

**Ministry of Finance, Economic Planning and Development
The Republic of Malawi**

**The Project for Capacity Enhancement
in
Public Sector Investment Programming
Phase II
in the Republic of Malawi**

Project Completion Report

September 2017

**Japan International Cooperation Agency
(JICA)**

Koei Research & Consulting Inc.

IL
JR
17-087

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Project Year 1 (March 2013 – April 2014)

May 2013 Meeting at PSIP Unit Office



17 October 2013 JCC-2



December 2013 PSIP Appraisal method Seminar



Project Year 2 (June 2014 – June 2015)

August – December 2014 Visiting MDAs and others for survey, discussion and consultation



Survey – Labour Ministry in August 2014



Hands-on Guidance in November 2014

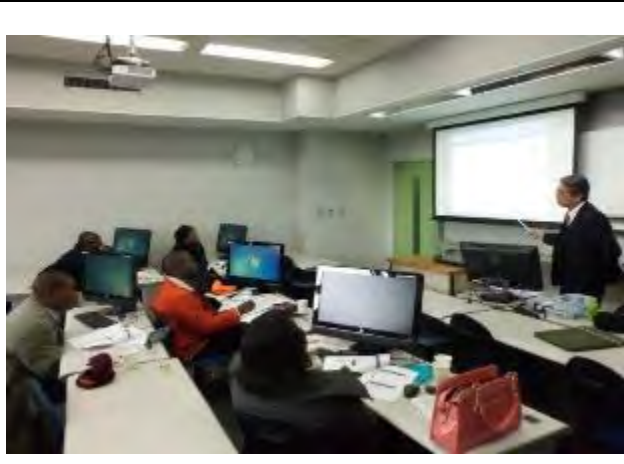


Discussion with BD in November 2014



Consultation with IMF in December 2014

January 2015 Training in Kyoto, Japan (Information Security)



Project Year 3 (July 2015 – June 2016)

August 2015 Discussion with Accountant General



September 2015 Activities for IT technical transfer



September 2015 Hands-on Guidance



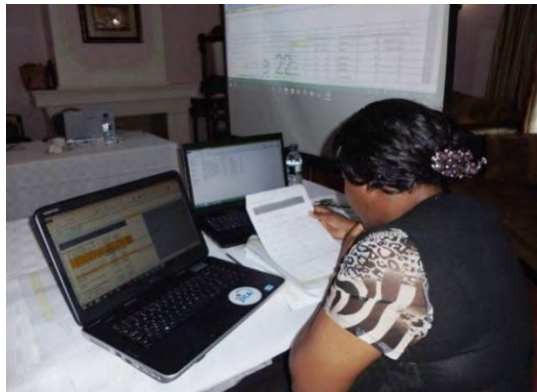
1 December 2015 JCC-5



February- March 2016 PSIP Appraisal



29 April 2016 JCC-7



Project Year 4 Plus (July 2016 – September 2017)

4 July 2016 Seminar on Economic & Financial Analysis



1-2 September 2016 PSIP Template Trainers training



August 2016 – August 2017 IT training and Information Security guidance



2 November 2016 JCC-8



24 August 2016 JCC-9



Table of Contents

1. EXECUTIVE SUMMARY	1
1.1. BACKGROUND AND OVERVIEW OF THE PROJECT.....	1
1.2. PROJECT ACTIVITY AND PERFORMANCE.....	2
1.2.1. Project Year 1 (from March 2013 to April 2014).....	6
1.2.2. Project Year 2 (from June 2014 to June 2015).....	7
1.2.3. Project Year 3 (from July 2015 to June 2016)	8
1.2.4. Project Year 4 Plus (from July 2016 to September 2017).....	9
1.3. ISSUES ARISING DURING IMPLEMENTATION AND DEvised SOLUTIONS	10
1.4. ACHIEVEMENT STATUS AT THE TIME OF COMPLETION.....	11
1.5. RECOMMENDATIONS FOR THE POST-PROJECT PERIOD.....	11
1.5.1. Follow-up of Terminal Evaluation Recommendations	11
1.5.2. Recommendations for sustainability	11
1.5.3. PSIP in the Mid- and Long Term Perspective	12
2. OVERVIEW OF THE PROJECT	13
2.1. BACKGROUND OF THE PROJECT.....	13
2.2. PROJECT FRAMEWORK.....	14
2.3. MODIFICATION OF PROJECT DESIGN MATRIX (PDM).....	15
2.3.1. PDM Ver.1 and a provisional PDM.....	16
2.3.2. PDM Ver.2.....	16
2.3.3. PDM Ver.3.....	16
2.4. IMPLEMENTATION STRUCTURE	20
3. PROJECT YEAR 1 (MARCH 2013 – APRIL 2014): ACTIVITIES AND ACHIEVEMENTS.....	23
3.1. PROJECT MANAGEMENT: ACTIVITIES AND ACHIEVEMENTS	24
3.1.1. Preparation and Submission of Inception Report, Project Progress Report, and Project Completion Report (March 2013 – April 2014)	24
3.1.2. Baseline Survey.....	24
3.1.3. Joint Coordination Committee	26
3.1.4. Training in Japan and third countries	29
3.1.5. Monitoring PSIP process.....	29
3.2. OUTPUT 1: ACTIVITIES AND ACHIEVEMENTS (MARCH 2013 – APRIL 2014)	30
3.2.1. PSIP Database	31
3.2.2. PSIP Preparation Handbook.....	33
3.2.3. PSIP Appraisal Manual	34
3.3. OUTPUT 2: ACTIVITIES AND ACHIEVEMENTS (MARCH 2013 – APRIL 2014)	35
3.3.1. Review of Public Financial and Economic Management- Reform Programme	36
3.3.2. PSIP process optimization.....	37
3.3.3. PSIP and Budget Document	39

3.3.4.	Coordination between PSIP Unit and Budget Division	40
3.4.	OUTPUT 3: ACTIVITIES AND ACHIEVEMENTS (MARCH 2013 – APRIL 2014)	40
3.4.1.	MDAs – practical issues, training programme and implementation	42
3.4.2.	PSIP Database –operational issues, training programme and implementation	43
3.4.3.	PSIP Unit – practical issues, training programme and implementation	44
4.	PROJECT YEAR 2 (JUNE 2014 – JUNE 2015): ACTIVITIES AND ACHIEVEMENTS	45
4.1.	PROJECT MANAGEMENT: ACTIVITIES AND ACHIEVEMENTS	46
4.1.1.	Preparation and Submission of Operation Plan, Work Plan, and Project Progress Report (June 2014 – June 2015)	46
4.1.2.	Joint Coordination Committee	46
4.1.3.	Mid-Term Review	48
4.1.4.	Training in Japan and third countries	55
4.1.5.	Monitoring PSIP Process	59
4.2.	OUTPUT 1: ACTIVITIES AND ACHIEVEMENTS (JUNE 2014 – JUNE 2015)	60
4.2.1.	PSIP Database	61
4.2.2.	PSIP Preparation Handbook	63
4.2.3.	PSIP Appraisal Manual	64
4.3.	OUTPUT 2: ACTIVITIES AND ACHIEVEMENTS (JUNE 2014 – JUNE 2015)	65
4.3.1.	Review of Public Financial and Economic Management- Reform Programme	66
4.3.2.	PSIP process optimization	67
4.3.3.	PSIP and Budget document	69
4.3.4.	Coordination between PSIP Unit and Budget Division	70
4.4.	OUTPUT 3: ACTIVITIES AND ACHIEVEMENTS (JUNE 2014 – JUNE 2015)	70
4.4.1.	MDAs – practical issues, training programme and implementation	71
4.4.2.	PSIP Database–operational issues, training programme and implementation	75
4.4.3.	PSIP Unit – practical issues, training programme and implementation	77
5.	PROJECT YEAR 3 (JULY 2015 – JUNE 2016): ACTIVITIES AND ACHIEVEMENTS	78
5.1.	PROJECT MANAGEMENT: ACTIVITIES AND ACHIEVEMENTS	79
5.1.1.	Preparation and Submission of Project Progress Report (July 2015 –May2016)	79
5.1.2.	Training in Japan	79
5.1.3.	Joint Coordination Committee	79
5.1.4.	Terminal Evaluation	81
5.1.5.	Monitoring PSIP Process	86
5.2.	OUTPUT 1: ACTIVITIES AND ACHIEVEMENTS (JULY 2015 – JUNE 2016)	88
5.2.1.	PSIP Database	88
5.2.2.	PSIP Preparation Handbook	91
5.2.3.	PSIP Appraisal Manual	91
5.3.	OUTPUT 2: ACTIVITIES AND ACHIEVEMENTS (JULY 2015 – JUNE 2016)	93
5.3.1.	Review of Public Financial and Economic Management- Reform Programme	93
5.3.2.	PSIP process optimization	94

5.3.3.	PSIP and Budget document	95
5.3.4.	Coordination between PSIP Unit and Budget Division	96
5.4.	OUTPUT 3: ACTIVITIES AND ACHIEVEMENTS (JULY 2015 – JUNE 2016).....	96
5.4.1.	MDAs – practical issues, training programme and implementation	97
5.4.2.	PSIP Database–operational issues, training programme and implementation	101
5.4.3.	PSIP Unit – practical issues, training programme and implementation	103
5.4.4.	Action Plan on Capacity Development	104
6.	PROJECT YEAR 4 PLUS (FROM JULY 2016 TO SEPTEMBER 2017): ACTIVITIES AND ACHIEVEMENTS.....	105
6.1.	PROJECT MANAGEMENT: ACTIVITIES AND ACHIEVEMENTS	106
6.1.1.	Preparation and Submission of Project Progress Report and Project Completion Report	106
6.1.2.	Joint Coordination Committee	106
6.1.3.	Endline Survey	111
6.1.4.	Monitoring PSIP Process.....	111
6.2.	OUTPUT 1: ACTIVITIES AND ACHIEVEMENTS (JULY 2016 – SEPTEMBER 2017).....	113
6.2.1.	PSIP Database	113
6.2.2.	PSIP Preparation Handbook	116
6.2.3.	PSIP Process Management and Appraisal Manual	117
6.3.	OUTPUT 2: ACTIVITIES AND ACHIEVEMENTS (JULY 2016 TO SEPTEMBER 2017).....	117
6.3.1.	Review of Public Financial and Economic Management- Reform Programme	118
6.3.2.	PSIP process optimization	118
6.3.3.	PSIP and Budget document	121
6.3.4.	Coordination between PSIP Unit and Budget Division	121
6.4.	OUTPUT 3: ACTIVITIES AND ACHIEVEMENTS (JULY 2016 – SEPTEMBER 2017).....	122
6.4.1.	MDAs – practical issues, training programme and implementation	122
6.4.2.	PSIP Database–operational issues, training programme and implementation	127
6.4.3.	PSIP Unit – practical issues, training programme and implementation	129
6.4.4.	Final PSIP Seminar and Orientation Workshop in August 2017.....	129
6.4.5.	Action Plan on Capacity Development	132
7.	ISSUES ARISING DURING IMPLEMENTATION AND DEvised SOLUTIONS	134
7.1.	ISSUES ARISING AND ACTIONS TAKEN FOR SOLUTION.....	134
7.1.1.	Issues related to implementing agency	134
7.1.2.	Issues related to activities.....	137
7.2.	DEvised SOLUTIONS.....	146
7.2.1.	Training Method.....	146
7.2.2.	Technological Tool using Database and Excel	148
8.	ACHIEVEMENT STATUS AT THE TIME OF COMPLETION.....	154
8.1.	TERMINAL EVALUATION RECOMMENDATIONS.....	154
8.2.	PROJECT PURPOSE AND OUTPUTS.....	158

8.2.1.	Achievement status of Outputs.....	158
8.2.2.	Project Purpose	160
8.3.	OVERALL GOAL.....	161
8.4.	CONCLUSION	161
8.5.	FINAL DOCUMENTATION OUTPUTS	161
9.	RECOMMENDATIONS FOR THE POST-PROJECT PERIOD	163
9.1.	FOLLOW-UP OF TERMINAL EVALUATION RECOMMENDATIONS	163
9.2.	RECOMMENDATIONS FOR SUSTAINABILITY	163
9.3.	PSIP IN THE MID- AND LONG TERM PERSPECTIVE	165

List of Tables

Table 1: Summary of Project Design Matrix.....	1
Table 2: Counterpart Institution	2
Table 3: Project Responsibility at Counterpart Institution.....	2
Table 4: Major Activity Outputs.....	3
Table 5: The Project Framework of CEPSIP II	14
Table 6: Outputs and Planned Activities of CEPSIP II	15
Table 7: PDM Ver.1 Indicators	17
Table 8: PDM Ver.2 Indicators	18
Table 9: PDM Ver.3 Indicators	19
Table 10: Counterpart Institution	20
Table 11: JCC Members.....	22
Table 12: PSIP Working Process Monitoring and Results (FY2013/14)	30
Table 13: Actions Taken for Database Improvement and Outputs from April 2013 to April 2014	33
Table 14: PFEM-RP Component 1 - Planning and Policy Analysis.....	36
Table 15: 20 Issues Identified for PSIP Process.....	37
Table 16: PSIP Process Issues and Measures for MDAs.....	38
Table 17: Training Events Concerning PSIP (March 2013 – April 2014)	41
Table 18: Members of Mid-term Review Team	48
Table 19: Achievement Status of Output Indicators (February 2015)	48
Table 20: Achievement Status of Project Purpose Indicators (February 2015).....	51
Table 21: Prospect of Achieving the Overall Goal Indicators (February 2015)	53
Table 22: Outline of Training in Japan “IT Security Training for PSIP”	56
Table 23: Outline of Training “Project Appraisal Course”	56
Table 24: Outline of Training “PPP Project Course”	57
Table 25: Outline of Training “Project Appraisal Techniques Course”	58
Table 26: PSIP Working Process Monitoring and Results (FY 2014/15).....	59
Table 27: Development and Measures Taken in PSIP Database ver.1.5 from June 2014 to June 2015	62
Table 28: Points to be Improved by PSIP Database Improvement (Ver.1.5) from June 2014 to June 2015.....	62
Table 29: Summary of Review of Related Activities having reference to CEPSIP II.....	66
Table 30: Output Indicators Set by Different Institutions	69
Table 31: Preparation Meetings for Training Programme for MDAs.....	71
Table 34: Training on Public Sector Investment Programming and Performance Measurement.....	79
Table 35: Terminal Evaluation Team Members	82
Table 36: Achievement Status of Output Indicators (April 2016)	82
Table 37: Achievement Status of Project Purpose Indicators (April 2016)	83

Table 38: Prospect for Achieving Overall Goal Indicators (April 2016)	84
Table 39: Conclusion and Recommendations of Terminal Evaluation	85
Table 40: PSIP Working Process Monitoring and Results (FY 2015/16)	86
Table 41: Development and Measures Taken in PSIP Database ver.2.0 from July 2015 to June 2016	89
Table 42: Points to be improved by PSIP Database improvement (Ver.2.0) in Second Period (2)	90
Table 43: Summary of Review of Related Activities having reference to CEPSIP II	93
Table 44: Outline of PSIP Database Ver.2.0 Dissemination Seminar and Follow-up Meeting	102
Table 45: Workshops regarding PSIP Appraisal	103
Table 46: Kick-Off Meetings for the Extended Period	106
Table 47: PSIP Working Process Monitoring and Results (FY 2016/17 and up to September FY2017/18)	111
Table 48: Development and Measures Taken in PSIP Database ver.3.0 & 4.0 from July 2016 to September 2017	114
Table 49: Points to be Improved by PSIP Database Improvement (Ver.3.0&4.0)	115
Table 50: Summary of Review of Related Activities having reference to CEPSIP II	118
Table 51: Achievement Status by the End of Extended Project Period	154
Table 52: Prospect of Achievement in Mid or Long Term	156
Table 53: Final Documentation Output	161

List of Figures

Figure 1: Implementation Structure of the Project	21
Figure 2: Malawi's Development Management Cycle and Process	39
Figure 3: Three Collaborative Institutions and Their Roles for PSIP Improvement	68
Figure 4: A Framework of Project Management Examination	120
Figure 5: Proposal Submission Status	151
Figure 6: Mechanism of PSIP Proposal Automatic Uploading	152
Figure 7: Visualisation of PSIP Appraisal 3 Steps with PSIP Database	153

Annex

- Annex 1** Minutes of Meeting as of 20th June 2016 (including PDM Ver.1.0 and Ver.3.0)
- Annex 2** Plan of Operation (Plan and Actual)
- Annex 3** Assignment Schedule (Plan and Actual)
- Annex 4** Equipment purchased during the Project
- Annex 5** Total Operational Expenses by Japanese Side
- Annex 6** Trainings Conducted by the Project
- Annex 7** Minutes of Meeting on Final Joint Coordination Committee
- Annex 8** PSIP Database Development Schedule
- Annex 9** Report on PSIP Database Software Development Training and Development Practice
- Annex 10** Final Documentation Outputs <CD only>

1	Endline Survey Report	June 2017
2	PSIP Preparation Handbook	June 2017
3	PSIP Process Management and Appraisal Manual for PSIP Unit	June 2017
4	PSIP Database Version 4 Change Request Format and Detailed Design Document	June 2017
5	PSIP Database System Version 4 Manual for MDA /GUEST users	July 2017
6	PSIP Database System Version 4 Manual for PSIP staff	July 2017
7	PSIP Database System Version 4 Manual for Administrator	July 2017
8	Server Setup Manual	August 2017
9	Maintenance Manual	July 2017
10	Database Specification	August 2017
11	PSIP Database Framework Design Document Symphony Manual	July 2017
12	Loader/Generator Design Document	July 2017
13	Testing Specification	August 2017
14	Template Development Manual	July 2017
15	Technical Report 3	August 2017

<p>Exchange Rates (September 2017) USD1=JPY 108.976 MWK1=JPY 0.151410</p>

Abbreviation

AGD	Accountant General Department
AMP	Aid Management Platform
BD	Budget Division
CEPSIP	(The Project of) Capacity Enhancement in Public Sector Investment Programming
CIAU	Central Internal Audit Unit
COA	Chart of Account
C/P	Counterpart
CS-DRMS	The Commonwealth Secretariat Debt Recording and Management System
DCS	Development Cooperation Strategy
DAC	Development Assistance Committee
DAD	Debt and Aid Management Division (MFEPD)
DD	Development Planning Division (MFEPD)
DEAP	Development Effectiveness & Accountability Programme
DP	Development Partners
EP&D	Economic Planning and Development (Department)
ERP	Enterprise Resource Planning
FROIP	Financial Reporting and Oversight Improvement Project
FY	Fiscal Year
GFEM	Group of Financial and Economic Management
GIZ	Gesellschaft für Internationale Zusammenarbeit
GWAN	Government Wide Area Network
IFMIS	Integrated Financial Management Information System
IMF-AFRITAC	International Monetary Fund - African Regional Technical Assistance Center
IPMIS	Integrated Performance Management Information System
IT	Information Technology
JCC	Joint Coordination Committee
JICA	Japan International Cooperation Agency
LAN	Local Area Network
MDAs	Ministries, Departments and Agencies
M&E	Monitoring and Evaluation
MEPD	Ministry of Economic Planning and Development
MGDS II	Malawi Growth and Development Strategy II
MoF	Ministry of Finance (Treasury)
MFEPD	Ministry of Finance, Economic Planning and Development
MTEF	Medium Term Expenditure Framework
NAO	National Audit Office
OBB	Output Based Budget

OJT	On the Job Training
OPA	Organizational Performance Assessment
OPC	Office of President and Cabinet
OPC-PED	Office of President and Cabinet – Performance Enforcement Department
ORT	Other Recurrent Transactions
OS	Operating System
PBB	Programme Based Budgeting
PC	Personal Computer
PDCA	Plan, Do, Check, Action
PDM	Project Design Matrix
PED	Performance Enforcement Department
PFEM (-RP)	Public Financial and Economic Management (-Reform Programme)
PFM	Public Financial Management
PFM-IT	Project Financial Management Information Tool
PFMRP	Public Finance Management Reform Programme
PIU (PMU)	Project Implementation Unit (Project Management Unit)
PPP	Public Private Partnership
PS	Principal Secretary
PSIP	Public Sector Investment Programme
R/D	Record of Discussions
ST	Secretary to the Treasury
UPC	Unified Project Code

1. Executive Summary

1.1. Background and Overview of the Project

JICA supported the Project for Capacity Enhancement in Public Sector Investment Programming (CEPSIP I) from July 2009 to July 2011 in order to enhance the capacity of PSIP Section and Database system. CEPSIP I defined a working process of a new project proposal formulation, established a web-based Database, produced manuals and strengthening collaboration with MDAs. However, after CEPSIP I, for ongoing projects which comprised 80% of PSIP, their performance information was inadequate and appraisal method for ongoing projects was not yet established. To tackle these outstanding issues, the Project for Capacity Enhancement in Public Sector Programming Phase II (CEPSIP II) was implemented from March 2013. Its original project period was up to September 2016, but after the recommendation made by the Joint Terminal Evaluation Mission in April 2016, the period was extended up to September 2017¹.

The Project Design Matrix (PDM) of the Project was modified three times and the latest PDM is as shown in the table below.

Table 1: Summary of Project Design Matrix

Project Period	March 2013 to September 2017 (4 years and 6 months)
Overall Goal	The development project cycle will be efficient and effective.
Project Purpose	Public Sector Investment Programme (PSIP) is operated with increased efficiency and enhanced harmonisation within the public financial and economic management framework.
Output	1. Database and Manuals/Handbook for PSIP are improved (especially for an appraisal of on-going projects considering their past implementation performance).
	2. The process of PSIP is further harmonized with the planning and budget processes of relevant ministries and the Budget Division.
	3. The capacity to use improved Database and Manuals/Handbook for PSIP is built in PSIP Section and line ministries.

The counterparts are shown in the table below. The project site is Lilongwe.

¹ In June 2014, the Ministry of Finance and the Ministry of Economic Planning and Development were merged and became Ministry of Finance, Economic Planning and Development (hereinafter “MFEPD”).

Table 2: Counterpart Institution

Implementing Agency	Public Sector Investment Programme (PSIP) Unit, the Department of Economic Planning and Development, Ministry of Finance, Economic Planning and Development (MFEPD)
Target Group	Primary: PSIP Unit
	Secondary: PSIP submitting MDA units
	Tertiary: PSIP concerned government stakeholders (BD, DAD, M&E, EPD, CIAU, NAO, PED, E-Government)

Project responsibility at the Counterpart Institution is shown below:

Table 3: Project Responsibility at Counterpart Institution

Project Responsibility	Title at Government of Malawi (GoM)
Project Director	Chief Director of Economic Planning and Development
Project Manager	Director, Development Planning Division, EP&D
Deputy Project Manager	Deputy Director, Development Planning Division, EP&D
Senior Project Officer	Chief Economist, Development Planning Division, EP&D

1.2. Project Activity and Performance

The activity outputs in each sub-period is summarised in the table below:

Table 4: Major Activity Outputs

Project Period	First Period	Second Period (June 2014-September 2017)			
	Project Year 1 (March 2013-April 2014)	Project Year 2 (June 2014 to June 2015) Mid-Term Review (Feb.2015)	Project Year 3 (July 2015 to June 2016) Terminal Evaluation (Apr.2016)	Project Year 4 Plus (July 2016-September 2017)	
	<i>GoM FY2013/14</i>	<i>FY2014/15</i>	<i>FY2015/16</i>	<i>FY2016/17</i>	<i>FY2017/18</i>
	<i>FY2014/15 PSIP formulation</i>	<i>FY2015/16 PSIP formulation</i>	<i>FY2016/17 PSIP formulation</i>	<i>FY2017/18 PSIP formulation</i>	<i>FY2018/19 PSIP formulation</i>
Output 1 Improvement of Database and Manuals/ Handbook (PSIP Tools)	<ul style="list-style-type: none"> ➤ PSIP Database Prototype produced ➤ PSIP project proposal Word templates reviewed 	<ul style="list-style-type: none"> ➤ PSIP Database Ver.1.5 introduced. ➤ PSIP project proposal Excel templates introduced ➤ Quarterly Performance Report Word format introduced 	<ul style="list-style-type: none"> ➤ PSIP Database Ver.2.0 introduced. ➤ PSIP Excel templates revised, Quarterly Performance Report Excel format, and Project Financial Management Information Tool (PFM-IT) introduced 	<ul style="list-style-type: none"> ➤ PSIP Database Ver.3.0 introduced. ➤ PSIP Excel templates, Quarterly Performance Report format, and PFM-IT revised and introduced 	<ul style="list-style-type: none"> ➤ PSIP Database Ver.4.0 introduced. ➤ PSIP Excel templates, Quarterly Performance Report format, and PFM-IT revised and introduced
	<ul style="list-style-type: none"> ➤ Working Draft of PSIP Preparation Handbook and PSIP Appraisal Manual (March 2014) produced 	<ul style="list-style-type: none"> ➤ PSIP Preparation Handbook and PSIP Appraisal Manual (October 2014) introduced. 	<ul style="list-style-type: none"> ➤ PSIP Preparation Handbook and PSIP Appraisal Manual (initial and final appraisal introduced) revised for FY2016/17 PSIP formulation introduced. 	<ul style="list-style-type: none"> ➤ PSIP Preparation Handbook and PSIP Process Management and Appraisal Manual revised for FY2017/18 PSIP formulation introduced. 	<ul style="list-style-type: none"> ➤ The final PSIP Preparation Handbook and PSIP Process Management and Appraisal Manual (June 2017) disseminated

Project Period	First Period	Second Period (June 2014-September 2017)			
	Project Year 1 (March 2013-April 2014)	Project Year 2 (June 2014 to June 2015) Mid-Term Review (Feb.2015)	Project Year 3 (July 2015 to June 2016) Terminal Evaluation (Apr.2016)	Project Year 4 Plus (July 2016-September 2017)	
Output 2 Harmonisation of PSIP and Budgeting Process	<ul style="list-style-type: none"> ➤ Coordination with other PFEM activities (IFMIS, PBB, AMP, PER) ➤ Dissemination and discussion of redefined PSIP concept with DPs (Technical Report 1) ➤ PSIP process reviewed and improved ➤ Output indicators in PSIP proposals and budget documents analysed ➤ MDAs' reporting to PSIP, BD, PED, and M&E analysed ➤ PSIP – BD meetings facilitated 	<ul style="list-style-type: none"> ➤ Giving inputs to PFM Action Plan after Cash Gate ➤ Coordination with other PFEM activities (IFMIS, GWAN, AMP, DCS, PBB, M&E, Accounting Manual) ➤ PSIP concept elaborated and emphasis on project management at MDA level explored, roles of 3 partner institutions defined ➤ PFM-IT piloted at 3 MDAs (4 projects) for strengthening project management of MDAs ➤ Output indicators in PSIP, budget documents, OPA, and M&E report analysed ➤ PSIP-BD collaboration encouraged and monitored 	<ul style="list-style-type: none"> ➤ Coordination with other PFEM activities (IFMIS, GWAN, AMP, IPMIS, PFM Act amendment, PBB, MGDS II review) ➤ PFM-IT piloted at 4 MDAs for strengthening project management of MDAs ➤ Assessment of project audit conducted by NAO ➤ PSIP's appraisal results feedback to MDAs given ➤ The different reporting requirement and output indicators used by PSIP, PBB, Performance Contract and common indicators analysed ➤ 4-digit common project code agreed to be used by PSIP, BD, and AGD. 	<ul style="list-style-type: none"> ➤ Coordination with other PFEM activities (new IFMIS, PFM Act amendment, PBB) ➤ Giving input to Draft PFM Rolling Plan and MGDS III ➤ Input for PSIP compliance inclusion in the PFM Act amendment ➤ Q1 Performance Report made compulsory for proposal submission ➤ Process of Part I commitment information capturing from Budget Estimates established ➤ Project audit exercise of one PSIP project ➤ Need for allocation of economists to MDAs confirmed at JCC. ➤ Strategizing for FY2017-18 PSIP Cycle Workshop (Aug. 2016) ➤ PSIP Technical Meeting to discuss Working Calendar (Feb. 2017) 	<ul style="list-style-type: none"> ➤ Sharing CEPSIP II conclusion and PSIP tools with DPs ➤ Results from the project audit exercise shared with 3 institutions and PFM-IT disseminated ➤ Strategizing for FY2018-19 PSIP Cycle Workshop (Jul.2017)
Output 3 Building PSIP Capacity to utilize PSIP Tools	For MDAs: <ul style="list-style-type: none"> ➤ PSIP Kick-Off Seminar for heads of planning units (Aug. 2013) ➤ PSIP Review Orientation Workshop with Desk 	For MDAs: <ul style="list-style-type: none"> ➤ PSIP Review and Orientation Workshop (Nov. 2014) ➤ PSIP Seminar for heads of planning units (Nov. 2014) ➤ Hands-on Guidance (Nov. 	For MDAs: <ul style="list-style-type: none"> ➤ PSIP Database Ver.2.0 Dissemination Seminar and Follow-up (Mar. -Apr. 2016) ➤ PSIP Seminar for heads of planning units (Aug. 2015) ➤ PSIP Process Review 	For MDAs: <ul style="list-style-type: none"> ➤ PSIP Trainers' Training (Sep. 2016) ➤ PSIP Seminar for heads of planning units (Sep. 2016) ➤ PSIP Orientation Workshop (Sep. 2016) ➤ Hands-on Guidance (Sep. - Oct. 	For MDAs: <ul style="list-style-type: none"> ➤ PSIP Seminar for heads of planning units (Aug. 017) ➤ PSIP Orientation Workshop

Project Period	First Period	Second Period (June 2014-September 2017)			
	Project Year 1 (March 2013-April 2014)	Project Year 2 (June 2014 to June 2015) Mid-Term Review (Feb.2015)	Project Year 3 (July 2015 to June 2016) Terminal Evaluation (Apr.2016)	Project Year 4 Plus (July 2016-September 2017)	
	<p>Officers (Aug. 2013)</p> <p>For PSIP Unit:</p> <ul style="list-style-type: none"> ➤ PSIP Appraisal Method Seminar (Dec. 2013) ➤ PSIP Appraisal Method Follow-up Workshop (Jan. – Feb. 2014) ➤ PSIP Preparation Handbook and Appraisal Manual Review Workshop (March 2014) 	<p>2014)</p> <p>For PSIP Unit IT Officers:</p> <ul style="list-style-type: none"> ➤ Technical Training for PSIP Database Development and Maintenance (Jul. 2014 to Apr. 2015) <p>For PSIP Unit:</p> <ul style="list-style-type: none"> ➤ Preparation Session of PSIP Preparation Handbook 2014 (Oct. 2014) ➤ Preparation meeting for PSIP framework (Oct. 2014) ➤ Preparation meeting for PSIP seminar and Orientation Workshop (Oct. 2014) ➤ PSIP Appraisal Preparation Workshop (Jan. 2015) ➤ PSIP Appraisal Workshop (February 2015) 	<p>Workshop (Aug. 2015)</p> <ul style="list-style-type: none"> ➤ Hands-on Guidance (Sep. – Oct. 2015) <p>For PSIP Unit IT Officers:</p> <ul style="list-style-type: none"> ➤ Technical Training for PSIP Database Development and Maintenance (Jul. 2015 – Jun. 2015) <p>For PSIP Unit:</p> <ul style="list-style-type: none"> ➤ Initial Appraisal Workshop (Nov.-Dec.2015) ➤ Final Appraisal Techniques Training (Feb. 2016) ➤ Final Appraisal Workshop (Feb. 2016) ➤ Final Appraisal Review Workshop (Feb. 2016) ➤ PSIP Preparation Handbook and Appraisal Manual Finalisation Workshop (Apr. 2016) ➤ PSIP Appraisal Method Finalisation Workshop (April 2016) 	<p>2016)</p> <p>For PSIP Unit IT Officers:</p> <ul style="list-style-type: none"> ➤ Technical Training for PSIP Database Development and Maintenance (Jul. – Aug. 2016) <p>For PSIP Unit and E-Government IT Officers:</p> <ul style="list-style-type: none"> ➤ Intensive Training for PSIP Database and Excel Template Development (Sep. 2016 - Aug. 2017) <p>For PSIP Unit:</p> <ul style="list-style-type: none"> ➤ Final Appraisal and Budget Allocation Workshop (Jan. 2017) ➤ Review of PSIP IT tools (Feb. 2017) ➤ Review and Finalisation of PSIP Preparation Handbook and PSIP Process Management and Appraisal Manual (Mar. 2017) ➤ PIMA Tool Training (Mar. 2017) <p>For EP&D:</p> <ul style="list-style-type: none"> ➤ Training of Economic and Financial Analysis for Fundamental Understanding (Jul. 2016) 	<p>(Aug.2017)</p> <p>For PSIP Unit and E-Government IT Officers:</p> <ul style="list-style-type: none"> ➤ Intensive Training for PSIP Database and Excel Template Development (Jul. – Aug. 2017) ➤ Technical Handover of PSIP Database Ver.4.0 (Aug. 2017)* <p>For PSIP Unit:</p> <ul style="list-style-type: none"> ➤ Final guidance for PSIP Database Ver.4 (Aug. 2017) <p>For EP&D:</p> <ul style="list-style-type: none"> ➤ Handover to EP&D meeting (Aug. 2017) * <p>* Action Plan on Capacity Development discussed.</p>

1.2.1. Project Year 1 (from March 2013 to April 2014)

During the First Period (Project Year 1 from March 2013 to April 2014), PSIP tools and PSIP processes were reviewed and improvement plan was proposed with the counterparts. After it was endorsed by the stakeholders, the plan was implemented. To realise the project purpose of “PSIP is operated with increased efficiency and enhanced harmonization within the public financial and economic management framework”, through the discussion with the stakeholders, the concept of Malawi PSIP was revisited and its ideal was defined.

The PSIP of Malawi is a multi-functional management tool for “Projects” that institutionally embodies all the development activities of the country within a framework of the total public management for development defined above. Different from most of other countries’ PSIPs which normally deal only with physical capital or infrastructure investments, the Malawi’s PSIP uniquely manages all the development activities involving not only physical investments but human capital and institutional development projects as long as they are regarded as “development” in nature. In order for the PSIP to fulfil its assigned mission above, all the development activities shall be projectised and captured in PSIP comprehensively. All the projects contained in PSIP are supposed to be genuine in terms of development nature.

