



OFFICE OF THE PRESIDENT & CABINET
GOVERNMENT CONTRACTS UNIT

GCU Strategic Plan

2025 - 2029

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STATEMENT BY THE SECRETARY TO THE PRESIDENT AND CABINET

This strategic plan of the Government Contracting Unit (GCU) for 2025 – 2029, is the third in a row since its inception by circular 12 of 2012. At that time a regulatory framework for public procurement in Malawi existed and in spite of which the Executive still felt the need for closer scrutiny of public procurement and enhancement of their decisions on a subject that would have gone through all aspects of review and verification. Public procurement was still fraught with procurement mismanagement and its attendant costs to government and the public purse, not least to speak about costs that would have emerged as a result of poor or lack of proper and timely contracts implementation; due to the absence of effective contracts management monitoring and enforcement.

Given the overwhelming significance of procurement accounting for over 70% all public expenditure, the new President at the time felt the need to curb these public procurement development bottlenecks, and release resources for necessary impactful development investment. The Executive decided that a procurement advisory body within the Office of the President (OPC) was necessary to enhance Executive decisions on public procurement, and enabling better utilization of national resources, raise the marginal value of public investment, grow the economy and accelerate economic development and the wellbeing of all Malawians.

These necessities, which led to the creation of the GCU at the time continue to be felt today in an environment of a more expanded and sophisticated regulatory framework for public procurement. This scenario has led to the survival of the Government Contracting Unit (GCU) over the years in spite of it being ill perceived as a political instrument, a matter which cannot be true given that the GCU has existed across more than one government and continues to be relevant and necessary for enhancing Executive decision making on procurement and contracts management. Today more than ever, the GCU needs to be institutionally transformed to provide the executive with the wherewithal to assure compliance by all partner participants in public procurement and of the speedy and proper and timely implementation of contracts in accordance with signed value expectations; so that the public investment return of the Malawian government shall yield the necessary socioeconomic impacts which every citizen is waiting for.

I therefore hail and ask all Malawians to support the new strategic plan framework, which initially seeks to elevate the GCU into a full department by 2025 within my office, capacitate it and by 2027, transform it into an effective public enterprise that will ensure the transformation of all Malawian public investment (through effective public procurement and contracts management oversight) into outputs of the highest return to her citizens.

.....
Dr. Janet Banda SC.
Deputy Secretary to the President and Cabinet

FOREWARD

This is the third strategic plan of the GCU and by this fact, highlights the institutional transformation it has undergone and where it heads as it seeks to establish and effectively assure public procurement and contracts management compliance. Evolving as a specialist advisory body to the Executive on public procurement since 2012, the GCU took on the added role of contracts management monitoring and has since added immense value to the speed and efficiency of procurement and completion of signed public contracts.

By the time the GCU evolves to its aspired status and structure for greater effectiveness, it would have been structured to assure a partnership (PPDA, MoJ and ACB) relations in procurement and contracts management and enabling a procurement space that will ensure that planned investments in the government budgets are undertaken on time and at the right cost; as well as implemented on time with envisaged quality. It is hoped that this will enable the Executive who at any point in time would be responsible for effective medium term (Malawi 2020) and annual budgets, deliver development and prosperity to all citizens.

I therefore encourage all GCU staff and partners to receive and utilize this strategic plan, to enable needed institutional transformation that add value to this partnership, the effectiveness and efficiency of public procurement and contracts execution beyond imagination. The final target of the efforts of all partners in ensuring an effective procurement and contracts execution space in Malawi is to accelerate economic growth and achieve social development for all and this is where the GCU is focused.

.....
Peter Chakhwantha
Director, Legal Advisor GCU

EXECUTIVE SUMMARY

The GCU was established in 2012 by administrative circular ref. No CS/S/001 - 2012, which in 2014 was further reinforced and amended. The 2012 circular elaborate the mandate of the GCU as being “To review, consider, vet, negotiate and pass contractual proposals before they are concluded on behalf of the Malawi Government”. It further justified the mandate by stating that “This will ensure that Government is only committed to financing and implementing contracts and other agreements which are being thoroughly scrutinized, vetted, certified as reasonable, advantageous and that there is maximum value for money”. At the time, the Executive was not quite happy with the procurement process and felt that the procurement regulatory institutional arrangements in place did not adequately address the procurement slippages. The circular did not mention contracts management even though it was a legitimate concern as procurement itself. However, over time, the GCU took on the mandate to ‘monitor and evaluate’ implementation of MDA contracts.

The above situation placed the GCU in the position of a clearing house for all public procurement and contracts management without limit in the midst of an existing regulatory framework, which include the PPDA, ACB and the MoJ. This situation and the administrative creation of the GCU by the Executive led to a confusion of roles and status with the PPDA, ACB and MoJ, even among some of its internal stakeholders in the OPC. The GCU also suffers from ill-informed perception that it is not legal and therefore cannot question the authorities of other legally constituted authorities like the PPDA and the ACB; even though the GCU like all miniseries of government and departments, was created within the constitutional powers accorded the executive in S13(0) of the 1994 Constitution of Malawi.

Over time the GCU has made significant positive contributions to the effectiveness of procurement and contracts management in Malawi, resulting to major savings for the GoM, fulfilling the cardinal role for which it was originally created. However, in spite of this the GCU’s laudable contributions in these areas, it continues to be opposed by many stakeholders.

Given the rapid growth in democracy and its related demands, the need to expand and entrench development in the country, and also the overwhelming proportion of public procurement and contracts management in the total expenditure of government, it is even more important today to strengthen the GCU if these development ideals, closely linked to procurement and judicious implementation of contracts are to be achieved. As a result, GCU is undergoing significant reform and change, including the revision of its Strategic Plan (CSP), the design and launch of a new website, the implementation of a Contract Repository at the disposal of all PDEs, and the design of a new contract management reference manual. All of this is aimed at instituting a procurement and contracts management enforcement oversight institution, capable of ensuring on a consistent basis a law abiding and rule based and effective procurement and contracts management system.

The clear and cascaded strategy together with an effective performance management system and modernization initiatives position the GCU for the transformation towards service excellence. However, the achievement of the transformation will require appropriate change management, as

well as a culture transformation to one that drives Fairness, Integrity, Service Excellence and Transparency and a high employee engagement.

This has been provided for in this plan by planning for legal and institutional reforms that will remove the operational inconsistencies with its partners such as the PPDA and ACB, establish a system for PFM system compliance in procurement and contracts management. This will require a strategic shift in the legal, structural and institutional arrangements in the GCU. This requires reviewing its mandate and repositioning the GCU initially as a department/division in the OPC from the current status of a unit by 2025. Over time and by 2027 to introduce a bill in parliament to upgrade the GCU status to an autonomous organisation that will fill the absence of procurement compliance and contracts management enforcement oversight, which is critical to sustaining improvements in the Malawi public procurement and public finance management.

To adequately distinguish the GCU from its other partners, the GCU shall be confined in the business of Procurement Compliance and Contracts Management Enforcement oversight, making sure that the activities of all PDEs across systems handled by the PPDA , ACB and MoJ with respect to public procurement are in strict adherence to the law; and that each signed contract has adequate arrangements for ensuring successful contracts execution in relation to quality, time and value; eliminating the need for variations and extensions.

Strategic Concerns of the GCU 2025 – 2029

The following strategic concerns, derived from the GCU current environmental realities (Table 12); hail from revelations of a robust literature review of the issues around procurement compliance and contracts management arrangements and enforcement in Malawi; and a comprehensive stakeholders’ consultations to inform realities and perceptions on the internal strengths and weaknesses of the current GCU, relative to its mandate, as well as the existing external opportunities and threats that it confronts to successfully navigate in order to undertake its tasks as derived from this mandate.

These range from the misperception that the GCU is not legal because it was not established by an act of parliament, and to the realities that its mandate is unclear and poses some inconsistencies with its partners, presupposing a reassessment of at its mandate and institutional arrangements. Critical strategy concerns include:

1. The need to resolve the general stakeholders’ misperception and resulting reluctance to respect and cooperate with GCU in procurement reviews and contracts management oversight, which calls for a review of the GCU mandate and action for a more suitable status and structure;
2. In this respect Circular 12, which established the GCU needs to be reviewed to clarify the GCU mandate, ensuring that it removes GCU away from participation in the prior approval process of all procurement contracts and restrict it to providing clearance to certain levels of procurements only;

3. The need to recommend the revision of the PPDA Act to take away from the PPDA responsibility for contracts management oversight and post procurement audits and include these in the new mandate of the GCU;
4. The need to include in the new GCU mandate, powers for the GCU to utilize post procurement audit as a means of procurement compliance review;
5. The need to include in the new mandate, powers for the GCU to take responsibility for public procurement compliance and downstream contracts management oversight;
6. The need to revisit the institutional and resource adequacy of the GCU for the tasks assigned to it and for a functional review in accordance with the new mandate and the upgrade of the GCU initially to a Division/Department and eventually to an autonomous institution, responsible for ensuring procurement compliance and contracts management enforcement oversight;
7. The need to ensure resource commitment by GoM and consistent capacity for the GCU to enable sustained effectiveness and functionality;
8. The need to ensure positive stakeholders' visibility and acceptance of the GCU as a credible necessary player in enabling procurement compliance and an effective contracts management enforcement institution.
9. The need to create, launch and sustain a reliable procurement compliance and contracts management enforcement oversight technology platform that interoperates with the GoM e-GP, PPDA e-procurement and IFMIS platforms; and through effective partnership with the PPDA, ACB and MoJ ensure efficiency of public procurement and contracts implementation/delivery;
10. The need to create and sustain an effective GCU structure and work/organisational culture that encapsulates systems and processes that will assure institutional effectiveness and efficiency, necessary for such a very important and sensitive tasks; and
11. The need to deploy an effective communication strategy to provide continuous informative interaction with its stakeholders.

List of Acronyms

ACB	=	Anti-Corruption Bureau
CPD	=	Continuous Professional Development
DSPC	=	Deputy Secretary to the President and Cabinet
GCU	=	Government Contracts Unit
GoM	=	Government of Malawi
KPIs	=	Key Performance Indicators
KRA	=	Key Result Area
PPDA	=	Public Procurement and Disposal of Assets Authority
MDAs	=	Ministries, Departments and Agencies
MoF	=	Ministry of Finance
MoJ	=	Ministry of Justice
OPC	=	Office of the President
PDEs	=	Procurement and Disposal Entities
PFM	=	Public Financial Management
PS	=	Principal Secretary
SPC	=	Secretary to the President and Cabinet
SWOT	=	Strengths, Weaknesses, Opportunities and Threats

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1.0 INTRODUCTION

1.1 Establishment of Government Contracts Unit (GCU)

The GCU was established in 2012 by administrative circular ref. No CS/S/001 - 2012, which in 2014 was further reinforced and amended. This reinforcement did not remove the perceived inconsistencies, which threatened the legitimacy and relevance of the GCU in the public procurement space. The 2012 circular elaborate the mandate of the GCU as being “To review, consider, vet, negotiate and pass contractual proposals before they are concluded on behalf of the Malawi Government”. It further justified the mandate by stating that “This will ensure that Government is only committed to financing and implementing contracts and other agreements which are being thoroughly scrutinized, vetted, certified as reasonable, advantageous and that there is maximum value for money”. At the time, this showed that the Executive was not quite happy with the procurement process and felt that the procurement regulatory institutional arrangements in place did not adequately address the procurement slippages. This circular did not talk about contracts management even though it was a legitimate concern. All the same the circular expressed a reasonable reaction to executive fear from what was found on the ground relating to public procurement and steps taken to contain this fear.

However, at the time the circular was released the PPDA was already in place and had powers for regulating public procurement and ensuring that Government avoided procurement mismanagement and slippages, and that the effect of public procurement was to ensure that government generated maximum value for money. The powers conferred on the GCU by the circular seemed to have already been with the PPDA in its act. The PPDA (established by an Act of parliament as the public procurement and contracts management regulator) were mandated to undertake some of the same things already being assigned by circular to the GCU, namely, to review, consider, vet and pass contractual proposals on behalf of the Government of Malawi (GoM).

It is true though that in 2012 the PPDA did not have the legal status it assumed from 2017 as a result of the PPDA Act 2017; but it was a government department (as is the case now with the GCU); responsible for regulating public procurement. However, what is important is that now these two institutions operate in the same space, and they need to cooperate towards the same objective since they serve the same government and people. Each of them has demonstrated importance in the public procurement regulatory and monitoring space and they need to work alongside each other cooperatively.

