-indicator 7(c)</li> </ul>		