At the beginning of the Project, however, not all the “Development Activities” were projectised and enrolled in PSIP, and some recurrent-natured activities were included in PSIP. In order to ensure that comprehensiveness and genuineness to carry out its mandated function, PSIP must meet several requirements as follows: (a) all the development activities have to be projectised in order to be enrolled and treated in the PSIP process; (b) there needs be a clear-cut distinction between “development” and “recurrent” as a base to judge eligibility of proposed projects to be enrolled in PSIP; (c) based on the above, proper, reliable and sufficient information on proposed projects have to be submitted from the implementing agencies for the PSIP Unit’s appraisals; (d) for the appraisal, all the project information must be properly collected on a timely basis, and kept in a well-arranged manner in order for PSIP Unit to conduct efficient appraisal. (See Technical Report 1 of April 2014.)

Improvement plan of PSIP Tools and PSIP process was discussed with heads of planning units and PSIP stakeholders at a seminar and a workshop held in August 2013, and the main parts of the plan were implemented during the FY2014/15 PSIP formulation cycle, which started in October 2013. These include: reviewing PSIP proposal Word template and introduction of appraisal rating criteria for new and ongoing projects, and development of a template loader which is used for importing template information to the PSIP Database.

In addition, PSIP Unit Desk Officers were trained on the concept and definition of PSIP, and its appraisal, and how to check proposals using the actual submissions.

The prototype of PSIP Database, and the working drafts of PSIP Preparation Handbook and PSIP Appraisal Manual were produced by March 2014.

1.2.2. Project Year 2 (from June 2014 to June 2015)

At the beginning of Project Year 2 (from June 2014 to June 2015), the Project was set to focus on institutionalisation of PSIP system, by establishing the concept of PSIP in the overall PFM and building the base of PSIP appraisal by collecting appraisable information. These were meant to be realised not necessarily through the legalisation but by operational institutionalisation.

In Project Year 2, the Project supported FY2015/16 PSIP formulation cycle. In the previous formulation cycle, the use of PSIP proposal template (in Word format) proved that lots of leakage in information filling and the quality of information was compromised. Thus, in this cycle, Excel template was introduced, which enabled to show an error count if compulsory information fields are not filled, and the data precision was improved by limiting the type of data to be entered in each field (figures or non-figures, figures or dates). As a result, unfilled fields were reduced and the quality of information improved tremendously. A practical session at an annual orientation with MDAs and the subsequent hands-on guidance visits yielded results in training PSIP stakeholders on the template. PSIP Unit also improved their appraisal. For the first time, the Desk Officers checked if all the information fields were filled, and filled properly, and appraised the proposals according to a new set of appraisal rating matrices. In addition to that, their appraisal results were examined by Chief Economist and Deputy Director, thus the whole appraisal process took more time than the previous year but the appraisal results had more uniform with less variation. In this Project Year, the Project sent six counterparts to appraisal method training courses in Tanzania, which seemed to have contributed to the greater understanding and utilisation of the appraisal rating matrices.

The improved Database Ver. 1.5, which included a proposal submission status table, and the PSIP Preparation Handbook which included Excel proposal templates, appraisal rating matrices, and Word quarterly progress report format were approved by the management of EP&D and introduced when FY2015/16 PSIP formulation cycle started in October 2014. In parallel, the Database went through a refactoring process to transform it with a new development framework to produce Ver.2. At the same time, the appraisal rating matrices, being reviewed and revised after the appraisal in the previous cycle, were replaced in the Appraisal Manual.

After Technical Report 1, the Project continued analysing the supporting mechanism and surrounding environment of PSIP, and concluded that it is indispensable to collaborate with three institutions of AGD, NAO, and CIAU (later named as three partner institutions for PSIP) in order to reinforce the PSIP as a national development management tool. Because the Tool cannot be complete until all the individually managed projects at MDA level have been centrally managed in an integrated way, but currently the management at MDA level is weak, and that is where the partner institutions are expected to intervene for its improvement. As a start, to strengthen a project accounting at MDAs, the Project developed a project financial management information tool (PFM-IT) and piloted it at three MDAs.

In February 2015, a Mid-Term Review for the Project was conducted, and the following recommendations were made: (i) Strengthening partnership with related institutions, (ii) strengthening compliance of PSIP

process, (iii) Strategising for effective allocation of development budget, (iv) facilitating enhancement of project costing, accounting and M&E capacity, (v) securing and strengthening IT staff, and (vi) regarding the linkage of PSIP Database with IFMIS and AMP, first seek linkage with IFMIS. In terms of PDM, the overall goal was modified to “the development project cycle will be efficient and effective”, and a few output indicators were deleted or replaced.

1.2.3. Project Year 3 (from July 2015 to June 2016)

In FY2016/17 (Project Year 3 from July 2015 to June 2016) PSIP formulation cycle, PSIP excel templates were added with a Logical Framework, an activity costing matrix, and performance information of the Project. The number of participants invited for PSIP annual workshop was increased from three to six including those who were involved in PSIP project management. At the workshop, a practical session was conducted to fill in the additional sheets stated above, and through presentation participants were urged to learn from each other. This was followed by a visit to MDAs for further guidance to individual officers. As a result, a project logical structure stated in the PSIP proposal was improved tremendously. As for appraisal, the appraisal rating matrices used in the previous cycle were used for initial appraisal, and another set of appraisal rating matrices were introduced for final appraisal, which is conducted for budget allocation.

The PSIP Database Ver. 2.0 β , which accommodates the revised PSIP Excel Template was released when PSIP Circular No.1 was issued in September 2015, and Ver.2.0 was released in March 2016 with the function of project summary table and improved security. This was launched at PSIP Database Ver.2 dissemination seminar, where all the PSIP stakeholders from MDAs were invited. In January 2015, an Excel Form of Quarterly Progress Report for ongoing projects was introduced to MDAs for their reporting.

The result of piloting PFM-IT at 3 MDAs in 2015, which was an effort to improve project management at MDA level, was also shared with MDAs. After sharing it with the three partner institutions and obtained feedback from them, the further analysis was made on how to improve PSIP as a whole, and the results were compiled in Technical Report 2 (October 2015). Its essence was also shared with MDAs at the annual workshop.

In April 2016, Terminal Evaluation was conducted for the Project. The result of evaluation was that the Project Purpose and Output 2 were partially achieved and the rest was fully achieved, and the prospect of achieving the Overall Goal was fair. A Joint Terminal Evaluation Team recommended that the Project be extended one year in order to secure sustainable and self-reliant management function of PSIP Unit through conducting one more cycle of PSIP process. The Team also made three recommendations to be achieved by the end of Extended Project Period, which are: (i) Closer communication between PSIP Unit and MDAs for upgrading quality and timeliness of PSIP proposals, (ii) Self-help operation and guidance of the updated PSIP Database (version 3) by PSIP Unit, and (iii) Reflecting information of Part I (DP funded Project budget) into PSIP; and two recommendations to be achieved in mid or long term perspectives, which are: (iv) institutionalization of PSIP process, and (v) system linkage between PSIP and IFMIS.

1.2.4. Project Year 4 Plus (from July 2016 to September 2017)

In Project Year 4 (from July 2016 to September 2017), priority was given to work on the five recommendations made by the Terminal Evaluation. In order to achieve Recommendations (i) and (ii) above, the PSIP Orientation was conducted upon the issuance of PSIP Circular No.1 inviting 6 PSIP stakeholders from each MDA, and the Orientation was facilitated and guided by the Project counterparts and JICA Experts supported behind the scene. The guidance on PSIP template was made more on what and how to write the proposal than how to use the Excel template. After the orientation, the hands-on guidance visits were made by PSIP Desk Officers. In FY2017/18 PSIP formulation cycle, Budget Division made a sudden change in budget calendar and PSIP Unit was affected in a way that they had to conduct the development budget allocation before they had finished final appraisal. But the PSIP recommended project status and budget allocation, and the Part II (Development Budget funded by Malawi Government) ceiling that was communicated to MDAs in the Budget Circular was identical.

To strengthen the self-help operation of the PSIP Database in Recommendation (ii), the Project arranged EP&D to sign an MOU with E-Government, to agree on establishing a maintenance team at EP&D and a system development team at E-Government. The Project provided an intensive software development training from September 2016 to August 2017, and both teams were engaged in the development of the Database Ver. 4. The Project guided PSIP Unit Economists to lead the process of updating information which is necessary for preparing the Database for FY2018/19 PSIP formulation, which is the entering of FY2017/18 approved budget and the revised project status.

In terms of Recommendation (iii) of reflecting information of Part I (DP funded Project Budget) into PSIP, it is ideal for PSIP Unit to have the DP funded project outline and commitment budget amount information for the coming fiscal year at the time of initial and final appraisal. However, it was revealed that even through AMP at DAD, it is difficult to obtain such information in time, because many DPs do not update the information in AMP periodically. To supplement the information, DAD has been sending questionnaires to DPs to obtain Part I commitment amount before Budget Estimates were drafted by the Treasury, but for FY2017/18 budget formulation cycle, DAD was also affected by the change of budget calendar and when PSIP was finalising the development budget allocation in February and March, the commitment information was not made available. As of August 2017, DAD is drafting a strategic plan to improve the situation for efficient DP funded project information gathering with the involvement of PSIP Unit. Trying to mitigate this situation, from July 2016, the Project started capturing the Part I (DP funded Project Budget) information into PSIP from Budget Estimates and entering them into the PSIP Database. In the mid- and long term perspective, it was agreed to use the same four-digit project code which is issued by the PSIP Database in the new IFMIS once it is in operation. In this way, after the linkage between PSIP Database and the new IFMIS is realised, all the Part I on-budget projects will be registered in the PSIP Database when they obtain the code for recording the accounting in the new IFMIS.

However, the procurement of new IFMIS is delayed from the planned timing and the linkage between PSIP Database and the new IFMIS will not be materialised during the Project period. Thus, to realise the

Recommendation (v) of the system linkage between PSIP and IFMIS, the designing and development of system linkage interface is left to the E-Government based on the MOU, and the necessary capacity for that was instilled through the intensive training described above.

As for the Recommendation (iv) of the institutionalization of PSIP process, PSIP Unit indicated an intention to be involved in PFM Act amendment process to PFEM Division so that PSIP compliance be included as a part of the amendment. PSIP Unit also started the formulation of PSIP policy, the idea was once dropped but revived. Once these are realised and enacted, it is expected that the PSIP compliance of MDAs, DPs, and politicians will be improved, and a certain percentage of the budget be allocated to the development.

In this Project Year, a joint project audit was conducted for one project at the Fisheries Department and its result was shared with three partners. The detailed contents can be found in Technical Report 3 (August 2017).

As for PSIP Tools, a process management screen was developed for PSIP Unit in the PSIP Database Ver.3, in September 2016, at the beginning of FY2017/18 PSIP formulation cycle. The screen indicates the details of proposal submission status, and it enables PSIP Desk Officers to manage the PSIP formulation from recording the appraisal results and minutes of ministerial meetings, to working on the budget allocation. The Database Ver.4 was released on 1st August 2017 after IT counterparts developed it by reflecting the feedback and improvement proposal from the users. PSIP Preparation Handbook final version was approved after reflecting the change of working calendar, and was distributed to stakeholders in August 2017 at PSIP Seminar for heads of planning units and PSIP Orientation for MDA Desk Officers. The Database Ver.4, and the essence of PSIP Process Management and Appraisal Manual, which is an internal document, was also shared with MDAs at the same forum.

1.3. Issues arising during Implementation and Devised Solutions

Issues arising during the implementation of the Project fall into two categories. The first category is those related to implementing agency, which includes C/P allocation, capacity of C/P, project cost bearing and cash flow, environment for equipment, and identification and inclusion of other PSIP stakeholders. The second category is activity related, and it includes issues regarding PSIP Database, PSIP compliance, effective allocation of development budget, project management capacity of MDAs, clear linkage between PSIP and MGDS, and coordination with other PFEM initiatives such as IFMIS, AMP, M&E Database, PBB, and PER. All these issues were discussed at JCC meetings, confirming the situation and searching for possible solutions, which were carried out during the Project.

Two solutions were devised. One was a training method and this aimed at improving effectiveness of training and capacity building. The other was a technological tool using PSIP Database and Excel tools, aiming at self-sustainability and improved efficiency.

1.4. Achievement Status at the time of Completion

Before the Project commenced, not all the necessary project information was collected from MDAs, not all the information items in the proposal template were filled, and once the proposal was submitted many of them were not updated every year by MDAs. After the Project streamlined the PSIP process and introduced an excel template as an information collection tool, MDAs have been submitting and updating their project information annually, which meets a set standard. The collected information is saved in the PSIP Database which is used by PSIP Unit for appraisal using a standard criteria and rating.

It can be concluded that a solid channel of close communication between the PSIP Unit and MDAs to share and maintain quality project information has been established, thus the prospect of achieving the PSIP compliance target (MDAs' proposal submission rate before deadline), which fell short by 9% as of now, looks good.

As for the Overall Goal of "the development project cycle will be efficient and effective", its indicator of "projects due for completion but requiring an extension not more than 15% every year" is not yet achieved, however, since the rate was on improvement trend of 20% at the time of Terminal Evaluation (FY2016/17 PSIP) and 17.7% at the time of completion (FY2017/18 PSIP), the prospect of achieving the Goal is left as fair, as the Terminal Evaluation concluded.

1.5. Recommendations for the Post-Project Period

Following recommendations were discussed and endorsed by the final JCC meeting held on 24th August 2017.

1.5.1. Follow-up of Terminal Evaluation Recommendations

- (1) Timely inclusion of Part I (DP supported project) budget information in PSIP
- (2) Linkage with new IFMIS

1.5.2. Recommendations for sustainability

In order to maintain the effect of the Project, the following points are proposed to be realised, with the strong commitment and leadership of MFEPD management.

- (1) Maintaining the staff allocation of PSIP Unit
- (2) Maintaining the appraisal capacity of PSIP Unit
- (3) Forum for PSIP orientation
- (4) Further PSIP compliance through feedback
- (5) Contents maintenance of PSIP Database

- (6) Full utilisation of the Quarterly Progress Report form
- (7) PSIP Database system, its operation and maintenance, and development

1.5.3. PSIP in the Mid- and Long Term Perspective

To further improve PSIP system in the mid and long term perspective, the following points are recommended.

- (1) Further capacity development of the PSIP Unit – specific appraisal technique
- (2) For the totality of PSIP as a development management tool

The Project reinforced just a component of the larger PSIP system as a development management tool, which is under EP&D (i.e. project information collection and management, appraisal, budget allocation, and progress monitoring). For the larger PSIP system to function in full capacity, it is expected that other related institutions to implement the following improvements.

- Formulation of DP funded projects in the framework of PSIP through DAD and SWG
- The improvement of funding of PSIP Projects by the Cash Management Unit
- Evaluation of projects and its feedback to national development plan by M&E Division
- Strengthen individual PSIP project management at MDA level through the functions of AGD, Internal Auditors and NAO in terms of project accounting and project audit.

2. Overview of the Project

2.1. Background of the Project

The Government of Malawi (GoM) is currently implementing a five-year national development plan, namely Malawi Growth and Development Strategy (MGDS) II (2011-2016), which has six (6) thematic areas: (i) Sustainable Economic Development, (ii) Social Development, (iii) Social Support and Disaster Risk Management, (iv) Infrastructure Development, (v) Improved Governance, and (vi) Crosscutting Issues such as gender and capacity development. The fifth thematic area has a sub-theme of Economic Governance, which contains primary strategies² concerning Public Financial Management (PFM).

As a part of PFM, GoM introduced and has been implementing the Public Sector Investment Programme (PSIP) as a tool to utilize limited development resources effectively according to the national development plan such as MGDS. PSIP is a list of five-year development projects (new, on-going, and pipe-line ones) and is a plan of five-year public sector investment financed by the national budget, loans and grants³. PSIP provides an input for the Medium-Term Expenditure Framework (MTEF) as the estimated development budget⁴. The indicators set in PSIP are designed to be utilized for monitoring and evaluation by the line ministries.

PSIP has been managed by the Development Planning Division (DD) under the then Ministry of Economic Planning and Development (MEPD, now the Ministry of Finance, Economic Planning and Development: MFEPD), which is supposed to collaborate closely with the Budget Division (BD) which formulates development budget based on the approved PSIP, and the Ministries, Departments and Agencies (MDAs) which propose projects for PSIP.

Nevertheless, PSIP had not fulfilled its expected function efficiently as a planning tool as well as a budgeting tool, due to the limited coordination and collaboration among the DD, BD, and MDAs and the limited capacity in project/programme management. This led to the situation that output indicators for the same project appeared differently in PSIP and the budget documents⁵, and lack of compliance to PSIP process, which is represented by the fact that budget was allocated to some development projects which

² Primary strategies concerning PFM include (1) national budget, local as well as sector plans harmonized with prioritized development strategy, (2) improvement of financial and non-financial asset management, (3) monitoring and evaluation of national strategy and programme implementation, (4) evidence based public policy formulation, (5) improving national public procurement, audit and reporting (accounting) system, among others.

³ "Development budget", with which PSIP deals, is an accumulated cost necessitated to implement respective development projects. Such cost should include not only investment (capital) expenditure such as construction cost but recurrent expenditure such as labour cost and fuel cost. On the other hand, the items for current public service expenditure, excluding those within development projects, are dealt with as "recurrent budget". MTEF budget is comprised of both development budget and recurrent budget. With the understanding of this whole picture, this Project will target "development budget" through PSIP.

⁴Due to the policy of new government being established after the election held in May 2014, it was announced in June 2014 that the Ministry of Finance and Ministry of Economic Planning and Development were merged into the Ministry of Finance, Economic Planning and Development. It is not yet certain whether this new development would bring organizational changes at Divisional level which may affect the project operation.

⁵CEPSIP-2 survey revealed that outputs for the budget paper were drawn from the ministry strategic plan, while outputs for the PSIP are those of the project, and they are defined differently.

were not approved by PSIP⁶.

It was under these circumstances that Japan International Cooperation Agency (JICA) assisted GoM to strengthen the function of PSIP from July 2009 to July 2011 through “the Project of Capacity Enhancement in Public Sector Investment Programming” (CEPSIP-I), by improving PSIP process, establishing PSIP Database, formulating manuals, and strengthening linkage with MDAs. As a result, it witnessed improvement in proposal contents, compliance to proposal submission deadline, and reduction of projects which did not pass through PSIP approval, and overall PSIP started functioning more appropriately as a project preparation, planning, and budgeting tool⁷.

However, after the completion of CEPSIP I, the following outstanding issues were observed:

- Inadequate information to appraise implementation performance of on-going projects which comprises 80% of PSIP
- Inadequate methodology to appraise implementation performance of on-going projects
- Even projects are allocated budget, the disbursement is not guaranteed

It is against this background that GoM requested JICA for the Project for Capacity Enhancement in Public Sector Investment Programming Phase II (CEPSIP II) to further improve PSIP and its process under the framework of PFEM-RP. It was designed to particularly improve the situation that the implementation performance of on-going projects is not adequately fed back to the appraisal in the subsequent year, the approval criteria for on-going projects were not yet well established, and the process among MEPD, MDAs as well as MoF needs further harmonization⁸.

2.2. Project Framework

The following table shows the project framework of CEPSIP II that was agreed between GoM and JICA. Its original project period was up to September 2016, but after the recommendation made by the Joint Terminal Evaluation Mission in April 2016, the period was extended up to September 2017.

Table 5: The Project Framework of CEPSIP II

Period	March 2013 – September 2017 (4 years and 6 months)
Overall Goal	The development project cycle will be efficient and effective (reviewed and modified by the Mid-Term Review JCC meeting held in February 2015)

⁶The Detailed Planning Survey Report for the Project for Capacity Enhancement in Public Sector Investment Programming Phase II (draft as of December, 2012)

⁷CEPSIP-2 Ex-Ante Evaluation Table (Japanese)

⁸The Record of Discussions (22 October 2012)

Project Purpose	PSIP is operated with increased efficiency and enhanced harmonization within the public financial and economic management framework
Outputs	1. Database and Manuals/Handbook for PSIP are improved (especially for an appraisal of on-going projects considering their past implementation performance)
	2. The process of PSIP is further harmonized with the planning and budget processes of relevant ministries and the Budget Division.
	3. The capacity to use improved Database and Manuals/Handbook for PSIP is built in PSIP Unit and line ministries.

Source: Record of Discussions (22nd October 2012), Minutes of Meeting on the 5th JCC for Mid-Term Review (12th February 2015) and Minutes of Meeting (20th June 2016).

The activities to achieve the project outputs are planned as follows:

Table 6: Outputs and Planned Activities of CEPSIP II

Output 1: Database and Manuals/Handbook for PSIP are improved (especially for an appraisal of on-going projects considering their past implementation performance)	1-1	To review the utilization of Database and Manuals/Handbook for PSIP and identify issues for further improvement of PSIP.
	1-2	To obtain feedbacks by users of Database, Manuals/Handbook for PSIP and other issues through workshops and interviews.
	1-3	To reflect the feedbacks obtained in 1-2 to Database (especially for an appraisal of on-going projects considering their past performance).
	1-4	To reflect the feedbacks obtained in 1-2 and 2-2 to Manuals/Handbook and process for PSIP (especially for an appraisal of on-going projects considering their past performance).
Output 2: The process of PSIP is further harmonized with the planning and budget processes of relevant ministries and the Budget Division.	2-1	To review the current public financial and economic reform policies, programmes and activities.
	2-2	To review the process of PSIP in line ministries.
	2-3	To propose necessary measures to optimize the process identified in 2-2 (e.g., Feedbacks for line ministries and PSIP review meeting, etc.).
	2-4	To put into practice the proposals identified in 2-3 for validation.
	2-5	To review the appropriateness of the output indicators in PSIP and Budget Document and the mechanism to generate and report them.
	2-6	To propose necessary measures to improve the issues identified in 2-5 (e.g., effective consultations and modification of the mechanism).
	2-7	To put into practice the proposals identified in 2-6 for validation.
	2-8	To enhance dialogue for effective coordination mechanism between PSIP Unit and Budget Division.
Output 3: The capacity to use improved Database and Manuals/Handbook for PSIP is built in PSIP Unit and line ministries.	3-1	To identify the training needs and institutional issues for PSIP in PSIP Unit and line ministries.
	3-2	To prepare a training programme on the improved Database and Manuals/Handbook and the process for PSIP.
	3-3	To implement the training programme prepared in 3-2.
	3-4	To evaluate the results of training and create feedbacks to trainings and operation for PSIP.
	3-5	To evaluate the overall results of training by the Project and develop an action plan on capacity development in future.

2.3. Modification of Project Design Matrix (PDM)

The PDM of CEPSIP II was modified three times but activity parts remained the same throughout.

2.3.1. PDM Ver.1 and a provisional PDM

The first PDM (PDM Ver.1 indicators shown in Table 7) was agreed on the Record of Discussion signed in 2012. With the results of a baseline survey ended in September 2013, and one PSIP formulation cycle ended, the Third JCC Meeting held in March 2014 approved targets for indicators which are specified in R/D, and some indicators were deleted and replaced. This modification made to PDM Ver.1 was treated as provisional up to the time of Mid-Term Review and the version number was not provided. The full PDM Ver.1 is in Annex 1.

2.3.2. PDM Ver.2

After the Mid Term Review, which was held in February 2015, the PDM was modified to PDM Ver.2. The modifications made were: a narrative statement and indicator of Overall Goal and Project Purpose Indicator 4; Output Indicator 2-2 in PDM Ver.1 was deleted, thus old Output Indicator 2-3 and 2-4 became new Output Indicator 2-2 and 2-3 in PDM Ver.2; Output Indicator 3-3 and 3-4 were modified. The modified parts are highlighted in Table 8 PDM Ver 2. indicators.

2.3.3. PDM Ver.3

Based on the recommendations made by the Terminal Evaluation which was held in April 2016, some indicators and targets were reviewed and revised and PDM Ver.3 was approved in the Minutes of Meeting dated 22nd June 2016. The modified parts are highlighted in Table 9 PDM Ver.3 indicators. The full PDM Ver.3 is in Annex 1.

Table 7: PDM Ver.1 Indicators

Project Narrative Summary		Indicators	Means of Verification	Assumption
Overall Goal				
Project Title: Project for Capacity Enhancement in Public Sector Investment Programming Phase II C/P: Ministry of Economic Planning and Development (MEPD) Cooperation organisation: Ministry of Finance (MOF) Target Group: MEPD, MOF, Planning Division of Line ministries Target Area: Lilongwe				
Project Duration: 2013~2016				
Allocation of development resources and implementation of projects and programs are in line with strategic priorities.		1 Increased rate of development resources allocation to key priority areas of Malawi Growth and Development Strategy 2. (MGDS2)	Budget Report MGDS-II Review Report.	
		2 Rate of development budget implementation	Budget Report MGDS-II Review Report	
Project Purpose				
PSIP is operated with increased efficiency and enhanced harmonisation within the public financial and economic management framework.		1 Increased amount and elevated quality of information (both on new projects and on-going projects) available for an appraisal by PSIP Section	Interviews to PSIP desk officers.	*Financial resources for development budget is available as projected.
		2 Improved observance ratio of the deadlines of PSIP process by PSIP Section and Line Ministries, from ## % (201#/1#) to ## % (2015/16)	Communication records of PSIP Section	*Line ministries have capacity to efficiently implement projects
		3 Improved evaluation on the PSIP efficiency by the stakeholders (PSIP desk officers, Planning Section of Line Ministries, Budget Division, etc.)	Questionnaire to desk officers, line ministries, MOF, etc.	*Ministerial structure doesn't change drastically.
		4 Smaller number of modifications after the PSIP is finalized and sent to MOF, from ## (201#/0#) to ## (2015/16)	Communication records of PSIP Section	*The role of PSIP doesn't change.
Outputs				
1	Database and Manuals/Handbook for PSIP are improved (especially for an appraisal of on-going projects considering their past implementation performance).	1-1 The extent to which the identified issues were addressed by the modification of Database, Manuals / Handbook	Review of the issues and the modifications realized in Database, Manuals / Handbook	*Public Financial and Economic Management Reform Program is implemented as scheduled.
		1-2 Increased availability of information in the PSIP Database in such aspects as; implementation of on-going project, modifications in plans, results of monitoring activities, etc.	Review of database. Interview to the users (PSIP, line ministries, MOF, etc.) of PSIP Database.	
		1-3 User's higher evaluation on usefulness and operability of PSIP Database, Manuals / Handbook	Survey with the PSIP, MOF, line ministries, etc.	
2	The process of PSIP is further harmonized with the planning and budget processes of relevant ministries and the Budget Division.	2-1 The extent to which the identified issues were addressed in the modified PSIP process	Review of the issues and the modifications realized in the process	
		2-2 Reduced number/ratio of projects with discrepancies between PSIP and the Budget Document in terms of budget amount and outputs of the projects; from ## (201#/1#) to ## (2015/16)	Comparison of the two documents (PSIP and Budget Document), before and after the modifications were made.	
		2-3 Reduced percentage of development budget allocated to those projects which did not pass the PSIP process; ##% (201X/1X) to ##% (2015/16)	Review of PSIP and Budget Document	
		2-4 Reduction of duplications in reporting and communication for PSIP, budget preparation and monitoring of projects	Review of the reporting and communication practice of line ministries.	
3	The capacity to use improved Database and Manuals/Handbook for PSIP is built in PSIP Section and line ministries.	3-1 Number of persons in PSIP Section and line ministries who are equipped with knowledge and skill to fully utilize PSIP Database and manuals / handbook; from ## (201#/1#) to ## (2015/16)	Evaluation report of training program	
		3-2 Increased number of registered active users of PSIP Database (total, line ministries, other institutions), from ## (201#/0#) to ## (2015/16)	Records of PSIP Database	
		3-3 Increased number of online reports generated by PSIP Database (total, PSIP, line ministries, other institutions), from ## (201#/1#) to ## (2015/16)	Records of PSIP Database	
		3-4 Reduced number/rate of project proposals of insufficient or inadequate information (alternative to discuss; Average number of inquiries by PSIP desk officers to line ministry on the quality of information in proposals), from ## (201#/0#) to ## (2015/16)	Judgement by PSIP desk officers (Records of PSIP desk officers)	

Table 8: PDM Ver.2 Indicators

Project Narrative Summary		C/P; Ministry of Economic Planning and Development (MEPD) Cooperation organisation: Ministry of Finance (MOF) Target Group: MEPD, MOF, Planning Division of Line ministries Target Area; Lilongwe		
Overall Goal		Indicators	Means of Verification	Assumption
The development project cycle will be efficient and effective.		1 Projects due for completion but requiring an extension not more than 15 percent (every year)	Budget Report MGDS-II Review Report	
		2 Deleted	Budget Report MGDS-II Review Report	
Project Purpose				
PSIP is operated with increased efficiency and enhanced harmonisation within the public financial and economic management framework.		1 Increased amount and elevated quality of information (both on new projects and on-going projects) available for an appraisal by PSIP Section	Interviews to PSIP desk officers.	*Financial resources for development budget is available as projected.
		2 Improved observance ratio of the deadlines of PSIP process by PSIP Section and Line Ministries; from ## % (201#/1#) to ## % (2015/16)	Communication records of PSIP Section	*Line ministries have capacity to efficiently implement projects.
		3 Improved evaluation on the PSIP efficiency by the stakeholders (PSIP desk officers, Planning Section of Line	Questionnaire to desk officers, line ministries, MOF, etc.	*Ministerial structure doesn't change drastically.
		4 The number of the votes that have no discrepancies between the number of the projects in the development budget component of the budget book and that in the PSIP database will increase from 5 to ##.	Communication records of PSIP Section	*The role of PSIP doesn't change.
Outputs				
1	Database and Manuals/Handbook for PSIP are improved (especially for an appraisal of on-going projects considering their past implementation performance).	1-1 The extent to which the identified issues were addressed by the modification of Database, Manuals / Handbook	Review of the issues and the modifications realized in Database, Manuals / Handbook	*Public Financial and Economic Management Reform Program is implemented as scheduled.
		1-2 Increased availability of information in the PSIP Database in such aspects as; implementation of on-going project, modifications in plans, results of monitoring activities, etc.	Review of database. Interview to the users (PSIP, line ministries, MOF, etc.) of PSIP Database.	
		1-3 User's higher evaluation on usefulness and operability of PSIP Database, Manuals / Handbook	Survey with the PSIP, MOF, line ministries, etc.	
2	The process of PSIP is further harmonized with the planning and budget processes of relevant ministries and the Budget Division.	2-1 The extent to which the identified issues were addressed in the modified PSIP process	Review of the issues and the modifications realized in the	
		2-2 Deleted	Comparison of the two documents (PSIP and Budget Document); before and after the modifications were made.	
		2-3 Reduced percentage of development budget allocated to those projects which did not pass the PSIP process; ##% (201X/1X) to ##% (2015/16)	Review of PSIP and Budget Document	
		2-4 Reduction of duplications in reporting and communication for PSIP and monitoring of projects	Review of the reporting and communication practice of line ministries.	
3	The capacity to use improved Database and Manuals/Handbook for PSIP is built in PSIP Section and line ministries.	3-1 Number of persons in PSIP Section and line ministries who are equipped with knowledge and skill to fully utilize PSIP Database and manuals / handbook; from ## (201#/1#) to ## (2015/16)	Evaluation report of training program	
		3-2 Increased number of registered active users of PSIP Database (total, line ministries, other institutions); from ## (201#/0#) to ## (2015/16)	Records of PSIP Database	
		3-3 Increased number of online page views generated by PSIP Database (total, PSIP, line ministries, other institutions); from ## (201#/1#) to ## (2015/16)	Records of PSIP Database	
		3-4 The adequateness of information will be assessed by the observation of the C/P by judging the following: *New project; Costing matrix *Ongoing project; Monitoring indicators	Judgement by PSIP desk officers (Records of PSIP desk officers)	

Table 9: PDM Ver.3 Indicators

Project Title: <u>Project for Capacity Enhancement in Public Investment Programming Phase II (CEPSIP2)</u>		Dated 2016/6	
Implementing Agency: <u>Ministry of Finance, Economic Planning and Development (MEFPD)</u> <u>Department of Economic Planning and Development/Public Sector Investment Programme Unit (PSIP)</u>			
Target Group: <u>PSIP Unit as primary, PSIP submitting MDA units as secondary, and PSIP concerned government stakeholders as tertiary</u>			
Period of Project: <u>March 2013 - September 2017</u>			
Project Site: <u>Lilongwe</u>		Model Site: <u>[location if any]</u>	
Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumption
Overall Goal The development project cycle will be efficient and effective.	Projects due for completion but requiring an extension not more than 15 percent (every year)	PSIP Database Extension Request Form	
Project Purpose PSIP is operated with increased efficiency and enhanced harmonisation within the public financial and economic management framework.	<p>1. Increased amount and elevated quality of information (both on new projects and on-going projects) available for an appraisal by PSIP Section.</p> <p>2. Improved observance ratio of the deadlines of PSIP process by PSIP Section and line ministries to 90% by project completion.</p> <p>3. Improved evaluation on the PSIP efficiency by the stakeholders (PSIP desk officers, Planning Section of line ministries, Budget Division, etc.)</p> <p>4. The number of votes of which all budgeted projects in the budget book in a given fiscal year are captured in the PSIP database will increase from 5 in FY2013/14 to 8 in FY2017/18.</p>	<p>1. Interviews to PSIP desk officers.</p> <p>2. Communication records of PSIP Section</p> <p>3. Questionnaire to desk officers, line ministries, MOF, etc.</p> <p>4. Communication records of PSIP Section</p>	<p>* Financial resources for development budget is available as projected.</p> <p>* Line ministries have capacity to efficiently implement projects.</p> <p>* Ministerial structure doesn't change drastically.</p> <p>* The role of PSIP doesn't change.</p>
Outputs			
1. Database and Manuals/Handbook for PSIP are improved (especially for an appraisal of on-going projects considering their past implementation performance).	<p>1-1 The extent to which the identified issues were addressed by the modification of Database, Manuals/Handbook.</p> <p>1-2 Increased availability of information in the PSIP Database in such aspects as; implementation of on-going project, modification in plans, results of monitoring activities, etc.</p> <p>1-3 User's higher evaluation on usefulness and operability of PSIP Database, Manuals/Handbook</p>	<p>1-1 Review of the issues and the modifications realized in Database, Manuals/Handbook</p> <p>1-2 Review of database. Interview to the users (PSIP, line ministries, MOF, etc.)</p> <p>1-3 Survey with the PSIP, MOF, line ministries, etc.</p>	* Public Financial and Economic Management Reform Program is implemented as scheduled.
2. The process of PSIP is further harmonized with the planning and budget processes of relevant ministries and the Budget Division.	<p>2-1 The extent to which the identified issues were addressed in the modified PSIP process.</p> <p>2-2 Percentage of development projects which did not pass the PSIP process: Less than 20% in FY2017/18.</p> <p>2-3 Reduction of duplication in reporting and communication for PSIP and monitoring of projects.</p>	<p>2-1 Review of the issues and the modifications realized in the process.</p> <p>2-2 Review of PSIP and Budget Document</p> <p>2-3 Review of the reporting and communication practice of line ministries.</p>	
3. The capacity to use improved Database and Manuals/Handbook for PSIP is built in PSIP Section and line ministries.	<p>3-1 Number of persons in PSIP Section and line ministries who are equipped with knowledge and skill to fully utilize PSIP Database and Manuals/ Handbook: from 101 (2013/14) to 250 (2016/17)</p> <p>3-2 Increased number of registered active users of PSIP Database (total, line ministries, other institutions) from 37 (2013) to 56 (2017)</p> <p>3-3 Increased number of online page views generated by PSIP Database (total, PSIP, line ministries, other institutions) from 496 (2012/13) to 1200 (2016/17)</p> <p>3-4 Percentage of projects using the required formats: 70% in FY2016/17 PSIP</p>	<p>3-1 Evaluation report of training program</p> <p>3-2 Records of PSIP Database</p> <p>3-3 Records of PSIP Database</p> <p>3-4 Records of PSIP Database</p>	

2.4. Implementation Structure

The following organizations are the Project counterparts defined in PDM Ver.3.