The Anti-Corruption Bureau, a law enforcement authority was also given a legal role in the pursuit of eliminating corrupt practices from the public service and to ensure that all public procurement and contracts management were devoid of linkages to corruption. However, due to the lack of adequate coordination between what now is a three-institution (PPDA, GCU & ICB) participation in regulating and monitoring public procurement towards the same objective. The ACB does not look kindly to procurement submissions cleared for contracting by them being rejected by the GCU. The ACB consider the GCU a structure only brought to being by administrative circular and

cannot question the authority of the ACB, which has legislative powers. This story or argument is referred to by many other stakeholders.

The main element of the current mandate of the GCU, which seem to be problematic is the fact that it can re-negotiate contracts already passed by the ACB and the PPDA. This is a huge challenge and furthermore the mandate is not clear as to what aspects of the contracts can be renegotiated. This therefore implies that all the elements of the contract can be renegotiated. The mandate also gives the GCU power to either pass or stop the contract completely or ask for a renegotiation or amendment of some of or all its elements.

The GCU over time took on the mandate to ‘monitor and evaluate’ implementation of MDA contracts, which is not in its original mandate even though a laudable task, which could reasonably and justifiably fall within the scope of GCU activities.

The above enumerated issues with the mandate of the GCU places the GCU in the position of a clearing house for all public procurement and contracts management contracts without limit. The extension of its mandate to include contracts management draws scorn from some of its major stakeholders and confusion of roles and status even among some of its internal stakeholders in the OPC. The GCU also suffers from ill-informed perception that it is not legal, and therefore cannot question the authorities of other legally constituted authorities like the PPDA and the ACB; even though the GCU like all miniseries of government and departments, was created within the constitutional powers accorded the executive in S13(0) of the 1994 Constitution of Malawi.

These anomalies need to be resolved if the GCU will continue as an effective institution for public procurement compliance and contracts management enforcement oversight.

1.2 Situation Analysis

A suitable departure point for the current strategic planning by the GCU, having been established by administrative order in 2012 (ref. No CS/S/001 - 2012) and undergone two strategic planning rounds, and yet facing challenges (ranging from institutional acceptability to inappropriate structural arrangements and inadequate resource capacity to effectively undertake its tasks) is to recognize these realities and take action.

“Public contract management remains a fundamental aspect of the Public Finance Management (PFM) system. However, poor management of these contracts have resulted in ineffective prudence of Public Financial Management systems in the country. The government thus set up GCU with a mandate to coordinate and support all the Ministries, Departments and Agencies (MDAs) on effective contract management. GCU ensures efficiency and effectiveness in the use of funds for public contracts as the country is striving towards improving implementation and management of its development agenda. It is therefore imperative to track and trace the

effectiveness in the implementation of these public contracts with an aim of devising evidence-based policy options on public contract management. Tracking the implementation of these contracts offers an opportunity to the Malawi government to streamline current challenges that are associated with public contracts implementation in MDAs and local councils in Malawi” (Profile Study on Contract Management in Malawi, 2021, p13).

This important study further rendered that “.....the Government of Malawi, instituted the setting up of the Government Contracts Unit (GCU) to ensure that all contracts that are rendered by the government are implemented with the highest level of professionalism and integrity by Ministries, Departments and Agencies (MDAs). The core objective for setting up GCU is therefore to ensure an attainment of compliance, integrity, professionalism, and ethics in the general management of contracts on works, services, goods, developments, agreements, concessions, and infrastructure in all the MDAs. It is with this background that MDAs must adhere to the provisions of the Public Finance Management Act, which emphasizes fostering and enhancing effective economic and financial management following the finance policy objectives. This must be done in an accountable and compliant manner to manage public resources effectively and add a transformative value the country needs on each public fund used. Additionally, support any development initiative and accelerate development through effective implementation of contracts, concessions, and development agreements, works, goods and services as an agent supporting socio-economic development”.

The above renders justification for the actual expanded mandate of mandate of the GCU to include contracts management. The absence of this expansion of mandate amongst other things would have left the GCU on ensuring only procurement as was mandated by the first circular in 2012. However, in spite of resistance to recognition of the role of the GCU by some of its stakeholders having intensified, and noncompliance with its requirements continuing, the GCU continues to add value to the utilization of government funds in development investment. Some of these stakeholders out of the will to ignore the good purpose for which the GCU was established, the value addition it has already in many ways brought to bear on public procurement and contracts management, and the potential it promises to be more effective in contracts management and by extension economic growth and development, continue to argue against its continuing relevance in the contract management space.

The past two strategic plans of the GCU grappled with establishing and stabilizing a structural framework for the resonance of the GCU as an effective structure worthy of its mandate, which feat is yet to be claimed. The GCU, a unit under the Office of the President and Cabinet (OPC) should have by now been well harmonized with other important institutional players in the public procurement and contracts management system in Malawi, providing invaluable advisory inputs to the executive and its other partners (PPDA, ACB, MoJ and MDAs); and for which its services would have been so well sought after. The absence of institutional introspection and optimization of the real value of an institution of the nature of the GCU privileged to be within the OPC has haunted the GCU's acceptability as a necessary addition to the Executive's effectiveness and accuracy infrastructure in national policy decision-making. This is even more important in terms of the GCU's potential for optimizing economic growth, development and the eradication of poverty.

This context explains the main thrust of the current strategic planning effort of the GCU. The GCU needs to be redefined and rendered real to its main role and value adding potential to the OPC and the country. Its status and functionality need to be reappraised and realigned with the new expanded mandate (procurement compliance and contracts management oversight), and its resources more strategically determined. This will enable the GCU be effective in injecting compliance with the law and regulations into public procurement and contracts management. This is so that not only is the significant impact of public expenditure felt in the economy, but this effect shall deliver a more robust and effective government, resulting from a significantly expanded economy with the ramifications of faster growth in public revenue and its capacity to reinvest in infrastructure and further development. This cycle is critical for initiating and perpetuating wealth creation and prosperity in Malawi.

1.3 Purpose of Strategy

The main purpose of this strategy is to review of the GCU mandate, restructure and re-capacitate it to function effectively as the Procurement Compliance and Contracts Management Enforcement Oversight Department in the OPC. As a result, the GCU shall be recognized as the procurement compliance and contracts management enforcement oversight structure of government so that as is aimed at by the vision to this plan, the GCU shall ensure optimization, of value from all

government contracts, concessions and other agreements amidst all possible difficulties from procurement to contracts implementation.

It also seeks to resolve the misperception and refusal by its critical stakeholders to recognize and accept the role of the GCU in the public procurement and contracts management space and the need to reform it more suitably to a role consistent with collaboration with partners in a common course. This strategy is a net contribution to effective public financial management to drive economic growth and development.

2.0 STRATEGIC PLANNING PROCESS

2.1 Background

The background to this strategic planning hails from the fact (as illustrated in the terms of reference to this assignment) that the Government of Malawi, with financial support from the European Union, is implementing the Chuma Cha Dziko programme (Public Finance Management Reforms Project). One element of this programme is the project titled *Technical Assistance to Public Finance Management Reforms in Malawi*, being implemented through a service contract held between the Government of Malawi's National Authorising Office and DAI Brussels. The project aims to enhance implementation of PFM Reforms through a focus on change management in key institutions and organisations related to PFM reform in two results areas:

- I. Key result Area (KRA) 1 – Change Management and Enhanced implementation of PFM reforms; and
- II. Key Result Area (KRA) 2 – Support to procurement and contract management.

KRA 1 is at the hub of the GoM's ambitious PFM reform agenda and seeks to improve performance through improved functionality of systems and processes, improved capabilities, and enhanced problem driven approaches. The GCU Strategic Plan will support GoM to drive PFM reform priorities and achieve changes in the ways things are done by working with the GCU.

GCU is undergoing significant reform and change including the revision of its Strategic Plan (CSP), the design and launch of a new website, the implementation of a Contract Repository at the disposal of all PDEs, and the design of a new contract management reference manual.

The clear and cascaded strategy together with an effective performance management system and modernization initiatives position GCU for the transformation towards service excellence. However, the achievement of the transformation will require appropriate change management, as well as a culture transformation to one that drives Fairness, Integrity, Service Excellence and Transparency and a high employee engagement.

It is against this background that the Chuma Cha Dziko project supports the GCU to prepare this next strategic plan, 2025-2029. The key element foreseen is to support the GCU in enhancing and ensuring adherence to public financial management reform objectives and effectively delivering GCU revised Corporate Strategy reflecting key public financial management objectives.

2.2 Functions of GCU

The functions of the GCU as detailed in the administrative Circular (ref. No CS/S/001 - 2012), as include to:

1. **Review** contract proposals (this means to...analyze, assess, probe, appraise etc. a contract proposal against given norms);
2. **Consider** contract proposals (this means to...carefully examine, judge, inspect etc. a contract proposal);
3. **Vet** contract proposals (this means to...critically examine, scrutinize, investigate etc. contract proposals against set standards);
4. **Negotiate** contract proposals (this means to discuss, bargain, talk with the aim of convincing would-be contractors to take certain stance in a contract or to accept some suggested provisions); and
5. **Pass** contract proposals (this means to allow forward progression of contracts after going through a vetting test).

All of the above must be undertaken by the GCU and it must be satisfied and happy *‘before they are concluded and agreed between the Malawi Government and other parties and stakeholder’*; and the types of contracts covered by the administrative circular are procurement of goods and services, concessions, construction works and etc. However, in addition to these responsibilities, GCU has taken on the *additional* initiative to *‘monitor and evaluate’* implementation of MDA contracts, which are not covered by the referred administrative circular. This is effectively contracts management.

In order to undertake these functions, the GCU was formed into a unit in the OPC with a flat structure. It is headed by the Principal Secretary (Finance – PS (F)) in the OPC, below who are six specialists (Legal, Engineering, Quantity Surveying, Finance, Procurement and Architecture); each of whom is on the rank of a director. This envisaged a structure where these divisions shall become directorates with specialist support staff even though at the moment positions filled are manned only by the specialists. Only three (legal, engineering and procurement) are filled. One of the specialists is tasked with the role of Executive Director who administers the unit on behalf of the PS (F), OPC.

This flat structure is supported by a support team of secretaries headed by an Administrative Officer, all of whom are not dedicated staff of the GCU and can be moved to any other part of the civil service. This might be said also of the administrative head who is one of the specialists, who historically has been moved or redeployed elsewhere in the civil service. In addition is a team of lower support staff made up of drivers, cleaners and messengers.

With this team, the GCU organizes itself to receive winning procurement submissions issued clearance (“No Objections”) by the PPDA for whom a draft contract has been drawn, and it reviews the bid (sometimes including seeing the other bids) and draft contract; and then passes it on. The challenge is that of three specialists reviewing, vetting, considering and sometimes negotiating and passing a procurement contract submission for all public procurements in Malawi, including undertaking monitoring of the contracts being executed.

2.3 Rationale

The GCU is not a procuring organisation. At best it may be described as a procurement and contracts management compliance enforcement oversight organisation, making sure that that all public procurements and contracts management follow the rule of law, and that the resulting procurement and contracts management systems are effective, efficient, fair and deliver optimal economic value to the nation.

Whilst significant strides have been made by the GCU in streamlining and improving effectiveness in the Malawi contracts management system, evidence of malpractice is still significant and this provides even greater justification for improving the institutional effectiveness of the GCU. Studies by the GCU have provided evidence of monetary losses from contracts management in which government could have made phenomenal savings and release those monies into other necessary public investments. These losses are not only confined to overpricing of awards or contracts but include poor contract performance and the otherwise value losses that result from it. In its efforts to reach out to its stakeholders, the GCU issued a charter by which the stakeholders understand them and are better able to discern what to expect from them.

The current GCU strategic thrust is based on a vision to “Optimised value from all government contracts, concessions and other agreements”; which as a destination aspiration is quite clear and instructive. It recognizes that the GCU and none its partners in its processes are perfect but that its resonance in this space must ensure that the GoM gets the best out of the procurement and contracts implementation deals.

However, a review of the current strategic plan shows that there are structural problems with the fit of the strategic framework. Whilst the vision is quite clear and instructive, the mission on the other hand, fails to align to the vision and does not accurately emphasize what the GCU should be operating in, and need to improve capacity on; in order to transform itself to a system that will by its sheer effectiveness resolve the inefficiency and corruption-induced issues in the public procurement and contracts management system. What GCU needs to be excellent at is not in providing leadership in contracts and concessions management (since it is not a regulator and not involved in mainstream contracts and concession management); but at making sure that the system works and does so effectively and efficiently. GCU should be providing an effective compliance and control role for practices in contracts and concessions management, making sure that the system delivers optimal performance, value for money, timeliness and cost effectiveness.

Some of the preliminary observations in the current plan are that it had no connection to the GCU annual work plan, and did not mirror into the call circular and budget negotiation processes to inform GCU annual budget provisions. This is a necessary link which every strategic plan needs to establish in order that funding is available for its implementation.

In this case a review of the current strategic framework after comprehensive internal and external stakeholders’ consultations, informed the new framework in this plan. This framework was

validated in an internal framework validation workshop with the senior management of the GCU prior to its finalization and utilization as the basis for this plan.

The GCU is under the policy supervision of the OPC and it is important that the two institutions align their strategic policies. The OPC strategic plan (2017 – 2022), a very well-articulated document, which made references to procurement and PPDA in passing but did not from a strategic viewpoint mainstream procurement, assets disposal and contracts administration compliance and monitoring; as one of the most critical decisions that the President needs support in. This needed to have been highlighted as one of the critical information needs of the executive and probably a pillar in the strategic plan of the OPC. It would have justified the need for policing procurement and contracts administration and to ensure that the executive is reliably provided with a mechanism to ensure that this very important economic growth and development impactful function of government is not ignored. Effectiveness in contracts and concessions management is the main catalyst for economic growth and addressing the issues of development and poverty eradication in an economic structure of Malawi of today. These issues that are critical for executive efficiency are what the GCU represents and for which it needs to be adequately resourced.

To re-enforce the critical importance of concessions and contracts management, Enabler 2 in the Malawi 2063 First Ten-Year Implementation Plan (PIP – 1); 2021 – 2030: Transforming Malawi into a middle-income country, specifically emphasizes it as a crux for achieving planned economic growth and ensuring sustained development. It describes it as the enabler which if achieved will create momentum for all other objectives since it is governance systems and institutions that deliver sustained growth and progress. To achieve sound financial and economic management depends on the extent to which corruption is curbed, and this is where the GCU claims its spot. The GCU is the policing institution for adherence to the rule of law in public procurement and contracts management, responsible for more than half of total public expenditure with overwhelming impact on economic growth and prosperity. It will be critical to the successful implementation of the 2063 Agenda for the GCU to be given the capacity to ensure that each Kwacha spent is spent in its most suitable and economically viable use and transforms into a growth multiplier that optimizes opportunities for development and the eradication of poverty.

Important ¹studies²³ have been undertaken that have huge research information on the challenges of concessions and contracts management, and recommendations for the institutional and legal actions that need to be taken to rebuild the system to eliminate waste. These constitute the

¹ Presentation – Contract Management in the Public Sector GCU, 2023

² REPORT ON THE CURRENT STATE OF GOM CONTRACT MANAGEMENT INSTITUTIONAL AND BUSINESS PROCESS FRAMEWORK (GCU)

³ A scoping exercise to review the contract management environment in the Government of Malawi, 22 to 27 September 2019

compilation for the variety of challenges and opportunities in the SWOT to this plan. Some of the recommendations have found their way to some of the strategic goals or objectives in this new strategic plan framework. One study has undertaken a comprehensive legal review of the contracts management loopholes in Malawi and provides critical recommendations both for pre-award and post award engagements by all the institutions involved in the process to mitigate the inherent risks in this system. It noted that the legal framework for contracts management may be resident in a host of legislations (e.g. PPDA Act, PPP Act, Audit Act and etc.), and yet the system is still being compromised; evidence of which the report provided. Amongst the recommendations of this report, which has strategic importance for GCU is the establishment of the Government Contracts Management Agency, which aside from being the focal point, it should coordinate all the public contract management institutions to ensure a seamless process. This role falls squarely on the laps of the GCU.

2.4 Approach

The approach to this assignment is predicated on participation by the GCU management. The GCU provided leadership to the assignment by agreeing a list of both internal and external stakeholders and of the necessary literature for review in support of the basis for the assignment.

The consultant or expert undertook a comprehensive literature review after which an inception report was issued, which on the basis of client/expert understanding finalized the arrangements and approach for the assignment and undertook stakeholders' consultations with the support of the GCU. A report incorporating the full SWOT obtained from the data collection and analysis process, an extraction of the emerging strategy concerns, a review of the current vision and mission statements in view of the revealed environmental realities and a suggested strategic framework were presented to the Senior Management of the GCU for review in a workshop and approval was secured for the fleshing out of the full plan.

A full strategic plan was fleshed out, including a resource mobilization and risk management strategies as well as implementation arrangements for this plan, which specified the monitoring framework in terms of periodic progress reporting arrangements and the decision process on these reports as well as the conduct of evaluations of the impact of the implementation of the various pillars of this plan. The internally accepted version was subject to national validation, where the externals stakeholders discussed and accepted the plan, adding important comments.

3.0 STRATEGIC DIRECTION - VISION, MISSION AND CORE VALUES

3.1 SWOT Analysis and Strategic Implications

The strategic direction that an organisation follows is not universal since even in the same industry and jurisdiction, each organisation is unique and its strategic interests are also unique in their nature. In the case of the GCU, a unit in the civil service with a task mandate to provide services which are not adequately understood even in its own immediate environment, and much worse by its other stakeholders as evidenced from the stakeholders consultations in this assignment, the direction sought here is to clarify the mandate of this unit and elaborate a method for growing it into a sought-after partner in the procurement and contracts management systems of Malawi. This is because doing this brings to the procurement and contracts management system the ability to ensure compliance with established laws and regulations for both procurement and downstream contracts management; and this prospect promises significantly improved public financial management, policy and systems enhancement opportunities by its other partners such as the PPDA, ACB and MoJ.

Therefore based on the evidence that its own current mandate is both inadequate for the task that it undertakes as well as broad to the extent of being inconsistent in some respects to those of its other partners, juxtaposed to the crave by partners and the PFM system for compliance in procurement and contracts management by stakeholders, the GCU strategic shift from 2025 aims at responding to that call of duty in the procurement and contracts management in Malawi. This will however require reviewing its mandate and repositioning GCU initially as a department/division in the OPC from the current status of a unit. Over time and by 2027 to introduce a bill in parliament to upgrade the GCU status to an autonomous organisation that will fill the absence of procurement compliance and contracts management enforcement, which is so critical for sustained improvements in the Malawi public procurement and public finance management.

To adequately distinguish the GCU from its other partners, the GCU shall be confined in the business of Procurement Compliance and Contracts Management Enforcement, making sure that the activities of all PDEs across systems handled by the PPDA , ACB and MoJ with respect to public procurement are in strict adherence to the law and that each signed contract has adequate arrangements for ensuring successful contracts execution in relation to quality, time and value; eliminating the need for variations and extensions.

Strategic Concerns of the GCU 2025 – 2029

The following strategic concerns are derived from the GCU current environmental realities (Table 12); hail from revelations of a robust literature review of the issues around procurement compliance and contracts management arrangements and enforcement in Malawi; and a

comprehensive stakeholders' consultations to inform realities and perceptions on the internal strengths and weaknesses of the current GCU relative to its mandate, as well as the existing external opportunities and threats that it confronts to successfully navigate in order to undertake its tasks as derived from its mandate.

These range from the misperception that the GCU is not legal because it was not established by an act of parliament, to the realities that its mandate is unclear and poses some inconsistencies with its partners, presupposes a relook at its mandate and institutional arrangements. Critical strategy concerns include:

12. The need to resolve the general stakeholders' misperception and resulting reluctance to respect and cooperate with GCU in procurement reviews and contracts management oversight, which calls for a review of the GCU mandate and action for a more suitable status and structure;
13. In this respect Circular 12, which established the GCU needs to be reviewed to clarify the GCU mandate, ensuring that it removes GCU away from participation in the prior approval process of all procurement contracts and restrict it to providing clearance to certain levels of procurements only;
14. The need to recommend the revision of the PPDA Act to take away from the PPDA responsibility for contracts management oversight and post procurement audits and include these in the new mandate of the GCU;
15. The need to include in the new GCU mandate, powers for the GCU to utilize post procurement audit as a means for procurement compliance review;
16. The need to include in the new mandate, powers for the GCU to take responsibility for public procurement compliance and downstream contracts management oversight;
17. The need to revisit the institutional and resource adequacy of the GCU for the tasks assigned to it and for a functional review in accordance with the new mandate and the upgrade of the GCU initially to a Division/Department and eventually to an autonomous institution, responsible for ensuring procurement compliance and contracts management enforcement oversight;
18. The need to ensure resource commitment by GoM and consistent capacity for the GCU to enable sustained effectiveness and functionality;
19. The need to ensure positive stakeholders' visibility and acceptance of the GCU as a credible necessary player in enabling procurement compliance and an effective contracts management enforcement institution.
20. The need to create, launch and sustain a reliable procurement compliance and contracts management enforcement oversight technology platform that interoperates with the GoM e-GP, PPDA e-procurement and IFMIS platforms; and through effective partnership with the PPDA, ACB and MoJ ensure efficiency of public procurement and contracts implementation/delivery;

21. The need to create and sustain an effective GCU structure and work/organisational culture that encapsulates systems and processes that will assure institutional effectiveness and efficiency, necessary for such a very important and sensitive tasks; and
22. The need to deploy an effective communication strategy to provide continuous informative interaction with its stakeholders.

3.2 Vision

Our Vision is:

Optimised value from all government contracts, concessions and other agreements.

3.3 Mission

Our mission is:

To create and render an effectively functional institutional system and structure for mitigating procurement noncompliance, assure adherence to terms of signed public contracts, and real-time public contracts implementation requirements; our partners and the MDAs; utilising a sustained motivated core of specialists.

3.4 Core Values

Our value system is to be driven in our work by:

1. **Integrity;**
2. **Commitment; and**
3. **Professionalism.**

4.0 THE STRATEGIC FRAMEWORK - STRATEGY PILLARS, OBJECTIVES, ACTIVITIES AND KEY PERFORMANCE INDICATORS

4.1. Strategy Pillars/Goals and Objectives

Table 1: The Basis of the GCU Strategy Pillars

Ref.	Pillar	Definition of the Pillar	Impact on the Mission
I	Structural Reforms of the GCU	This will include the redefinition and restatement of the mandate of the GCU in compliance with the strategic concerns and the mission statement. All activities and their expected results on issues such as raising the profile of the GCU initially to a Division/Department within the OPC and eventually to an autonomous organisation by placing before and abstaining parliamentary approval of a bill to upgrade the GCU to that status, are included in this pillar. This is the institutional sanitization pillar of GCU.	It sets a clear and acceptable administrative and legal mandate and framework across the procurement and CM fraternity for which the GCU shall be recognized, respected and accepted.
II	Systems Development	The GCU is an institution which is expected like others to outlive a single government and it must be created, structured, organized, recognized and respected as such. This is achievable only by creating the GCU into a web of reliable systems that are supported by processes that can easily be related with; and enable reliance for ensuring fast, fair and financially acceptable procurement and contracts execution.	A systems framework capable of effective executive and partner decision support, and that ensures value for money to government from procurement compliance and contracts management enforcement.
III	Resources Mobilisation	Resources include budget provisions to ensure effectiveness and efficiency of the GCU, but most importantly, the ability of the GCU to attract and retain top class specialist skills; since it will examine systems and other staff in partner organisations and the business world with high expert capabilities.	Sustained capability to deliver on its objectives and the vision.
IV	Organizational Culture Development	When I – III have been done what enables that perfect structure of the GCU to resonate efficiently through time is the culture of integrity, commitment and professionalism imbued into the work ethic and relations of people and units within the GCU.	This is the heart which pumps and transports the oxygen (GCU energy) into all parts of its structure to enable effective functionality in an environment of integrity, commitment and professionalism.