Table 10: Counterpart Institution

Implementing Agency	Public Sector Investment Programme (PSIP) Unit, the Department of Economic Planning and Development, Ministry of Finance, Economic Planning and Development (MFEPD)
Target Group	Primary: PSIP Unit
	Secondary: PSIP submitting MDA units
	Tertiary: PSIP concerned government stakeholders (BD, DAD, M&E, EPD, CIAU, NAO, PED, E-Government)

According to the Record of Discussion signed on 22th October 2012, the project team consisted of Principal Secretary (Project Director), Director of DD (Project Manager), Deputy Director or Chief Economist of DD (Deputy Project Manger), and PSIP Unit officers as project members, of the Ministry of Economic Planning and Development (MEPD). The beneficiary was Budget Division with whom PSIP Unit was planned to harmonise PSIP and Budgeting process, and planning units of MDAs, who were integral in PSIP proposal formulation and submission.

After the general election held in May 2014, a few MDAs were merged in June 2014 and MEPD and MOF was merged and became MFEPD. As a result, DD and BD came under one ministry.

The 4th JCC meeting held in December 2014 confirmed that the following three institutions can reinforce PSIP system thus included these as related agencies for the Project. They are: (i) Accountant General Department (it was added to JCC members earlier from the aspect of IFMIS integration, but now it is expected to play a role in strengthening project accounting), (ii) National Audit Office (for project audit), and (iii) Central Internal Audit Unit (internal auditors who are allocated to MDAs can reinforce the project management system). The resolution was further endorsed by the 5th JCC meeting held for mid-term review in February 2015, which recommended the Project to strengthen the strategic partnership with them.

In terms of monitoring PSIP on-going projects by DD, it has been questioned whether it is not a duplication of the mandate that belongs to M&E Division. JCC-4 meeting proposed to give the mandate of project monitoring, especially project output monitoring to DD as its results are integral in appraising ongoing projects, and it was endorsed. However, both PS and the M&E Division were absent from this meeting, so it was further discussed at the ministerial management meeting. Just before the Mid-Term Review, it was communicated by the Acting PS to the Project that the project monitoring will be jointly conducted by

M&E Division and DD⁹.

With regards to donor funded development projects, PSIP Unit is collaborating with Debt and Aid Management Division (DAD) to enforce PSIP process compliance and linking PSIP Database with Aid Management Platform (AMP). It should be noted, however, that the recommendation was made by the Mid-Term Review Mission in February 2015 to link with AMP only after the linkage with IFMIS is done, and in April 2016 the Terminal Evaluation Mission confirmed that in terms of linkage between the databases, the Project shall only work towards connection with a new IFMIS.

In PDM Ver.3 which was approved in June 2016, all the stakeholders mentioned above were included and categorised as (i) PSIP Unit, (ii) PSIP submitting MDA units, and (iii) PSIP concerned government stakeholders as shown in Table 10 above. The project implementation structure is shown in the figure below.

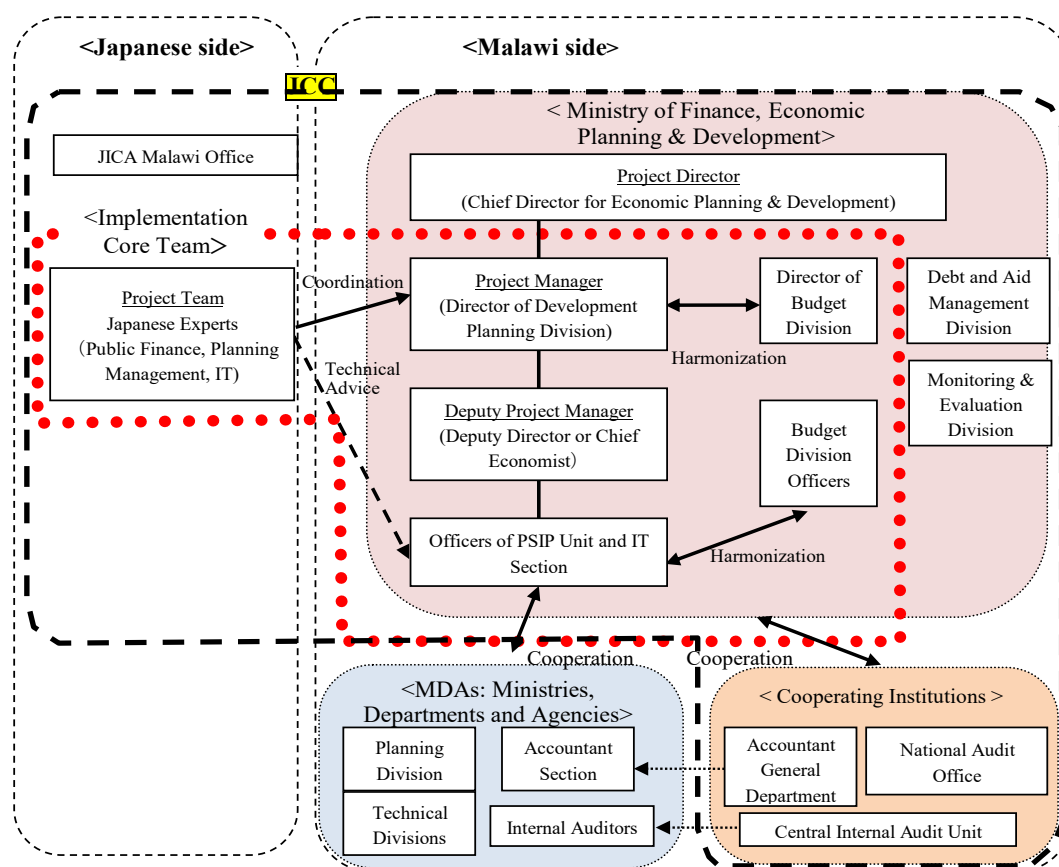


Figure 1: Implementation Structure of the Project

Table 11 shows the members of the Joint Coordination Committee (JCC) of this project, which were

⁹ It was communicated in the meeting held on 3 February 2015 with the presence of Director of Development Planning and Acting Director of M&E.

confirmed by the 1st JCC meeting held in June 2013 and the subsequent JCC meetings held in December 2014 (JCC-4) and February 2015 (JCC-5 during Mid-term Review).

Table 11: JCC Members

Chairperson		Chief Director (Economic Planning and Development), MFEPD
Malawi side	MFEPD	Director of Development Planning Division
		Director of M&E Division
		Economic Planning Division
		Director of Budget Division
		Director of Debt and Aid Management Division
		Accountant General Department
		Central Internal Audit Unit
	Ministry of Information, Tourism and Civic Education and Culture	E-Government Department
	OPC	Performance Enforcement Department
	DEAP	UNDP (ex-officio member)
NAO	National Audit Office	
	Other personnel concerned to be assigned by MFEPD, if necessary	
Japan side	JICA	Representatives of JICA Malawi Office
		Technical team of the Project (experts)
		Other personnel concerned to be assigned by JICA, if necessary

Meanwhile the bill to seek establishment of the National Planning Commission (NPC) was approved by the Parliament in December 2016. NPC is mandated to formulate national development plan and management of the plan. Once there was a plan that with the establishment of NPC, the restructuring of MFEPD would be effected, but at the time of CEPSIP II completion, the position of the plan is not known.

3. Project Year 1 (March 2013 – April 2014): Activities and Achievements

Activity plan (in the Plan of Operation agreed in the Minutes of the Meeting dated 22 October 2012) and the results (actual as indicated as red arrow) of CEPSIP II during the period of March 2013 to April 2014 is shown below.

	Y2013												Y2014			
	Mar	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR		
*PSIP Process	1st Round												2nd Round			
Review of the previous PSIP																
Circular # 1																
Proposal submission by Line ministries																
Proposal evaluation result																
Ministerial meetings																
PSIP 1st draft																
PSIP 2nd draft																
Approved PSIP																
OUTPUT 1	Database and Manuals/Handbook for PSIP are improved (especially for an appraisal of on-going projects considering their past performances).															
1-1. To review the utilization of Database and Manuals/Handbook for PSIP, and identify issues for further improvement of PSIP.																
1-2. To obtain feedbacks by users of Database, Manuals/Handbook for PSIP and other issues through workshops and interviews etc.																
1-3. To reflect the feedbacks obtained in 1-2 to Database (especially for an appraisal of on-going projects considering their past performances).																
1-4. To reflect the feedbacks obtained in 1-2 and 2-2 to Manuals / Handbook and process for PSIP (especially for an appraisal of on-going projects considering their past performances).																
OUTPUT 2	The process of PSIP is further harmonized with the planning and budget process of relevant ministries and budget division.															
2-1. To review the current public financial and economic reform policies, programs and activities.																
2-2. To review the process in PSIP in line ministries																
2-3. To propose necessary measures to improve the issues identified in 2-2 (ex. Feedbacks for line ministries and PSIP review meeting etc.)																
2-4. To put into practice the proposal identified in 2-3 for validation.																
2-5. To review the appropriateness of the output indicators in PSIP and budget report and the mechanism to generate and report them .																
2-6. To propose necessary measures to improve the issues identified in 2-5. (ex. Effective consultation and modification of the above mechanism)																
2-7. To put into practice the proposal identified in 2-6 for validation.																
2-8. To enhance dialogues for effective coordination mechanism to conduct official coordination meetings between PSIP section and Budget division.																
OUTPUT 3	The capacity to use improved Database and Manuals/Handbook for PSIP is built in PSIP Section and line ministries.															
3-1. To identify the training needs and institutional issues for PSIP in PSIP section and line ministries																
3-2. To prepare the training program based on the improved Database and Manuals/Handbook and process for PSIP.																
3-3. To implement training program prepared in 3-2.																
3-4. To evaluate the results of trainings and create feedbacks to trainings and management for PSIP																
3-5. To evaluate the overall results of training by the Project and develop an action plan on capacity development in future.																
Training in Japan/ Third countries																
Joint Coordination Committee																
Other																

3.1. Project Management: activities and achievements

3.1.1. Preparation and Submission of Inception Report, Project Progress Report, and Project Completion Report (March 2013 – April 2014)

Draft Inception Report was submitted to JICA HQ on 9th April 2013, and the same report was submitted and explained to JICA Malawi Office as well as Malawian C/P on 12th April 2013. Reflecting comments, the finalized Inception Report was endorsed by JCC-1 held on 12th June 2013. Official submission of the report was in July 2013.

The Progress Report of the first half year was submitted in September 2013. Project Completion Report of the 1st year period was presented to and discussed at JCC-3 on 26th March 2014 and was finalised for submission in April 2014.

3.1.2. Baseline Survey

The baseline survey was conducted from April to August 2013 to measure the status of 11 selected indicators set in the Project Design Matrix as agreed in the Record of Discussion signed on 22nd October 2012. The results of the survey are summarised in the box below. For details please refer to the Baseline Survey Report which is in Annex 7 of the Progress Report for the Period One (September 2013).

Box 1: Summary of Baseline Survey	
(1) Project Purpose:	
<i>PSIP is operated with increased efficiency and enhanced harmonisation within the public financial and economic management framework</i>	
Indicators	Baseline
2. Improved observance ratio of the deadlines of PSIP process by PSIP Section and Line Ministries: from ## (201#/1#) to ## (2015/16)	Proposal submission before deadline 45% Ministerial meeting attendance 76%
4. Smaller number of modifications after the PSIP is finalized and sent to MOF: from ## (201#/1#) to ## (2015/16)	Only 5 votes have same number and project names in PSIP and Development Budget Estimates
(2) Output 1:	
<i>Database and Manuals/Handbook for PSIP are improved considering their past implementation performance</i>	
Indicators	Baseline
1-1 The extent to which the identified issues were addressed by the modification of Database Manuals/Handbook	No modification. 14 identified issues for database (refer to Section 3.2.1)

(3) Output 2:

The process of PSIP is further harmonized with the planning and budget processes of relevant ministries and the Budget Division

Indicators	Baseline
2-1 The extent to which the identified issues were addressed in the modified PSIP process	No modification. 20 identified issues for PSIP process (refer to Section 3.3.2)
2-2 Reduced number / ratio of projects with discrepancies between PSIP and the Budget Document in terms of budget amount and outputs of the projects from ## (201#/1#) to ## (2015/16)	Only 5 votes have same number and project names in PSIP and Development Budget Estimates (Same as Indicator 4 for Project Purpose)
2-3 Reduced percentage of development budget allocated to those projects which did not pass the PSIP process: ##% (201X/1X) to ##% (2015/16)	No. of development projects which did not pass PSIP: 61 (27.9% of total dev. projects) Amount of development budget which did not pass PSIP: MWK80 billion (45.4% of total dev. budget)
2-4 Reduction of duplications in reporting and communication for PSIP, budget preparation and monitoring of projects	Line ministries (i) go through PSIP and Development Budget processes separately, and (ii) submit monitoring reports to OPC, Budget Division, and M&E Division.

(4) Output 3:

The capacity to use improved Database and Manuals / Handbook for PSIP is built in PSIP Section and line ministries

Indicators	Baseline
3-1 Number of persons in PSIP Section and line ministries who are equipped with knowledge and skill to fully utilize PSIP Database and manuals / handbook: from ## (201#/1#) to ## (2015/16)	None trained for PSIP Database in 10 ministries 17 ministries have never submitted proposal on-line
3-2 Increased number of registered active users of PSIP Database (total, PSIP, line ministries, other institutions): from ## (201# / 1#) to ## (2015/16)	37 active users (out of 94 registered users)
3-3 Increased number of online reports generated by PSIP Database (total, PSIP, line ministries, other institutions): from ##% (201X/1X) to ##% (2015/16)	365 reports through Intranet Server and 237 reports through Internet Server, total 602 reports from July 2012 to June 2013
3-4 Reduced number /rate of project proposals of insufficient or inadequate information (alternative to discuss: Average number of inquiries by PSIP desk officers to line ministry on the quality of information in proposals): from ##% (201X/1X) to ##% (2015/16)	<ul style="list-style-type: none"> • % of line ministries not using required format: 31% • % of line ministries submitting proposal without enough info:66% • % of line ministries, which do not complete profiles in the database: 42% • % of line ministries enquired for proposal contents more than 5 times: 62%

3.1.3. Joint Coordination Committee

Joint Coordination Committee (JCC) was held three times during this period.

(1) The First JCC Meeting (JCC-1)

A mission from JICA Headquarters joined JCC-1 meeting, which was held in June 2013. The meeting approved the Inception Report of the Project. The outline of the meeting is as follows:

【Date】 12 th June 2013	【Venue】 Conference Room, MEPD
【Participants from Malawi side】	
<ul style="list-style-type: none"> ■ Mr. Ben Botolo, Principal Secretary 2, MEPD (Project Director) ■ Mr. Jollam Banda, Deputy Director, Development Planning Division, MEPD (Project Manager) ■ Counterparts from PSIP Unit, DD ■ M&E of MEPD ■ BD and DAD of MoF 	
【Participants from Japan Side】	
<ul style="list-style-type: none"> ■ Mr. Kobayashi, Counsellor and others, Embassy of Japan ■ Mr. Yoshida and Dr. Kawakita, JICA Headquarters ■ Mr. Shimoda, Deputy Resident Representative and others, JICA Malawi Office ■ JICA Project Experts 	
【Agenda】	
<ol style="list-style-type: none"> 1. Introduction of Participants 2. Opening Remarks by the Chairperson 3. Remarks by EOJ 4. Remarks by JICA Malawi Office 5. Presentations <ol style="list-style-type: none"> (1) Draft Inception Report and Annual Work Plan <by JICA Expert> (2) Progress up to date <by PSIP Counterpart and JICA Expert> (3) Activity Schedule up to August <by JICA Expert> 6. Discussion and way forward 7. Remarks by JICA HQ 8. Closing Remarks by Chairperson 	
【Discussion Summary】	
<ul style="list-style-type: none"> ■ The Draft Inception Report, which incorporated the comments by C/P and Annual Work Plan was presented by JICA Project Team Leader. After discussion, the meeting resolved the inclusion of E-Government, Economic Planning Division, and DEAP into JCC, the harmonization of PSIP and Budget calendar, and confirmed that PSIP be approved by the Cabinet. ■ The progress of the Project was presented by C/P and JICA Project Deputy Team Leader. It was raised that there is a difference in the use of terminology in PSIP and Budget, the need for further survey and 	

<p>discussion was confirmed.</p> <ul style="list-style-type: none"> ■ Work Plan by August 2013 was presented by the Team Leader. The meeting confirmed that the Project outline will be presented at the next GFEM meeting and that PSIP Kick Off seminar and workshop with MDAs will be held in August. ■ JICA Headquarter requested the assignment of Director of Development Planning, who will be Project Manager, the allocation of IT officers, and the transfer of PSIP Servers to GWAN Server Room.

(2) The Second JCC Meeting (JCC-2)

JCC-2 meeting discussed the results of the Baseline Survey and approved the improvement plan of PSIP Process and Database. Its outline is as follows:

【Date】 17 th October 2013	【Venue】 Conference Room, MEPD
【Participants from Malawi side】	
<ul style="list-style-type: none"> ■ Mr. Ben Botolo, Principal Secretary 2, MEPD (Project Director) ■ Mr. Hetherwick Njati, Director, Development Planning Division, MEPD (Project Manager) ■ Counterparts from PSIP Unit, DD (including IT officers) ■ M&E of MEPD ■ PS and others from E-Government ■ AGD and BD from MOF ■ UNDP – DEAP 	
【Participants from Japan Side】	
<ul style="list-style-type: none"> ■ Mr. Kobayashi, Chargé de Affairs and others, Embassy of Japan ■ Mr. Shimoda, Deputy Resident Representative and others, JICA Malawi Office ■ JICA Project Experts 	
【Agenda】	
<ol style="list-style-type: none"> 1. Opening Remarks by the Chairperson 2. Introduction of Participants 3. Adoption of Agenda 4. Remarks by Embassy of Japan (Mr. Kobayashi, Chargé de Affairs, Embassy of Japan) 5. Remarks by JICA Malawi Office (Mr. Shimoda, Deputy Resident Representative) 6. Presentations <ol style="list-style-type: none"> (1) Project Progress Report and Baseline Survey Results (2) PSIP process and database improvement plan (3) CEPSIP II plan of activities up to April 2014 (4) Issues to be considered for smooth operation 7. Discussion and way forward 8. Closing Remarks by Chairperson 	
【Discussion Summary】	
<ul style="list-style-type: none"> ■ Embassy of Japan and JICA expressed concern of IFMIS operation halt due to the investigation of Cashgate 	

<p>incident.</p> <ul style="list-style-type: none"> ■ JICA Project Team Leader presented the project progress and baseline survey results. The survey revealed that a large percentage of projects did not pass through PSIP but made it to the Draft Budget Estimates. The meeting confirmed the importance of harmonising PSIP and Budget process. ■ C/P and JICA Project IT Expert presented an improvement plan of PSIP Process and PSIP Database. ■ The Team Leader presented a work plan up to April 2014. ■ The meeting discussed and agreed as follows: <ul style="list-style-type: none"> - The next meeting will agree on PDM Indicator targets - The refactoring of PSIP Database shall be carried out - The linkage between PSIP Database and current IFMIS be implemented - The relation between PBB and PSIP be made clear - AGD and PED shall be included in JCC membership - The cost-sharing policy stated in the R/D was reconfirmed - The request for allocation of full-time IT Officers was received - The need for transferring PSIP servers to GWAN Server Room for security reason was confirmed.
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(3) The Third JCC Meeting (JCC-3)

The JCC-3 was held in March 2014 and it discussed the progress of the project and targets of PDM Indicators. Its outline is as follows:

【Date】 26 th March 2014	【Venue】 Conference Room, MEPD
【Participants from Malawi side】	
<ul style="list-style-type: none"> ■ Mr. Ted Sitimawina, Principal Secretary, MEPD (Project Director) ■ Mr. Hetherwick Njati, Director, Development Planning Division, MEPD (Project Manager) ■ Mr. Jollam Banda, Deputy Director, Development Planning Division, MEPD ■ Counterparts from PSIP Unit, DD (including IT officers) ■ M&E of MEPD ■ BD of MOF 	
【Participants from Japan Side】	
<ul style="list-style-type: none"> ■ Miss Oshima, Researcher, Embassy of Japan ■ Mr. Saito, Resident Representative and others, JICA Malawi Office ■ JICA Project Experts 	
【Agenda】	
<ol style="list-style-type: none"> 1. Opening Remarks by the Chairperson 2. Introduction of Participants 3. Adoption of Agenda 4. Remarks by JICA Malawi Office (Mr. Saito, Resident Representative) 5. Matters arising from previous minutes 6. Presentations 	

- (1) Project Progress from October 2013 to March 2014
- (2) Activities
- (3) Outputs
- (4) Target setting for 11 indicators
- (5) Activity Plan
- (6) Issues to be considered for smooth operation
7. Discussion and way forward
8. Any other business
9. Closing Remarks by Chairperson

【Discussion Summary】

- JICA Project Team Leader presented the progress of project and the proposal of PDM Indicator targets. JICA Project IT Expert presented the progress of PSIP Database improvement. Then the Team Leader also presented a work plan and issues.
- The meeting discussed and agreed on the following points:
 - In terms of PDM, the replacement of a few indicators and indicator targets were set.
 - The linkage between PSIP Database, IFMIS, and AMP shall be implemented
 - The coordination between the newly developed M&E Database and PSIP Database shall be in place
 - PSIP process should be included in the Development Cooperation Strategy
 - The relation between PSIP and PBB shall be defined and confirmed
 - Travelling expenses of MDAs outside Lilongwe for attending PSIP workshop in Lilongwe shall be borne by the MDAs themselves
 - Request for the purchase of additional personal computers was submitted to JICA Malawi Office.
 - The need to secure budget for replacing PSIP Server machines was confirmed
 - The immediate allocation of IT officers in all the vacant establishments shall be made.

3.1.4. Training in Japan and third countries

During this period (March 2013 - April 2014), a series of planning discussion were conducted for the training program in Japan and other countries between Malawian C/P and JICA Project Team. The following principles were agreed. The training program in Japan would be held in collaboration with Central as well as Local Government units as well as a university for lecture sessions, of which targeted participants are senior officials of Malawian side. Further technical training program was also planned by sending trainees to African regional training institutes for certified courses of project appraisal as well as Public Private Partnership (PPP).

3.1.5. Monitoring PSIP process

To monitor PSIP process, PSIP Working Calendar discussed and agreed with Budget Division in August 2013 was used. The following table indicates the actual results against the planned calendar.

Table 12: PSIP Working Process Monitoring and Results (FY2013/14)

PSIP process	Plan	Actual
Preparation meeting for PSIP Circular No.1	August 2013	29 August 2013
Issuance of PSIP Circular No.1	September 2013	9 October 2013
Deadline of PSIP project proposal submission	September 2013	25 October 2013: 16 out of 38 MDAs submitted before the Ministerial meeting in November 2013, submission continued up to March 2014.
Appraisal of PSIP	No timeline set	Planned to finish before the Ministerial Meetings, but it was conducted from January to February 2014
Ministerial Meeting	December 2013	15 November 2013 to January 2014: the meetings were held for 31 out of 41 MDAs (including other related departments) by 13 December 2013
PSIP first draft	January 2014	Not yet out as of April 2014
Budget ceiling	February 2014	It was at final stage as of April 2014. Budget format was distributed to MDAs in January 2014.

In this PSIP/Budget cycle, the general election was conducted in May, just before the planned parliamentary budget sitting in June 2014, and the budget formulation was affected by the government who was busy with campaigning. To conduct PSIP process monitoring, JICA Project Team employed short term project staffs to assess PSIP proposal submission and to update PSIP Database information.

3.2. Output 1: activities and achievements (March 2013 – April 2014)

During this period (March 2013 – April 2014), the activities **【1-1】** - **【1-4】** shown below for Output 1 were conducted.

【Output 1】 Database and Manuals/Handbook for PSIP are improved (especially for an appraisal of on-going projects considering their past implementation performance)	
No	Activities
【1-1】	To review the utilization of Database and Manuals/Handbook for PSIP and identify issues for further improvement of PSIP.
【1-2】	To obtain feedbacks by users of Database, Manuals/Handbook for PSIP and other issues through workshops and interviews.
【1-3】	To reflect the feedbacks obtained in 1-2 to Database (especially for an appraisal of on-going projects considering their past performance).
【1-4】	To reflect the feedbacks obtained in 1-2 and 2-2 to Manuals/Handbook and process for PSIP (especially for an appraisal of on-going projects considering their past performance).

3.2.1. PSIP Database

CEPSIP II reviewed the PSIP Database (Ver.1.0) and Database Manuals developed by CEPSIP I. Additionally, CEPSIP II conducted interviews and questionnaire survey with PSIP Database users from PSIP and MDAs in April, May, and August 2013, and analysed the situation. As a result, the following issues were identified.

< Issues of data quality in PSIP Database >

- ✓ PSIP Database did not have the function to link with the approved budget and donor information managed by AGD and Debt and Aid Management Division (DAD) of the Ministry of Finance respectively. Therefore, the budget items were manually filled by PSIP Unit IT officers into the PSIP Database system. This caused many human errors such as data inaccuracy and/or data missing, which resulted in low reliability of data in the Database.
- ✓ Some projects approved by PSIP and registered as On-Going project were not listed in the budget document hence have no fund allocation. The implementation period planned for those projects was expired and the project was terminated without any implementation.
- ✓ Some important information for project appraisal was absent in the Database. For example, although actual financial performance and future projection should be included in On-Going projects, they were not always properly reflected in the Database. In addition, there were no functions in the PSIP Database to enter detailed information such as issues occurred during the implementation period and solutions for them.
- ✓ The proposal data submitted with PSIP Word proposal template, which was distributed to MDAs who could not connect to the PSIP Database, were unreliable in many cases due to a lot of missing and/or inaccuracy information in the templates.

< Security issues >

- ✓ PSIP Database servers had inadequate measures for security issues and power outage.

< Usability issues >

- ✓ Due to network or server failure, the system was not usable in many cases. Even though it was usable temporarily, proposal data entered the database was lost frequently without being saved on the server due to the sudden network down or blackout.
- ✓ Once project information was registered in the PSIP Database, updating the project information was difficult and almost impossible.
- ✓ The existing PSIP Database system stored the project information only for one generation (One

Project information was overwritten with new information). Therefore, it was impossible to compare new and old information if important information such as budget information and monitoring indicators were changed. In addition, users could not undo even if the data was wrongly edited and saved.

< Inadequate Function >

- ✓ Since there was no function to show project status (pending, approved, ongoing, completed, etc.), implementation history, and monitoring results, the progress of each project was hardly managed.
- ✓ Since the PSIP Database did not correspond to the data format required by Office of President Cabinet (OPC) in their quarterly reports, the PSIP information stored in the Database was not effectively utilized.

< Sustainability Issues >

- ✓ The existing PSIP Database and program took a very long time for program maintenance and development (development efficiency was poor) due to its data and system architecture.

<System linkage>

- ✓ PSIP, IFMIS and AMP system used different project code and there was no common key to identify the same projects among different systems. Therefore, the data exchange among the system was very difficult.

<Others>

- ✓ PSIP Database regular training is required.
- ✓ It is recommendable to involve OPC who manages GWAN network since PSIP depends on GWAN.

Based on the issues found above, CEPSIP II formulated PSIP Database improvement policy and plan. They were presented at both PSIP Seminar and PSIP Review and Orientation Workshop in August 2013, and gained consensus from the participants from MDAs. The development schedule¹⁰ is in Annex 8.

After the review of existing PSIP Database, CEPSIP II made requirement definition and developed prototype of PSIP Database Ver.2.0. More important and urgent requirements were included as functions of PSIP Database ver.2.0. The details are summarized in the table below. Three main functions included in the

¹⁰ The development schedule attached is the final version, which was revised in accordance with the situation after obtaining the agreement in 2013.

prototype for PSIP Database ver.2.0 were: 1) New screen design and report, 2) IFMIS and AMP linkage, 3) and template loader, which import the template data into the database automatically.

Table 13: Actions Taken for Database Improvement and Outputs from April 2013 to April 2014

Period	Actions taken for Database improvement	Outputs
April to November 2013	<ul style="list-style-type: none"> ➤ Review of existing PSIP Database (Ver.1.0) ➤ Discussion and Approval of PSIP Database Development Policy and Plan ➤ Documentation and review on requirement definition ➤ Approval of the Requirement Definition ➤ Basic Design (Ver.2.0) ➤ Detailed Design of Prototype 	<ul style="list-style-type: none"> ■ Requirement Definition Document(Ver.2.0) ■ Basic Specification (Ver.2.0) ■ Detailed Specification for Prototype
December 2013 – April 2014	<ul style="list-style-type: none"> ➤ Development and Testing of Prototype ➤ Documentation of Manual for Prototype ➤ Release and Evaluation of Prototype 	<ul style="list-style-type: none"> ■ PSIP Database Ver.1.1 (CEPSIP I Database revised version) ■ Database User Manual for Ver.1.1 ■ Prototype Program ■ Manual for Prototype ■ (Template Loader)

Although the template loader was planned to be developed in PSIP Database Ver.2.0, it was developed in December 2013 prior to other functions. This was because one IT officer who had mainly entered the template data into PSIP Database was moved to another ministry prior to the development of Ver.2.0, and the prospect for completing the data input work manually became lower. The template loader solved this issue through automatic data entry from PSIP Word Template into PSIP Database.

In 2014, CEPSIP II started the discussion regarding the establishment of Unified Project Code (UPC) to make project data exchangeable among PSIP Database, IFMIS and AMP. It was essential to maximize the data accuracy and efficiency of cross data utilization.

3.2.2. PSIP Preparation Handbook

Just as PSIP Database, PSIP Preparation Handbook is also meant for all MDAs including DD/PSIP Unit. It was assumed that MDA's officers in charge of PSIP would check PSIP Preparation Handbook during proposal preparation as well as submission stage to understand PSIP process. However, the actual users of the Handbook seemed limited to approximately 30% (10 out of 32 officials answered 'YES' in August 2013). It seemed that some officers never had the Handbook.

The review of the Handbook at early stage revealed that there is inconsistency in PSIP concepts, definition and function defined in the Handbook and other documents such as Budget Manual. It was, therefore,

acknowledged that PSIP Preparation Handbook needed to respond to this situation, by sorting out existing conceptual confusion, and setting clear definition to deepen common understanding among all stakeholders of PSIP.

To revise PSIP Preparation Handbook, CEPSIP II conducted individual hearing session with some MDAs in August 2013 and had group hearing opportunity during PSIP Review Orientation Workshop in the same month. Through discussion with DD/PSIP as well as BD, the draft Handbook was prepared by March 2014 awaiting the Management consultation. The revisions made in the Handbook at that time were as follows.

- 1) Sorting out various and different definition and understanding of PSIP to set its role with clearer aim and scope (Technical Report 1 discusses it with more details).
- 2) Prepare revised PSIP process to reflect the following points agreed with C/P:
 - ✓ Refined the contents of PSIP template (Word version) for FY2014/15 proposal. Strengthened the logic of a project plan by introducing new column and some references for a way of writing a project purpose. It was also necessary to include the relationship between each project activity and cost.
 - ✓ Instead of PSIP annual calendar with 8 working steps as defined by CEPSIP I, PSIP Working Calendar was newly introduced with 30 steps starting from July each FY. The Calendar differentiates the work of each stakeholder in a process. The Calendar became the basis for PSIP process monitoring.

3.2.3. PSIP Appraisal Manual

PSIP Appraisal Manual had been exclusively used by PSIP Unit and some revisions were made by PSIP Unit before CEPSIP II started and May 2012 version was produced. The Manual was meant for new project appraisal while not many new projects were proposed nor appraised after the end of CEPSIP I, due to the shortage of financial resources allocated to Development Budget. Thus, the revisions made by PSIP Unit were not put into practice.

On the other hand, since CEPSIP I, the number of on-going projects had been increased, and there was a need to include appraisal method for such projects. Besides, the analysis of CEPSIP II revealed that the submission made by MDAs did not include appraisable information, so there was a need to improve this situation.

Based on the review above, the PSIP Appraisal Manual was revised to include appraisal step improvement, which was proposed in the PSIP process improvement plan dated August 2013. This was put into practice during FY2014/15 PSIP formulation cycle. Appraisal methods were discussed in December 2013, which were compiled in appraisal rating matrices, and they were used immediately for appraisal during the

appraisal method workshop conducted from January to February 2014.

After above processes, the Working Draft of PSIP Appraisal Manual was prepared in March 2014, which includes the following improvements:

- 1) Following the revision of PSIP Working Calendar in the revised PSIP Preparation Handbook, the Calendar was also included in the revised PSIP Appraisal Manual
- 2) Appraisal methods were revisited. While appraisal criteria for on-going projects were developed, the criteria for new projects were also revisited and elaborated from the previous conceptual explanation. The two sets of criteria were compiled in the form of appraisal rating matrices, where new projects should pass the detailed checkpoints created based on the five evaluation criteria to enter PSIP, while ongoing projects should be checked for their progress to get fund allocation in the next financial year. The rating matrices were piloted during FY2014/15 PSIP appraisal and reviewed and revised based on the piloting exercise.
- 3) A step was added after the PSIP appraisal by PSIP Unit desk officers, this is a PSIP managements' review of appraisal results produced by PSIP Desk Officers.