4.2 Strategy Activities, Targets and Key Performance Indicators

Table 2: Vision, Mission, Pillars & Objectives

Vision	Mission	Pillar	Objective
Optimise value from all government contracts, concessions and other agreements.	To create and render an effectively functional institutional system and structure for mitigating procurement noncompliance, and real-time contracts implementation issues; and to inform action for speedy remedy by the executive, our partners and MDAs; utilizing a sustained motivated core of specialists.	Structural Reforms of the GCU	To review in 2024, Circular 12 and specify the mandate of the GCU, ensuring amongst other things that: <ol style="list-style-type: none"> 1. It empowers the GCU to be the <u>Public Procurement Compliance and Contracts Management Enforcement Oversight Institution;</u> 2. It removes GCU away from participation in the prior approval process of procurement contracts and consign it to the provision of clearance for critical contracts only; 3. It empowers the GCU to undertake public contracts management enforcement oversight; and 4. It empowers the GCU to utilize post procurement audits as a means for procurement compliance review.
			To recommend the revision of the PPDA Act (in tandem with the promulgation of a new act to transform the GCU into an autonomous institution) to take away responsibility for contracts management oversight and post procurement audits from the PPDA by 2026.
			To undertake a functional analysis of the GCU in accordance with the revised mandate in cooperation with the DHRMD and revisit the institutional and resource adequacy arrangements for the GCU in consideration of the tasks assigned it by the new mandate by 2024.
			To upgrade the GCU initially to a Division/Department by 2025 and eventually an autonomous institution by 2027.
			To secure a resource commitment by GoM and consistent capacity for the GCU to enable sustained effectiveness and functionality.
			To create and sustain an effective GCU structure and work/organisational culture that encapsulates systems and processes assuring institutional effectiveness and efficiency, necessity for a very important and sensitive task.
			To launch and sustain an effective communication strategy to provide continuous informative interaction with its stakeholders by 2024.
			To create, launch and sustain a reliable procurement compliance and contracts management enforcement technology platform that interoperates with the GoM e-GP system, PPDA e-procurement and IFMIS platforms by 2025.

		Systems Development	Through effective partnership with such as the PPDA, ACB and MoJ to ensure effective and efficient public procurement and contracts implementation/delivery by adopting a partnership approach in its compliance and CM oversight activities by 2025.
			To revise the new communication strategy to conform to stakeholders' and GCU visibility information needs by 2026.
		Resources Mobilisation	To effect a major staff recruitment drive, fill all vacancies and commence the trial of established operational systems to effect team building by May 2024.
			To agree a minimum divisional budget with the OPC for effectiveness and efficiency, which must be comprehensive enough to accommodate required staff and logistical operational costs (transport, administrative expenses, and etc.) by 2025.
			To elaborate, establish and launch a continuous professional development program in cooperation with the MIMs for sustained capacity of the staff of the GCU by 2025.
		Organizational Culture Development	By 2025, to secure funding for and deliberately undertake a culture change program for building a work culture in line with this strategic plan and ethics that will ensure delivery on these sensitive tasks.
			To encourage and compensate for appropriate continuous professional development.
			To elaborate, establish and launch procurement and contracts execution awards to motivate good work by suppliers and contractors.

Table 3: Pillars, Objectives, Activities and Key Performance Indicators (KPIs)

Pillar	Objective		Activity		Key Performance Indicator (KPI)
Structural Reforms of the GCU	1	To review in 2024, Circular 12 and specify the mandate of the GCU, ensuring amongst other things that: 1. It empowers the GCU to be the <u>Public Procurement Compliance and Contracts Management Enforcement Oversight Institution</u> ; 2. It removes GCU away from participation in the approval process of procurement contracts and consign it to the provision of clearance for critical contracts; 3. It empowers the GCU to undertake public contracts management enforcement oversight; and 4. It empowers the GCU to utilize post procurement audits as a means for procurement compliance review work. 5. It raises the status of the GCU to a full department within the OPC and express intention to transform the GCU to a full autonomous Procurement Compliance and Contract Management Enforcement Authority.	1	Elaborate in writing the strategic need to review the mandate of the GCU as contained in Circular No CS/S/001 – 2012 in accordance with the specifications of Objective 1 of the structural reforms pillar of this plan and secure approval of the OPC.	A written expression/request of the need based on this plan for a review of the mandate of the GCU addressed to the SPC via the PS OPC (Finance).
			2	Upon approval, secure support from either the GIZ or Suma Cha Ziko project to secure the services of a legal consultant to draft the new mandate, which shall be validated by the GCU and approved by the OPC.	Written requests to both the GIZ and the Suma Cha Ziko projects to request technical support to review the GCU mandate. An acceptable and GCU-validated draft new mandate of the GCU, approved by the OPC.
			3	Upon approval of the new mandate, seek and secure a functional analysis by DHRMD of the current GCU from OPC, to determine its full resource needs in the new mandate and enable its elevation into a full department/division.	Request to the SPC for approval for DHRMD to undertake a functional analysis of the GCU in its new mandate. A functional analysis report of the GCU in its new mandate by the DHRMD.
			4	After undertaking a functional analysis, implement the results of this analysis, elevating the GCU into a full department and begin the process of establishing systems and processes to support the fulfillment of its mandate.	Arrangements for and establishment of systems and processes for the structural transformation of the GCU into a fully functional and effective department.

	2	To recommend the revision of the PPDA Act (in tandem with the promulgation of the new act to transform the GCU into an autonomous institution) to take away responsibility for contracts management oversight and post procurement audits from the PPDA by 2026.	1	On the basis of the new mandate, to seek OPC's instructions for some realignments in the procurement and contract management law, which shall include recommending the removal from the PPDA Act 2017 and re-assignment of responsibility for contracts management oversight and post procurement audits to the new GCU.	Request to the OPC for suggestions for a review of the PPDA Act 2017 with respect to post procurement audits and contracts management oversight.
	3	To undertake a functional analysis of the GCU in accordance with the revised mandate in cooperation with the DHRMD and revisit the institutional and resource adequacy arrangements for the GCU in consideration of the tasks assigned it by the new mandate by 2024.	1	Reach out to the DHRMD and working with them support and ensure timely and successful functional review of the GCU in its new mandate.	Established lines of communication and support with DHRMD on the conduct of the functional analysis.
			2	Through collaboration and support to the functional analysis, ensure a revisit of the institutional and resource adequacy arrangements for the GCU in consideration of the tasks assigned it by the new mandate	Established effective lines of communication with the GCU to ensure that the functional analysis is comprehensive, deep and accomplished on time.
	4	To upgrade the GCU initially to a Division/Department by 2025 and eventually an autonomous institution by 2027.	1	Upon approval of the functional analysis report by the OPC, work with the PS OPC (F) on the transformation of the GCU into a full department.	Arrangements with the PS OPC(F) on the transformation of the GCU into a full department.
			2	Work with the PS OPC(F) and establish an effective GCU Division/Department by recruitment of staff of the GCU for the year 2025, ensuring that all the positions established in the new GCU departmental structure are filled.	State of recruitment by 2025 of the positions in the new structure of the GCU.
			3	Commence the process of setting up new systems for procurement compliance and contracts management enforcement oversight.	New necessary systems are identified and action is initiated in securing them for the GCU.
			4	By 2026, initiate the process of crafting a bill to transforming the GCU into a Procurement Compliance and Contracts Management Enforcement Authority (Agency).	A bill for the transformation of the GCU into a full Procurement Compliance and Contracts Management Enforcement Oversight is ready for delivery to Cabinet and subsequently to Parliament via the OPC.

	5	To secure a resource commitment by GoM and consistent capacity for the GCU to enable sustained effectiveness and functionality.	1	Liaise with and request discussions with PS OPC(F) and by extension the SPC on the need for the OPC to increase and commit to a minimum budget (from its envelope) to the GCU to enable effectiveness whilst a department in the OPC	Liaison between the GCU and PS OPC (F) on the resource commitment to GCU by the OPC.
	6	To launch and sustain an effective communication strategy to provide continuous informative interaction with its stakeholders by 2024.	1	Identify from within GCU or recruit a Public Relations Officer to support the implementation of the communication strategy in this plan.	A Public Relations Officer either identified or recruited.
Systems Development	1	To create, launch and sustain a reliable procurement compliance and contracts management enforcement technology platform that interoperates with the GoM e-GP system, PPDA e-procurement and IFMIS platforms by 2025.	1	Secure support to undertake a technology platform on procurement compliance and contracts management enforcement, ensuring it interoperates with the government's e-GP and PPDA e-procurement and IFMIS platforms.	Support commitment from a partner for the identification, installation, training and launch of a suitable technology platform.
			2	Secure funding for the procurement and installation of the technology platform.	
			3	Train and launch the platform.	
	2	Through effective partnership with such as the PPDA, ACB and MoJ to ensure effective and efficient public procurement and contracts implementation/delivery by adopting a partnership approach in its compliance and CM oversight activities by 2025.	1	Initiative discussions with partners (PPDA, ACB and MoJ) to chart a partnership framework in GCU conduct of procurement compliance and contracts management enforcement.	Minutes of meetings on a proposed partnership framework suggested by GCU.
			2	Secure a memorandum of understanding with partners on the partnership arrangement.	A signed memorandum of understanding with partners (PPDA, ACB and MoJ).
			3	Implement and together with partners monitor progress and challenges and amend as necessary.	Minutes of discussions of progress and challenges in the partnership.
	3	To revise the new communication strategy to conform to stakeholders' and GCU visibility information needs by 2026.	1	Undertake a review of the communication strategy in this plan by end of 2026.	
			2	Draft and install a new communication strategy to more accurately reflect the changed institutional status and relationship with partners and stakeholders of the GCU at the time (2026).	Revised communication strategy.
			3	Implement the new communication strategy.	Reports of progress and challenges from implementing the revised communication strategy.
	1	To effect a major staff recruitment drive, fill all vacancies and commence the trial of established operational systems to effect team building by May 2024.	1	Schedule appropriately staff recruitment together with human resources unit of the OPC.	Schedule of recruitment arrangements.
			2	Conduct the recruitments.	Staff recruited.

Resources Mobilisation	2	To agree a minimum divisional budget with the OPC for effectiveness and efficiency, which must be comprehensive enough to accommodate required staff and logistical operational costs (transport, administrative expenses, and etc.) by 2025.	1	Seek support through the PS OPC (F) for OPC's agreeing to maintain a minimum budget for the GCU as a department in 2025.	Commitment to a minimum budget for the GCU.
	3	To elaborate, establish and launch a continuous professional development program in cooperation with the MIMs for sustained capacity of the staff of the GCU by 2025.	1	Initiate a discussion with MIMs for a system of continuous professional development (CPD) for the staff of GCU.	Request from GCU for the program and minutes of meetings on the matter with MIMs.
			2	Enter into a memorandum of understanding with MIMs for the implementation of the CPD.	Memorandum of understanding with MIMs.
			3	Launch and implement.	Progress reports of the CPD program.
Organizational Culture Development	1	By 2025 to create and sustain an effective GCU structure and work/organisational culture that encapsulates systems and processes assuring institutional effectiveness and efficiency, necessary for a very important and sensitive task.	1	Seek support for an institutional culture change strategy.	An institutional culture change strategy.
			2	Seek technical assistance in change management to support GCU implement management and culture change using this strategic plan and the culture change strategy.	Technical assistance in change management to support GCU implement management and culture change for at least a year or two.
	2	To encourage and compensate for appropriate continuous professional development.	1	Issue GCU policy pronouncements on the willingness to compensate for successful individual CPD that are preapproved by the GCU.	Official pronouncement on privately funded CPD.
	3	To elaborate, establish and launch procurement and contracts execution awards to motivate good work by suppliers and contractors.	1	Formulate a program for a procurement and contracts execution awards.	Formulated award program.
			2	Initiate discussions with partners on the awards and agree a partnership framework in the implementation of the awards program.	Minutes of discussions and arrangements with partners on the awards program.
			3	Undertake the awards	Outcome reports of the awards program.

4.3 The GCU Strategy Risk Matrix and Its Management

The Risk Matrix

Risk is the lack of certainty about the outcome of making a particular choice. Statistically, the level of downside risk can be calculated as the product of the probability of failure to achieve the objective multiplied by the severity/impact of that failure. In practice, the risk matrix is a useful approach where either the probability or the failure or severity cannot be estimated with accuracy and precision.

- I. The risk matrix is used to increase the knowledge and visibility of the risks which will help in making better decisions.
- II. The potential outcomes from a particular decision are weighted and plotted on the risk matrix according to their severity.
- III. There are risks associated with business at every point and for which it is important that the risk be taken into account order to conduct business. It is also equally important to understand both the outcome and severity of risk to the organization if the strategy will be sustained. This is the reason why the risk matrix is plotted in order to understand the downside of the risk and the severity that has on the business or in this case the implementation of the plan.

Table 4 below is a summarized risk matrix for the successful implementation of this plan based on the pillars of the plan. This plan has four main pillars, each with a given set of objectives and for which have been enumerated a comprehensive list of actions needed to be undertaken. On the basis of the assessment of the likelihood of these activities being either undertaken or successfully undertaken, a risk rating of each objective has been done. This showed whether the likelihood of achieving that objective based on the probability that its attendant activities shall be undertaken is either low, medium or high.

The variety of risk scores of each objective under each pillar were summed up and assessed to determine the risk score of achieving the pillar to which the objectives belong. This resulted to a risk score for each pillar from low, medium to high risk. The risk score either of an activity, objective or pillar instructs the type of mitigating action needed to manage that risk.

Table 4: The GCU Summary Risk Matrix 2025 - 2029

Ref.	Pillar	Level of Risk			Average Level of Risk
		Low	Medium	High	
1	Structural Reforms of the GCU	4	6	1	Low to Medium

2	Systems Development	3	2	0	Medium to Low
3	Resources Mobilization	2	2	1	Low to Medium
4	Organizational Culture Development	1	2	2	Medium to High
		10	12	4	
	Overall Risk of the Plan failing to or not being implemented		X		Low to Medium

Critical outcomes from assessing the risks of successfully implementing the activities of the objectives in the six thematic areas of this strategic plan are detailed in Table 11. The implementation risks of each pillar objectives (Table 4) indicate the level of risk or probability that its objectives may not be achieved. This means that the GCU must pre-emptively manage the attendant risks and ensure that they are mitigated such that the pillar objectives are eventually achieved, and the GCU is able to reach its vision. Of the four pillars, achieving intended organizational culture development has the highest risk (medium to high), followed by the development of systems required for the effective functioning of the new GCU.

Resources mobilization is of low to medium risk due partly to the reasoning that transformation to a full department is an internal OPC activity that is easily achievable. However, by 2027, transformation into an autonomous institution could be challenging.

Overall, the risk of not implementing this plan is Low to medium, meaning that whilst it might seem easy to undertake its implementation successfully, there are significant risks that must be paid attention to (Table 10).

4.5 The GCU Resource Mobilisation Strategy and Strategy Budget

Financing and Resource Mobilization Strategies

Raising the required financial resources for the implementation of this Strategic Plan inevitably shall be in two phases; namely within government as a full department by 2025 and by 2027, when hopefully the GCU shall by an Act of Parliament be upgraded to an autonomous institution.

- a. When the GCU has been upgraded to a full department within the OPC in 2025, this will give the OPC the opportunity to increase its resource envelope from the larger OPC envelope given by the Treasury Directorate of the Ministry of Finance. It is hoped that during this period, all the units shall be filled, and systems established so that the GCU begins to resonate as a full institution in the execution of its work. The increase of resources to the GCU at this point is subject only to consensus within the OPC, which is easier to achieve.
- b. Whilst a department in the OPC with a revised mandate and proper structure, and accompanied by a stronger and broader organisational structure, the GCU will as a result of greater efficiency and acceptability within the procurement and contracts management system be attractive for donor support. The strategic budget (Table 5) in this plan will be a tool by which donors shall be guided in terms of the support they may wish to provide the GCU.
- c. It is not known how ready and to what extent the Malawi procurement system shall be to accommodate cost recovery. However, should this be possible, the GCU may study the feasibility of an element of cost recovery to augment its budget.

Table 5 below is the summarized costing of all the activities in each objective of this strategy, accumulating them into objectives and thematic areas. This means the cost of the strategic activities in the strategic framework necessary to undertake the transformation of the GCU first into a full department within the OPC by 2025, and then an autonomous Procurement Compliance and Contracts Management Oversight institution by 2027. This cost is MKW 298,225,000.00(US\$175,426.47).

Table 5: Consolidated Strategic Investment Budget of the GCU, 2025 - 2029

Thematic Area	Objective		2025	2026	2027	2028	2029	Grand Total
Structural Reforms	review the mandate of the GCU as contained in Circular No CS/S/001 – 2012		25,275,000.00	-	-	-	-	25,275,000.00
	Revision of the PPDA Act - Transform the GCU into an autonomous institution to take over contracts management oversight and post procurement audits by 2026.		-	-	-	-	-	-
	Functional analysis of the GCU in accordance with the revised mandate by 2024.		-	-	-	-	-	-
	Upgrade the GCU to a Division/Department by 2025 and an autonomous institution by 2027.		25,500,000.00	12,750,000.00	-	-	-	38,250,000.00
	Resource commitment by GoM and consistent capacity for the GCU.		-	-	-	-	-	-
	To launch and sustain an effective communication strategy by 2024.		-	-	-	-	-	-
Sub Total Pillar 1			50,775,000.00	12,750,000.00	-	-	-	63,525,000.00
System Development	To create, launch and sustain a reliable procurement compliance and contracts management enforcement technology platform by 2025.		48,250,000.00	-	-	-	-	48,250,000.00
	Through effective partnership with such as the PPDA, ACB and MoJ to ensure effective and efficient approach to compliance and CM oversight activities by 2025.		-	-	-	-	-	-
	To revise the new communication strategy to conform to stakeholders' and GCU visibility information needs by 2026.		-	28,200,000.00	-	-	-	28,200,000.00
Sub Total Thematic Area 2			48,250,000.00	28,200,000.00	-	-	-	76,450,000.00
Resource Mobilisation	To effect a major staff recruitment drive commence the trial of established operational systems to effect team building by May 2024.		-	-	-	-	-	-

	To agree a minimum divisional budget with the OPC by 2025.		-	-	-	-	-	-
	To elaborate, establish and launch a continuous professional development program in cooperation with the MIMs for sustained capacity of the staff of the GCU by 2025.		2,500,000.00	-	-	-	-	2,500,000.00
Sub Total Pillar 3			2,500,000.00	-	-	-	-	2,500,000.00
Organizational Culture Development	By 2025 to create and sustain an effective GCU structure and work/organizational culture.		148,750,000.00	-	-	-	-	148,750,000.00
	To encourage and compensate for appropriate continuous professional development.		-	-	-	-	-	-
	To elaborate, establish and launch procurement and contracts execution awards to motivate good work by suppliers and contractors.		-	-	-	7,000,000.00	-	7,000,000.00
Sub Total Pillar 4			148,750,000.00	-	-	7,000,000.00	-	155,750,000.00
Grand Budget Totals			250,275,000.00	40,950,000.00	-	7,000,000.00	-	298,225,000.00

4.6 Communication and Awareness Plan

4.6.1 Introduction

This communication plan clearly outlines the message, objective and process of the GCU's outreach activities. This plan will help the management of the GCU lay out an approach to how they want to address stakeholders' information needs about what the GCU does, how it is done and what the GCU needs from them. The results from the stakeholders' consultations pursuant to this plan reveal that most of the stakeholders claim that they know very little about the GCU. That whilst what the GCU is doing in the national procurement and contracts management system may be useful to them, they have not been provided adequate information about the GCU to better appreciate and cooperate with it.

It was revealed in the environmental analysis that the lack or absence of communication is one of the greatest existential threat elements of the GCU, and for which most stakeholders refuse to recognize its legality and relevance in the procurement and contracts management space. Hence the need for a communication and awareness strategy. A communication strategy framework is a tool for planning an organization's communication with its employees, suppliers, investors, and customers. You can use this framework to understand the organization better and improve its reputation with the public. This communication plan put simply, is the roadmap for getting the GCU message delivered to target audiences, and its intent is to facilitate correspondence between GCU and its variety of stakeholders.

4.6.2 Overall Communication Strategy

The GCU communication and awareness strategy is in two folds: namely a communication strategy that is sensitive to the specific nature of the stakeholders, and an awareness strategy that speaks to the basic reason for establishing the GCU, its legality and methods the GCU deploys to work with its partners. The GCU stakeholders in both fronts may be divided into the following groups:

1. Other OPC departments.
2. The civil/public service departments and organisations (MoF, National Audit Office, and National Construction Industry Council); all of whom are involved in the process of providing some element of oversight for public procurement and contracts management.
3. The PPDA, MoJ, and ACB, all of whom are involved together with the GCU in regulating and providing oversight for public procurement and contracts management.
4. The MDAs as procuring agencies of government.
5. The suppliers and contractors and/or concession owners; and
6. The general public who has an interest on the economic growth impact of procurement and effective contracts implementation.

Each of these categories of stakeholders have peculiar information needs. This plan lays the framework by which the GCU shall whilst implementing this plan, cater to these peculiarities and

ensure effective awareness creation and communication that generates the desired type of responses from each stakeholder category.

4.6.3 Identifying Target Groups for Messages

The target stakeholder groups as described 4.6.2 include:

1. OPC departments;
2. The civil/public service departments and organisations (MoF, National Audit Office, and National Construction Industry Council);
3. The PPDA, MoJ, and ACB;
4. The MDAs as procuring agencies of government;
5. The suppliers and contractors and/or concession owners; and
6. The general public.

4.6.4 Identifying Message Objectives

The main objectives of this communication plan include:

1. To create a system of visibility across all stakeholders so that the general public and other stakeholders are consistently made continuously aware of the GCU, its mandate and workings.
2. To create a partnership with various suitable media targeting specific stakeholders for information on specific issues tailored to their needs.

4.6.5 Determining Methodology for Message Delivery

The messages that will be utilized in both awareness creation and communications for varieties of stakeholders shall be issued with sensitivity to the needs of the stakeholders.

4.6.6 Monitoring & Evaluation

The GCU shall assign responsibility for communication to a public relations officer, who under the leadership of the Executive Director shall be responsible for executing this communication plan. The outcomes from developing and deploying this plan shall be subject to the same reporting and monitoring as is the overall strategic plan of the GCU as captured in section 5.0.

4.6.7 Public Outreach Strategy Matrix

Through a mix of paper based, virtual and audience (sponsorships of music and other social events), the GCU shall by 2025 generate and deploy a public outreach system to ensure optimal visibility and appropriate image building.

5.0 STRATEGY IMPLEMENTATION

5.1 Coordination, Monitoring and Evaluation Arrangements

For the purposes of successfully implementing this strategic plan, two critical activities must be planned and undertaken with dedication: coordination and monitoring. The entire *process of implementing the plan must not be left to chance* but deliberately coordinated in terms of assigning responsibilities for tracking, consolidating and documenting the outputs from the implementation process and utilising this data to support the decision process as the plan is being rolled out.

5.2 Coordination Arrangements

The coordinator in chief of the implementation of this plan is the Executive Director of the GCU. Essentially, coordination is the function of management which ensures that different departments and groups work in sync. It ensures that there is unity of action among the employees, groups, and departments whilst the plan is being implemented; and that no one person or department within the GCU jeopardizes the successful implementation of the plan. Coordination brings harmony in carrying out the different tasks and activities to achieve the organization's objectives efficiently, and by extension the goals of all its pillars, the mission and vision. Coordination minimizes the conflicts, resolves rivalries, and eradicates wastages, delays, indifferences and other organizational problems. It ensures smooth functioning of the organization. With the help of coordination, an organization can fulfil its objectives promptly.

For this reason:

1. A director must be assigned the operational responsibility of coordinating the implementation of this plan. He/she shall chair the coordination committee, which shall be established by the Executive Director.
2. Members of this committee shall include the administrative officer and two other Directors.
3. One of the Directors shall be designated Chairperson of this committee, whilst the administrative officer may serve as the Secretary to the Committee.
4. The Administrative Officer being Secretary to this committee shall be responsible amongst other things for the day-to-day arrangements for effective coordination of the committee. She shall with the Director responsible for coordination establish a reporting mechanism and its periodicity to capture from the various functions of GCU all the information relating to this plan, compile and submit to the SMC with recommendations.
5. Reporting templates must be provided to the various reporting sources, which shall be very simple and clear in terms of when and how the data should be compiled and submitted to the committee.
6. In the beginning, this committee shall meet every other month (2 months) until a system for the reporting, compilation, analysis and submission of reports to the SMC has been finalised, well-

understood and internalised as part of the workings of the GCU. At that point (which shall be determined by this committee), the meetings of this committee shall be on a quarterly basis.

7. The SMC periodic meeting shall accommodate two permanent items in its agenda:

- a. Status of implementation of the GCU Strategic Plan and
- b. Status of Risk of the GCU strategic plan implementation.
- c. T

8. The quarterly/bimonthly reports of the Coordination Committee shall be laid before the SMC to support discussion on items 6a and 6b above.

9. The Secretary to the Committee shall be responsible with the Chair to the Committee for determining the reporting frequency and the template reports from the reporting points and shall enforce dedicated timely reporting.

10. The Chairperson and Secretary to the committee shall also be responsible for compiling the various periodic reports from reporting points, assessing the improvement or otherwise of progresses in the implementation of the plan and submit to the SMC through the Executive Director, a **Status of Implementation Report** for the period in question.