3.3. Output 2: activities and achievements (March 2013 – April 2014)

During this period (March 2013 – April 2014), the activities **【2-1】** - **【2-8】** shown below for Output 2 were conducted. Firstly, Public Finance and Economic Management Reform and Donor activities were analysed in relation to PSIP activities. Secondly, PSIP process on MDA side was reviewed to propose, implement and validate optimized PSIP process. Thirdly, PSIP's role and its framework to set outputs and indicators was studied with similar setting of these in budget documents to propose and validate improvement measures. Fourthly, the coordination between PSIP Unit and BD was enhanced.

【Output 2】 The process of PSIP is further harmonized with the planning and budget processes of relevant ministries and the Budget Division.	
No	Activities
【2-1】	To review the current public financial and economic reform policies, programmes and activities.
【2-2】	To review the process of PSIP in line ministries.
【2-3】	To propose necessary measures to optimize the process identified in 2-2 (e.g., Feedbacks for line ministries and PSIP review meeting, etc.).
【2-4】	To put into practice the proposals identified in 2-3 for validation.
【2-5】	To review the appropriateness of the output indicators in PSIP and Budget Document and the mechanism to generate and report them.
【2-6】	To propose necessary measures to improve the issues identified in 2-5 (e.g., effective consultations and modification of the mechanism).
【2-7】	To put into practice the proposals identified in 2-6 for validation.

【2-8】	To enhance dialogue for effective coordination mechanism between PSIP Unit and Budget Division.
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3.3.1. Review of Public Financial and Economic Management- Reform Programme

The need for strengthening Public Financial Management including PSIP improvement was stressed by the Government of Malawian and the Public Financial and Economic Management Reform Programme (PFEM-RP) was formulated for the period of July 2011 – July 2014, as a sector plan to materialize MGDS II’s priority theme 5: Improvement of Governance – sub-theme: Economic Governance. PFEM-RP has 10 components of (i) Planning and Policy Analysis; (ii) Resource mobilization- Local Resources; (iii) Budgeting; (iv) Procurement; (v) Accounting and Financial Management; (vi) Cash and Debt Management; (vii) Parastatal Financing; (viii) Reporting; (ix) External Auditing; and (x) PFEM-RP Management. CEPSIP II supports i) and iii).

The action plan of (i) above contains PSIP related component as follows (these outputs and activities are what CEPSIP II deals with).

Table 14: PFEM-RP Component 1 - Planning and Policy Analysis

Aim 3	To strengthen PSIP process for compliance and achieve a quality PSIP
Outputs	PSIP information management system improved for all projects
	Enhanced project and programme management knowledge and skills among the PSIP officers
	Enhanced project and programme management in MDAs
Activities	Training Programme for PSIP officers
	Carry out PSIP with improved systems giving information on all projects
	Undertake PSIP reviews

Reference: Ministry of Finance, Malawi Government (2011) “Public Financial and Economic Management Reform Programme (PFEM-RP)”

Activities of PFEM-RP closely related to PSIP are as follows.

(1) Financial Reporting and Oversight Improvement Project (FROIP) – since March 2013

The project has been implemented with the Multi Donor Trust Fund funded by Malawi Government, DFID, EU, GIZ and Norway Government. It supports the following components of PEFM-RP: v) Accounting and Financial Management, ix) External Auditing, and x) PFEM-RP Management.

Since FROIP supports IFMIS improvement, CEPSIP II sought for data sharing of expenditure information managed by IFMIS by connecting it with PSIP Database and MEPD sent an official letter to AGD for this purpose. But the Cashgate incident occurred in September 2013, which turned out to be caused by the abuse of IFMIS, affected IFMIS improvement plan, which led to the delay of CEPSIP II plan for connection.

(2) Development Effectiveness and Accountability Programme (DEAP)

This is supported by UN group led by UNDP and EU. DEAP's support in planning and evaluation closely related to the support areas of CEPSIP II. It was resolved that UNDP was incorporated as an observer for CEPSIP II JCC, while CEPSIP II became a member of DEAP Steering Committee to supplement and coordinate each other. DEAP also supports Aid Management Platform (AMP) through Debt and Aid Management Division (DAD), and it was confirmed that the coordination has to be sought in this matter. Besides, DEAP planned to develop M&E database, which was also commonly understood as a matter of coordination with PSIP Database.

(3) Support for Program Based Budgeting (PBB)

IMF-AFRITAC provided technical assistance and training opportunities for Malawian officials both in country and abroad to shift from Output based budgeting to PBB. CEPSIP II discussed with IMF how PBB treats PSIP projects, and discussed with PSIP Unit and BD the same, and confirmed possible issues around the shift. Later DEAP took over PBB support from IMF.

(4) Public Expenditure Review (PER)

Malawian Government conducted PER with the support from WB. Issues and proposals made in the draft PER report, which were related to PSIP, were reflected in the PSIP process improvement plan such as budget calendar adjustment and its management.

As mentioned above, Cashgate incident occurred in September 2013, led to the introduction of the action plan for investigation of this corruption crisis and supporting to close the accounting loophole which caused the incident. Many donors shifted their support from PFEM-RP to the Action Plan. FROIP also prioritised the implementation of the Action Plan. This resulted in the suspension of major part of PFEM-RP implementation, and some started advocating for the need for the extension of PFEM-RP.

3.3.2. PSIP process optimization

A series of discussion on PSIP process issues and challenges was conducted between DD/PSIP Unit and JICA Project Team during May and June 2013. Initially 20 issues were from the then PSIP process categorised in three stages of PSIP as summarised in the table below.

Table 15: 20 Issues Identified for PSIP Process

Timing	Issues and Challenges
Proposal Submission stage of PSIP projects	【MDAs】 Delay in PSIP proposal submission, non-utilisation of PSIP Database, and absence from ministerial meeting
Appraisal stage of PSIP projects	【PSIP Unit】 Inadequate management of completed projects in PSIP Database 【MDAs】 Projects unrelated with national policy, unrealistic budget plan of and less prioritized projects

Timing	Issues and Challenges
Implementation stage of PSIP projects	<p>【PSIP Unit & BD】 Inadequate budget process information and under allocation of development budget</p> <p>【MDAs】 Delay of procurement and implementation of the projects, and inadequacy of project implementation management</p>

Referring to the results of the Baseline Survey, PSIP process review at MDAs were conducted. Interview with 9 MDAs from 12 to 19 August 2013 and questionnaire survey with other 15 MDAs were collected during PSIP Review Orientation Workshop on 27 and 28 August 2013. The following table is a summary of the primary issues identified from this review, categorised in four stages, with proposed measures to optimize PSIP process.

Table 16: PSIP Process Issues and Measures for MDAs

Stages	Observed issues	Proposed measures to optimize PSIP process
Preparation and Submission of PSIP Projects	<ul style="list-style-type: none"> ➤ Confusion of the treatment between projects and programs due to no clear distinction between the two. ➤ No prioritization of projects under the same Vote. 	<ul style="list-style-type: none"> ■ To hold PSIP orientation annually. ■ To add and re-organize components of PSIP template, including the definitions of projects and programs, to improve quality of project information.
Submission and Appraisal of PSIP Projects	<ul style="list-style-type: none"> ➤ The methods of submission vary as available technology varies among MDAs: (1) direct input into PSIP Database, and (2) sending a filled PSIP template to PSIP Unit, who will re-enter the information into the Database. ➤ PSIP Database indicates some projects as ongoing while no budget is approved. 	<ul style="list-style-type: none"> ■ To reconsider and propose better submission method ■ To set and approve the ceiling of PSIP projects at regular meeting between EPD and BD ■ To eliminate projects which are unproductive and recurrent in nature
Budgeting of PSIP Projects	<ul style="list-style-type: none"> ➤ PSIP's budget allocation and approved budget differ, which deteriorates credibility of PSIP process and budget ceiling. ➤ The number of projects submitted to PSIP Unit and Budget request to BD does not match. 	<ul style="list-style-type: none"> ■ To organize PSIP review meeting jointly by EPD/PSIP Unit and BD to inform MDAs about adjustment process of projects as well as budget to MDAs
Implementation, Monitoring & Evaluation of	<ul style="list-style-type: none"> ➤ PSIP does not cover off-budget donor-led projects ➤ Contractual issues exist due to arrears. 	<ul style="list-style-type: none"> ■ To link up and share data between PSIP Database and AMP ■ To share with various institutions the

Stages	Observed issues	Proposed measures to optimize PSIP process
PSIP Projects'	➤ Different reporting requirements are imposed by various central institutions	project progress information produced by PSIP Database

Proposed measures above were agreed through PSIP seminar (20 August 2013) as well as PSIP Review Orientation Workshop (27 & 28 August 2013). Besides, CEPSIP II newly prepared and distributed PSIP template for MDAs as a measure for the identified issues. PSIP process improvement plan, endorsed by JCC-2 held in October 2013, was implemented since then for validation.

The validation results are discussed at JCC-3, and further proposals of PSIP process improvement were reflected in the PSIP Preparation Handbook (March 2014) as well as PSIP Appraisal Manual (March 2014).

3.3.3. PSIP and Budget Document

Outputs and indicators which PSIP requires from each project are different from same items for Output Based Budget document. The former requires the detailed sets of indicators for outputs set annually under a project while for the latter many MDAs describe one overall output for the year.

Before tackling above challenges arising from various reporting forms, it was necessary to understand PSIP's position and role in Malawi's Development Management process and cycle, and to acknowledge the structure of how an individual project in PSIP is supposed to be linked logically with national policy.

In fact, PSIP is related to all elements in the cycle except for the last one (feedback) in Malawi Development Management process and cycle starting planning, budgeting, implementation, evaluation and feedback to policy as shown in the figure below.

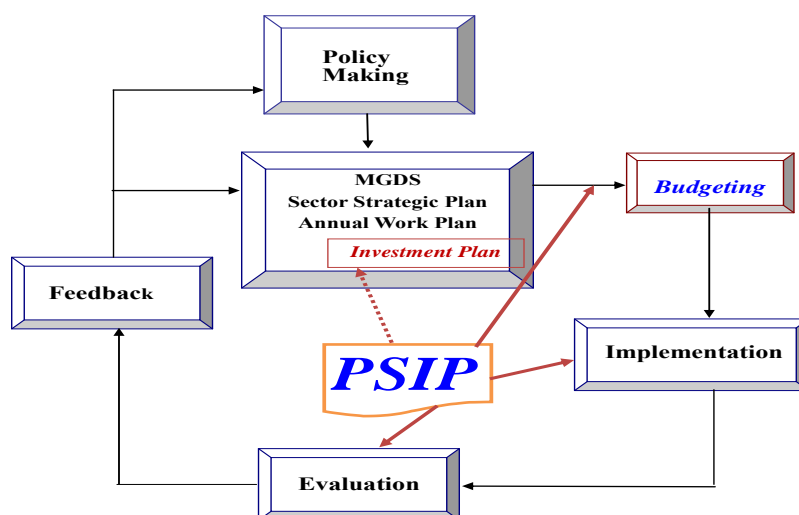


Figure 2: Malawi's Development Management Cycle and Process

Malawi Growth and Development Strategy (MGDS) is the main policy which is classified into several themes and priorities. Based on MDGS, sector policies, annual plans and programmes are supposed to be formulated and logically linked where PSIP projects are planned under such logical structure. PSIP projects are logically located within such policies and plans while each project itself is required to be planned with logically well-structured outputs and activities. This means that project outputs are internally located in the project while the budget document deals with such outputs differently as mentioned above. Introduction of PBB would focus on outputs of the programme, which is further different level than one in current Output Based budget document.

There are different forms of reporting required by various government authorities. BD, for instance, requires quarterly expenditure returns for reporting by an organization or a project if necessary. M&E Division, on the other hand, has primary concern about policy based evaluation which only requires individual project progress just as a reference. OPC requires department by department performance reports. Some information is commonly required when the reporting formats and requesters are different. Heavy load of work eventually results in less responses by MDAs.

As for OPC, output indicators are not set within a project but they are set and monitored based on organizational/ divisional unit which would include not only single project, for different level of setting outputs and output indicators. It is found that this difference of the interests would be reflected into different reporting requirements with different formats. With this understanding, CEPSIP II would seek possible coordination of various information requirements including output indicators.

3.3.4. Coordination between PSIP Unit and Budget Division

The meetings between PSIP Unit and BD were organized for nine times during March and September 2013. Even after October 2013, PSIP Unit kept communicating with BD in 2 JCC meetings and a PBB related meeting for coordination. BD's participated in Ministerial meetings since November 2013 was acknowledged the most active. Coordination effort extends to other Treasury departments, namely DAD and AGD for PSIP Database linkage with AMP and IFMIS.

3.4. Output 3: activities and achievements (March 2013 – April 2014)

During this period (March 2013 – April 2014), activities [3-1] - [3-4] were conducted for Output3. The utilisation of PSIP Database and practical issues in operation were reviewed and examined at first. Then, the training programme was prepared and conducted. The rationale of the training contents and the applied method were reviewed, by collecting the participants' evaluation of the training contents.

【Output 3】 The capacity to use improved Database and Manuals/Handbook for PSIP is built in PSIP Unit and line ministries.	
No	Activities
【3-1】	To identify the training needs and institutional issues for PSIP in PSIP Unit and line ministries.
【3-2】	To prepare a training programme on the improved Database and Manuals/Handbook and the process for PSIP.
【3-3】	To implement the training programme prepared in 3-2.
【3-4】	To evaluate the results of training and create feedbacks to trainings and operation for PSIP.
【3-5】	To evaluate the overall results of training by the Project and develop an action plan on capacity development in future.

The following table shows the list of training events with its contents and dates during this period (March 2013 – April 2014).

Table 17: Training Events Concerning PSIP (March 2013 – April 2014)

Date	Events	Contents	Participants
20 August 2013	PSIP Kick-off Seminar	PSIP work steps for MDAs, budgeting process, required M&E information (for Director level)	54 (MEPD: 13, MOF: 3, MDAs: 31, JICA Malawi Office: 3, JICA Project Experts: 4)
27 and 28 August 2013	PSIP Review Orientation Workshop	Same contents as above with more details for technical-level.	60 (MEPD: 10, MOF: 12, MDAs: 35, JICA Project Experts:3)
9 & 11 December 2013	PSIP Appraisal Method Seminar	The role of PSIP, project types & costing, and appraisal method (DAC 5 Criteria, Cost Benefit Analysis, and Indicator Setting)	15 (DD: 12, JICA Project Experts: 3)
28 January ~ 12 February 2014	PSIP Appraisal Method Follow-up Workshop	Preparation and use of appraisal rating matrix	14 (DD: 11, JICA Project Experts: 3)
11 & 12, 24 & 25 March 2014	Review workshop for PSIP Appraisal Manual and PSIP Preparation Handbook for DD	Review of PSIP project appraisal and revisit appraisal rating criteria after use. Revision of PSIP Preparation Handbook and PSIP working calendar. Training of PSIP Database on updating information.	11 (DD: 6, JICA Project Experts: 2, JICA Project Staffs: 3)

3.4.1. MDAs – practical issues, training programme and implementation

Although MDA's Planning Division deals not only with PSIP but with preparation of budget, monitoring and various reporting, the number of officers for the Division is usually inadequate. This seemed to be one of the reasons of less quality PSIP project proposal and of delay of its submission (some were submitted directly to BD when budget request is prepared). PSIP Unit explained the work process of PSIP during its orientation opportunities and with PSIP Preparation Handbook. The identified issue was lack of precise understanding of PSIP which needs to be addressed by clarifying definition of PSIP to promote common understanding among the stakeholders. In Malawi, all developmental activities in the form of projects are subject for PSIP (Comprehensiveness) and all PSIP projects aim for development (Genuineness). However, there are gaps and inconsistent facts in PSIP projects. The issues are analysed and explained in Technical Report 1. PSIP from compliance perspective is also an issue such as work steps and procedure of PSIP. These issues are supposed to be resolved by deepening understanding in a series of orientations.

Among the events in the table above, Malawian C/P initiated to hold PSIP Kick-off Seminar for Directors on 20 August 2013 after consultation meeting with BD on 16 August 2013. This aimed at familiarizing MDAs with PSIP work with its tools. CEPSIP II was officially introduced to MDAs during this event. This was followed by PSIP Review Orientation Workshop for technical-level officers from MDAs with the same contents.

【Event】 PSIP Kick-off Seminar	
【Date】 20 August 2013	【Venue】 Crossroads Hotel, Lilongwe
【Attendance】 55	
<ul style="list-style-type: none"> ■ Malawi Side: 32 Directors or Representatives of Planning Division (MDAs), 3 Officers of BD, and 13 Officers of DD ■ Japanese Side: 3 from JICA Malawi Office (including Mr. Saito, Resident Representative) and 4 JICA Project Experts 	
【Program】	
Time	Session titles (Presenter)
09:00	Opening Session (JICA Malawi Office & EPD)
09:50	Presentation: Formulation of the Development Budget (BD)
10:45	Presentation: Improvement of PSIP and Development Budget Process (DD)
11:15	Discussion
11:45	Presentation: Outline of CEPSIP II (JICA Project Team)
12:00	Closing Session (DD)
【Contents】	
<ul style="list-style-type: none"> ■ In his opening, Mr. Saito (JICA Resident Representative) emphasized the importance of ownership of CEPSIP II by Malawi side, while Mr. Botolo (PS2 of EPD) stressed that MDAs needed to have robust planning units 	

for success of PSIP process.

- BD explained the summary of Development Budget in FY2013/14 as well as the budgeting process with challenges of submission delay by MDAs.
- DD explained PSIP definition and role as well as PSIP process of FY2014/15 by submission, appraisal and implementation.
- Mrs. Sangala, JICA project team leader, introduced the purpose, outputs and activity plans of CEPSIP II.
- In the discussion session, MDAs raised general requests of PSIP improvements in such as coordination between Budget and PSIP plans, prioritization of ongoing projects, refinement of PSIP Database, feedback of PSIP appraisal results, and connectivity between PSIP and IFMIS.
- In his closing remarks, Director of DD stressed the importance of improvement of the system among the players and coordination among each role and work.



PSIP Seminar



CEPSIP II presentation



Presenters of DD and BD

PSIP definition and proposal procedures were explained to MDAs using existing PSIP Preparation Handbook during the PSIP Review Orientation Workshop held in August 2013. In October 2013, when PSIP Circular No.1 with PSIP Guideline (by PSIP Unit) was sent to MDAs, revised PSIP template for proposal submission for the coming FY was also attached.

More than 80% of the participants for PSIP Review Orientation Workshop indicated it was satisfactory in terms of training topics and timeframe, presentation method, and handouts & its contents.

3.4.2. PSIP Database –operational issues, training programme and implementation

Different kinds of PSIP Database training were considered for two different targets: the first was the training on the PSIP Database utilisation for users, the other was the technical enhancement training for PSIP Unit IT officers.

For the former, CEPSIP II held Database user meeting on the 3rd and 8th May 2013 to promote PSIP Database usage. According to the questionnaire survey conducted with 17 ministries at the beginning of the CEPSIP II, 64% of planning officers did not use the PSIP Database. The major reasons were: (1) they did not know how to use it (46%), and (2) a network problem did not allow them to use it. The programme of the user meeting was determined based on this result. The topics were, for example, how to connect to the PSIP Database, how to download online reports, where they can find project and financial information and so forth. The issues pointed out in the interviews with system users of MDAs were also presented. Users' understanding about PSIP Database improved because of this meeting.

For the latter, CEPSIP II attempted to improve capacity of PSIP unit IT officers through On the Job Training (OJT). For example, when developing prototype of PSIP Database ver.2.0, JICA IT experts assisted IT officers to set up the software and development environment in their PCs, to control and develop software revisions, and to modify the PSIP Database.

3.4.3. PSIP Unit – practical issues, training programme and implementation

PSIP Unit Desk officers tended to manage information obtained from MDAs personally without establishing organizational information sharing mechanism. Data files were rarely sorted out for common use. This was worsened by late submission of PSIP proposals, which could disturb smooth appraisal processing. The Ministerial meetings tended to be a proposal submission opportunity where unknown projects were introduced to PSIP Unit for the first time. There were issues around appraisal process and methods which had not yet well established. PSIP Appraisal Manual for revision, therefore, needed to address the issues observed in the appraisal part of PSIP process.

Considering the above analysed issues, the training programme exclusively for PSIP Unit was held as PSIP Appraisal Method Seminar to strengthen appraisal process. The follow-up Workshop for the Seminar, which prepared appraisal ratings matrices and actually used them for appraisal, was intermittently held during January and February 2014. (These series of seminar and workshop materialized into active consultation to revise PSIP Appraisal Manual and PSIP Preparation Handbook in March 2014.

Although the training programme for PSIP Unit was very much OJT style, both PSIP Appraisal Method Seminar and the follow-up Workshop were generally appreciated by PSIP Unit as useful and enlightening but there were some requests for more time allocation and more appraisal training.

4. Project Year 2 (June 2014 – June 2015): Activities and Achievements

Activity plan (in the Plan of Operation agreed in the Minutes of the Meeting dated 22 October 2012) and the results (actual as indicated as red arrow) of CEPSIP II during the period of June 2014 to June 2015 is shown below.

	Y2014						Y2015						
	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
*PSIP Process													
Review of the previous PSIP													
Circular # 1													
Proposal submission by Line ministries													
Proposal evaluation result													
Ministerial meetings													
PSIP 1st draft													
PSIP 2nd draft													
Approved PSIP													
OUTPUT 1													
Database and Manuals/Handbook for PSIP are improved (especially for an appraisal of on-going projects considering their past performances).													
1-1. To review the utilization of Database and Manuals/Handbook for PSIP, and identify issues for further improvement of PSIP.													
1-2. To obtain feedbacks by users of Database, Manuals/Handbook for PSIP and other issues through workshops and interviews etc.													
1-3. To reflect the feedbacks obtained in 1-2 to Database (especially for an appraisal of on-going projects considering their past performances).													
1-4. To reflect the feedbacks obtained in 1-2 and 2-2 to Manuals / Handbook and process for PSIP (especially for an appraisal of on-going projects considering their past performances).													
OUTPUT 2													
The process of PSIP is further harmonized with the planning and budget process of relevant ministries and budget division.													
2-1. To review the current public financial and economic reform policies, programs and activities.													
2-2. To review the process in PSIP in line ministries													
2-3. To propose necessary measures to improve the issues identified in 2-2 (ex. Feedbacks for line ministries and PSIP review meeting etc.)													
2-4. To put into practice the proposal identified in 2-3 for validation.													
2-5. To review the appropriateness of the output indicators in PSIP and budget report and the mechanism to generate and report them .													
2-6. To propose necessary measures to improve the issues identified in 2-5. (ex. Effective consultation and modification of the above mechanism)													
2-7. To put into practice the proposal identified in 2-6 for validation.													
2-8. To enhance dialogues for effective coordination mechanism to conduct official coordination meetings between PSIP section and Budget division.													
OUTPUT 3													
The capacity to use improved Database and Manuals/Handbook for PSIP is built in PSIP Section and line ministries.													
3-1. To identify the training needs and institutional issues for PSIP in PSIP section and line ministries													
3-2. To prepare the training program based on the improved Database and Manuals/Handbook and process for PSIP.													
3-3. To implement training program prepared in 3-2.													
3-4. To evaluate the results of trainings and create feedbacks to trainings and management for PSIP													
3-5. To evaluate the overall results of training by the Project and develop an action plan on capacity development in future.													
Training in Japan/ Third countries													
Joint Coordination Committee													
Other													

4.1. Project Management: activities and achievements

4.1.1. Preparation and Submission of Operation Plan, Work Plan, and Project Progress Report (June 2014 – June 2015)

The work plan for coming few years was prepared and explained to Malawian C/P for discussion. After endorsement by the Project Director, the work plan was submitted to JICA as well as to Malawian side on 24 July 2014. The progress reports were compiled and submitted in December 2014 and May 2015.

4.1.2. Joint Coordination Committee

JCC was held twice during this period.

(1) The Fourth JCC Meeting (JCC-4)

JCC-4 was held in December 2014 to confirm the achievement status before the Mid-Term Review and issues arising from project activities as follows:

【Date】 2 nd December 2014	【Venue】 Conference Room, EP&D, MFEPD
【Participants from Malawi side】	
<ul style="list-style-type: none"> ■ Mr. Hetherwick Njati, Director, Development Planning Division, MFEPD (Project Manager) ■ Mr. Jollam Banda, Deputy Director, Development Planning Division, MFEPD ■ Counterparts from PSIP Unit, DD ■ M&E, EPD, BD, DAD of MFEPD ■ E-Government ■ PED from OPC ■ UNDP - DEAP 	
【Participants from Japan Side】	
<ul style="list-style-type: none"> ■ Mr. Shimoda, Deputy Resident Representative and others, JICA Malawi Office ■ JICA Project Experts 	
【Agenda】	
<ol style="list-style-type: none"> 1. Opening Remarks by the Chairperson 2. Introduction of Participants 3. Adoption of Agenda 4. Remarks by JICA Malawi Office 5. Matters arising from previous minutes 6. Presentations <ol style="list-style-type: none"> (1) Progress from June to December 2014, issues, and recommendation (2) Activity Plan from January to June 2015 (3) Preparation for Mid-Term Review (February 2015): results of performance indicators, issues, and recommendations 	

7. Discussions and way forward
8. Any other business
9. Closing Remarks by Chairperson

【Discussion Summary】

- The project progress was presented by JICA Project Team Leader and Deputy Team Leader. It also shed light on MDA survey focusing on how to improve and obtain quality project information from MDAs for PSIP appraisal and based on the survey results the improvement has been made. The Team Leader also presented a work plan.
- The performance of PDM indicators against set target was presented by the Team Leader, as a preparation for receiving Mid-Term Review Team.
- The meeting discussed and agreed on the following points:
 - To strengthen the project management at MDAs (including project accounting), AGD, NAO, and CIAU shall be partner institutions for the Project.
 - Necessary environment and actions were confirmed for the improvement of PSIP Process and Database.
 - Necessary actions to improve PDM indicators which are not performing well were confirmed.

(2) The Fifth JCC Meeting (JCC-5)

JCC-5 was conducted to discuss a draft Mid-Term Review Report as follows.

【Date】 12 th February 2015	【Venue】 AGD Conference Room, MFEPD
【Participants from Malawi side】	
<ul style="list-style-type: none"> ■ Mr. Yona Kamphale, Acting Principal Secretary, MFEPD (Project Director) ■ Mr. Hetherwick Njati, Director, Development Planning Division, MEPD (Project Manager) ■ Counterparts from PSIP Unit, DD ■ PFEM, DAD, AGD, CIAU of MFEPD ■ NAO ■ OPC-PED ■ UNDP DEAP 	
【Participants from Japan Side】	
<ul style="list-style-type: none"> ■ Dr. Kawakita, Mr. Yoshida, Dr. Kikukawa, Mid-Term Review Mission from JICA Headquarter ■ Mr. Yazaki, Assistant Resident Representative, JICA Malawi Office ■ JICA Project Experts 	
【Agenda】	
<ol style="list-style-type: none"> (1) Introduction of Participants (5 minutes) (2) Opening Remarks by the Chairperson (5 minutes) (3) Remarks by Mission Team Leader (5 minutes) (4) Presentation of Results of the Mid-Term Review by Mission (30 minutes) (5) Discussion (40 minutes) 	

(6) Closing Remarks by Chairperson (5 minutes)

The discussion summary of JCC-5 is described in the section below.

4.1.3. Mid-Term Review

(1) Brief Overview

The Project received a Mid-term Review Mission from 3rd to 13th February 2015. The Project was scheduled to be completed by September 2016, and halfway through the three and half years of the project period, the Mid-term Review was conducted. The objective of the Mid-term Review Study was to review the progress of the project and facilitate the necessary modification in the project design in line with the changing situation and context towards the smooth implementation of the project and the achievement of the expected results. The mid-term review study was undertaken by the mid-term review team comprised of the following team members:

Table 18: Members of Mid-term Review Team

Japan Side	Name	Designation	Title and Affiliation	Dates in Malawi
1	Dr. Hirofumi Kawakita	Team Leader	Senior Advisor, Industrial Development and Public Policy Department, JICA	8 to 13 February
2	Mr. Ryosuke Yoshida	Cooperation Planning	Deputy Director, Public Governance and Financial Management Governance Div., Industrial Development and Public Policy Department, JICA	8 to 13 February
3	Dr. Takeshi Kikukawa	Evaluation Analysis	Managing Director, Centinos Inc.	3 to 13 February
Malawi Side.	Name	Designation	Title and Affiliation	
1	Mr. Hetherwick Njati	Project Manager	Director, Development Planning Division, Ministry of Finance, Economic Planning and Development	
2	Mr. Jollam Banda	Deputy Project Manager	Deputy Director, Development Planning Division, Ministry of Finance, Economic Planning and Development	
3	Mr. Charles Mtonga	Senior Project Officer	Chief Economist, Development Planning Division, Ministry of Finance, Economic Planning and Development	

(2) Achievement Status of the Project

Achievement Status of Output Indicators was as follows:

Table 19: Achievement Status of Output Indicators (February 2015)

Output 1	Achievement
Database and Manuals/Handbook for PSIP are improved (especially for an	The Database and Manual for the PSIP have been in operation (V1.5. corresponding to the new template.) Currently V2.0

appraisal of on-going projects considering their past implementation performance).	system is being developed. PSIP Appraisal Manual and Handbook (version October 2014) were issued.
Objectively Verifiable Indicator (OVI)	Achievement on the Indicator
1-1. The extent to which the identified issues were addressed by the modification of Database, Manuals / Handbook	The 14 issues for the database and the 20 issues for the PSIP process have been identified and actions have been taken.
1-2. Increased availability of information in the PSIP Database in such aspects as; implementation of on-going project, modifications in plans, results of monitoring activities, etc.	The number of information of PSIP Database V1.5 has increased from 89 to 144, and from 107 to 190, for the new projects and the ongoing projects, respectively. Information of progress report (quarterly report) will be added in PSIP Database V2.0 which will be released in September 2015.
1-3. User's higher evaluation on usefulness and operability of PSIP Database, Manuals / Handbook	The PSIP tool is highly appreciated from the interviews with the MDAs and replies of the questionnaire at the mid-term review. 82% of the participants in the PSIP orientation workshop in November 2014 evaluated that the PSIP Handbook was useful, particularly introducing the excel template for 2015/16 and the template manual as supplement documents of Handbook.
Output 2	Achievement
The process of PSIP is further harmonized with the planning and budget processes of relevant ministries and the Budget Division.	The support on the PSIP process has been implemented based on the survey on the management of the PSIP planning at the MDAs. The meeting and communication have been made with the budget division through the discussion on the PSIP and the budget hearing. The follow-up of PFEM-RP and coordination with other supporting projects has been carried out.
Objectively Verifiable Indicator (OVI)	Achievement on the Indicator
OVI 2-1. The extent to which the identified issues were addressed in the modified PSIP process	The 20 issues for the PSIP process have been identified and actions have been taken.
2-2. Reduced number/ratio of projects with discrepancies between PSIP and the Budget Document in terms of budget amount and outputs of the projects	(Alternative Indicator) The number of the votes that have no discrepancies between the number of the projects in the development budget component of the budget book and that in the PSIP Database will increase from 5 to ##. This indicator will be moved to the indicator #4 for project purpose.
2-3. Reduced percentage of development budget allocated to those projects which did not pass the PSIP process (Target: not more than 2% in	The total budgets allocated for the projects that did not pass the PSIP process and the total projects are MK80,182 million and 176,629 million, respectively. The percentage is 45.4% in 2013/14. The budget data will be available on the budget estimate 2015/16 before parliament approval.

FY2016/17)	
2-4. Reduction of duplications in reporting and communication for PSIP, budget preparation and monitoring of projects	<p>The coordination with the M&E division has been made through the implementation of project monitoring and the utilization of the format of the progress report (quarterly report).</p> <p>The budget division also agrees to utilize the monitoring results obtained through format.</p> <p>The project already started to discuss the utilization of information in the progress report (quarterly report) with the performance enforcement division in OPC.</p> <p>(Alternative Indicator)</p> <p>Reduction of duplications in reporting and communication for PSIP and monitoring of projects</p>
Output 3	Achievement
3. The capacity to use improved Database and Manuals/Handbook for PSIP is built in PSIP Unit and line ministries.	The project already conducted the workshops and trainings. The officers of the PSIP Unit and the MDAs have obtained the certain level of expertise on PSIP.
Objectively Verifiable Indicator (OVI)	Achievement on the Indicator
3-1. Number of persons in PSIP Unit and line ministries who are equipped with knowledge and skill to fully utilize PSIP Database and manuals / handbook (Target: all the line ministries)	<p>Hands-on training; 9 for Ministry of Agriculture, Irrigation and Water Development, 7 for Ministry of Tourism, 1 for Ministry of Education, 1 for Ministry of Health, 1 for Ministry of Transport and Public Works, 1 for Ministry of Tourism and Culture, 1 for Ministry of Lands and Housing, Total trainees; 270.</p> <p>PSIP Database User Meeting (MDAs and PSIP unit) 2013:20</p> <p>IT CP Training (EP&D and PSIP unit) 2014 July-Dec.:4</p> <p>PSIP Orientation Workshop: 2013:57, 2014: 90</p> <p>PSIP Seminar for Heads of Planning Units: 2013:48, 2014:40</p> <p>PSIP Appraisal Seminar and Workshop (PSIP unit): 2013:12, 2015 Jan.-Feb.:9</p> <p>PSIPS Appraisal Manual and Preparation Handbook Review Workshop (PSIP Unit): 2014 FebMar.:11, 2014 Aug.-Oct.:7</p> <p>PSIP Preparation Handbook Presentation Management Meeting: 2014:12</p>
3-2. Increased number of registered active users of PSIP Database (total, line ministries, other institutions) (Target: 56 users as of April 2016)	26 users are active as of November 2014, (out of 149 registered users)
3-3. Increased number of online reports generated by PSIP Database (total, PSIP, line ministries, other institutions) (Target: 1000 views from April 2015 to March 2016)	<p>From 2013 to July 2014: 544 reports</p> <p>From July 2014 to November 2014: 243 reports</p> <p>From April 2013 to April 2014: 1076 page views</p> <p>From April 2014 to November 2014: 783 page views</p> <p>The PSIP Unit will not frequently use the reports for appraisal in the system V2.0, and hence the use of number of views is more</p>

	<p>appropriate.</p> <p>The period from December 2014 to March 2015 is the busiest period in a year. This is because of the results as shown above. The use of database will be more valuable in project monitoring.</p> <p>The reliability of the GWAN is critical for availability of the PSIP Database for the concerned officers and it will affect the number of page view. The reliability of the GWAN is an external factor since the project cannot control.</p>
<p>3-4. Reduced number/rate of project proposals of insufficient or inadequate information (alternative to discuss; Average number of inquiries by PSIP desk officers to line ministry on the quality of information in proposals.) (Target: 70% in FY2016/17)</p>	<p>In November 2014, all the line ministries submitted in the designated form.</p> <p>The adequateness of information will be assessed by the observation of the C/P by judging the following:</p> <p>New project; Costing matrix</p> <p>Ongoing project; Monitoring indicators</p> <p>“Alternative to discuss; Average number of inquiries by PSIP desk officers to line ministry on the quality of information in proposals.” will be discussed and removed.</p>

Achievement status of the Project Purpose based on PDM Ver.1 was evaluated as shown below. Regarding Project Purpose OVI 4, the proposed alternative indicator was adopted and approved at JCC-5.