11. This committee shall provide reports on the status of implementation of the plan to the Senior Management Committee (SMC).

5.3 Monitoring Arrangements

Performance monitoring involves the measurement of performance over time against indicators of performance or key performance indicators (KPIs). Performance benchmarking is a complex activity requiring comparable, consistent, and validated data to be meaningful. In this plan is a strategy framework (see Tables 2 & 3); in which is detailed for each pillar its objectives, and for each objective, its strategic activities (what needs to be done); all accompanied by KPIs.

For successful monitoring or tracking of the implementation status of this plan:

1. The strategy framework shall constitute the main reference for performance indicators or KPIs.
2. The status of implementation of each activity and sets of objectives shall be assessed against its accompanying KPIs and if there are variations, reasons for the variations must be established and included in the report to the coordination committee on the reporting template that would have been distributed for use by reporting points.
3. The annual work plan of the GCU must be informed by the strategy budget in this plan. The items in the strategy budget indicate the nature and depth of capital investment that the GCU must undertake to achieve the desired transformation to a full department in 2025 and eventually an autonomous organisation by 2027. As such, the annual work plans from 2025 to 2029 must be partly informed by the planned investments in the strategy budget in accordance with the annual planned investment outlay.

5.2.2 Annual Work-Plan

The annual work plan must by default be as closely linked to the strategy budget as possible. With this done, this strategic plan would have been internalized in the structure and workings of the GCU and be implemented automatically.

5.2.3 Annual Budgeting and Budget Negotiations

This is an activity that the Accounts Department of GCU will undertake during the annual budget session. The annual capital budget of the GCU shall be drawn from the strategy budget (Table 5), and form what shall be presented to the OPC and/or Ministry of Finance for funding. The items in the strategy budget are what is required for the transformation of the GCU first to a full department by 2025 and to an autonomous organisation by 2027. However, it must be said that whilst this plan is being implemented, the environment of the GCU might be shifting; and this will call for other capital investments, which too must be captured in the annual budget, together with what is already in this strategy budget.

The strategy budget does not include the operational (recurrent) cost of running the GCU and this will have to be done separately. The recurrent budget cannot be captured in advance since it is a cost item that grows in proportion to the expansions of the organisation or of the capital budget.

5.2.4 Internal Quarterly GCU Status of Implementation Reporting Arrangements

Table 6: Schedule of Quarterly Management Reviews

Ref.	Type of Assessment	Issues to be Reviewed	Timing of Compilation of Review Report
Quarterly Management Reviews			
Q1	Periodic Status of Implementation of the GCU Strategic Plan in the following sequence of analysis:	1. Analysis of progress and challenges in achieving each activity of each objective.	By 30 th day of the first month after the quarter in question
Q2		2. An analysis of the level of progress and challenges towards achieving each GCU pillar.	
Q3		3. An analysis of the progress and challenges in achieving the mission of the GCU, and	
Q4		4. An analysis of the progress and challenges in achieving the GCU vision.	
		5. Recommendations for the resolution of the challenges.	

Note:

1. The quarterly management reviews are for the eyes of the senior management of GCU only and not for circulation. However, GCU may choose to copy this report to the PS OPC (Finance) after GCU management has deliberated on it.

5.3 Evaluation Arrangements

Evaluation is the process of judging or calculating the quality, importance, amount, or value of something. Evaluation cannot take place until all the data has been collected. Some common synonyms of evaluation are appraise, assess, estimate, and rate. While all these words mean "to judge something with respect to its worth or significance," evaluate suggests an attempt to determine relative or intrinsic worth. The main types of evaluation are process, impact, outcome and summative evaluation. Before you are able to measure the effectiveness of your project, you need to determine if the project is being run as intended and if it is reaching the intended audience.

In the case of evaluating the impact of the implementation of the GCU strategic plan, some of the following assessments might need to be undertaken by management:

1. At some point management will want to ask and answer the questions:
 - a. Have the expected results of this plan been achieved? – Pillars or goals, objectives, etc.
 - b. Has the transformation from this plan delivered an oversight system that has made procurement and contracts management much more cost effective (savings) and helped remove waste through the minimisation of corruption?
2. To what extent has the oversight monitoring arrangements and their monitored implementation ensured that public projects are implemented on time, at the planned or contracted costs without unnecessary variations and extensions.

What is evaluated is at the behest of management to determine, however, both the component and overall worth of the procurement compliance and contracts management enforcement oversight must at some point be assessed.

5.3.1 Annual Implementation Reports

Table 7: Schedule of Annual Reports

Ref.	Type of Assessment	Issues to be Reviewed	Timing of Compilation of Review Report
Annual Reports			
2024/2025	Annual Status of Implementation of the Strategic Plan of the GCU Report	This might be a compilation or consolidation of the quarterly status of implementation plan reports with	By 31.08.2026
2025/2026			By 31.08.2027
2026/2027			By 31.08.2028

2027/2028		analytical perspective that is more long-term. It contains recommendations addressing continuing relevance and effectiveness of the plan in achieving desired transformation. Management might want to suggest strategic shifts and recommendations that are more in sync with changed environmental dynamics.	By 31.08.2029
2028/2029			By 31.08.2030

Note:

1. This report must be circulated to the PS OPC (F) and the SPC.
2. The financial year begins 1st April.

5.3.2 Periodic Evaluations and Midterm (2027) Status of Implementation Assessments

Table 8: Periodic Evaluations Arrangements for the Assessment of the SP III Implementation

Ref.	Evaluation Areas	Timing
1	Cost saving and system efficiency impacts of procurement review clearance.	2026
2	Cost saving and system efficiency impacts of contract management enforcement	2026
3	Evaluation of the budget execution and economic growth impact of procurement and contracts management enforcement in Malawi	2027
4	Midterm Evaluation of GCU Strategic Plan 2025 - 2029	2027

Note:

1. To be provided by consultants or a specialist staff team in the GCU.
2. GCU management shall determine what it wants to evaluate at any point in time, which would have been evident from the quarterly and annual reports.

6.0 APPENDICES

6.1 Literature Reviewed

Studies and documents emanating from GCU

1. OFFICE OF THE PRESIDENT AND CABINET, GOVERNMENT CONTRACTS UNIT STRATEGIC PLAN 2019 – 2024
2. GCU Brochure-Rev3.pdf
3. GCU Organizational Chart
4. Customer Service Charter, GOVERNMENT CONTRACTS UNIT
5. Presentation – Contract Management in the Public Sector, GCU, 2023; Leadership Development Programme for Principle Secretaries, 1st – 3rd August 2023
6. REPORT ON THE CURRENT STATE OF GOM CONTRACT MANAGEMENT INSTITUTIONAL AND BUSINESS PROCESS FRAMEWORK (GCU), GOVERNMENT OF MALAWI, GOVERNMENT CONTRACTS UNIT (GCU)
7. Contract Management Training Guide, Government of Malawi, July 2021
8. A scoping exercise to review the contract management environment in the Government of Malawi 22 to 27 September 2019
9. Provision of Legal Input on Contract Management to the Public Finance Management Act Amendment Process. Government Contracts Unit, Tikwere House, Private Bag 301 Lilongwe 3, MALAWI. October, 2017

Constitutional and legislative mandates

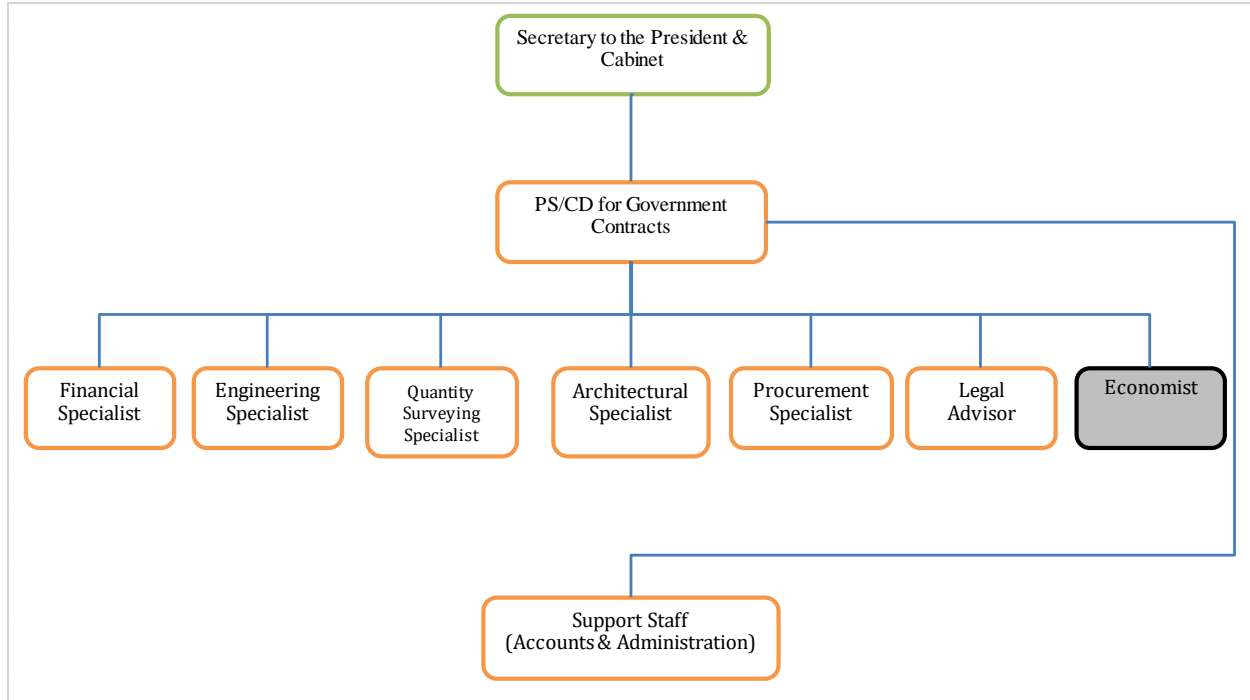
10. The Constitution of the Republic of Malawi of 1994
11. The Public Service Act, 1994
12. The Public Finance Management Act (Cap. 37:02) of 2003
13. The Public Audit Act (Cap. 37:01) of 2003
14. The Public Procurement and Disposal of Assets Act of 2017
15. The Corrupt Practices Act of 1995

Policy mandates

16. OPC strategic plan (2017 – 2022)
17. The Malawi Growth and Development Strategy III
18. Draft Malawi National Public Sector Reforms Policy
19. The Draft Malawi Public Service Management Policy
20. Malawi 2063 First Ten-Year Implementation Plan (PIP – 1); 2021 – 2030: Transforming Malawi into a Middle Income Country.

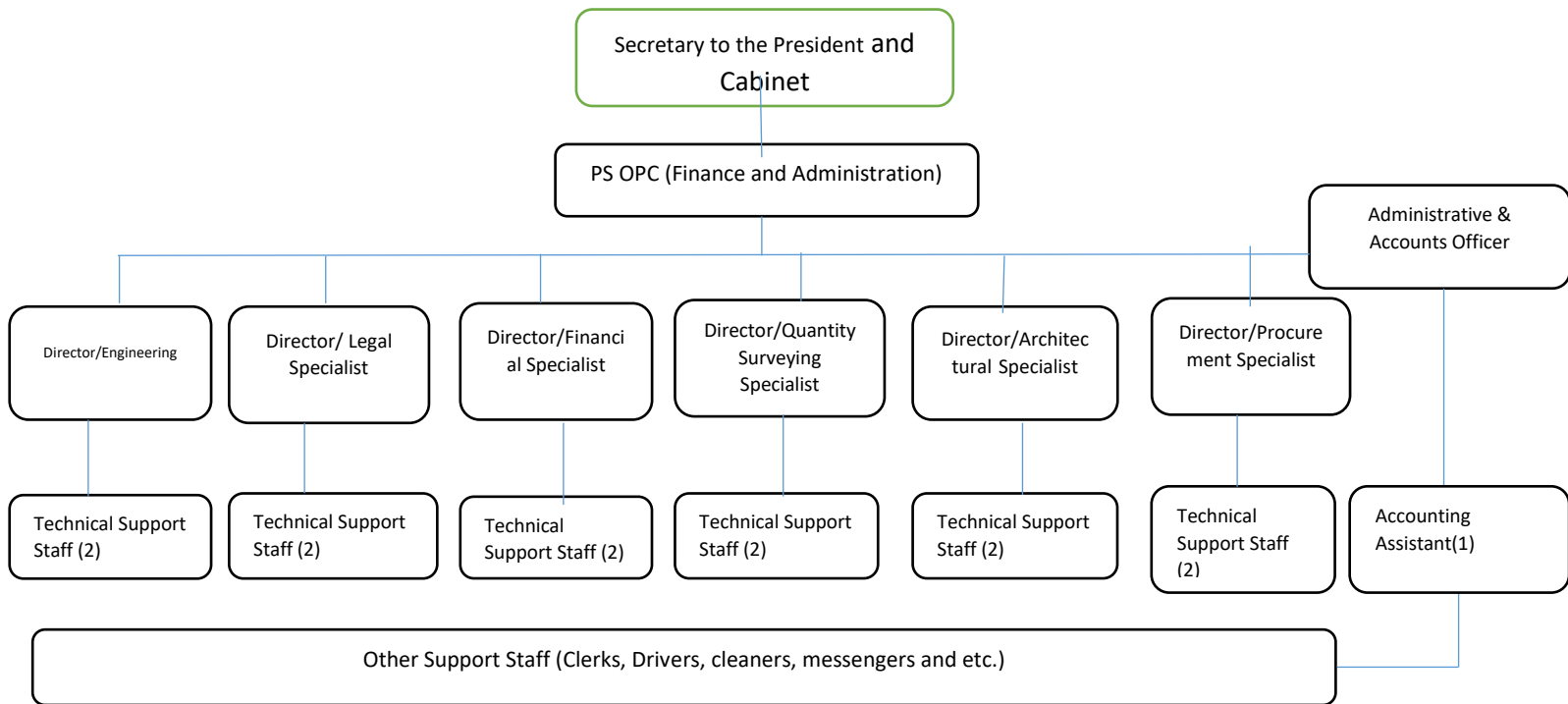
Figure 1: The Organisation Chart of the GCU