Table 20: Achievement Status of Project Purpose Indicators (February 2015)

Project Purpose	Status
PSIP is operated with increased efficiency and enhanced harmonisation within the public financial and economic management framework.	The PSIP preparation handbook has been prepared. The PSIP Database has also been cut over. (V1.5) The training and hands-on support are also effectively achieving the output. In general, the project is producing the achievements towards the efficient operation.
Objectively Verifiable Indicator (OVI)	Achievement on the Indicator
1. Increased amount and elevated quality of information (both on new projects and on-going projects) available for an appraisal by PSIP Unit	<p>In 2014/15, the old version form was used for PSIP proposal. Some agencies submitted in their forms that are different from the standard. 110 proposals did not use the specified forms. 74 proposals out of the ongoing projects were not submitted even though listed in the 2013/14 budget document.</p> <p>In 2015/16, the new version form for the PSIP Database was introduced which has as more information columns with the validation function. The number of the information items in the form has increased from 89 to 144, and from 107 to 190, for the new projects and the ongoing projects, respectively. All the proposals followed the new standard form and the blank columns have been reduced approximately from 60% to 20%. With respect to the ongoing projects for 2015/16, the submitted data is being analysed to compare with the 2014/15 budget document, and will be available by March 2015.</p>
2. Improved observance ratio of the deadlines of PSIP process by PSIP Unit and Line Ministries	<p>FY2014/15 : 50% of the PSIP-related votes (16/38) submitted at least one proposal by Oct 25, 2013. 76% of the ministries (31 MDAs) attended the ministerial meeting.</p> <p>FY2015/16: 41% of the PSIP-related votes (14/34) submitted at</p>

<p>(Target: In FY2016/17, 90% submit by the deadline.)</p>	<p>least one proposal by Nov 28, 2014. The latest ratio is 88% (30/34) as of February 10th, 2015. 97% of the ministries (33/34 MDAs) attended the ministerial meeting.</p> <p>In 2014/15, approximately 30% of the proposals were not prepared in the standard form. In 2015/16, 100% proposals were prepared in the new form.</p> <p>PSIP Unit keeps close contacts with the MDAs in 2015/16. The action research and hands-on trainings were carried out for 6 ministries in addition to the visits to provide instructions to the ministries. The PSIP desk officers reminded the ministries on the ministerial meeting on the phone and the emails in addition to the letter to ensure the attendance.</p>
<p>3. Improved evaluation on the PSIP efficiency by the stakeholders (PSIP desk officers, Planning Section of Line Ministries, Budget Division, etc.)</p>	<p>Based on the interviews with the C/P officers by the mid-term review team, it was identified that one of the major factors of the efficiency in the PSIP process can be measured by the timely PSIP process.</p> <p>The officers in the MDAs had supports in the preparation of the proposals from the PSIP desk officers. The inputs by the PSIP desk officers improved the time required for preparation of the proposals.</p> <p>The PSIP officers found the new form reduced the blank columns and improved the efficiency of receiving the proposals from the MDAs.</p> <p>For 2015/16 PSIP formulation, the officers of the budget division attended the PSIP ministerial meetings and the PSIP orientation workshop. The PSIP officers joined the budget-hearing meeting.</p> <p>For 2015/16 PSIP formulation, the PSIP Unit will provide feedbacks, “appraisal results” to the MDAs on the appraisal results and concerns. This will contribute to the improvement of the PSIP process in the following year and the budgeting process.</p> <p>For 2015/16 PSIP formulation, some ministries (Ministry of Agriculture and Ministry of Tourism) conducted the internal ministerial meeting to instruct officers in the ministries, when the PSIP officers participated to deepen the understanding of the officers.</p> <p>The terminal evaluation will examine the improvement in the preparation, appraisal and feedback of the PSIP process such as the time and human resources.</p>
<p>4. Smaller number of modifications after the PSIP is finalized and sent to MOF (Target: Same number; 90% (2016/17))</p>	<p>This indicator will be replaced with the alternative indicator because of the difficulty in monitoring the effectiveness only by the indicator.</p> <p>(Alternative Indicator)</p> <p>The number of the votes that have no discrepancies between the number of the projects in the development budget component of the budget book and that in the PSIP Database will increase from 5 to ##.</p>

The prospect of achieving the Overall Goal was assessed as summarized in the table below. After discussion at JCC-5, the Overall Goal was reviewed and an alternative was adopted.

It was deemed that the Overall Goal then (in PDM Ver.1) would not be able to properly measure the impact of the achievement of the project purpose because the budget allocation was already strategized to some extent. Therefore, the overall goal and its indicators were replaced by the alternative goal and indicator as a result of Mid-Term Review.

Table 21: Prospect of Achieving the Overall Goal Indicators (February 2015)

Overall Goal	Status																																												
Allocation of development resources and implementation of projects and programs are in line with strategic priorities. (Alternative Overall Goal) The development project cycle will be efficient and effective.	The current overall goal will not be able to properly measure the impact of the achievement of the project purpose because the budget allocation has been already strategized to some extent and the rate of development budget implementation has been almost 100%. Therefore, the overall goal and the indicators are replaced by the alternative goal and indicator.																																												
Objectively Verifiable Indicator (OVI)	Achievement on the Indicator																																												
OVI-1: Increased rate of development resources allocation to key priority areas of Malawi Growth and Development Strategy 2 (MGDS2) (Alternative indicator) Projects due for completion but requiring an extension not more than 15% (every year)	Ditto																																												
OVI 2: Rate of development budget implementation	<table border="1"> <thead> <tr> <th>Part 1</th> <th colspan="3">mil. MK</th> </tr> <tr> <th></th> <th>Approved</th> <th>Revised</th> <th>Outturn</th> </tr> </thead> <tbody> <tr> <td>2012/13</td> <td>TTT8,273</td> <td>TTT9,184</td> <td>TTT2,416</td> </tr> <tr> <td></td> <td>100%</td> <td>155%</td> <td>189%</td> </tr> <tr> <td>2013/14</td> <td>TTT27,581</td> <td>TTT30,565</td> <td>TTT0,565</td> </tr> <tr> <td></td> <td>100%</td> <td>63%</td> <td>63%</td> </tr> <tr> <th>Part 2</th> <th>Approved</th> <th>Revised</th> <th>Outturn</th> </tr> <tr> <td>2012/13</td> <td>TTT7,950</td> <td>TTT7,989</td> <td>TTT1,547</td> </tr> <tr> <td></td> <td>100%</td> <td>100%</td> <td>83%</td> </tr> <tr> <td>2013/14</td> <td>TTT9,048</td> <td>TTT9,659</td> <td>TTT9,659</td> </tr> <tr> <td></td> <td>100%</td> <td>40%</td> <td>40%</td> </tr> </tbody> </table> <p>Source) Budget Division Data (2014)</p>	Part 1	mil. MK				Approved	Revised	Outturn	2012/13	TTT8,273	TTT9,184	TTT2,416		100%	155%	189%	2013/14	TTT27,581	TTT30,565	TTT0,565		100%	63%	63%	Part 2	Approved	Revised	Outturn	2012/13	TTT7,950	TTT7,989	TTT1,547		100%	100%	83%	2013/14	TTT9,048	TTT9,659	TTT9,659		100%	40%	40%
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	100%	40%	40%																																										

(3) Recommendations

The recommendations from the Mid-Term Review are as follows:

1) Strengthening Strategic Partnership

In order to ensure that the project efficiently achieve its objectives and targets, it is critical to strengthen the strategic partnership with the below organizations: (i) Budget Division. (ii) Debt and Aid Management Division. (iii) M&E Division, (iv) Performance Enforcement Department, OPC, (v) Accountant General Department, (vi) Central Internal Audit Unit, (vii) National Audit Office.

For example, as the PSIP Unit currently engages with the Budget Division, similar arrangements could be considered with the Accountant General Department, the National Audit Office and the Central Internal Audit Unit for data sharing and quality improvement.

2) Strengthening Compliance of PSIP Process

The project aims to efficiently manage the PSIP annual activities and to effectively appraise the PSIP proposals in a desired manner. The important actions in PSIP compliance by MDAs include; (i) timely submission of PSIP project proposals, (ii) attendance at ministerial meeting for PSIP and quarterly monitoring reports, and (iii) providing comprehensive and correct project information for PSIP.

In order to enforce the PSIP compliance, the following actions are recommended.

- (i) The project tries to support C/Ps in providing the legal status of PSIP either by amending existing laws and regulations on PFM or creating new ones for the PSIP. This would strengthen compliance to set processes and procedures by stakeholders in the PSIP system.
- (ii) The project considers to introduce a penalty on a non-compliance by MDAs in PSIP process.
- (iii) The project encourages effective communication to establish a stronger mutual trust between PSIP Unit and MDAs.

3) Strategizing for effective allocation of Development Budget

Given the uncertainty of the future economic and financial perspectives under the circumstances in Malawi, a major interest of the MDAs is how to secure the funding for development projects. The PSIP Unit will also share the concerns with the MDAs.

The mid-term review mission has observed the ongoing measures such as (i) to limit the application of new projects, (ii) to prioritize the ongoing projects on the list, and (iii) to consider the relative importance of the project. These efforts could be refined in a more systematic manner.

The MDAs will need to strategize for obtaining the development budget from limited “pie”. The PSIP Unit needs to guide the MDAs to prioritize the projects in order to accelerate the realization of the results from the investment. The PSIP Unit will also need to refine the transparent criteria for screening project proposals, and to guide and motivate the MDAs for the effective budget planning.

4) Facilitating Enhancement of Project Costing, Accounting and M&E Capacity

The project effectiveness will be substantially improved if weaknesses at MDAs in project management are addressed. Most MDAs do not systematically manage the projects while a few have well developed project management systems. The lack of these systems affect the timeliness and quality of PSIP data obtained from MDAs. MDAs will further need to be guided on pre-screening and prioritization of proposed projects in order to improve the quality of their submission and ease the workload of the PSIP Unit at the Department of Economic Planning and Development. It is therefore recommended that the Project start discussions with the relevant organizations such as the Accountant General Department, Central Internal Audit Unit, National Audit Office, the Performance Enforcement Department, and others to facilitate the enhancement of project management system and capacity at MDA level, particularly project costing, project accounting and M&E of projects.

5) Securing and Strengthening IT staff

The PSIP Unit needs to be served with a well qualified IT team of not less than two members.

The operation and maintenance of the PSIP Database will be a critical factor for a sustained operation. Given the uncertainty to secure a quality IT staff that can manage the operation, it is strongly desired that (i) MFEPD secure two IT staff for the operation and maintenance of the PSIP Database, and (ii) the necessary capacity building and the training of such staff be provided.

6) Linkage of PSIP Database with IFMIS and AMP

As PSIP intensifies appraisal of on-going projects based on the performance, it has become clearer that PSIP Database is primarily in need of reliable on-budget financial information, which consists of the approved budget, funding budget, and expenditure of each project. This can be obtained by linking PSIP Database to IFMIS. Although it is only after securing the on-budget information that PSIP could consider obtaining reliable off budget information. Thus, it is proposed that the sequencing of the linkage from PSIP Database should be realised firstly with IFMIS and then with AMP. Although IFMIS improvement policy is currently not yet known, this sequencing policy shall stand and the Project shall first seek to link with IFMIS.

4.1.4. Training in Japan and third countries

(1) Training in Japan (IT Security Training in PSIP)

IT Security Training for IT officers was planned and implemented in Japan. The objective of the training was to strengthen the security management of PSIP Database through the improvement of technical capacity of PSIP Unit IT officers. The outline of the training is shown in the table below.

Table 22: Outline of Training in Japan “IT Security Training for PSIP”

Period	From 19 th to 28 th January 2015 (The moving date is excluded)
Participants	5 IT Officers (4 officers from EP&D, and 1 from e-Government)
Venue	Kyoto Computer Gakuin
Training Contents	<p>(1) Information Security (2) Hacking Attack (3) Secure Coding (4) Server Security</p> <p><lecture> Linux Command, challenge and issues in Information Security, measures against security vulnerability, threat and risk related to institutional structure, rule for secure coding, concept of Information Security Management System (ISMS)</p> <p><Practice> Hacking Practice in Linux, Security Setting in Windows, Secure Coding using PHP</p>

The participants summarized their achievements into training reports. They utilized knowledge and skills obtained for PSIP Database Program revision and contributed to the improvement of PSIP Database security.

(2) Third Country Training

During the period between 2014 and 2015, CEPSIP II assisted in conducting three third country trainings as follows.

(i) Project Appraisal Course in Tanzania

The objectives of the training were: 1) to gain knowledge and skills in the project cycle management starting from project formulation to monitoring and evaluation, with the focus on project appraisal; 2) to apply what the trainees learnt to the routine work of PSIP and to the revision of PSIP Preparation Handbook and Appraisal Manual. The outline of the training is as follows. The Project Appraisal Course is a tailor-made training programme designed and implemented by Eastern and Southern African Management Institute (ESAMI) in Tanzania, which was utilized by the Project.

Table 23: Outline of Training “Project Appraisal Course”

Period	From 8 th to 19 th September 2014 (The moving date is excluded)
Participants	4 PSIP Desk Officer (3 Economists and 1 Chief Economists)
Country	Tanzania
Implementing Agency	ESAMI

Training Contents	<ol style="list-style-type: none"> (1) Project Design, Logical Framework and Project Formulation (2) Appraisal of Development Projects, Developing indicators and Project Appraisal Techniques (3) Methods of Data Collection and Analysis (4) Developing Monitoring Plan and Monitoring Techniques (5) Public Private Partnership (PPP) Concept and Appraisal of PPP Projects (6) Review of Appraisal Instruments and Making Action Plan
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In the training, the participants virtually experienced the project formulation processes, such as sequencing and scheduling of project activities and budgeting for each project activity. This experience made them realise how important it is to check whether project proposals submitted by MDAs are realistic and feasible. This was a very fruitful learning for PSIP Desk officers to guide MDAs on proposal formulation. Some of their suggestions were included into PSIP Preparation Handbook and Appraisal Manual. These suggestions included 1) to add logframe to all project proposals and 2) to add the viewpoint of sustainability into the Project Appraisal.

(ii) PPP Project Course

The objectives of the training were: 1) to improve basic capacity of PSIP Desk officers to facilitate identification, analysis, development and management of PPP projects, which will be included into PSIP; 2) and to widen their knowledge in best practice on managing PPP projects. The outline of the training is as follows. PPP course is one of the training programmes implemented by ESAMI every year.

Table 24: Outline of Training “PPP Project Course”

Period	From 20 th to 24 th October 2014 (The moving date is excluded)
Participants	3 PSIP Desk Officers (Deputy Director and 2 Chief Economists)
Country	Kenya
Implementing Agency	ESAMI
Training Contents	<ol style="list-style-type: none"> (1) PPP Policy and Legal Framework (2) Prerequisites for Establishing the PPP Units and the role of PPP Units (3) Understanding PPPs from Strategic Context (4) Evaluating, Selecting and Managing PPP Projects (5) Strategies for Promoting PPP Projects

After the training, the participants¹¹ suggested the establishment of project development fund to finance

¹¹ One of the participants selected a candidate for PPP projects from the existing PSIP projects to be published in Malawi Investment Projects Compendium 2014. He had experience to make PPP project outline. With his contribution, their action plan became more concrete.

preliminary studies of proposed PPP projects, and the necessity of the development of ready-to-use templates for PPP project profiling, and of the project preparation guidelines. In Malawi, PPP project formulation and implementation need to be operated through the discussion with the Public Private Partnership Commission (PPPC) and the Treasury, so it was difficult to put their ideas and suggestions into practice immediately. However, the training, which covers the objectives, advantages and methodology of PPP and requirements to lead the PPP success, provided necessary knowledge to participants to contribute to the promotion of PPP project formulation.

(iii) Project Appraisal Techniques course

The objective of the training was determined in order to conduct more effective and efficient PSIP project appraisal. Those are: 1) to make the participants acquire advanced knowledge and skills necessary for project appraisal, and 2) to improve their strategic thinking and decision making when managing the PSIP projects and challenging various development issues. The outline of the training is as follows. The Project Appraisal Course is a tailor-made training programme designed and implemented by Institute of Rural Development Planning Lake Zone Centre (IRDP-LZC)

Table 25: Outline of Training “Project Appraisal Techniques Course”

Period	From 9 th to 20 th September 2015 (The moving date is excluded)
Participants	2 Desk Officers in PSIP (Deputy Director and Chief Economist)
Country	Tanzania
Implementing Agency	IRDP-LZC
Training Contents	<ul style="list-style-type: none"> (1) Project Planning, Managing Project Cycle Sequences and Logical Framework (2) Concepts of Project Appraisal, Process and Principles of Project Appraisal, Project Appraisal Action Plans (3) Criteria and Techniques of Project Appraisal (4) Project Cash Flow Analysis, Cost-Effectiveness Analysis (5) Project Appraisal Methods and Sector Analysis (6) Writing Project Appraisal Reports (7) Field Work

In the training report and action plans prepared by the participants, their findings, its application to their work and activity plans were explained clearly and specifically. For example, from what point of view they should review the PSIP Appraisal Manual to identify its weak points, and un-tackled appraisal elements were suggested with specific and various key review questions. Their suggestions contributed the modification of PSIP Appraisal Manual for its improvement.

4.1.5. Monitoring PSIP Process

PSIP Preparation Handbook, which was revised during FY2013/14 and approved in October 2014, contained revised PSIP Working Calendar. In the calendar, 8 PSIP working steps were added totalling 38 in an annual process of PSIP. The following table divided working steps into four quarters to summarise PSIP process monitoring results. Based on this monitoring results, PSIP Working Calendar was updated to be more realistic, which led to propose revised PSIP process for the coming years.

Table 26: PSIP Working Process Monitoring and Results (FY 2014/15)

Period	Process Summary	Actual
1 st Quarter: Jul – Sep 2014	<u>July:</u> <ul style="list-style-type: none"> ■ Compilation of Approved Budget (after Cabinet approval in June) 	<ul style="list-style-type: none"> ● General election was held in May ● Some MDAs were abolished and merged in June ● FY2014/15 Budget was approved in September, so it was started with Provisional Budget. ● Approved Budget Document was not printed as of December, 2014.
	<u>August:</u> <ul style="list-style-type: none"> ■ Consolidation of all quarterly progress report of the previous FY for meeting and reporting, preparation of Annual progress report, holding PSIP Review meeting, and updating Donor projects information in PSIP Database 	<ul style="list-style-type: none"> ● No quarterly report was submitted and compiled. PSIP Seminar was not organized in August. No donor projects information was obtained.
	<u>September:</u> <ul style="list-style-type: none"> ■ PSIP Circular No.1 ■ PSIP Orientation Workshop 	<ul style="list-style-type: none"> ● Due to above mentioned events, PSIP Circular No.1 was sent in October. PSIP Orientation was held together with PSIP Review Workshop in November.
2 nd Quarter Oct – Dec 2014	<u>October:</u> <ul style="list-style-type: none"> ■ Submission of PSIP proposals, and collection as well as compilation of 1st Quarterly progress reports for meeting and reporting 	<ul style="list-style-type: none"> ● Submission deadline was set in November. 14 MDAs (23% of total Vote) met the deadline. Quarterly Progress Reports were not directly collected but progress information was gathered.
	<u>November:</u> <ul style="list-style-type: none"> ■ Initial appraisal of submitted PSIP proposals. ■ Ministerial meetings 	<ul style="list-style-type: none"> ● PSIP appraisal was not done in November but after the Ministerial meetings.
	<u>December:</u>	<ul style="list-style-type: none"> ● Ministerial meetings continued till

Period	Process Summary	Actual
	<ul style="list-style-type: none"> ■ Ministerial meetings 	January 2015
3 rd Quarter Jan –Mar 2015	<u>January:</u> <ul style="list-style-type: none"> ■ Final Appraisal and reporting its results to PSIP Committee. ■ Meeting with BD and feedback to MDAs for appraisal results. ■ Collection and compilation of 2nd Quarterly Progress Reports for meeting and reporting. 	<ul style="list-style-type: none"> ● Final appraisal was conducted until 20 February. The results were reported to EP&D management. ● Consultation with BD was frequent. ● No feedback to MDAs. ● A few MDAs submitted Quarterly Progress Reports but compilation was not done.
	<u>February:</u> <ul style="list-style-type: none"> ■ Budget framework and indicative ceiling 	<ul style="list-style-type: none"> ● None of them were set until May 2015.
	<u>March:</u> <ul style="list-style-type: none"> ■ Budget hearing and Final Budget ceiling ■ PS meeting ■ Preparation of Cabinet paper 	<ul style="list-style-type: none"> ● Budget hearing was conducted as planned by BD but ceiling was not set. No PS meeting was organized while Cabinet paper was prepared in May.
4 th Quarter Apr – Jun 2015	<u>April:</u> <ul style="list-style-type: none"> ■ Collection and compilation of 3rd Quarterly Progress Reports for meeting and reporting ■ PSIP approval by the Cabinet. 	<ul style="list-style-type: none"> ● Quarterly Progress Reports were not collected and compiled. How PSIP was approved by the Cabinet was unknown.
	<u>May:</u> <ul style="list-style-type: none"> ■ Submission of Draft PSIP to the Cabinet ■ Printing Budget Document 	<ul style="list-style-type: none"> ● Draft PSIP was prepared. Budget Document was printed as scheduled.
	<u>June:</u> <ul style="list-style-type: none"> ■ Budget approval by the Parliament. 	<ul style="list-style-type: none"> ● Budget was approved as scheduled.

4.2. Output 1: activities and achievements (June 2014 – June 2015)

During this period (June 2014 – June 2015), the activities [1-1] - [1-4] shown below for Output 1 were conducted. It was reviewed how the PSIP Tools of the previous period were utilized in operation. The items for improvement were identified and reflected into revised versions of each tool.

【Output 1】 Database and Manuals/Handbook for PSIP are improved (especially for an appraisal of on-going projects considering their past implementation performance)	
No	Activities
【1-1】	To review the utilization of Database and Manuals/Handbook for PSIP and identify issues for further improvement of PSIP.

【1-2】	To obtain feedbacks by users of Database, Manuals/Handbook for PSIP and other issues through workshops and interviews.
【1-3】	To reflect the feedbacks obtained in 1-2 to Database (especially for an appraisal of on-going projects considering their past performance).
【1-4】	To reflect the feedbacks obtained in 1-2 and 2-2 to Manuals/Handbook and process for PSIP (especially for an appraisal of on-going projects considering their past performance).

4.2.1. PSIP Database

Development of PSIP Database ver.2.0 was supposed to start from June 2014, just after obtaining the feedbacks from PSIP Desk officers in PSIP Database Prototype Review Meeting. However, because of strong request from PSIP Unit, CEPSIP II decided that PSIP Database to be improved earlier for the FY2015/16 PSIP cycle, and released PSIP Database ver.1.5 in September 2014 prior to PSIP Database ver.2.0. The major issues tackled with PSIP Database Ver.1.5 were as follows.

- (i) PSIP Word Template was too free and flexible in accepting any type of editing. As a result, the format was broken in the template, and the date and amount of money were described with various invalid formats. This became serious obstacles to enhance data precision even though using template loader program
- (ii) Word version Template Loader program became too complex to be maintained, as the data position was identified by analysing its document structure and context.
- (iii) Database users should enter all the data into blank PSIP Word Ongoing Templates every year even though those data were already submitted previous years and stored in the database. Because of this, users' workload was huge and many data input errors were occurred.

In addition to the above-mentioned issues, the following issues related to database maintainability and security were tackled.

- (iv) The structure of PSIP Office Local Area Network (LAN) had a problem as it was heavily affected by GWAN (Government Wide Area Network) condition. Once GWAN faced a problem, PSIP officers were unable to use not only PSIP Database but also printers in the office. Additionally, as a method to access PSIP Database, IP address (<http://10.1.104.16>) had to be used via GWAN, and name (<http://psip.malawi.gov.mw>) had to be used via internet. This tended to cause the confusion among PSIP Officers.
- (v) The support period of Windows 7 Home Ultimate and Windows server 2003, which were used for Web server and database server for existing PSIP Database respectively, were expired within 2015. This was a huge risk in terms of maintainability and security for PSIP Database. In addition, the UPS connected to the server did not have the function of informing the server that a power failure had occurred. So, there was possibility that the server would be damaged in case if the power could not be

supplied from the UPS due to a long-time blackout.

The Table below indicates the PSIP Database Ver.1.5 development, maintenance and security measures taken to tackle the issues above.

Table 27: Development and Measures Taken in PSIP Database ver.1.5 from June 2014 to June 2015

PSIP Database Development (Ver.1.5)	Output	
	Program	Document and Manual
<ul style="list-style-type: none"> ➤ <u>Issue (i)</u>: Development of PSIP Excel Proposal Template ➤ <u>Issue (ii)</u>: Development of Template Loader Program ➤ <u>Issue (iii)</u>: Development of Template Generator Program ➤ Development of Database ver.1.5 Specification and Development 	<ul style="list-style-type: none"> ➤ PSIP Excel Proposal Template for FY2015/16 ➤ Template Loader Program (Ver.1.5) ➤ Template Generator Program (Ver.1.5) ➤ PSIP Database Program (Ver.1.5) 	<ul style="list-style-type: none"> ➤ Template User Manual (Ver.1.5) ➤ Template Development Manual (Ver.1.5) ➤ Template Loader Utility User Manual (Ver.1.5) ➤ PSIP Database Ver.1.5 Detail Specification of Database Schema
Measures to improve database maintainability and security	Program	Document and Manual
<ul style="list-style-type: none"> ➤ <u>Issue (iv)</u> : Reestablishment of PSIP LAN in PSIP Unit ➤ <u>Issue (v)</u> : Procurement and Set-up of Server machine and UPS for PSIP Database Ver.1.5 		Server Setup Manual (Common for all Version)

*As PSIP Database Ver.1.5 was utilized only for FY2015/16, only manuals for template and template loader to be continuously utilized in the following years were developed.

As a result of the development, the following points were improved.

Table 28: Points to be Improved by PSIP Database Improvement (Ver.1.5) from June 2014 to June 2015

Action taken for each issue	Points to be improved
<u>Issue (i)</u> Development of PSIP Excel Proposal Template	<ul style="list-style-type: none"> ✓ Taking advantage of formula and macro functions in Excel, PSIP Excel Proposal Template was developed with automatic calculation and error check functions. As a result, input errors and missing information were significantly reduced. ✓ The number of errors in each field got clearly visualized in case

Action taken for each issue	Points to be improved
	<p>compulsory fields were left blank, so that the users filled in the mandatory information for appraisal and report output.</p> <p>✓ The data precision was improved by limiting the type of data to be entered in each field in Excel Template. For example, the template restricts data input for financial outlay fields, which allows only numeric data to be entered.</p>
<p><u>Issue (ii)</u> Development of Template Loader Program</p>	<p>By reading the Excel file directly, every data field can be identified by the label name, and this made the Excel data fields correspond to the data fields in the database. Additionally, data format and consistency checking in the Excel template dramatically reduced the coding volume for Template Loader Program. Consequently, coding and program maintenance became easier.</p>
<p><u>Issue (iii)</u> Development of Template Generator Program</p>	<p>Development of Template Generator program enabled On-Going project templates to be automatically generated with pre-filled data registered in the database. By distributing pre-filled templates for all On-Going projects in advance, user's workload for data input was reduced tremendously.</p>
<p><u>Issue (iv)</u> Reestablishment of PSIP LAN in PSIP Unit</p>	<p>✓ A small-scale LAN covering the PSIP office was established so that the troubles occurred in GWAN would not affect office network. After this change, PSIP officers became able to use servers and printers in the office even when GWAN stopped.</p> <p>✓ Alternative path for connecting to the Internet was configured by utilizing a router. After this change, PSIP officers became able to connect the internet, by switching the path when GWAN stopped.</p> <p>✓ CEPSIP II proposed to GWAN office about improvement of access method to PSIP Database, now the name (http://psip.malawi.gov.mw) can be used both via internet and GWAN</p>
<p><u>Issue (v)</u> Procurement and Set-up of Server machine and UPS for PSIP Database Ver.1.5</p>	<p>CEPSIP II procured new server machine and UPSs and changed Operating System (OS) from Windows Server to Linux, and completed the full migration of the system to the new server. As a result, stability, maintainability and security of the PSIP Database were improved.</p>

After development and release of PSIP Database Ver.1.5, CEPSIP II revised Requirement Definition Document (Ver.2.0), Basic Specification (Ver.2.0) and Detailed Specification (Ver.2.0), and started the development of PSIP Database ver.2.0.

4.2.2. PSIP Preparation Handbook

According to the hearing result from 14 MDAs from August to September 2014, MDA's key concern for

PSIP was to learn on what and how to write in PSIP template. Even though some were invited to PSIP Orientation opportunities, the number of participants was limited. The benefit of training seemed not to be extended enough to other MDA colleagues as expected. Many colleagues still did not have PSIP Preparation Handbook. All these issues resulted in inadequate common understanding of required project information in PSIP template.

PSIP Preparation Handbook (October 2014) was endorsed by MEPD management meeting. The targeted users were MDAs so the PSIP process in the calendar was revised with focus on MDA's related steps. In the main document, PSIP Preparation Handbook added more explanation on PSIP role and key definitions or concepts such as programme. The Handbook also included a newly introduced PSIP template in Excel format for the first time. It also contained various new attachments to prepare logframe and costing matrix, while appraisal criteria were shared. Logframe by then was just an explanatory sheet to be a reference for MDAs to plan a project logically and well structured. Costing matrix was a newly prepared independent form by then, to use activities as costing units and cumulated amounts of activity costs to become the total cost of the project, and it is used to show its financial rationale. Appraisal criteria were shared with MDAs so that they would be aware of how and what of proposed projects would be appraised by PSIP and their quality of a project proposal would be improved. These new forms were also distributed to MDAs during PSIP Orientation Workshop in November 2014. Also prepared and distributed was the user manual for PSIP template preparation.

PSIP Preparation Handbook (October 2014) was utilized for preparation of PSIP proposal for FY 2015/16. Reviewing the process of this trial, the meeting was organized on 27 and 28 March 2015 for further revision of the Handbook, and revision work continued intermittently.

4.2.3. PSIP Appraisal Manual

Concerning PSIP Appraisal Manual for improvement, PSIP Unit held a review meeting on 13th and 14th August 2014, and then, DD/PSIP Unit organised Finalization Workshop on 6th October 2014. After adding new items such as classification of PSIP DB users, description of appraisal purpose and methods, project appraisal matrices, and the formats for appraisal report to the Appraisal Manual (2014 March version), the revised PSIP Appraisal Manual was completed in October 2014.

The users for the revised Manual was exclusively limited to EP&D. Nevertheless, it was believed effective to share appraisal criteria with MDAs in proposal writing to meet appraisal requirements if appraisal criteria are publicized to MDAs. Therefore, PSIP Preparation Handbook attached the appraisal rating matrices (without rating details). That was why PSIP Orientation held in November 2014 included the explanation of appraisal items to MDAs in the session of PSIP Preparation Handbook.

PSIP Appraisal Manual (October 2014) was used in appraisal of the projects requested for FY2015/16 PSIP. The format for Ministerial Meeting record, final appraisal result format for decision making, and DAC 5 criteria were utilized. Newly introduced appraisal methods with the purpose and the appraisal rating

matrices were used in the appraisal process from January to February 2015. This was the second time to use the appraisal rating matrices.

Based on the appraisal experience for the past two cycles using appraisal rating matrices and Project appraisal techniques learnt from the third country training in Tanzania (March 2015), the PSIP Appraisal Manual was revised in the review workshop with PSIP Unit on 24 June 2015. The discussion points were as follows:

- (i) Individual guidance to MDAs is still needed since the quality of project information seems not yet good enough.
- (ii) Feedback of appraisal results to MDAs was not done. Initial appraisal was supposed to be conducted before ministerial meetings so that missing information of a project had been identified and requested at the meeting properly.
- (iii) New project proposals should be requested throughout the year so as not to be late for submission deadline. Submission of quarterly progress reports are supposed to be urged as on-going projects could be appraised if these reports were submitted.
- (iv) PSIP policy is necessary.
- (v) There needed actions to address the issues such as ‘budget allocation without reflecting appraisal results or performance information’, ‘fund not allocated following the approved budget’, and ‘budget request for donor-led projects without proposals to PSIP’.
- (vi) Collaboration with DAD is necessary since many donor-led projects did not pass through PSIP process.

For the issue of project information, the review workshop on 24 June 2015 dealt with good/ bad cases of proposed projects found in appraisal process.

4.3. Output 2: activities and achievements (June 2014 – June 2015)

During this period (June 2014 -June 2015), the activities [2-1] - [2-8] shown below for Output 2 were conducted. Firstly, Public Finance and Economic Management Reform and Donor activities were analysed in relation to PSIP activities. Secondly, PSIP process on MDA side was reviewed to propose, implement and validate optimized PSIP process. Thirdly, PSIP’s role and its framework to set outputs and indicators was studied with similar setting of these in budget documents to propose and validate improvement measures. Fourthly, the coordination between PSIP Unit and BD was enhanced.