6.2 The Current Organisation Chart of the GCU



6.3 Organogram Changes over the five years (2025 – 2029)

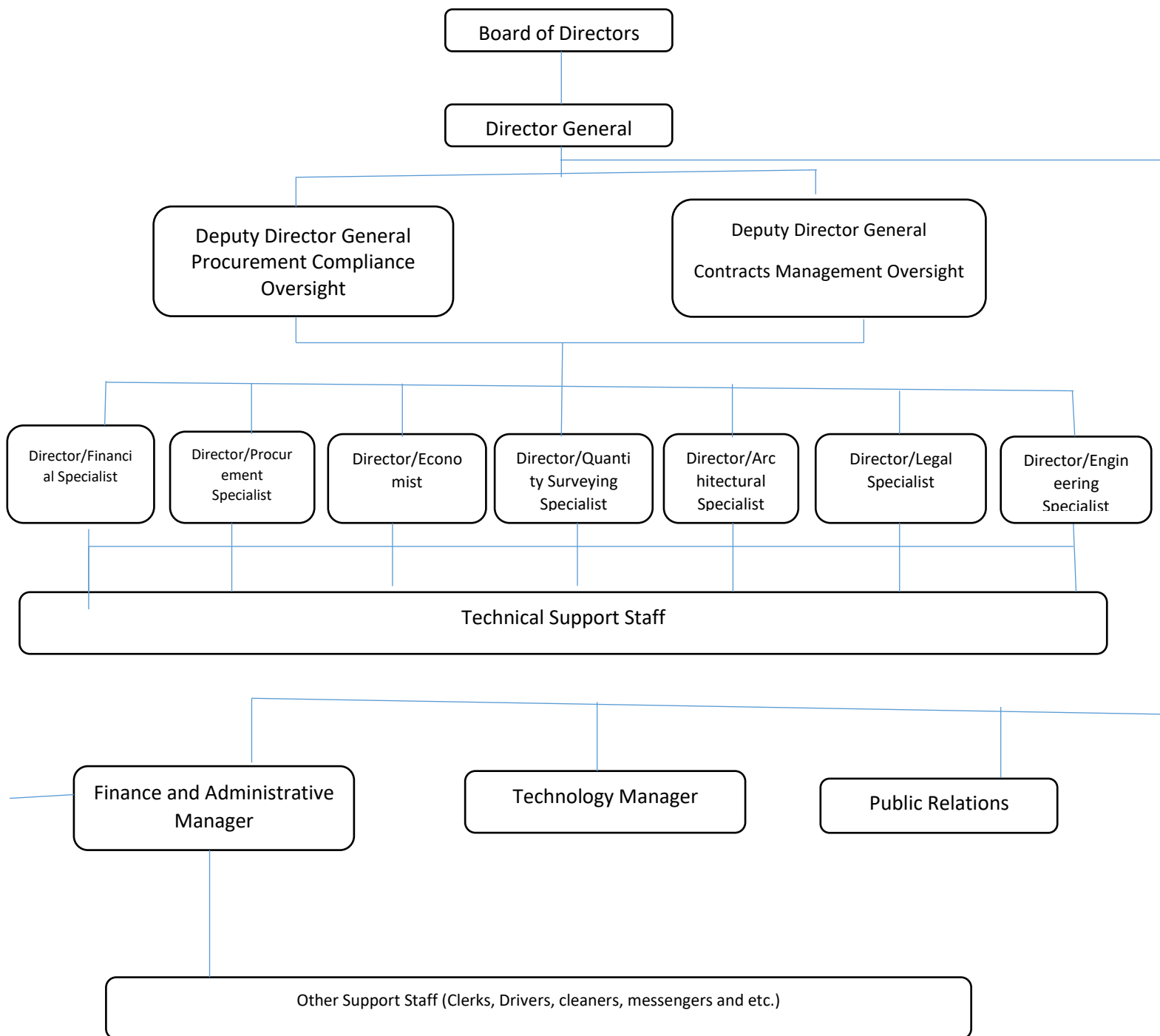
First Strategic Shift – transformation into a full Department within OPC – 2025



Notes to Organogram 1 – Full Department within OPC - 2025

1. Organogram 2025 assumes that in 2025, GCU shall be elevated to the status of a full department in the OPC.
2. That as a result it will have greater access to resources (human and budgetary). This gives GCU an opportunity to increase and rationalize its structure as suggested; filling all the positions and begin the process of resonating as an institution prior to possible future elevation to an autonomous organisation.
3. The suggested structure assumes that the GCU shall be the Procurement Compliance and Contracts Management Enforcement Oversight Institution and will therefore need this human capital to function effectively and efficiently.
4. This structure prepares the GCU in 2025 still a civil service institution for transformation to an autonomous organisation with greater capacity to undertake its mandate, which would have been more clarified by 2027 in an act of parliament.

Second Strategic Shift – transformation into an autonomous Organisation – 2027



Notes to Organogram 2 – An autonomous organisation -- 2027

1. Organogram 2027 is the envisaged initial structure to transform GCU from a civil service department into an autonomous organisation with different governance and management structures.
2. This structure is just to launch the new autonomous institution in 2027. It will certainly change as the institution evolves over time.
3. This structure as can be seen caters for proper governance and management structures and staffing rearrangements to more effectively attract, retain and put to good use, all the skills that the GCU would need for the expanded task of procurement compliance and contracts management enforcement oversight.

6.4 List of Stakeholders Consulted

Table 9: Internal Stakeholders Consulted

Ref.	Institution	Persons present	Designation
1	Office of the President and Cabinet	Dr. Godwin Kaonogera	PS OPC (Finance)
2	Government Contracts Unit	Luis Peter Chakhwantha	Legal Adviser/Director
3	Government Contracts Unit	Lovemore Kachikoti	Deputy Director Procurement
4	Government Contracts Unit	Dr. Alfred Nyasulu	Contract Management Adviser, GIZ
5	Government Contracts Unit	Eng. Placid Kasakatira	Engineering Specialist/Director
6	Government Contracts Unit	Meria Chongwe	Administrative Officer

Table 10: External Stakeholders Consulted

Ref.	Institution	Persons present	Designation
1	Public Finance Management, Ministry of Finance	1. Fanny Masina	1. Principal Accountant
2	Budget Director, Ministry of Finance	1. Ms Loyce Chilimsungwi	1. Budget Director
3	Lilongwe District Council	1. Dr. Lawford Palani 2. Charles G. P. Mhone	1. District Commissioner 2. Director of Financial Services
4	Ministry of Health	1. Mercy Nyanda 2. Florida Fulu	1. Chief Procurement Officer 2. Procurement Officer
5	Directorate of Human Resources Management and Development (DHRMD), OPC	1. Gideon Mbanga	1. Deputy Director, HRM Policy & Research)
6	Ministry of Education	1. Juliana Kalonde 2. Issa Swedi	1. Chief Procurement Officer 2. Chief Procurement officer
7	National Audit Office	1. Charles Maseya 2. Gerald Pute	1. Director of Specialised Audits 2. Director Regularity Audits
8	Ministry of Agriculture	1. Sheriff Adams	1. Director of Procurement
9	Anti-Corruption Bureau	1. Ms Susan Phiri 2. Jimmy Mtafa	1. Chief Corruption Prevention Officer 2. Principal Corruption Prevention Officer
10	National Construction Industry Council (NCIC)	1. Mr. George Chapotera	1. Planning and Evaluation Manager
11	Public Procurement and Disposal of Assets Authority (PPDA)	1. Mr. Manuel Mphinga	1. Planning and Research Manager
12	Office of the Solicitor General	1. Mr. Patrick Matanda	1. Principal Secretary, Administration
13	Office of the Clerk, Lilongwe City Council	1. Cleaverson Nyando	1. Deputy Director of Engineering
14	Office of the Clerk, National Assembly	1. Johnston Mdala 2. Masautso Kamawa	1. Chief Policy and Planning Officer 2. Chief Procurement Officer
15	Malawi Institute of Procurement and Supply	1. Feston Kaupa 2. Aubrey Limburo	1. Chief Executive Officer 2. Education and Qualification Officer

6.5 Detailed Risk Matrix

Table 11: Detailed Risk Management Matrix

Thematic Area 1: Structural Reforms of the GCU				
Ref.	Objective	Risk of not achieving the objective	Risk Level (Low, medium & High)	Mitigating Measure/Action (To be thought through and filled as the plan is rolled out and implementation risks assessed)
1	To review in 2024, Circular 12 and specify the mandate of the GCU.	1. Lack of action by GCU 2. Lack of action by the OPC.	L M	
2	To recommend the revision of the PPDA Act (in tandem with the promulgation of the new act to transform the GCU into an autonomous institution) to take away responsibility for contracts management oversight and post procurement audits from the PPDA by 2026.	1. Lack of action by GCU 2. Lack of action by the OPC. 3. Lack of cooperation by either the PPDA and/or Ministry of Finance.	L M H	
3	To undertake a functional analysis of the GCU in accordance with the revised mandate in cooperation with the DHRMD and revisit the institutional and resource adequacy arrangements for the GCU in consideration of the tasks assigned it by the new mandate by 2024.	1. Absence of a revised mandate	M	
4	To seek to upgrade the GCU initially to a Division/Department by 2025 and eventually an autonomous institution by 2027.	1. Lack of action by GCU 2. Lack of action by the OPC.	L M	
5	To secure a resource commitment by GoM and consistent capacity for the GCU to enable sustained effectiveness and functionality.	1. Lack of action by GCU 2. Lack of action by the OPC.	L M	

6	To launch and sustain an effective communication strategy to provide continuous informative interaction with its stakeholders by 2024.	1. Lack of action by GCU	M	
Thematic Area 2: Systems Development				
Ref.	Objective	Risk of not achieving the objective	Risk Level	Mitigating Measure/Action
	To create, launch and sustain a reliable procurement compliance and contracts management enforcement technology platform that interoperates with the GoM e-GP system, PPDA e-procurement and IFMIS platforms by 2025.	1. Lack of action by the GCU 2. Lack of donor interest	L L	
	Through effective partnership with such as the PPDA, ACB and MoJ to ensure effective and efficient public procurement and contracts implementation/delivery by adopting a partnership approach in its compliance and CM oversight activities by 2025.	1. Lack of action by the GCU 2. Lack of interest by partners	L M	
	To revise the new communication strategy to conform to stakeholders' and GCU visibility information needs by 2026.	1. Lack of action by GCU.	M	
Thematic Area 3: Resources Mobilisation				
Ref.	Objective	Risk of not achieving the objective	Risk Level	Mitigating Measure/Action
	To effect a major staff recruitment drive, fill all vacancies and commence the trial of established operational systems to effect team building by May 2024.	1. Lack of action by the GCU. 2. Lack of action by the OPC.	L M	
	To agree a minimum divisional budget with the OPC for effectiveness and efficiency, which must be comprehensive enough to accommodate required staff and logistical operational costs (transport, administrative expenses, and etc.) by 2025.	1. Lack of action by the GCU. 2. Lack of action by OPC.	L H	
	To elaborate, establish and launch a continuous professional development program in	1. Lack of action by the GCU.	M	

	cooperation with the MIMs for sustained capacity of the staff of the GCU by 2025.			
Thematic Area 4: Organisational Culture Development				
Ref.	Objective	Risk of not achieving the objective	Risk Level	Mitigating Measure/Action
	By 2025 to create and sustain an effective GCU structure and work/organisational culture that encapsulates systems and processes assuring institutional effectiveness and efficiency, necessary for a very important and sensitive task.	1. Lack of action by the GCU	M	
	To encourage and compensate for appropriate continuous professional development.	1. Lack of action by the GCU. 2. Lack of funding of program	L H	
	To elaborate, establish and launch procurement and contracts execution awards to motivate good work by suppliers and contractors.	1. Lack of action by the GCU. 2. Lack of interest by partners and stakeholders.	M H	