【Output 2】 The process of PSIP is further harmonized with the planning and budget processes of relevant ministries and the Budget Division.	
No	Activities
【2-1】	To review the current public financial and economic reform policies, programmes and activities.
【2-2】	To review the process of PSIP in line ministries.
【2-3】	To propose necessary measures to optimize the process identified in 2-2 (e.g., Feedbacks for line ministries and PSIP review meeting, etc.).
【2-4】	To put into practice the proposals identified in 2-3 for validation.
【2-5】	To review the appropriateness of the output indicators in PSIP and Budget Document and the mechanism to generate and report them.
【2-6】	To propose necessary measures to improve the issues identified in 2-5 (e.g., effective consultations and modification of the mechanism).
【2-7】	To put into practice the proposals identified in 2-6 for validation.
【2-8】	To enhance dialogue for effective coordination mechanism between PSIP Unit and Budget Division.

4.3.1. Review of Public Financial and Economic Management- Reform Programme

Since the supporting period of PFEM-RP was ending in 2014, MFEPD requested IMF for Technical Assistance to formulate successor programme. No concrete programme was prepared as of 17 November 2014, while IMF conducted situation analysis and indicated priority issues such as accounting and internal audit.

Instead, Public Sector Reform Programme, launched on 11th February 2015, had action plans on IFMIS, Internal Audit and GWAN, which was followed by the launch of the Public Finance Management Reform Programme (PFMRP) on 10 April 2015. PFMRP indicated actions to be taken by June 2016 from four result areas, namely, ‘Treasury and Cash Management’, ‘Compliance and Control’, ‘Accounting and Internal Auditing’ and ‘Scrutiny and Auditing’.

The following table is a review summary of activities related to CEPSIP II.

Table 29: Summary of Review of Related Activities having reference to CEPSIP II

a)	IFMIS	Integration between PSIP Database and IFMIS promised to be discussed in IFMIS Improvement Committee where CEPSIP II attended. As for IFMIS improvement, it was required to upgrade Software and to address the security issue. In February 2015, IFMIS indicated its plan to purchase a new package of Enterprise Resource Planning, which was agreed by FROIP assistance.
b)	GWAN	USAID assistance was extended to build the network cable to Government institutions, and the procurement of network switches. Stability of GWAN would be expected after February 2015.

c)	AMP	CEPSIP II with Development Gateway which was improving AMP through DAD. AMP was also believed that further improvement was necessary to integrate with other systems.
d)	Development Cooperation Strategy (DCS)	DCS is the document defined how development cooperation to Malawi should be, and its documentation was supported by UNDP-DEAP. CEPSIP II claimed that donor led projects should also follow PSIP process, and it was reflected in the DCS. PSIP Calendar also became a part of DCS's work plan.
e)	PBB	UNDP-DEAP succeeded its PBB supporting role from IMF. 3 pilot MDAs prepared PBB for FY2014/15. CEPSIP II had a meeting with Director of BD (20 November 2014) and a meeting with a PBB consultant (23 April 2015) to discuss PSIP's position in PBB. It was confirmed that PSIP role would become more important in PBB.
f)	M&E	UNDP-DEAP assisted in M&E for MGDS II through establishing Integrated Performance Management Information System (IPMIS). CEPSIP II participated in the stakeholders' meetings in August and November 2014. Since PSIP plays monitoring role for individual projects, there was a need to discuss what was the target of IPMIS and if it includes project level or not.
g)	Accounting Manual	FROIP assisted in Accounting Manual revision. CEPSIP II supported AGD by providing inputs to its Draft Chapter 14 which deals with Project Accounting.

4.3.2. PSIP process optimization

As discussed in Technical Report 1, inadequate quality project information provided by PSIP template was an issue. It was assumed that there were operational issues in project planning process and ongoing project management process. CEPSIP II, therefore, visited 15 MDAs from August to September 2014 and found a variety of project management styles and identified problems in project management. Possible actions to resolve these problems from PSIP Unit side were considered, and costing information was focused on as it tended to be inadequate. CEPSIP II developed and introduced an automated 'Costing Matrix' which requires strong logical structure of the plan. This individual sheet was expected to improve MDAs' PSIP process at planning stage.

On the other hand, this visit to MDAs revealed that most of the project status kept in the PSIP Database was not accurate. The interview with the Ministry of Health indicated that the project status could be more in number than what PSIP Unit assumed. At the same time, it was found that the project status in the PSIP Database was never reviewed and renewed after the submission by MDAs. (For example, a certain project was shown as Ongoing, when in fact it had never been funded for some years and was forced to be pending.) If the actual project status is not known from the Database, it will not be instrumental for the formulation of the coming FY. Therefore, it was found necessary to enable PSIP Database to manage project status every year.

As a follow-up to visiting 15 MDAs, CEPSIP II attempted to conduct Hands-on Guidance for project planning at 6 selected MDAs (namely, Agriculture, Transport, Environment, Education, Health, and Lands

and Housing) to address issues observed in planning from November to December 2014.

Partly because several new important measures were put into action, proposal submission by deadline (28 November 2014) was met by 14 MDAs while the previous submission deadline (25 October 2013) was hardly met. Although incomplete submission of supporting documents which were newly required for this time was observed, almost all MDAs used proper template for submission unlike before.

While reviewing PSIP process at MDAs, CEPSIP II identified three related government institutions (namely, AGD, NAO, CIAU) who would contribute to the strengthening of project management of MDAs. Collaboration with PSIP Unit was encouraged since improvement of project management will help grasp accurate project performance and will ensure the production of quality project information. It is only after PSIP Database is filled with such quality project information that PSIP can be managed properly. In this sense, above 3 government institutions have roles to play for the improvement of individual project management at MDAs as well as PSIP improvement. The figure below illustrates their roles for PSIP.

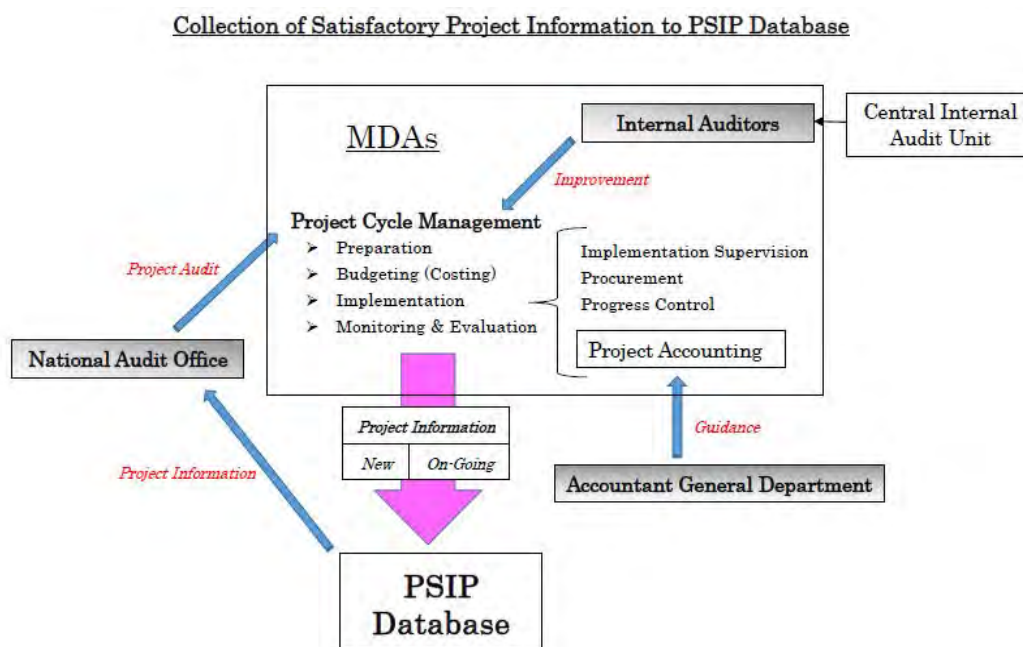


Figure 3: Three Collaborative Institutions and Their Roles for PSIP Improvement

The result of the analysis of project management indicates that expenditure information was rarely sorted by project, which was supposed to be reported to PSIP Unit and BD. To address this issue, CEPSIP II in consultation with 3 government institutions prepared a special financial sheet called ‘Project Financial Management Information Tool’ (PFM-IT) using Excel automated calculation for project accounting. CEPSIP II organized a workshop and two MDAs (Departments of Agriculture and Tourism) who agreed to test PFM-IT for their projects. PFM-IT had kept been revised when every feedback was obtained from project accountants from these MDAs. Confirming its usefulness, CEPSIP II partly engaged in the issues of individual project management at MDAs, which was beyond its scope.

Progress reports have been hardly submitted quarterly basis as required by MDAs. It was a Word format requiring a lot of writing, which might have contributed to the reluctance of MDAs' submission. Therefore, simplified and user friendly Excel format was developed. 'Project Quarterly Progress Report' form is simpler and necessary performance information, each output indicator and actual expenditure for each quarter, is shown in one page at a glance. Expenditure information for a project could be transferred from PFM-IT. PFM-IT as well as Project Quarterly Progress Report were designed not to be difficult to be prepared. Utilizing both tools are believed useful for project management. Project Quarterly Progress Report was tested by few projects under Agriculture Ministry to improve for dissemination.

Just as stated above, PSIP process issues found in the past two years have been addressed with solutions and they were tested.

4.3.3. PSIP and Budget document

Before reviewing appropriateness of output indicators in PSIP and Budget document, it was necessary to compare how outputs or indicators were set in them. Besides, it was necessary to refer to how output indicators were set by OPC and M&E Division. These different institutions required similar information from MDAs in various reporting formats. And MDAs wanted them to be integrated into one. CEPSIP II, therefore, decided to examine the possibility of coordinating output indicator reporting of these institutions as well. The following table is the summary of output indicators set by these institutions.

Table 30: Output Indicators Set by Different Institutions

Institutions	Outputs/ Output indicators and issues	Level setting
PSIP (template)	Outputs are set under a Project as its components. Indicators are set under each output. The issue of output indicators for PSIP is that if right selection of indicators can be done which might be very different between the infrastructure and service projects. Immediate and necessary action is to address issues concerning right setting of outputs and activities, before setting indicators.	Outputs and indicators are set within a project
BD (Budget Document)	Output Based Budget (OBB) has logical structure starting from 'Mission Statement' for each Vote, followed by 'Objectives and Strategies', which are satisfied by various 'Outcomes', which are produced by 'Outputs'. More than one project is supposed to contribute to one Output in this structure. Although recent budget documents tend to indicate output setting for project level but it is limited to write one indicator for one fiscal year and the way output is set varies among projects and Votes. It is therefore recommended to transfer PSIP template information (output indicators) to OBB document. On the other hand, the structure of outputs and output indicator	Outputs are set beyond project. Outcomes are set at Vote level. PBB would most likely set outputs as well as output indicators for each program.

	setting seems to be changed when PBB is introduced.	
OPC-OPA	OPC required MDAs to prepare and submit report for Organizational Performance Assessment (OPA). It is department basis of progress reporting for every quarter as similar to that of OBB. Projects belong to each department who owns them. Project progress information in a PSIP Quarterly Progress Report can therefore be used as materials to report organizational (departmental) performance.	Output is outside the Project. Outcome which is higher than the Output is that of the department.
M&E Division	M&E Division is responsible for evaluating National Development Plan of MGDS II. The Division is generally interested more in project Outcome information rather than Outputs even for a project. PSIP template added a work sheet to set Output indicators (which was not there before so that at least this information can be obtained from PSIP and other stakeholders can refer to PSIP Database for this information.	Evaluation for policy level is conducted. Outcome indicators are required more for their work but they also value output indicator results as a base for outcome.

4.3.4. Coordination between PSIP Unit and Budget Division

There were seven meetings held between PSIP Unit and BD from October to December 2014. Even before this period, communication between the two took in the form of letters, when it was a busy season for BD. BD actively attended ministerial meetings from December 2014 to January 2015 while PSIP Unit participated in Budget hearing with MDAs in March 2015. Discussion and coordination with BD was also made often to reflect BD's requirements on Project Quarterly Progress Report form.

4.4. Output 3: activities and achievements (June 2014 – June 2015)

During this period (June 2014 – June 2015), activities **[3-1]**-**[3-4]** shown below were conducted for Output 3. Based on the practical issues arising from operation of PSIP Tools, the training programme was prepared and conducted. Participants' evaluations of the training were collected to review the rationale of the training contents and the applied method after the programme.

【Output 3】 The capacity to use improved Database and Manuals/Handbook for PSIP is built in PSIP Unit and line ministries.	
No	Activities
[3-1]	To identify the training needs and institutional issues for PSIP in PSIP Unit and line ministries.
[3-2]	To prepare a training programme on the improved Database and Manuals/Handbook and the process for PSIP.
[3-3]	To implement the training programme prepared in 3-2.
[3-4]	To evaluate the results of training and create feedbacks to trainings and operation for PSIP.
[3-5]	To evaluate the overall results of training by the Project and develop an action plan on capacity development in future.

4.4.1. MDAs – practical issues, training programme and implementation

PSIP work at MDAs is not only dealt with by Planning Division. Administration Division, especially accounting section, takes care of expenditure information for reporting, while Technical Departments implement projects and capture their progress information for reporting. Filling of PSIP template for proposal as well as progress reports is supposed to be collaborative work among these various units or departments. Therefore, it was required to include such groups when it came to organize training programme as practical approach.

Concerning project progress information, it was possible to capture total expenditure for a project. But for most projects expenditure was not managed by linking it to each activity. Hence, the detailed expenditure information by activity was not captured.

It was expected that internal auditors assigned to MDAs from CIAU have a role to assess and to advise on project management issues internally. NAO, on the other hand, conducts project audit to comprehend same issues externally. MDAs were urged to understand that these institutions can also improve their project management in relation to PSIP work. This collaborative approach for project management improvement was expected to motivate and encourage MDAs. Just as discussed above (4.3.2), one of the measures to be taken in this aspect was to put project accounting in place in collaboration with these institutions.

A training programme for MDAs was supposed to be planned to tackle above issues. To begin with, preparation meetings to design the programme were organized as follows.

Table 31: Preparation Meetings for Training Programme for MDAs

Preparation meetings	Date	Summary
Presentation session of PSIP Preparation Handbook 2014 to EPD Management	17 October 2014	The latest updated version (October 2014) of PSIP Preparation Handbook was explained to EPD Management for endorsement and dissemination. It was approved on condition of reflecting the comments.
Preparation meeting for PSIP framework	17 October 2014	EPD's internal meeting to review PSIP implementation of the previous year, which resulted in a policy to prioritise the completion of ongoing projects.
Preparation meeting for PSIP Seminar and PSIP Orientation Workshop	31 October 2014	EPD's internal meeting to set PSIP Seminar's purpose and methods, and to confirm handouts' contents. PSIP proposal submission deadline was set on 28 th November 2014.

(1) Two events for MDAs training for PSIP

Based on the discussion in preparation meetings, two events were held in 2014 which included the contents of originally planned four events: (1) PSIP Seminar, (2) PSIP Review Workshop, (3) PSIP Circular No.1

Orientation Workshop, and (4) PSIP Database Seminar.

【Meeting】 PSIP Review for FY2013/14 and PSIP Orientation Workshop for FY2015/16	
【Date】 4~5 November 2014	【Venue】 Golden Peacock Hotel, Lilongwe
【Attendance】 90 (including EP&D- PS: Mr. Sitima-wina and 5 JICA Project Experts)	
【Program】	
Time	Session titles (Presenters)
Day 1	
09:00	1) Opening Session (EPD& JICA Project Team)
09:30	2) Presentation: PSIP FY2013/14 Performance and FY2014/15 Formulation (PSIP Unit)
10:45	3) Presentation: Review of FY2013/14 Development Budget and FY2014/15 Development Budget Formulation (BD)
11:30	4) Questions & Answers
13:00	5) Presentation: Circular 1, PSIP Guidelines and attachments for FY2015/16 PSIP Formulation (PSIP Unit)
13:30	6) Presentation: PSIP Preparation Handbook 2014 (JICA Project Team)
14:15	7) Presentation: PSIP Database Improvement (JICA Project Team)
14:45	8) Questions & Answers
15:45	9) Wrap-Up of Day 1
Day 2	
08:30	10) Presentation: PSIP template & the Template Manual (PSIP Unit & JICA Project Team)
09:30	11) Questions & Answers
10:45	12) Group Activities - Practice on PSIP template
13:30	13) Group Activities – Presentation and Discussion
15:30	14) Wrap-Up of Day 2
15:45	15) Closing Session
<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>Practice on PSIP template (1)</p> </div> <div style="text-align: center;">  <p>Practice on PSIP template (2)</p> </div> <div style="text-align: center;">  <p>EPD and JICA Project Team</p> </div> </div>	
【Contents】	
<ul style="list-style-type: none"> ■ In the opening session, Mr. Sitima-wina (PS, EP&D) stated that serious effort is made to improve PSIP under CEPSIP II arrangement while development budget is decreased due to revenue below target. JICA Project Team explained its activity plan and progress of CEPSIP II. 	

- PSIP Unit presented PSIP performance of FY2013/14 and preparation of FY2014/15. Identified issues were such as 39% actual funding toward approved budget (FY2013/14 Development Budget), arrears accumulation, lack of expenditure performance information, weak project management, and lack of monitoring information. The presentation extended to state new measures for coming PSIP process (for FY2015/16) which will be removal of inappropriate projects (recurrent in nature) and prioritization of projects under contractual engagement by improving appraisal process.
- BD presented development budget performance for FY2013/14 and budget preparation for FY2014/15. Approved development budget for FY2013/14 amounted to 49 billion Kwacha while actual was 19.6 billion Kwacha. Although development budget amount has kept increasing in recent years, the actual allocation would be restricted due to resource constraint by such as frozen donor assistance.
- Presentation on PSIP Guideline and PSIP Preparation Handbook are explained focusing on introduction of Excel-based PSIP template. It was requested that MDAs prioritise projects and attend Ministerial Meetings.
- PSIP Database upgrading was explained as a shift from current Ver.1.5 to Ver.2.0 with additional new features.
- In Q&A, some issues around PSIP definition, treatment of non-budgeted projects, and treatment of arrears were raised. It was agreed that PSIP template would capture unallocated budget as well as arrears more in details.
- In Day-2, a series of practical training sessions were held where MDAs participants use newly introduced PSIP template filling real information. The participants were guided and supported individually to be familiarised in using the template.

【Evaluation of the training and feedback for future training】

Introduction and familiarisation of Excel based PSIP template by practical training was set as primary objective of the Orientation Workshop. The participants of MDAs seemed understood required quality of project information by fulfilling the template, and felt confident in what to write and how to use the template (actual quality of submitted templates in later month was much better in than those of past years). This training method of practical session was decided to be continued in the future as well.

It was however understood that even this large-scale group training could only invite limited number of the participants. Besides, it will be planned to include project management as a training component which target wider departmental officials apart from Planning Division (such as technical departments and administrative division-accounting section). To make this possible, PSIP Orientation Workshop was planned to be held twice inviting half of MDAs for each workshop but more participants from each MDA in the coming years. Hands-on guidance (mentioned later) was a supplementary arrangement to extend further support to MDA officials who need support for PSIP work. This is an arrangement that a PSIP Unit Desk Officer visits and provides orientation to a MDA individually. This can access and benefit more people so that they can familiarise themselves with PSIP knowhow.

In this period, it was decided to hold a workshop for technical level first and then PSIP Seminar for Directors based on the request of DD. The PSIP Seminar was held as follows.

【Meeting】 PSIP Seminar

【Date】 7 November 2014

【Venue】 Golden Peacock Hotel, Lilongwe

【Attendance】 40 (including Mr. Sitima-wina: PS of EP&D, Mr. Shimoda: Deputy Resident Representative of JICA Malawi Office and another officer, and 5 JICA Project Experts)

【Program】

Time	Session title (Presenters)
09:00	1) Opening Session (JICA Malawi Office & EPD)
09:15	2) Update on upcoming activities (EPD)
09:30	3) Presentation: Review of FY2013/14 PSIP and Development Budget Performance and FY2014/15 Development Budget Formulation (PSIP Unit & BD)
10:30	4) Presentation: PSIP Preparation Handbook 2014 (JICA Project Team)
11:15	5) Presentation: PSIP Database Improvement (JICA Project Team)
11:45	6) Questions & Answers
13:30	7) Closing Session



【Contents】

- In the opening session, Mr. Shimoda explained the progress and importance of CEPSIP II work and expected EP&D's leading role for national development. Then, Mr. Sitima-wina (PS, EP&D) stated budget decrease due to an arrangement to clear cumulative arrears which causes number of new projects are limited to approve. However, he wished and emphasized to improve quality of project information including quarterly progress report.
- Subsequently, Mr. Sitima-wina announced in his presentation that consultation work for succeeding strategy after MGDS II would start after April 2015.
- Presentations by BD and JICA Project Team were same as above 'PSIP Review for FY2013/14 and PSIP Orientation Workshop for FY2015/16'.
- In Q&A session, the requests were made such as fulfilling Economist posts in MDAs to improve PSIP work, and centralized reporting with common format as there are various with different formats for similar information.

【Evaluation of the seminar and feedback for future event】

The methods, contents and handouts for the seminar was highly appreciated by the participants.

The lesson obtained from limited number of participants for the seminar was that event sequence should be reverted. This year was exceptional due to unusual national budget schedule, but to meet PSIP schedule, PSIP Review and Orientation Workshop for technical level was held earlier than PSIP Seminar for directors. PSIP Seminar is often attended by the officers of technical level on behalf of their respective directors. This year, once they had attended the PSIP Review and Orientation Workshop, in which contents are more fulfilling, they might have lost motivation to attend the PSIP Seminar. The number of participants for PSIP Seminar remained small.

From this experience, it was learnt that PSIP Seminar for director level should be held first so that directors will have general understanding of PSIP direction for the coming year. Then PSIP Orientation shall follow and it will be attended by technical level officers (even those who attended PSIP Seminar on behalf of directors, they still need to be technically oriented).

(2) Hands-on Guidance

As a follow-up of PSIP orientation, hands-on guidance was conducted when visiting 6 MDAs (Agriculture, Education, Health, Transport, Environment, Lands & Housing) for 16 times in total to support their preparation work on PSIP from 12 to 28 November 2014 (the deadline). Other guidance styles (i.e., MDAs visiting PSIP Unit office for consultation: 6 times, and advice over telephone: 15 times) were also observed. This was very technical orientation for modus operandi of PSIP template. Through this trial work, it was observed that each MDA has different condition for preparation work. Through Hands-on Guidance, MDAs were promoted to improve quality of project information especially on its logical structure and to meet submission deadline. Consequently, it was observed that not only new projects but on-going projects were revised and improved in their logical structure. Hands-on Guidance was appreciated and JCC-4 (2 December 2014) stated that the method would be continuously applied for the coming years.

4.4.2. PSIP Database—operational issues, training programme and implementation

(1) Technical Training for PSIP Database Development and Maintenance

The capacity level of PSIP Unit IT Officers were that they could not handle even minor correction of PSIP Database. CEPSIP II planned to improve their capacity in PSIP Database development and maintenance through the day-to-day OJT. PSIP Database was developed with the PSIP Unit IT officers together. At the same time, as shown in the table below, technical trainings for PSIP Database development and maintenance were planned and implemented for 29 times.

【Training Name】 Technical Training for PSIP Database Development and Maintenance	
【Period】 July 2014 – April 2015	【Venue】 PSIP Office
【Trainees】 4 PSIP Unit IT Officers (Mr. Brian Mchawi, Ms. Annie Malitoni, Ms. Shalom Ghambi, Mr. Gift Njoloma) 1 IT staff temporarily employed by CEPSIP II (Mr. Gresham Nhlane)	
【Training Contents】 <ul style="list-style-type: none"> ■ Linux OS ■ Web Design ■ MySQL ■ PHP (Symfony Framework included) ■ Web Application ■ New PSIP Excel Template Structure ■ Proposal Submission Steps ■ How to use New PSIP Template Loader ■ Issues and Points of PSIP Database Ver.2.0 design 	
【Evaluation and Feedbacks for the Training】 The training was conducted when all IT officers were available at PSIP office. With the day-to-day OJT, such as server setup and troubleshooting, synergistic effect was obtained for capacity enhancement.	

(2) Training for PSIP Database Utilization

As of 23rd February 2015, the completion rate of proposal data import into PSIP Database was only around 40%, and the data on the Database was not ready to be used for appraisal¹². This happened under circumstances where PSIP Desk Officers were checking proposal contents for FY2015/16, and IT Officers were uploading the “Checked¹³” proposal data to the database. The causes of this situation are:

- Desk officers were too cautious to determine the template data as "Checked", as the criteria for judging “checked” was not clear.
- Some Desk officers did not know (or forgot) the procedure from data checking to uploading.

On February 24th and 25th 2015, JICA Experts held training for the Desk Officers in order to reconfirm the procedures and to clarify what to be checked. As a result, the importing completion rate as of March 4th, was improved to 80%, and reached almost 100% on 15th March 2015.

¹² The appraisal had been done with PSIP Excel Template itself which was not yet uploaded to the database.

¹³ The data upload operation in 2015 was that Desk officers saved the template data under “Checked” Folder once they checked the contents, and IT officers uploaded the template data in “Checked” Folder into Database. This procedure as of 2017 is more simplified in terms of sustainability,

4.4.3. PSIP Unit – practical issues, training programme and implementation

As CEPSIP II was originally designed to strengthen and improve PSIP appraisal capacity, the two layer events (meeting and workshop) were organized to develop appraisal capacity and to appraise proposals in a form of OJT.

【Meeting】 PSIP Appraisal Preparation Workshop	
【Date】 26 ~ 30 January 2015	【Venue】 Wamkulu Palace
【Attendances】 EPD/ PSIP Unit	
【Purpose/ Work】	
<ul style="list-style-type: none"> ■ PSIP appraisal rating matrix was prepared, discussed and agreed checking information contents of all submitted projects. ■ Project information was requested for those MDAs once it was lacking and inadequate to meet the requirement. ■ Project appraisal scoring sheet was filled in per project using the agreed criteria. 	
【Meeting】 PSIP Appraisal Workshop	
【Date】 2 ~ 20 February 2015	【Venue】 Wamkulu Palace
【Attendances】 EPD/ PSIP Unit	
【Purpose/ Work】	
<ul style="list-style-type: none"> ■ The results of appraisal scoring and conclusion by each desk officer was discussed among PSIP Unit to prioritize and decide allocation for each project. ■ Discussion on the results with BD to share appraisal information in the process. 	
【Identified issues for improving PSIP project appraisal】	
<ul style="list-style-type: none"> ■ Feedback to MDAs to improve project information during appraisal ■ Conduct internal appraisal at MDAs before proposal submission ■ Collect quarter progress information ■ Collect contract information and decide a policy on how to cope with arrears if the projects are infrastructure type. ■ Capture donor project information and an amount of counterpart contribution by Malawian government 	
【Feedback after the Workshop】	
<p>The workshop adopted OJT style mostly, but it provided opportunities to revise and adjust appraisal methods and schedule through the work. The obtained lessons during the work were immediately reflected into the revised PSIP work process of appraisal.</p> <p>Utilizing the knowledge acquired from the training course on project appraisal in Tanzania, PSIP Unit led to form appraisal methods. It was recognized on the other hand that all PSIP Unit Desk Officers were supposed to acquire technical methods such as Economic/ Financial Analysis as PSIP template requires such information from MDAs.</p>	

5.1. Project Management: activities and achievements

5.1.1. Preparation and Submission of Project Progress Report (July 2015 –May2016)

The progress reports were compiled and submitted in December 2015 and May 2016.

5.1.2. Training in Japan

The training programme titled “Training on Public Sector Investment Programming and Performance Measurement” was conducted from 16 to 25 July 2015. The Malawian participants totalled 12 including Acting PS for EPD. The training period and its contents are shown below in the table.

Table 32: Training on Public Sector Investment Programming and Performance Measurement

Period	17 – 25 July 2015
Participants	12 high level officials including EP&D Acting Director, MFEPD
Venue	JICA Tokyo, Ministry of Land, Infrastructure, Transport and Tourism, Kwansei Gakuin University, Fukuoka City, Usuki City, Odika Town, Nagoya City
Contents	<ul style="list-style-type: none"> ■ Lecture: National Development Plan of Japan, Public Investment Plan and Policy Evaluation ■ Lecture and discussion: Project approval process by ex-ante valuation and re-assessment in the Ministry of Land, Infrastructure, Transport and Tourism ■ Lecture and discussion: Experience of administrative reforms by local governments in Japan ■ Visit to and Lectures by local governments (Fukuoka City, Usuki City, Odika Town, and Nagoya City) ■ Reviews after visiting sites

Malawian participants prepared an Action Plan including evaluation policy, prioritization, budget, accrual based accounting, and other items with firm legal basis, which was presented to JICA HQ and JICA Malawi Office through TV conference on 6 August 2015.

5.1.3. Joint Coordination Committee

JCC was held twice during this period.

(1) The Sixth JCC Meeting (JCC-6)

JCC-6 was conducted in December 2015 to discuss project progress and issues arising from the activities as follows:

【Date】 1 st December 2015	【Venue】 EP&D Conference Room, MFEPD
<p>【Participants from Malawi side】</p> <ul style="list-style-type: none"> ■ Mr. Hetherwick Njati, Director, Development Planning Division, MFEPD (Project Manager) ■ Mr. Jollam Banda, Deputy Director, Development Planning Division, MFEPD ■ Counterparts from PSIP Unit, DD ■ BD, DAD. AGD. CIAU of MFEPD ■ NAO ■ E-Government ■ PED from OPC 	
<p>【Participants from Japan Side】</p> <ul style="list-style-type: none"> ■ Mr. Tokuhashi, Resident Representative and others, JICA Malawi Office ■ JICA Project Experts 	
<p>【Agenda】</p> <ol style="list-style-type: none"> 1. Opening prayer 2. Introduction of participants 3. Opening remarks by the Chairperson 4. Remarks by JICA Malawi Office 5. Adoption of agenda 6. Presentation <ol style="list-style-type: none"> (1) Activity Progress from February to November 2015 (2) Issues and Recommendations (3) Activity Plan from December 2015 to September 2016 (4) Follow-up of mid-term review (5) Way forward and exit strategy 7. Discussion and Way Forward 8. Remarks by JICA Malawi Office 9. Closing remarks by Chairperson 10. Closing prayer 	
<p>【Discussion Summary】</p> <ul style="list-style-type: none"> ■ The progress was presented with the latest PSIP Tools, and then the issues arising from the activities and recommendations were presented, by JICA Project Team Leader and IT Expert ■ The meeting discussed and agreed on the following points: <ul style="list-style-type: none"> - The linkage of PSIP Database shall be done to a new IFMIS and not the current IFMIS. Since the delay of the new IFMIS operation is anticipated, the interface testing with the current IFMIS was considered, but the vendor charged a fee on the same. Thus, the possibility of paying the bill shall be pursued and confirmed by the GoM. - Instability of GWAN and current and planned solutions were reported and taken note - The need for updating project information in PSIP Database in a timely manner was confirmed - Measures to enforce PSIP compliance by MDAs against the late submission of PSIP proposals 	

- Need for strengthening communication between PSIP Unit and MDAs and strengthening MDAs' capacity for proposal writing was confirmed
- Need for revisiting eligibility to PSIP was confirmed

(2) The Seventh JCC Meeting (JCC-7)

JCC-7 was held in April 2016 to discuss a draft Terminal Evaluation Report as follows:

【Date】 29 th April 2016	【Venue】 EP&D Conference Room, MFEPD
【Participants from Malawi side】	
<ul style="list-style-type: none"> ■ Mr. Yona Kamphale, Acting Principal Secretary, MFEPD (Project Director) ■ Mr. Jollam Banda, Deputy Director, Development Planning Division, MFEPD ■ Counterparts from PSIP Unit, DD ■ AGD. CIAU of MFEPD ■ NAO ■ PED from OPC ■ UNDP-DEAP 	
【Participants from Japan Side】	
<ul style="list-style-type: none"> ■ Dr. Kawakita, Mr. Kimata, Dr. Tsumagari, Terminal Evaluation Mission from JICA Headquarter ■ Mr. Wada, Deputy Resident Representative, and others, JICA Malawi Office ■ JICA Project Experts 	
【Agenda】	
<ol style="list-style-type: none"> 1. Introduction of Participants 2. Opening Remarks by Chairperson 3. Remarks by Deputy Resident Representative of JICA Malawi Office 4. Presentation of Results of the Terminal Evaluation 5. Remarks by Mission Leader 6. Presentation by Evaluation Team 7. Discussion 8. Closing Remarks by Chairperson 	

The discussion summary of JCC-7 is described in the section below.

5.1.4. Terminal Evaluation

(1) Brief Overview

The Project received a Terminal Evaluation Mission from 17th to 30th April 2016. The Project was scheduled to be completed by September 2016. Thus, the Terminal Evaluation was conducted (i) to confirm achievement of Inputs and Outputs thus far, and analyse prospect for by Project completion, (ii) to review Project outcome, and (iii) to draw recommendations for securing sustainability of Project results. It

was undertaken by the terminal evaluation team comprised of the following team members:

Table 33: Terminal Evaluation Team Members

Japan Side	Name	Title	Position / Organisation	Dates
1	Dr. Hirofumi Kawakita	Leader	Senior Advisor in Governance Japan International Cooperation Agency	24 April to 1 May
2	Mr. Yoichiro Kimata	Evaluation Management	Acting Director, Public Policy and Financial Management Team, Governance Group, Industrial Development and Public Policy Department Japan International Cooperation Agency	24 April to 1 May
3	Dr. Maki Tsumagari	Evaluation and Analysis	Partner, IMG Inc.	16 April to 1 May
Malawi Side	Name	Title	Position / Organisation	
1	Mr. Peter Simbani	Project Manager	Director, Development Planning Division, Ministry of Finance, Economic Planning and Development	
2	Mr. Jollam Banda	Deputy Project Manager	Deputy Director, Development Planning Division, Ministry of Finance, Economic Planning and Development	
3	Mr. Charles Mtonga	Senior Project Officer	Chief Economist, Development Planning Division, Ministry of Finance, Economic Planning and Development	

(2) Achievement Status of the Project

Achievement status of outputs are as follows:

Table 34: Achievement Status of Output Indicators (April 2016)

<p>Output 1: Database and Manuals/Handbook for PSIP are improved (especially for an appraisal of on-going projects considering their past implementation performance). - Fully Achieved</p> <ul style="list-style-type: none"> ● The improvement of PSIP Database led to the improvement in quantity and quality of ongoing project information such as logframe, progress monitoring, and costing information, and user evaluation is very high (more than 90%). ● In the process of improving PSIP Database, Manual, and Handbook, a linkage with IFMIS is proposed, and issues of GWAN instability and slow information updates in the Database were raised and the Project is working on them.
<p>Output 2: The process of PSIP is further harmonized with the planning and budget processes of relevant ministries and the Budget Division. - Partially Achieved</p> <ul style="list-style-type: none"> ● Through the improvement of PSIP process, issues of non-compliance, communication within MDAs and their limited capacity, uneven capacity of PSIP Unit desk officers, ambiguity of PSIP eligibility criteria, and different levels used for planning outputs are raised and the Project is working on them. ● However, projects which did not pass through PSIP comprises 29.3% and out of the Part I projects, 76.8% were formulated outside the PSIP process in FY2015.