6.6 The Summarised Environmental Factors (SWOT) of the GCU Strategic Plan, 2025 – 2029

Table 12: Summarised Environmental Factors (SWOT) of the GCU Strategic Plan, 2025 – 2029

Critical Internal Environmental Factors				Critical External Environmental Factors			
Critical Internal Strengths		Weaknesses		Opportunities		Threats	
1	Recognition by OPC of the confusion in roles between the PPDA and GCU and the need to clearly define the role and mandate of the GCU as procurement and contracts management oversight institution for contracts management and procurement compliance.	1	GCU is set up only through the Administrative Circular (ref. No CS/S/001) issued by the Chief Secretary to Government in July 2012. A reminder circular was sent out in 2014 after noting instances of non-compliance by MDAs. Administrative circular (ref. No CS/S/001 - 2012), does not give GCU the mandate to undertake monitoring and evaluation duties, GCU is not empowered or capacitated to request contract information from PEs or to demand compliance from them. This has weakened effectiveness of GCU in this respect as both internal and external parties do not recognize the GCU authority in this area.	1	In spite of general stakeholder misgivings about the reason for and administrative nature of its establishment, (which many stakeholders erroneously considered illegal); upon understanding of its constitutional legality and economic management reasons, the GCU is accepted as relevant as an oversight institution in public procurement and contracts management by its stakeholders.	1	Most GCU stakeholders erroneously perceive it as illegal not (established with an act of parliament) and used this as a reason for advocating for its closure even though it was established pursuant to the powers conferred on the executive by S13(s0) of the Malawi 1994 constitution to establish structures of government to facilitate governance either through policy and/or legislation.
2	OPC agreement that the GCU needs a more clearly defined role and a clearer communication strategy.	2	The GCU has taken on the <i>additional</i> initiative to ‘ <i>monitor and evaluate</i> ’ implementation of MDA contracts and the administrative circular does not cover this.	2	The GCU needs to be transformed by upgrading to a division or department to enhance its ability to deliver on its mandate, which can easily be accomplished by its parent cost centre, the OPC; without recourse to any other institution.	2	Strong misperception that because the GCU is not established by act of parliament, it has no legal authority and cannot vary the decisions of such as the PPDA and ACB and as such irrelevant in the procurement and contracts management process.
3	Possibility of the IFMIS being upgraded to incorporate requirements by the GCU such as in procurement reviews and contracts payments processing.	3	The name of the unit is inconsistent - in the one circular (2012) the Circular calls GCU the <u>Government Contracts Negotiation Unit</u> and in the latest circular (2014) it is called the <u>Government Contracts Unit</u> . Legally established units	3	The effect of its role in the procurement process demonstrated by stakeholders’ appreciation of past GCU discovery of irregularities in procurement contracts, which PPDA was unable to do, earned the	3	That the GCU mandate was inconsistent with the mandate in the PPDA Act 2017 and Regulation 2020 in some respects, and the GCU basically does what PPDA was already doing in some of these areas.

			must have clearly defined names. The naming protocol has legal implications.		GCU relevance and a role in the contracts management process.		
4	General agreement by all including the OPC and the management team of the GCU on the need for a robust technology platform, which must in addition be inter-operational with the e-procurement system of the PPDA.	4	The circular lacks the 'punch' required of such a critical instruction, as it does not specify any sanctions for non-compliance. Although the circular says GoM will only pay for properly vetted contracts. However, GoM has paid many contracts which have not been compliant to the circular and there have been no consequences.	4	Stakeholders generally agreed with the catalytic importance of public procurement in Malawi's economic growth and development, and also of the ease with which it could be overwhelmed by corruption, and accepts the need for oversight, which can only effectively be provided by the GCU.	4	That due to lack of institutional capacity, the GCU is very slow in its reviews, which translates into changes in prices. This in turn makes it impossible to execute the contracts on the original terms since bid validities expire and require relaunch, which is costly and counterproductive.
5	General agreement that the role of GCU is technically critical, sensitive and is huge; and that it is important to the executive leadership of government irrespective of which party is in government and that to effectively deliver the GCU needs to be transformed either to a full department/division or an autonomous institution.	5	The circular <u>does not make explicit mention of clear roles of other institutions</u> , which play a role in contract management (CM), and makes no reference to the PPA or ODPP. It merely talks of 'endorsement' of contracts by the Treasury and Ministry of Justice. The circular does not draw clear defining lines for GCU responsibilities.	5	Appreciation of improvements by the GCU in its procurement reviews from critical stakeholders such as the Ministry of Agriculture, and of the significance of their role in providing compliance audits for the up and downstream aspects of contract management (critical for best use of public resources to trigger economic growth) from the National Audit Office, the NCIC and the Ministry of Finance.	5	The idea of the ability of the GCU as contained in its mandate to renegotiate is inconsistent with the norms of procurement especially where a national regulatory authority such as the PPDA exists. This is potentially amenable to being politicised and poses an existential threat to the GCU as it navigates its way through governments over time.
6	The general agreement that the GCU needs to undergo a functional review to appropriately restructure it and develop a suitable organisational culture fit to deliver its mandate.	6	It is not clear from the circular what is meant by saying MDAs must 'engage' GCU, and it is also unclear in the following areas: a. The circular does not give reference to subsidiary regulations required to effectively operationalize it. b. It does not explain the critical path for contract processing before and after GCU.			6	Lack of stakeholder knowledge of legal status (S13 of 1994 Malawi Constitution) and even the mandate of the GCU to operate by GCU under Circular 12.
7	The GCU has visibility to its stakeholders resulting from a negatively perceived role in the procurement review.	7	A solid operational and legal framework will bolster the confidence of both GCU itself and the PDEs but only if the GCU will be upgraded into an autonomous institution like the PPDA.			7	Low level of stakeholder trust in the GCU emanate from misgivings about the purpose for which GCU was established, partly considered a political witch-hunt institution or one that is for the protection of certain partisan interests.
		8	Weak status and structure unsuitable to the task/mandate at hand, and lack of			8	Poor or virtually no GCU communication with stakeholders, which has translated into low knowledge about the GCU, its

			understanding of separate roles of the PPDA and the GCU even in the OPC.			mandate and what and how it does its work.
		9	The absence of the GCU and the execution of its important mandate in the OPC strategic plan.		9	Transformation of the GCU into an autonomous organisation with greater powers and access to resources and institutional capacity, which must be routed through parliament for necessary legislation. A real challenge.
		10	Risk of unstable institutional capacity in that staff such as administrative officer and all could be transferred at any time to other divisions or units either within the OPC or other parts of the civil service since all GCU staff members are civil servants.			
		11	The current Chief Director (CD) for GCU is probably the fourth CD since establishment of GCU. There appears to be no job security as previous CDs were withdrawn by OPC without explanation. CDs are not being given a chance to settle in and provide the required long-term vision, guidance and leadership to GCU, neither are they given the chance to develop the critical relationships in and outside GoM that would anchor the unit and give it the required visibility.			
		12	<p>All salaries are pegged at Civil Service rates. All are in grade D except Chief Director. General staff morale at GCU is low and staff turnover is high due to the following:</p> <ul style="list-style-type: none"> a. There are no assets, tools of the trade and equipment to enable proper work; b. Staff feel unwanted because they are not given work by MDAs and OPC is not intervening; c. Delayed feedback from OPC on staff employment contracts 			

			<ul style="list-style-type: none"> d. Risks of the job - they are seen as blocking contracts by some MDAs; e. The 50% vacancy rate at GCU means that key and core operations cannot be effectively undertaken; f. GCU salaries are not enough to attract high caliber professionals required in CM, hence the vacancies in strategic posts; and g. Even if the full establishment was available, 6 professionals to deal with all GoM contracts are insufficient. A functional analysis needs to be undertaken to ascertain the volumes of work involved and the competencies required at GCU 			
		13	All specialist staff are at the directors rank but each heads a one-man department without specialist support capacity for the execution of their duties			
		14	GCU does not have proper M and E tools, especially for reporting. If available on a central database, CM reports would help all other GoM players to make informed decisions			
		15	GCU is generally manual in its operations. Attempts at computerizations with help from partners was planned in the old office but it was burnt down and this had to be suspended.			
		16	Weak and/or absent governance systems at the GCU. One of the specialists serve as the operational head (DC) and is lightly supervised by the PS (Finance) and without a committee to pass final verdicts on critical findings coming from such a sensitive task. As an autonomous institution, a Governing Board could be established which will			

			be responsible for ensuring proper and adequate governance on the operations of this critical function and also support the decisions of the GCU, which could affect very high and important people; and for which GCU personnel need cushioning/protection. This is of course is feasible only if the GCU Has autonomous status.			
		17	<p>GCU has no proper systems, tools and methods to guide and control its operations.</p> <p><i>Because of the high risks associated with contract administration, it is important that the CM process be regulated. Regulations are important to guide not just the central operations of GCU but of the Procuring Entities. Currently there are no approved regulations to guide the activities related to the GCU due diligence cycle. As a result, there is no clear articulation, standardization and sequencing of the processes involved in CM. It is not clear which institutions should be involved in contract negotiation and what their roles are. The critical path for contracts through GoM is also not clear. PEs are adopting different approaches to CM. This has opened the system up to underhand and fraudulent activities. Presently, contract negotiations are not being led by GCU. For instance, it is not clear whether contracts should go to GCU first before submission to Ministry of Justice (Attorney General).</i></p> <p>These weaknesses include:</p> <ol style="list-style-type: none"> There is currently no regulatory framework around contract administration. It is agreed that systems and 			

			<p>methods are critical for the purpose of setting quality standards in any high risk environment with multiple processes and multiple players.</p> <p>b. Although a number of initiatives have been mooted which will ensure that GCU has the necessary capacity to support its operations, these have not yet been operationalised and therefore are not yet affecting CM activities. These include:</p> <ul style="list-style-type: none"> ✓ GCU has developed checklists for CM, however, these have not yet been completed or approved by OPC. They have therefore not been circulated to MDAs. ✓ At the moment, GCU does not have an operational information system to facilitate the administration of contracts. However, the unit is currently working on a computerized system for vetting of contracts. This is being locally developed and paid for by GIZ. The system is called Contract Vetting System. This is an interim measure pending implementation of the proper IFMIS module for CM, provided the selected IFMIS offers a CM module. Completion and availability of the PPDA e-procurement platform is a system that the GCU could ride upon to do its work. 			
		18	<p>GoM does not have a full database for all its contracts. <i>The information is fragmented across PEs. GCU should support the e-procurement infrastructure investment by the PPDA</i></p>			

			<p><i>and collaboratively secure access to that database and system.</i></p> <p><i>Data availability is a key concern already within government administration. Improving this can lay a foundation for making contract information available both to the public and internally as well. Presently there is no system with support market intelligence information to support GCU and other SCM players in their work.</i></p>			
		19	<p>There are no formal officially adopted guidelines and work methods to guide the work of GCU. Furthermore, no instructions have been issued to PEs on the required processing and workflow for contracts. Key players like MOFEPD and AGD similarly do not have guidelines to enable proper review of contract payment requests.</p>			
		20	<p>Poor strategic plan implementation, which situation was evident in the absence of internal data on current strategic plan implementation.</p> <p><i>Although a comprehensive 5-year strategy and a Service Charter were developed for GCU, the quarterly review process has not been very successful. A review process previously undertaken every quarter is no longer being done. The departmental performance reviews by PED are also not being done, although this is an OPC requirement. This implies that there is little monitoring and evaluation both internally and externally of the work of the GCU.</i></p>			