- The Project devised Project Financial Management Information Tool (PFM-IT) has been well accepted for its usefulness among the stakeholders. AGD agreed for piloting it and feedback to AGD is so far positive.

Output 3: The capacity to use improved Database and Manuals/Handbook for PSIP is built in PSIP Section and line ministries. - Fully Achieved

- Number of persons in PSIP Section and line ministries who are equipped with knowledge and skill to fully utilize PSIP Database and Manuals/Handbook in FY2015/16 recorded a total of 252 persons, and 41 are active users of PSIP Database (while in FY2013/14, 101 and 37 respectively).
- Online page view of the PSIP Database was 1,479-page view/month, for FY2015/16, while it was 496-page view/month in FY2012/13.
- Percentage of projects using the required format in FY2016/17 reached 100%.

Achievement status of the Project Purpose is summarized in the table below:

Table 35: Achievement Status of Project Purpose Indicators (April 2016)

Project Purpose: PSIP is operated with increased efficiency and enhanced harmonisation within the public financial and economic management framework - partially achieved.	
OVI 1.	Increased amount and elevated quality of information (both on new projects and on-going projects) available for an appraisal by PSIP Section. – Achieved.
	In spite of the increased number of information items, the revised application template has led to the compilation of more and higher quality data. Such changes are accompanied by the increased logical coherence of the data presented by the proponents, which led to the improved quality of proposals.
OVI 2.	Improved observance ratio of the deadlines of PSIP process by PSIP Section and line ministries to 90% by project completion. – Not Achieved but safeguarding arrangement in place.
	Improved observance ratio of the deadlines of PSIP process by PSIP Section and line ministries to 90% by project completion,” for FY2013/14 and FY2014/15, submissions were counted based on if they were received on time regardless of the contents of the proposals, which recorded 45% and 50% respectively. For FY2015/16, the rule was changed and submissions were accepted only on the condition of correct input. That change slightly reduced the observance ratio to 41%. In September 2015, considerable changes were made in the template (using excel file), and such transition seems to have affected ratios for this indicator: For FY2016/17, the ratio was down at 29%. However, the changes made are tailored for the necessary information to be compiled in a coherent manner. The Terminal Evaluation team received numerous positive comments from the MDAs that they have deepened their understanding on the connection of pieces of information that are required to be spelled out for proposal application. It is then anticipated that the next fiscal submission will be managed more smoothly.

OVI 3. Improved evaluation on the PSIP efficiency by the stakeholders (PSIP desk officers, Planning Section of line ministries, Budget Division, etc.) – **Achieved.**

Improved evaluation on the PSIP efficiency by the stakeholders (PSIP desk officers, planning section of line ministries, Budget Division, etc.),” the survey administered by the Project in March 2016 asked the respondents on the improvement from 2013 to 2016. 95% answered that the Project assisted PSIP process improved and 90% answered that workload (working time) for each part of PSIP process is reduced. .

OVI 4. The number of votes that have no discrepancies between the number of the projects in the development budget component of the budget book and that in the PSIP Database will increase from 5 to ##. – **Not Achieved.**

The corresponding figure for FY2015/16 was three (3) and thus the indicator was not met. Even after elimination and consolidation of ministries in May 2014, identical or similar projects are still linked to multiple votes in the budget book. Consolidation of votes on the side of budget book is indispensable for the Project to meet this indicator. At the time of the Terminal Evaluation, no such action has been in place. Thus, time is not yet opportune to set an absolute target number. However, the Project has devised a way to link PSIP Database with IFMIS (data source for the budget book) using common project code so that discrepancy will be avoided. This is slated with the new IFMIS, whose launch is unfortunately not yet determined.

The prospect for achieving an overall goal was as follows:

Table 36: Prospect for Achieving Overall Goal Indicators (April 2016)

Overall Goal: The development project cycle will be efficient and effective.

Since unexpected extensions include cases which could not complete project activities due to lack of budget allocation and thus require carry-over, the above measures are anticipated to improve predictability and contribute to lessening encroachment by such extensions onto funding meant for new and (planned) renewal cases. Yet, unpredictability might persist because of fluctuation in the level of total funding that is outside the control of PSIP Unit, prospect of achieving the Overall Goal is **fair**.

Objectively Verifiable Indicator (OVI): Projects due for completion but requiring an extension not more than 15% (every year)

Projects due for completion but requiring extension as of the Terminal Evaluation accounts for 20% of the total in number.

In preparation to meet the indicator within the timeframe of three to five years after the Project completion, it has devised the following measures:

- 1) Over the course of the last two annual orientation sessions, the Project emphasized to MDAs to prioritize completion of on-going projects rather than pushing for new projects so that not too many new project applications are brought in to put pressure on the limited resources.
- 2) To encourage MDAs on such prioritization as well as to increase predictability for PSIP Unit, the Project

is planning to incorporate into the quarterly reporting template a section to indicate extension intent (slated for July 2016).

(3) Recommendations

The conclusion and recommendations made by the Terminal Evaluation are summarized in the table below.

Table 37: Conclusion and Recommendations of Terminal Evaluation

<p>Conclusion :</p> <p>The Project has made tangible contributions to elevating the capability of PSIP as a system for running the country's public sector investment planning for development. The question on <u>how the Project solidifies those achievements in preparation for post-completion of the Project</u> is illuminated. This question overarches the sustainability dimension of the evaluation and framing of recommendations.</p>
<p>Recommendation :</p> <p>Joint Terminal Evaluation Team recommends that the Project be extended one year in order to secure sustainable and self-reliant management function of PSIP Unit through conducting one more cycle of PSIP process.</p>
<p>(1) Recommendation by the End of Extended Project Period</p> <p>1) Closer communication between PSIP Unit and MDAs for upgrading quality and timeliness of PSIP proposals</p> <p>Considerable changes in the template affected the submission rate by the deadline (29%), but many MDA members deepened their understanding on the connection of pieces of information that are required to be spelled out for proposal application. Meanwhile, as observed in the actions taken on the Recommendations made by Mid-Term Review", PSIP Unit conducted outreach activities to all MDAs for the PSIP preparation process for FY2016/17 by visiting MDAs for hands on and tailored guidance. It is highly expected that PSIP Unit promote their outreach activities in MDAs' proposal formulation in self-reliant manner to secure both quality and timeliness of their proposal.</p> <p>2) Self-help operation and guidance of the updated PSIP Database (version 3) by PSIP Unit</p> <p>PSIP Database will be updated after the PSIP preparation process for FY2016/17. Considering numerous questions on the database from MDAs so far, it is necessary for PSIP Unit to understand operating the new database and to provide technical guidance to MDAs in the next PSIP preparation process.</p> <p>3) Reflecting information of Part I (DP funded Project budget) into PSIP</p> <p>The gap of development budget between budget document and PSIP Database in FY2015/16 was 29.3%</p>

because 76.8% of Part I projects have been formulated outside the PSIP process. The team recommends that MFEPD establish the measure to collect Part I projects information and take it into action in the next PSIP preparation process.

(2) Recommendation in Mid or Long Term Perspectives

4) Institutionalization of PSIP process

Strengthening compliance of PSIP process requires institutional framework including legalization. MFEPD is now discussing the amendment of PFM Act which includes PSIP process. It is recommended to promote its discussion with involvement of PSIP Unit for enhancing PSIP in harmonization with public financial and economic management framework.

5) System Linkage between PSIP and IFMIS

The Project has devised a way to link PSIP Database with the new IFMIS using common project code to avoid the discrepancy. Even though the development of new IFMIS has not yet started, it is highly required to encourage its process and reflect the common project coding.

5.1.5. Monitoring PSIP Process

PSIP Preparation Handbook, which was revised in September 2015 has 28 PSIP working steps. The following table is divided into four quarters to indicate the PSIP process and the actual results monitored.

Table 38: PSIP Working Process Monitoring and Results (FY 2015/16)

Period	Process Summary	Actual
1 st Quarter: Jul – Sep 2015	<u>July:</u> <ul style="list-style-type: none"> ■ Compilation of approved Budget (after Cabinet approval in June) and updating PSIP Database budget information 	<ul style="list-style-type: none"> ● PSIP Database was updated with budget information in September.
	<u>August:</u> <ul style="list-style-type: none"> ■ Printing PSIP for FY2015/16 ■ Collection of all quarterly progress report of the previous FY. ■ PSIP Review meeting ■ Updating Donor projects information in PSIP Database. 	<ul style="list-style-type: none"> ● Printing was planned in December with EP&D budget. Quarterly report of the previous FY was included in PSIP template, made as compulsory to fill in. ● PSIP Seminar was organized on 18 August. Donor project information for the previous FY was obtained and entered in PSIP Database.
	<u>September:</u>	<ul style="list-style-type: none"> ● PSIP Circular No.1 was sent on 10 September.

Period	Process Summary	Actual
	<ul style="list-style-type: none"> ■ PSIP Circular No.1 	
2 nd Quarter Oct – Dec 2015	<u>October:</u> <ul style="list-style-type: none"> ■ PSIP Orientation and submission of PSIP proposals ■ Collection of 1st Quarterly progress reports 	<ul style="list-style-type: none"> ● PSIP Orientation was held twice (3 days each for two times for different groups) in August. Hands-on Guidance followed in September. ● Submission ratio by the deadline was 29% of the total Votes by 2 November (82% by 27 November) despite higher requirements of information.
	<u>November:</u> <ul style="list-style-type: none"> ■ Initial appraisal of submitted PSIP proposals. 	<ul style="list-style-type: none"> ● PSIP appraisal was done in November as planned.
	<u>December:</u> <ul style="list-style-type: none"> ■ Ministerial meetings 	<ul style="list-style-type: none"> ● Ministerial meetings were conducted as planned though it continued till 26 January 2016
3 rd Quarter Jan – Mar 2016	<u>January:</u> <ul style="list-style-type: none"> ■ Final Appraisal and collection of 2nd Quarterly Progress Reports ■ Reporting to PSIP Committee 	<ul style="list-style-type: none"> ● Final appraisal was conducted until 7 March, due to the re-submission made by some MDAs. ● Quarterly progress reports submitted by this time were 37. ● PSIP Management Meeting was held in March.
	<u>February:</u> <ul style="list-style-type: none"> ■ Meeting between BD and DD/PSIP Unit, and feedback to MDAs. ■ Budget framework and indicative ceiling 	<ul style="list-style-type: none"> ● Frequent meetings were organized between BD and EP&D. ● Feedback was given to MDAs in March by PSIP Unit responding to their individual enquiries. ● Budget framework and ceiling kept changing until April.
	<u>March:</u> <ul style="list-style-type: none"> ■ Budget hearing and Final Budget ceiling ■ Preparation of Cabinet paper 	<ul style="list-style-type: none"> ● Budget hearing was conducted in March. ● Final budget ceiling as well as Cabinet paper were not prepared.
4 th Quarter Apr – Jun 2016	<u>April:</u> <ul style="list-style-type: none"> ■ Collection of 3rd Quarterly Progress Reports. ■ PSIP approval by the Cabinet. 	<ul style="list-style-type: none"> ● Quarterly Progress Reports for the 3rd quarter were collected from 10 projects. ● PSIP was approved by the Cabinet as scheduled.
	<u>May:</u> <ul style="list-style-type: none"> ■ Draft PSIP draft submission to 	<ul style="list-style-type: none"> ● Draft PSIP was prepared by updating information in the Database.

Period	Process Summary	Actual
	Parliament ■ Submission of Budget Document	● Budget Document was submitted in May.
	<u>June:</u> ■ Budget approval by the Parliament.	● Budget was approved as scheduled.

5.2. Output 1: activities and achievements (July 2015 – June 2016)

During this period (July 2015 – June 2016), the activities [1-1] - [1-4] shown below for Output 1 were conducted. It was reviewed how the PSIP Tools of the previous period was utilized in operation. The items for improvement were identified and reflected into revised versions of each tool.

【Output 1】 Database and Manuals/Handbook for PSIP are improved (especially for an appraisal of on-going projects considering their past implementation performance)	
No	Activities
【1-1】	To review the utilization of Database and Manuals/Handbook for PSIP and identify issues for further improvement of PSIP.
【1-2】	To obtain feedbacks by users of Database, Manuals/Handbook for PSIP and other issues through workshops and interviews.
【1-3】	To reflect the feedbacks obtained in 1-2 to Database (especially for an appraisal of on-going projects considering their past performance).
【1-4】	To reflect the feedbacks obtained in 1-2 and 2-2 to Manuals/Handbook and process for PSIP (especially for an appraisal of on-going projects considering their past performance).

5.2.1. PSIP Database

The major issues tackled with PSIP Database Ver.2.0 were as follows.

- (i) It is common to use frameworks (pre-set programs=library) for practical and complicated web application development for development efficiency. Existing PSIP Database and program, however, did not adopt such method and was developed manually only with a conventional PHP. Additionally, the data and program structure was too complicated to maintain and development in given time.
- (ii) PSIP proposal templates submitted by MDAs were inconsistent in outcomes, outputs and activities of each project, and logical linkage between activities, outputs and outcomes were unclear.
- (iii) The rationale for Total Estimated Cost (TEC) for the project described in each PSIP template submitted by MDAs was unclear.
- (iv) The submission of quarterly progress report was almost zero although its report submission was mandatory.

In addition to the above-mentioned issues, the following issues related to database maintainability and security were tackled.

- (v) Although PSIP Database was available for use from the Internet, all data including User ID and Password was not encrypted.
- (vi) Data backup was done manually.
- (vii) When JICA IT experts were not in Malawi, it was difficult to maintain PSIP Database in case of system troubles.

The table below indicates the PSIP Database Ver.2.0 development, maintenance and security measures taken to tackle the issues above. Switching from PSIP Database Ver.1.5 to 2.0 was done in December 2015, and operation began in January 2016.

Table 39: Development and Measures Taken in PSIP Database ver.2.0 from July 2015 to June 2016

PSIP Database Development (Ver.2.0)	Output	
	Program	Document and Manuals
<ul style="list-style-type: none"> ➤ <u>Issue (i)</u>: Refactoring (Rebuilding the database and program structure to the new development framework) ➤ <u>Issue (ii)</u>: Incorporation of Logical Framework in PSIP Excel Proposal Template ➤ <u>Issue (iii)</u>: Incorporation of Cost Matrix in PSIP Excel Proposal Template ➤ <u>Issue (iv)</u>: Development of Quarterly Progress Report Format ➤ Development of new PSIP Database, template loader and generator, which can be correspond to Issue ii)~iv) 	<ul style="list-style-type: none"> ➤ PSIP Database Program (Ver.2.0) ➤ Template Loader Program (Ver.2.0) ➤ Template Generator Program (Ver.2.0) ➤ PSIP Excel Proposal Template for FY2016/17 ➤ PSIP Quarterly Progress Report Form for FY2015/16 	<ul style="list-style-type: none"> ➤ Requirement Definition Document (Ver.2.0) ➤ Basic Specification (Ver.2.0) ➤ Detailed Specification (Ver.2.0) ➤ PSIP Database Ver.2.0 Detail Specification of Database Schema ➤ PSIP Database Ver.2.0 User Manual for MDAs ➤ Specification of data provision method from IFMIS to PSIP Database System ➤ Template User Manual (Ver.2.0) ➤ Template Development Manual (Ver.2.0) ➤ Template Loader Utility User Manual (Ver.2.0)
Measures to improve database maintainability and security	Program	Document and Manuals
<ul style="list-style-type: none"> ✓ <u>Issue (v)</u>: Introduction of SSL Certificate ✓ <u>Issue (vi)</u>: Development of data automatic backup function 		<ul style="list-style-type: none"> ● PSIP Office Network Diagram

✓ <u>Issue (vii):</u> Network design considering remote maintenance		
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As a result of the development above, the following points were improved.

Table 40: Points to be improved by PSIP Database improvement (Ver.2.0) in Second Period (2)

Action taken for each issue	Points to be improved
<u>Issue (i)</u> Refactoring (Rebuilding the database and program structure to the new development framework)	In consideration of prevalence and performance, CEPSIP II adopted the PHP framework called Symfony, and implemented the refactoring using this framework. As a result, the system structure became easy to maintain and develop the programs, greatly improving system development efficiency and maintainability.
<u>Issue (ii)</u> Incorporation of Logical Framework in PSIP Excel Proposal Template	A function for creating a logical framework was incorporated in PSIP Excel Proposal template. As a result, officers in charge of creating PSIP template in each ministry became able to plan projects with logical linkage between activities, outputs and outcomes.
<u>Issue (iii)</u> Incorporation of Cost Matrix in PSIP Excel Proposal Template	Cost Matrix was incorporated in PSIP Excel Proposal Template. As a result, officers in charge of creating PSIP template in each ministry became able to accumulate cost for each activity and for each line item
<u>Issue (iv)</u> Development of Quarterly Progress Report Format	CEPSIP II developed a quarterly progress report format, which enabled each ministry to report the progress of each project on a quarterly basis.
<u>Issue (v)</u> Introduction of SSL Certificate	Data encryption of the PSIP Database was achieved by using the SSL server certificate which was originally used by the e-Government. Since CEPSIP II did not burden its cost, the sustainability is expected in terms of IT security.
<u>Issue (vi)</u> Development of data automatic backup function	CEPSIP II developed data automatic backup function and implemented countermeasures to be able to recover the data even when data loss occurred.
<u>Issue (vii)</u> Network design considering remote maintenance	CEPSIP II designed network diagram considering remote maintenance, and asked GWAN Officer to change the way to connect Internet and the firewall configuration in order to secure maintenance path. As a result, it became possible to log in to the PSIP Database server via the Internet and to modify the program and conduct a detailed investigation of the database from Japan. This connection was done by encrypted communication called SSH (Secure Shell) in order not to cause a security problem.

5.2.2. PSIP Preparation Handbook

Internal meeting of PSIP Unit was held on 16 June 2015. On 2 July 2017, 6 MDAs (Agriculture, Education, Health, Information & Tourism, Lands & Housing, and Transport) were selectively invited to review PSIP Preparation Handbook. The meeting included PSIP template review. MDAs had not much comments on the main documents of PSIP Preparation Handbook, but the questions were asked to understand what is required information in the PSIP templates. It was examined if further explanation should be added to the Handbook for this aim. It was also examined and decided that required referential information be integrated into the template rather than asking them separately.

The final editorial meeting to revise PSIP Preparation Handbook was held on 14 September 2015 to finalize September 2015 version. The following were the revised features in the version.

- (i) PSIP Working Calendar compressed process events into 28
- (ii) Project logframe and costing matrix were included in PSIP template for new projects
- (iii) The Handbook added the list of documents required for submission to the main text
- (iv) Government institutions' role was clearly indicated in each PSIP process putting more emphasis on quality project information
- (v) The Handbook attachments were revisited to decrease: (1) PSIP templates (new and on-going), (2) appraisal criteria, (3) extension request form, (4) quarterly progress report form, and (5) PFM-IT.

These new features had been presented during PSIP process review workshop held in August 2015. Guidance was provided to MDAs for how to use revised PSIP templates. PSIP Circular No.1 sent in September also had PSIP templates as attachment with the explanation of new features.

On 14-15 April 2016, a two -day workshop was held to identify the revision points and to prepare the revised version of both PSIP Preparation Handbook and PSIP Appraisal Manual.

5.2.3. PSIP Appraisal Manual

PSIP Appraisal Manual had been revised up to June 2015. Discussion with Malawian C/P concluded that the Manual would be used internally within EP&D and approval process for each revised version was omitted until the last version is prepared. The following were the actions taken from the revised PSIP Appraisal Manual (June 2015 version).

- (i) It was explained during PSIP Orientation that required project information, appraisal process to share, prioritization issues, and donor project information from the view point of appraisal.
- (ii) PSIP No.1 (September 2015) contained more detail explanations on eligible projects based on appraisal criteria, procedure, and compliance for the submission deadline.

- (iii) Coordination with M&E Division was agreed during the meeting in September 2015, when PSIP's quarterly progress report form, which reflected M&E required information, was discussed and confirmed.
- (iv) Appraisal criteria was explained to MDAs when hands-on guidance was conducted in October 2015, initial appraisal was done reflecting site validation results in November 2015.
- (v) Tools for initial appraisal was developed in the internal meeting among PSIP Unit on 22 November and 4 December 2015, and initial appraisal was tested in actual use during Appraisal workshop during 30 November and 3 December 2015. Initial appraisal results were, therefore, prepared before Ministerial Meeting.
- (vi) Based on the work in v) above, PSIP Unit provided feedback to MDAs during the Ministerial Meeting to request necessary information such as latest progress of the projects.
- (vii) From January to March 2016, PSIP Unit conducted final appraisal to allocate development budget using newly prepared appraisal criteria for final appraisal. Extracting critical information including donor assistance, DD/PSIP Unit re-prioritized the projects with allocation and project status in 4 cases scenario based on the budget forecast.
- (viii) For feedback action to MDAs, PSIP Unit prepared the letter to inform final appraisal results. While waiting for approval for the letter to be dispatched, adjustment work for development budget preceded.

Meetings were organized on 14 and 15 April 2016 for drafting revised PSIP Preparation Handbook and Appraisal Manual, and the workshop for finalizing appraisal methods was held on 20 April 2016. Both gatherings discussed and agreed on the following points:

- (i) Appraisal process was adjusted and reflected in PSIP Working Calendar
- (ii) Various project status was classified and defined clearly as there were cases that some projects were approved but not budgeted, suspended or terminated during the implementation period
- (iii) Donor projects were classified to be treated properly in PSIP.
- (iv) Eligibility of PSIP projects were revisited
- (v) Initial as well as final appraisal criteria were revisited and revised
- (vi) Eligibility of completed projects was set

CEPSIP II provided reference documents for economic and financial analysis methods to share with PSIP Unit Officers in response to their request.

5.3. Output 2: activities and achievements (July 2015 – June 2016)

During this period (July 2015 -June 2016), the activities [2-1] ~ [2-8] shown below for Output 2 were conducted. Firstly, Public Finance and Economic Management Reform and Donor activities were analysed in relation to PSIP activities. Secondly, PSIP process on MDA side was reviewed to propose, implement and validate optimized PSIP processes. Thirdly, PSIP's role and its framework to set outputs and indicators was studied with similar setting of these in budget documents to propose and validate improvement measures. Fourthly, the coordination between PSIP Unit and BD was enhanced.

【Output 2】 The process of PSIP is further harmonized with the planning and budget processes of relevant ministries and the Budget Division.	
No	Activities
【2-1】	To review the current public financial and economic reform policies, programmes and activities.
【2-2】	To review the process of PSIP in line ministries.
【2-3】	To propose necessary measures to optimize the process identified in 2-2 (e.g., Feedbacks for line ministries and PSIP review meeting, etc.).
【2-4】	To put into practice the proposals identified in 2-3 for validation.
【2-5】	To review the appropriateness of the output indicators in PSIP and Budget Document and the mechanism to generate and report them.
【2-6】	To propose necessary measures to improve the issues identified in 2-5 (e.g., effective consultations and modification of the mechanism).
【2-7】	To put into practice the proposals identified in 2-6 for validation.
【2-8】	To enhance dialogue for effective coordination mechanism between PSIP Unit and Budget Division.

5.3.1. Review of Public Financial and Economic Management- Reform Programme

Following PFMRP during the period from July 2014 to June 2015, Government of Malawi opened individual MDA bank account and monitor cash management by the committee. MDAs were supposed to request quarterly funding to Treasury and submit budget performance report monthly. If the reporting is not done on schedule, the next funding would be withheld. Bank reconciliation had a backlog and some transactions in IFMIS were found as un-reconcilable. The trustworthiness of Audit Report under the circumstance was questioned.

The following table is a summary of activities related to CEPSIP II.

Table 41: Summary of Review of Related Activities having reference to CEPSIP II

a)	IFMIS	Tender of New IFMIS supported by FROIP was at the stage of technical assessment of 3 companies as of November 2015. Original plan to start operating New IFMIS from July 2017 seemed to be delayed. In terms of linkage with PSIP Database, the
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		discussions were held among DD, AGD, and BD, on common project code to be adopted by the New IFMIS. AGD established a New IFMIS team. To support New IFMIS implementation, FROIP (originally ending in June 2016) was extended until April 2018.
b)	AMP and Donor project information capturing	CEPSIP II had followed up AMP information until May 2015. It was found that AMP would only export donor commitment and disburse information to IFMIS and not to import information from IFMIS. With DEAP support, DAD organized a meeting to present donor project classification used by AMP, for which PSIP requested some amendment from its perspective. In the meeting, DD Director stressed that donor projects should also respect and follow PSIP process.
c)	M&E and Database	UNDP-DEAP continued to assist M&E Division to establish Integral Performance Management Information System (IPMIS). DEAP, started from 2013, was extended one year up to December 2017.
d)	GWAN	Through FROIP, GWAN network would be assisted for improvement and it was planned to establish a new data centre. Internet service through GWAN was replaced by SimbaNET in December 2015, which diverted connection roots to stabilize the network.
e)	PFM Act	It was planned that the amendment of PFM Act should cover Audit and PBB only, and to be approved by the Parliament in November 2015, but it was not realised.
f)	PBB	It was rolled out to all MDAs for FY2016/17 without PFM Act amendment approval.
g)	MGDS II review and MDGS III formulation	As MGDS II ended in June 2016, the review work had been conducted to provide lessons for MDGS III formulation with DEAP support. CEPSIP II commented at PSIP II review that the development targets should be more selective and focused.
h)	NPC	DEAP consultant supported to establish National Planning Commission which is planned to be launched by September or October 2016.

5.3.2. PSIP process optimization

(1) PFM-IT

PSIP process issues of and proposals for MDAs, and the result of piloting PFM-IT as one of the possible solutions were summarised in Technical Report 2.

PFM-IT was used for 4 projects under 3 MDAs during 2015, and project accounting information was compiled from there. PFM-IT was appreciated as it can monitor more in details the allocated budget and expenditure at activity level every month in the automated report sheet, by just entering each transaction (Note: IFMIS deals with line items and not activities of each project).

The results were satisfactory and as of June 2015, the 3 MDAs expressed that they would continue using PFM-IT with more projects. AGD stated the tool to be used for Part II projects widely and continuously

among MDAs. NAO and CIAU also endorsed the tool. PFM-IT was attached to PSIP Preparation Handbook (2015), and 3 MDAs shared their experience of the tool and promoted it during PSIP seminar and other workshops.

In December 2015, OPC showed its interest to introduce PFM-IT and organized a workshop on their own for training their accountants. An accountant from Agriculture Ministry agreed to deliver a lecture on PFM-IT for the accountants of OPC. CEPSIP II tried to utilize Malawian resource persons who are capable of teaching others, which was more effective in technical transfer in the country. By May 2016, 22 out of 41 projects under above 4 MDAs used PFM-IT.

(2) Project Audit

In relation to PFM-IT trial, CEPSIP II analysed the contents of some project audit reports prepared by NAO. Project audit by NAO would look into appropriate use of project funds through financial management, accounting, internal control, monitoring and evaluation, and physical outputs. However, actual number of projects audited was limited. The possible collaboration between PSIP and NAO was, nevertheless, could take many forms such as (a) NAO can start project audit from referring to PSIP project information, (b) project management of MDAs are expected to be improved through the audit, and (3) Audit results can be utilised for PSIP ongoing project appraisal as project information provided by a third party.

(3) Feedback of PSIP Appraisal Results to MDAs

At ministerial meetings held from December 2015 to January 2016, by giving feedback to MDAs based on the initial appraisal, PSIP Unit managed to request missing information in the submitted proposal templates or re-submission of proposals. However, feedback of final appraisal results was not officially given due to the continuous adjustment of budget plan until the last moment. PSIP Database system was developed to show project status, so the feedback was given through this status screen and by responding to individual enquiries.

5.3.3. PSIP and Budget document

FY2014/15 Output Based Budget document shows that one project output was set annually and result was indicated in the coming year's Budget document. On the other hand, the same project that consisted of 6 outputs and annual target for each output was set in PSIP template. Although it is not yet clear how the latter is reflected in the former, MDAs were supposed to provide project output information from respective PSIP template. How this works depends upon coordination between MDAs and BD.

The approved budget is subject to change during mid-term revision of the budget which affects budget allocation to the projects. These changes were properly reflected into PSIP Database Ver.2.0, and how this affected on outputs of the implemented projects was properly captured.

IFMIS has its own category of outputs in the system but the outputs are pre-set and not specifically linked

to each project. However, outputs for PSIP projects are set individually and subject for possible revision every year. These outputs from two different systems, are of different in nature, therefore, they have to be treated differently.

In relation to the PBB, PSIP projects are the elements of a given program of PBB. Outputs as well as indicators under PBB are set at the different level from those of PSIP project itself.

OPC dealt with Organizational Performance Assessment, which was replaced by Performance Contract since FY2015/16 and rolled out to all MDAs. It contained 6 performance criteria and the forth criteria, “Operation”, has sub-ordinated items where PSIP projects can be listed. In fact, a draft Performance Contract of one MDA actually listed its implementing projects in this fourth criteria. It is apparent that Performance Contract has different output and indicator level setting from that of PSIP. Projects under MDA are partial components to achieve its organizational outputs. PSIP project information, however, can be used to measure a part of Performance Contract output targets.

5.3.4. Coordination between PSIP Unit and Budget Division

Since DD/PSIP Unit and BD was under the same Finance Ministry since June 2014, the coordination improved. Management meetings were integrated under one ministry since February 2015. Both Divisions collaborated for PSIP Seminar and workshops, project code discussion for New IFMIS, Ministerial Meetings, and in discussing other general issues.

When AGD organized a series of meetings on 9 and 11 February 2014 for coding issues under the New Chart of Accounts, as CEPSIP II recommended for past years, it was supported by BD and agreed by other related institutions that the unique project code shall be provided by PSIP Unit even for donor projects. Although the New Chart of Accounts would only be introduced when New IFMIS is launched, the agreement meant that Budget Document, New IFMIS, AMP, as well as CS-RDMS (Loan Management system) would apply common project code. This became possible by agreement among Finance Ministry’s relevant Divisions, namely, AGD, BD, DAD and DD/PSIP Unit through extended coordination mechanism.

Another coordination mechanism was established by the President on 22 April 2016, namely, the Ministerial Committee and Technical Committee for development projects. The aim for the Committees are to push implementation of projects. DD/PSIP Unit used this opportunity to propose that all donor projects should be captured by PSIP.

5.4. Output 3: activities and achievements (July 2015 – June 2016)

During this period (July 2015 – June 2016), activities【3-2】~【3-5】shown below were conducted for Output 3. Reflecting lessons from PSIP process implementation, the training programme was prepared and conducted. Collecting the participants’ evaluation of the training contents, the rationale of the training contents and the applied method were reviewed. Examining the above activities, the basic ideas for Action

plan on capacity development was prepared.

【Output 3】 The capacity to use improved Database and Manuals/Handbook for PSIP is built in PSIP Unit and line ministries.	
No	Activities
【3-1】	To identify the training needs and institutional issues for PSIP in PSIP Unit and line ministries.
【3-2】	To prepare a training programme on the improved Database and Manuals/Handbook and the process for PSIP.
【3-3】	To implement the training programme prepared in 3-2.
【3-4】	To evaluate the results of training and create feedbacks to trainings and operation for PSIP.
【3-5】	To evaluate the overall results of training by the Project and develop an action plan on capacity development in future.

5.4.1. MDAs – practical issues, training programme and implementation

(1) PSIP Seminar

PSIP Seminar targeting MDA Directors of Planning was held to discuss issues of PSIP process and proposals for its improvement and to explain the coming PSIP procedures as follows.

【Meeting】 PSIP Seminar	
【Date】 18 August 2015	【Venue】 Golden Peacock Hotel, Lilongwe
【Attendance】 60	
<ul style="list-style-type: none"> ■Malawian side: Mr. Kamphale, Acting PS for EP&D and 35 Directors or representatives from 26 MDAs, 4 from BD and 13 from DD ■Japanese side: 3 from JICA Malawi Office (including Mr. Tokuhashi, Resident Representative) and 5 JICA Project Experts 	
【Program】	
Time	Sessions (Presenters)
09:00	1) Opening Session (JICA Malawi Office and EPD)
10:00	2) Presentation: FY2014/15 Development Performance (BD)
10:30	3) Presentation: FY2015/16 PSIP preparation (DD)
11:00	4) Questions & Answers
13:00	5) Presentation: Additional tools for FY 2015/16 PSIP Projects (DD & JICA Project Team)
14:00	6) Presentation: PSIP Data requirement and quality (DD & JICA Project Team)
15:00	7) Questions & Answers
15:30	8) Closing Session



【Contents】

- In opening remarks, Mr. Tokuhashi, Resident Representative of JICA Malawi, stated that PSIP would be understood as a development project management tool and engagement of MDAs to improve data quality for PSIP would be the basis of PFEM. Acting PS of EP&D (Mr. Kamphale) touched upon latest Financial reform efforts of the country and emphasised on importance of CEPSIP II's role to tackle issues of arrears and inadequacy and mismatch of project information.
- BD: Development Budget for FY 2014/15 constituted 27% of total Budget while Malawian government budget proportion of Development Budget was 49 billion Kwacha. Actual expenditure of Malawian portion was 50% (Donor's disbursement remained 80%). For FY2015/16, Development Budget of Malawian portion would be reduced due to pay out arrears.
- DD: For FY2015/16 proposed on-going projects are 218 and New projects 78. After appraisal, 174 on-going and 67 new projects were allocated 62.3 billion Kwacha in total.
- JICA Expert Team emphasized on project implementation management for FY2015/16 introducing project monitoring and financial management tool. PSIP function and role, and terminologies on budget and expenditure were revisited. Logical structure of project and necessary information for PSIP were also explained.
- Q&A session (with response): The timing of actual funding of the budget is not o schedule (A: BD would address it). No feed was given until the proposed projects were approved in the Budget (A: PSIP Unit would address it). Arrear issues (A: It should be solved by budget allocation as well as promissory note)

【Evaluation of the Seminar and feedback for future events】

Since EP&D would not directly touch upon each project management, a type of PSIP seminar is needed to be held from time to time in order to grasp their reality on the ground. On the other hand, individual project management (accounting) should be improved in conjunction with NAO, CIAU and AGD and it was found essential for them to be involved in PSIP discussion forum.

(2) PSIP Process Review Workshop

The workshop was held twice for different MDA groups for 3 days each inviting 6 people (not only from Planning Division but accounting section or others) from each MDA. The participants could download all

PSIP materials at this time during the workshop, and it was even possible for other potential stakeholders who were not able to attend the workshop. In the workshop, PSIP process was reviewed, and practical orientation as well as training was conducted.

【Meeting】 PSIP Process Review Workshop	
【Date】 19 ~ 21 August 2015 (First Group), 19 ~ 21 August 2015 (Second Group)	【Venue】 Golden Peacock Hotel, Lilongwe
【Attendance】 First Group: 91 (21 MDAs), Second Group: 121 (23 MDAs) *Japanese side: 5 JICA Project Experts	
【Program】	
Time	Sessions (Presenters)
Day 1	
09:00	1) Opening Session (JICA Expert Team & DD)
09:15	2) Presentation: Workshop outline (JICA Expert Team)
09:30	3) Presentation: FY2014/15 Development Budget Performance (BD)
10:15	4) Presentation: FY2015/16 PSIP Preparation Review (PSIP Unit)
10:45	5) Questions & Answers
11:30	6) Presentation and Q&A: PSIP tools (JICA Expert Team & PSIP Unit)
13:30	7) Presentation and Q&A: FY2015/16 PSIP Ongoing Projects Appraisal and the tools (PSIP Unit, JICA Expert Team, 3 MDAs (Agriculture, Tourism, Lands & Housing), AGD, and M&E Division)
14:45	8) Presentation and Q&A: FY2015/16 PSIP New Projects Appraisal and the tools (JICA Expert Team & PSIP Unit)
Day 2	
09:05	9) Presentation: Logframe and Project Formulation (PSIP Unit & JICA Expert Team)
09:45	10) Presentation: FY2016/17PSIP Ongoing Project template & Logframe, and preparation for Group Work 1
10:45	11) Group Work 1: Review of Project Logic and preparation of Logframe
13:30	12) Presentation: Project Performance & Output Indicators, and preparation for Group Work 2
14:00	13) Group Work 2: Revisit of Output Indicators and preparation of Project Performance Sheet
Day 3	
09:00	Continue - Group Work 2
09:30	14) Presentation of Group Work results (MDAs)
11:00	15) Presentation: Revised PSIP tools (JICA Expert Team)
13:30	16) Closing Session



【Contents】

- In the opening, JICA project team explained the past support and emphasized on importance of project information in PSIP process (especially for appraisal). DD stated importance on proper use of project progress tool and encouraged active participation of the workshop.
- JICA project team explained the aim of this orientation and PSIP process until the end of 2015.
- (Presentations by BD and DD/PSIP for Development budget and PSIP preparation were same as above ‘PSIP Review’.)
- PSIP templates and quarterly progress report form and PSIP Database were explained. 3 MDAs presented their experience on PFM-IT trial use.
- In practical session, MDAs uses PSIP templates and other forms to prepare actual proposals during the session, and some MDAs presented their work for mutual learning.
- PSIP Preparation Handbook and appraisal criteria was also explained.
- Q&A session (with answers): Actions toward bleaching contract for on-going projects (Prioritization of the projects to avoid such issues). Criteria for approved projects (Based on if it adds value). Basis of the ceiling is progress or resource (Both are basis). Issues of feedback (PSIP Unit deals with it). Delete of projects in PSIP DB (MDAs are consulted when needed). How to ensure the cost of M&E? (It attaches to individual project cost).

【Evaluation of the training and feedback for future training】

According to the questionnaire from the participants, positive response on the method of workshop, contents of the programme and handouts quality and quantity were identified. 30% of the participants wanted longer training sessions.

In the workshop, revised PSIP templates with newly introduced logframe sheet were used for training to create project information structurally. Together with new participants (consisting 70%) such as project accountants from MDAs, PSIP templates for actual proposal were prepared during the session by grouping. As a result, the better information quality templates were submitted against more information request rather than the last year. It was confirmed that this type of practical training and mutual learning by group work made participants’ proactive training possible.

The issue remains in terms of GWAN connectivity and network environment which disturbed MDAs (80% of MDAs complain) to access smoothly with PSIP Database.

(3) Hands-on Guidance

Even PSIP Orientation focuses on practical training on project information, it still took a lot of time to train MDA participants on how to operate the tools. Besides, additional training opportunity seemed necessary as there are more people who were not invited for such training session but are actually using the tool. Hands-on Guidance was endorsed by JCC-4 in December 2014 as a method for this aim. PSIP Unit Desk Officers visited MDAs including those which are located outside Lilongwe during the period between September 2015 and proposal deadline (31 October 2015). During the Hands-on Guidance at MDA sites, PSIP Unit could provide training and advice regarding PSIP templates, observed preparation status of each MDA, and promoted MDAs to submit on schedule. By arranging the Hands-On Guidance this time, it was discovered that the MDA contact information were not shared among PSIP Unit Desk Officers, which needs to be improved next time.

5.4.2. PSIP Database—operational issues, training programme and implementation

(1) Technical Training for PSIP Database Development and Maintenance

CEPSIP II implemented IT technical training 4 times as follows. (One new full time IT staff was assigned in PSIP in March 2016, and the number of PSIP Unit IT officers became five).

【Training Name】 Technical Training for PSIP Database Development and Maintenance	
【Period】 July 2015 – June 2016	【Venue】 PSIP Unit Office
【Participants】 5 IT Officers in PSIP Unit (Mr. Brian Mchawi, Ms. Annie Malitoni, Ms. Shalom Ghambi, Mr. Gift Njoloma, Mr. Chimwemwe Nyirenda)	
【Training Contents】	
<ul style="list-style-type: none"> ■ Linux OS ■ Programming Practice using Symfony Framework ■ Design and Development of PSIP Database Ver.2.0 (Technical difference between Database Ver.1.5 and Ver.2.0) ■ Structure of PSIP Database Ver.2.0 and methods to access the Database ■ Set-up and maintenance for PSIP Database Ver.2.0 ■ Server configuration and Network for PSIP Database Ver.2.0 ■ Network Design 	
【Evaluation and Feedbacks for the Training】	
After the training, the follow-up was conducted at OJT from time to time, and deepened the participants' understanding about Database development and maintenance.	

(2) PSIP Database Seminar

Due to the time and capacity constraints of the PSIP IT officers gradually discovered, CEPSIP II suggested to build a strong implementation structure of PSIP Database development from the viewpoint of

sustainability. On 12th April 2016, CEPSIP II conducted PSIP Database training for e-Government IT officers. The focus of the training was to introduce PSIP Database and technical skills used for the database to e-Government officers. Some issues such as instability of GWAN was also discussed at the same time. In the training session, CEPSIP II requested cooperation of e-Government for PSIP Database maintenance and development work after the completion of CEPSIP II, and obtained their agreement in principle.

Prior to release of PSIP Database ver. 2.0, the database related seminars were organized 1) to obtain the feedbacks from the main users (deputy director in development division and PSIP unit officers), and 2) to disseminate its functions and usage and increase database users from MDAs.

Before the release of Ver.2.0

PSIP Database Ver.2.0 Introduction seminar was held in August 2015 for PSIP Unit officers. Based on the feedback obtained from them, final adjustment of the database ver. 2.0 was carried out. In the PSIP Process Review Workshop, PSIP Database Ver.2.0 was introduced to MDAs. In prior to the release of PSIP Database Ver.2.0 in December 2015, the trainings to introduce the PSIP Database ver. 2.0 was conducted again for PSIP Desk officers to deepen their understanding.

After the release of Ver.2.0

PSIP Database Ver.2.0 Dissemination Seminar and Follow-up meeting were conducted as follows. This seminar aimed for PSIP officers in MDAs to utilize the PSIP Database more. The history of the Database and new functions in Ver.2.0 was introduced in the meeting.

Table 42: Outline of PSIP Database Ver.2.0 Dissemination Seminar and Follow-up Meeting

Seminar Name	Period	Targets	No of Participants	Outline
PSIP Database Ver.2.0 Dissemination Seminar and Follow-up meeting	11 th March 2016	EP&D Development Division Deputy Director/Officers in PSIP Unit	20 people	Discussion about the future of PSIP Database and improvement of PSIP Proposal Template
	22 nd March 2016	MDAs and MFEPD	107 people	
	1 st April 2016	MDAs which could not join on the meeting on 22 nd March	12 people	

The outline of seminar conducted on 22nd March 2016 is as follows.

【Training Name】 PSIP Database Ver.2.0 Dissemination Seminar and Follow-up Meeting	
【Date】 22 nd March 2016	【Venue】 Golden Peacock Hotel
【Participants】 MDAs and MFEPD	
【Training Contents】	
<ul style="list-style-type: none"> ■ Review of CEPSIP II and PSIP tools ■ Introduction and history of PSIP Database Ver.2.0 ■ Demonstration and Practical session of PSIP Database Ver.2.0 ■ Disclosure of appraisal results in PSIP Database, compliance with template and quarterly report submission by MDAs, discussion about strengthening collaboration between PSIP and BDs in Funding Stage ■ Review of PSIP Excel Proposal template and Quarterly Progress Report Formats and obtaining Feedbacks for the revision for next fiscal year. 	
【Evaluation and Feedbacks for the Training】	
<p>A major discussion in the seminar was disclosure of detailed project information in all MDAs in the PSIP Database. One officer commented that the project information should be restricted from the viewpoint of security, so that it should be opened only for the MDA which submitted that project. On the other hand, the participants from university strongly argued that the PSIP project was a public project, and should be opened to all people in the first place. As a result of discussion, it was agreed 1) to open all projects to all MDAs, 2) for each ministry to be responsible for submitting reliable project data to PSIP. In particular, the agreement of 2) was a great achievement for CEPSIP II.</p>	

(3) PSIP Database Training with E-Government

Through the experience of training PSIP Unit IT Officers, due to the time and capacity limitation, it became a concern whether they could operate and manage the Database on their own after the completion of CEPSIP II. Thus, a PSIP Database Training was conducted for E-Government IT Officers on 12 April 2016. The training introduced the Database and technical explanation was given. During the session, the GWAN instability, which had been a long outstanding issue, was also discussed. It ended by agreeing on collaboration by E-Government for the operation, maintenance and development of the Database after the completion of CEPSIP II.

5.4.3. PSIP Unit – practical issues, training programme and implementation

For PSIP Unit, the following workshops regarding appraisal were held.

Table 43: Workshops regarding PSIP Appraisal

Meeting	Date (Organizer)	Summary
Initial Appraisal tool meeting	12 and 20 November, 30 November to 4	Confirmed new tools for initial appraisal which should be used before the ministerial meetings. The trial and improvement of the tool.

Meeting	Date (Organizer)	Summary
	December 2015	Discussed ministerial meeting agenda and how the proceedings should be, and what handouts to be delivered. Rehearsal of ministerial meeting. Invitation reminder to MDAs.
Final Appraisal Techniques Training	11 February 2016 (organised by PSIP Unit)	Discussion and Formulation of Final Appraisal Criteria
Final Appraisal Workshop	15 ~ 23 February 2016	Implementation of Final Appraisal
Final Appraisal Review Workshop	1,2,4,7 February 2016	Review of Final Appraisal results (confirming relevance of prioritization as well as budget allocation)
PSIP Preparation Handbook and Appraisal Manual Finalization Workshop	14 ~ 15 April 2016	The following items were discussed for PSIP appraisal (revision of appraisal process, request of annual cost plan more in details, re-classification and re-definition of project status, confirming type of donor projects to be included for PSIP to manage, re-setting eligibility of PSIP project and project completion, reviewing purpose of Initial Appraisal, and revision of Final Appraisal criteria JICA Expert Team provided a reference for Malawian C/P to deepen their understanding of Economic and Financial Analysis.
PSIP Appraisal Methods Finalization Workshop	20 April 2016	Review of Final Appraisal work and discussion on revised PSIP Appraisal Manual

5.4.4. Action Plan on Capacity Development

During the terminal evaluation conducted in April 2016, the effectiveness of Hands-on Guidance was confirmed. Malawian C/P also indicated the importance of capacity development of PSIP Unit to be able to effectively instruct and train Planning Divisions of MDAs. By this empirical evidence, PSIP Unit's proactive guidance is standardized, dissemination of the tools is led and enhanced by the trainees nurtured at MDAs who were able to use the tools and teach others. This is how techniques are internalized among Malawian Officials and cascading effect of training for smaller groups is encouraged. These are believed to be the basis of the action plan. As for PSIP Database development, different approach for action plan on capacity development is discussed as the targeted number of officers is limited.

6. Project Year 4 Plus (from July 2016 to September 2017): Activities and Achievements

Activity plan (in the Plan of Operation agreed in the revised Record of Discussion dated 20 June 2016) and the results (actual as indicated as red arrow) of CEPSIP II during the period of July 2016 to September 2017 is shown below.

	Y2016						Y2017								
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
*PSIP Process															
Review of the previous PSIP															
Circular # 1															
Proposal submission by Line ministries															
Proposal evaluation result															
Ministerial meetings															
PSIP 1st draft															
PSIP 2nd draft															
Approved PSIP															
OUTPUT 1															
Database and Manuals/Handbook for PSIP are improved (especially for an appraisal of on-going projects considering their past performances).															
1-1. To review the utilization of Database and Manuals/Handbook for PSIP, and identify issues for further improvement of PSIP.															
1-2. To obtain feedbacks by users of Database, Manuals/Handbook for PSIP and other issues through workshops and interviews etc.															
1-3. To reflect the feedbacks obtained in 1-2 to Database (especially for an appraisal of on-going projects considering their past performances).															
1-4. To reflect the feedbacks obtained in 1-2 and 2-2 to Manuals / Handbook and process for PSIP (especially for an appraisal of on-going projects considering their past performances).															
OUTPUT 2															
The process of PSIP is further harmonized with the planning and budget process of relevant ministries and budget division.															
2-1. To review the current public financial and economic reform policies, programs and activities.															
2-2. To review the process in PSIP in line ministries															
2-3. To propose necessary measures to improve the issues identified in 2-2 (ex. Feedbacks for line ministries and PSIP review meeting etc.)															
2-4. To put into practice the proposal identified in 2-3 for validation.															
2-5. To review the appropriateness of the output indicators in PSIP and budget report and the mechanism to generate and report them.															
2-6. To propose necessary measures to improve the issues identified in 2-5 (ex. Effective consultation and modification of the above mechanism)															
2-7. To put into practice the proposal identified in 2-6 for validation.															
2-8. To enhance dialogues for effective coordination mechanism to conduct official coordination meetings between PSIP section and Budget division.															
OUTPUT 3															
The capacity to use improved Database and Manuals/Handbook for PSIP is built in PSIP Section and line ministries.															
3-1. To identify the training needs and institutional issues for PSIP in PSIP section and line ministries															
3-2. To prepare the training program based on the improved Database and Manuals/Handbook and process for PSIP.															
3-3. To implement training program prepared in 3-2.															
3-4. To evaluate the results of trainings and create feedbacks to trainings and management for PSIP															
3-5. To evaluate the overall results of training by the Project and develop an action plan on capacity development in future.															
Training in Japan/ Third countries															
Joint Coordination Committee															
Other															

6.1. Project Management: activities and achievements

6.1.1. Preparation and Submission of Project Progress Report and Project Completion Report

The progress report which covers from July to December 2016 was compiled and submitted in January 2017. The Draft Project Completion Report (this report) was prepared and shared at the final JCC meeting in August 2017 and finalised with the feedback from C/P and submitted in September 2017.

6.1.2. Joint Coordination Committee

JCC was held twice during this period. Each JCC was held after preparation meetings as described in (1), (3), and (4) below.

(1) Kick Off Meetings for the Extended Period

At the beginning, it was planned to hold the Eighth JCC meeting to explain a work plan for the extended period. But with the strong opinion of C/P, instead of a JCC meeting, smaller group meetings were held with different stakeholders as summarized in the table below. This helped the Project to have deeper discussion with each stakeholder group.

Table 44: Kick-Off Meetings for the Extended Period

No.	Meeting Title	Date	Agenda
1	Meeting with Director and Deputy Director of Development Planning Division	8 th July 2016	Work Plan of the extended period How to approach the implementation of Terminal Evaluation Recommendations
2	Kick-off Meeting with PSIP Unit Officers	15 th August 2016	Terminal Evaluation Results Work Plan of the extended period How to approach the implementation of Terminal Evaluation Recommendations
3	MFEPD Internal Meeting for Strategising for FY2017/18 PSIP	17 th August 2016	Terminal Evaluation Results Work Plan of the extended period How to approach the implementation of Terminal Evaluation Recommendations, outstanding issues and possible solutions Preparation for FY2017/18 PSIP formulation
4	Kick-off Meeting for Joint Audit Exercise with AGD, CIAU, and NAO	30 th August 2016	Work Plan of the extended period Collaboration amongst institutions for the betterment of PSIP system Preparation for Joint Project Audit exercise
5	Kick-off Meeting with PSIP IT Team	9 th September 2016	Formation of PSIP Database Maintenance Team Training Plan

(2) The Eighth JCC Meeting (JCC-8)

After discussion was held with C/P, it was agreed that JCC-8 shall be held to share the progress of the Work Plan of the extended period, and the date was set on 2nd November 2016, at the interim of FY2017/18 PSIP formulation cycle.

【Date】 2 nd November 2016	【Venue】 OPC Conference Room
【Participants from Malawi side】	
<ul style="list-style-type: none"> ■ Mr. Peter Simbani, Acting Chief Director, MFEPD (Project Director) ■ Mr. Jollam Banda, Deputy Director, Development Planning Division, MFEPD ■ Mr. Brian Mchawi, Chief Systems Analyst, MFEPD ■ EPD, M&E, Human Resource Management Section of EP&D, AGD (Chief Director – new IFMIS, and others) of MFEPD ■ NAO ■ E-Government ■ UNDP-DEAP 	
【Participants from Japan Side】	
<ul style="list-style-type: none"> ■ Mr. Akatsuka, Assistant Resident Representative and others, JICA Malawi Office ■ JICA Project Experts 	
【Agenda】	
<ol style="list-style-type: none"> 1. Opening prayer 2. Introduction of participants 3. Opening remarks by the Chairperson 4. Remarks by JICA Malawi Office 5. Adoption of agenda 6. Presentation <ol style="list-style-type: none"> (1) Progress of PSIP Tools (2) Progress of Terminal Evaluation Recommendations and Work Plan for the Remaining Period. (3) Issues arising from activities and recommendations 7. Discussion and Way Forward 8. Remarks by JICA Malawi Office 9. Closing remarks by Chairperson 10. Closing prayer 	
【Discussion Summary】	
<ul style="list-style-type: none"> ■ The progress of PSIP tool and Database finalisation was presented by JICA Project IT Expert and Team Leader. ■ The achievement status of Terminal Evaluation Recommendations was presented by the Team Leader. ■ The issues and recommendations for the Post-Project Period were discussed and agreed. 	

(3) Handover Meeting with EP&D

This meeting was held as a technical handover meeting with EP&D prior to the final JCC meeting.

【Date】 22 nd August 2017	【Venue】 EP&D Library
【Participants】	
<ul style="list-style-type: none"> ■ Mr. Jollam Banda, Deputy Director, Development Planning Division, MFEPD ■ Mr. Peterson Ponderani, Deputy Director, Monitoring and Evaluation Division, MFEPD ■ Mr. Idrissa Mwale, Deputy Director, Economic Planning Division, MFEPD ■ Mr. Brian Mchawi, Chief Systems Analyst, MFEPD ■ Counterparts from PSIP Unit, DD ■ JICA Project Experts 	
【Agenda】	
<ol style="list-style-type: none"> 1. Opening prayer 2. Introduction of participants 3. Opening remarks by the Chairperson 4. Presentation of Completion Report <ol style="list-style-type: none"> (1) Activity Summary and Outputs (2) Project Performance (3) Conclusion and Recommendations 5. Discussion and preparation for the final JCC meeting 6. Closing remarks by Chairperson 7. Closing prayer 	
【Discussion Summary】	
<ul style="list-style-type: none"> ■ The presentation of Completion Report was made by the Team Leader. IT Expert presented PSIP Database Ver.4. ■ Documentation outputs such as PSIP Database ver.4 User Manual, PSIP Preparation Handbook, PSIP Process Management and Appraisal Manual, Technical Report 3, and Endline Survey Report were distributed to participants. ■ A question was made if JICA could support PFM-IT dissemination, and it was agreed to discuss it either at JCC or at different forum directly with JICA. 	

(4) Technical Handover Meeting of PSIP Database

This meeting was held as a technical handover meeting with EP&D and E-Government with regards to PSIP Database prior to the final JCC meeting.

【Date】 23 rd August 2017	【Venue】 Wamkulu Palace
【Participants】	
<ul style="list-style-type: none"> ■ Mr. Maganiza Chipula, Director, E-Government Department ■ Mr. Victor Malewa, Deputy Director, E-Government Department 	

<ul style="list-style-type: none"> ■ Mrs. Chrissie Mtonga, Chief Systems Analyst, E-Government Department ■ Mr. Brian Mchawi, Chief Systems Analyst, MFEPD ■ IT Counterpart from PSIP Unit, DD and E-Government Department ■ JICA Project Experts
<p>【Agenda】</p> <ol style="list-style-type: none"> 1. Opening session 2. Summary and Conclusion of CEPSIP II with focus on PSIP Database <ol style="list-style-type: none"> (1) Summary of Performance (2) Conclusion and Recommendations 3. Technical Handover based on MOU between EP&D and E-Government <ol style="list-style-type: none"> (1) Recap of MOU (2) Confirmation of PSIP Database Ver.4 documentations and training manuals (3) Review of PSIP Database Ver.4 development process (4) Discussion on maintenance of expertise in the post-project period (5) Discussion on development schedule for the next PSIP cycle 4. Additional topic of software development training <ol style="list-style-type: none"> (1) Linkage between PSIP Database and Excel templates (2) Development environment vs Production environment 5. Closing Session
<p>【Discussion Summary】</p> <ul style="list-style-type: none"> ■ JICA Project Team Leader presented the conclusions and recommendations of CEPSIP II ■ JICA Project IT Expert introduced PSIP Database Ver.4 and related documents. He also presented the review of Ver.4 development process and points to be considered in the next development plan. The formation of operation, maintenance and development of the Database was confirmed based on the MOU between EP&D and E-Government. ■ E-Government Department expressed an appreciation for this handover indicating that JICA support for IT will be used as a model to negotiate with other donors in the future, which is to transfer expertise to GoM officers and handover the products. It was also expressed that the Department is determined to maintain the expertise transferred to their officers, by making them as trainers.

(5) The Final Ninth JCC Meeting (JCC-9)

The final JCC meeting was held to officially conclude and handover CEPSIP II to Malawi side as follows.

【Date】 24 th August 2017	【Venue】 Treasury Main Conference Room
<p>【Malawi Side】</p> <ul style="list-style-type: none"> ■ Mr. Brian Mchawi, Chief Systems Analyst, MFEPD *Chairperson ■ Counterparts from PSIP Unit, DD ■ Mrs. Olive Chikankheni, Chief Director of new IFMIS and Mr. Abel Mwambinga, Assistant Accountant General -AGD, BD, and DAD of MFEPD 	

- Mr. D. E. Chunga, PED-OPC (Chief Director)

- NAO

【Japan Side】

- Mr. Kito, Resident Representative and others, JICA Malawi Office

- JICA Project Experts

【Agenda】

1. Opening prayer
2. Introduction of participants
3. Opening remarks by the Chairperson
4. Adoption of agenda
5. Presentation of Completion Report
 - i. Project Outputs and Performance
 - ii. Conclusion and Recommendations
6. Discussion and Way Forward
7. Remarks by JICA Malawi Office
8. Closing remarks by Chairperson
9. Closing prayer

【Discussion Summary】

- In his opening remarks, the Chairperson explained the background of the Project and its one year extension, and declared that this is the final JCC meeting and commended JICA for the support to the project.
- The Team Leader presented the completion report.
- The Meeting endorsed all the recommendations, and the following comments were taken note of:
 - AGD assured to link PSIP Database through the 4-digit common code to new IFMIS.
 - AGD highlighted the need for Administrator Manual to incorporate the data management guide
 - PED was pleased with the project and expressed the view that the trained officers will manage the PSIP process.
 - NAO thanked the Project for skills and knowledge transfer from both JICA Expert and through JICA government infrastructure project audit training where 6 officers attended.
 - AGD indicated to enforce the use of the PFM-IT which provides detailed and precise information regarding project management unlike the current IFMIS which does not give report on the activity progression and outputs.
 - BD commended the Project for featuring PBB in the project proposal template and expressed a continual collaboration in ensuring the PSIP process is sustainable.
 - DAD commended the project and indicated that their division uses the PSIP Database as a resource mobilisation tool when submitting projects to donors because they can find detailed information in the PSIP Database.
- JICA Resident Representative acknowledged the success of the project and emphasised that the good communication between PSIP Unit and MDAs should be continued, and more synergetic collaboration with Treasury is sought in terms of funding disbursement and eventually with MTEF, and collaboration with

AGD, CIAU, and NAO. Lastly, he thanked the project team for their dedicated work.

- The Chairperson commended JICA for the untiring support to the project to the country. He gave an assurance that the financial capital which was invested towards the project would be used effectively and efficiently. He then indicated sustenance of the project by ensuring a closer working relationship with coordinating institutions of PSIP and maintaining a good interface with MDAs for the nation's development.

6.1.3. Endline Survey

An Endline Survey was conducted for the same indicators as a baseline survey, and the Endline Survey Report was compiled in June 2017 (See Annex 10-1). The summary of results is explained in “8. Achievement Status at the time of Completion”.

6.1.4. Monitoring PSIP Process

Finalization of PSIP Preparation Handbook had started since July 2016. PSIP Working Calendar was kept being revised until new fiscal year (FY2017/18) started. The final Handbook (June 2017) has 32 PSIP process events based on actual steps taken before. The following table is divided into four quarters to indicate the PSIP process and the actual results monitored.

Table 45: PSIP Working Process Monitoring and Results (FY 2016/17 and up to September FY2017/18)

Period	Process Summary	Actual
1 st Quarter: Jul – Sep 2016	<u>July:</u>	
	<ul style="list-style-type: none"> ■ Approved Budget itemized to each project by Budget Division ■ Updating approved budget information in PSIP Database 	<ul style="list-style-type: none"> ● Budget was approved by the Parliament on schedule in June. ● PSIP Database updated budget information in August.
	<u>August:</u>	
	<ul style="list-style-type: none"> ■ Printing PSIP for FY2016/17 ■ Collection of all quarterly progress report of the previous FY. ■ PSIP Review meeting ■ Updating donor projects information in PSIP Database 	<ul style="list-style-type: none"> ● PSIP was not printed in August. ● 11 Quarterly reports were submitted. ● PSIP Review was held as PSIP Seminar on 5 September 2016. ● Donor information was updated by communicating with DAD.
	<u>September:</u>	
	<ul style="list-style-type: none"> ■ PSIP Circular No.1 	<ul style="list-style-type: none"> ● PSIP Circular No.1 was sent on 1 September.
2 nd Quarter Oct – Dec 2016	<u>October:</u>	
	<ul style="list-style-type: none"> ■ PSIP Orientation ■ Submission of PSIP proposals and 	<ul style="list-style-type: none"> ● PSIP Orientation was held in September followed by Hands-on Guidance.

Period	Process Summary	Actual
	collection 1 st Quarterly progress reports.	<ul style="list-style-type: none"> ● 54% of all Votes submitted before the deadline. 20 out of 46 projects submitted 1st Quarterly progress reports.
	<u>November:</u> <ul style="list-style-type: none"> ■ Initial appraisal of submitted PSIP proposals ■ Budget Strategic Meetings 	<ul style="list-style-type: none"> ● 123 out of 238 submitted projects were appraised. ● BD held a series of Strategic Meeting with MDAs
	<u>December:</u> <ul style="list-style-type: none"> ■ Ministerial meetings 	<ul style="list-style-type: none"> ● Ministerial meetings were conducted since 5 December (until January 2016)
3 rd Quarter Jan – Mar 2017	<u>January:</u> <ul style="list-style-type: none"> ■ Final Appraisal and collection of 2nd Quarterly Progress Reports ■ Reporting to PSIP Committee 	<ul style="list-style-type: none"> ● Final appraisal was conducted during 25-27 January 2016 and the results (PSIP proposed status and allocation) was reflected in PSIP Database. ● PSIP Management Meeting was not held.
	<u>February:</u> <ul style="list-style-type: none"> ● Meeting between BD and DD/PSIP Unit, and give feedback to MDAs. ● Budget framework and indicative ceiling 	<ul style="list-style-type: none"> ● Frequent meetings were organized between BD and EP&D to adjust the figures for the mid-year review and for the coming FY.
	<u>March:</u> <ul style="list-style-type: none"> ● Budget hearing and Final Budget ceiling ● Preparation of Cabinet paper 	<ul style="list-style-type: none"> ● PSIP Database reflected the revised budget information of current FY (from the mid-year review) and the latest project status. ● Adjustment of PSIP budget allocation continued.
4 th Quarter Apr – Jun 2017	<u>April:</u> <ul style="list-style-type: none"> ■ Collection of 3rd Quarterly Progress Reports. ■ PSIP approval by the Cabinet. 	<ul style="list-style-type: none"> ● Budget hearing was conducted. PSIP Unit also attended. ● Adjustment of PSIP budget allocation continued
	<u>May:</u> <ul style="list-style-type: none"> ■ Draft PSIP submission to the Parliament ■ Budget Document submission 	<ul style="list-style-type: none"> ● PSIP draft was not submitted to the Parliament but Budget document was.
	<u>June:</u> <ul style="list-style-type: none"> ■ Budget approval by the Parliament. 	<ul style="list-style-type: none"> ● Budget was approved as scheduled.

Period	Process Summary	Actual
1 st Quarter Jul – Sep 2017 *This report covers until August	<u>July:</u> <ul style="list-style-type: none"> ■ Budget Approval by the Parliament ■ Updating approved budget information and project status in PSIP Database 	<ul style="list-style-type: none"> ● Approved budget information and status of the projects were updated in PSIP Database
	<u>August:</u> <ul style="list-style-type: none"> ■ Printing PSIP for FY2017/18 ■ Collection of all quarterly progress report of the previous FY. ■ PSIP Review meeting ■ Updating donor projects information in PSIP Database ■ PSIP Circular No.1 ■ PSIP Orientation ■ Submission of PSIP proposals 	<ul style="list-style-type: none"> ● PSIP was not printed in August ● PSIP Circular No.1 was sent on 1 August. ● PSIP Seminar for review was organized on 2 August for MDA directors of planning. ● PSIP Review and Orientation Workshop was held on 8-10 August. ● PSIP proposal submission deadline is 31 August 2017.
	<u>September:</u> <ul style="list-style-type: none"> ■ Initial Appraisal 	(not covered in this report)

6.2. Output 1: activities and achievements (July 2016 – September 2017)

During this period (July 2016 – September 2017), the activities 【1-1】 ~ 【1-4】 as shown below for Output 1 were conducted. It was reviewed how the PSIP Tools of the previous period was utilized in operation. The items for improvement were identified and reflected into the final versions of the tools such as PSIP Database, PSIP Preparation Handbook, and PSIP Process Management and Appraisal Manual.

【Output 1】 Database and Manuals/Handbook for PSIP are improved (especially for an appraisal of on-going projects considering their past implementation performance)	
No	Activities
【1-1】	To review the utilization of Database and Manuals/Handbook for PSIP and identify issues for further improvement of PSIP.
【1-2】	To obtain feedbacks by users of Database, Manuals/Handbook for PSIP and other issues through workshops and interviews.
【1-3】	To reflect the feedbacks obtained in 1-2 to Database (especially for an appraisal of on-going projects considering their past performance).
【1-4】	To reflect the feedbacks obtained in 1-2 and 2-2 to Manuals/Handbook and process for PSIP (especially for an appraisal of on-going projects considering their past performance).

6.2.1. PSIP Database

The major issues tackled with PSIP Database Ver.3.0 and 4.0 were as follows. (Ver.4.0 was the final version mainly developed by PSIP and e-Government IT officers with support of Japanese experts).

(i) In PSIP Database Ver.2.0, project information necessary for appraisal was summarized in Excel files or other formats and was managed with different files by different officers. Because the information was not centralized, some operational problems were occurring. The problems included data loss, difficulty in extracting appropriate data with appropriate timing, difficulty in information sharing with other people, and so on.

In addition to the above-mentioned issues, the following issues related to database maintainability and security were tackled.

(ii) PSIP Database server machine was stored in the PSIP unit office which did not have power failure countermeasures, fire protection, cooling, physical and network security.

(iii) The maintenance and development of the PSIP Database in the future was an issue of concern having considered the time and capacity constraints of PSIP Unit IT officers.

(iv) Although the PSIP Database could be accessed after account authentication, there was a security flaw which allows non-parties to unnecessarily access the data in the database.

The table below indicates the PSIP Database Ver.3.0 and 4.0 development, maintenance and security measures taken to tackle the issues above. The development of PSIP Database Ver. 3.0 and Ver.4.0 was completed in September 2016 and in July 2017 respectively. The operation of ver.4.0 began in August 2017.

Table 46: Development and Measures Taken in PSIP Database ver.3.0 & 4.0 from July 2016 to September 2017

PSIP Database Development (Ver.3.0 & 4.0)	Output	
	Program	Document and Manuals
➤ <u>Issue (i):</u> Development of the new function for PSIP management	➤ PSIP Database Program (Ver.4.0)	➤ Requirement Definition Document (Ver.4.0)
◇ PSIP Process Management	➤ Template Loader Program (Ver.4.0)	➤ Test Specification (Ver.4.0)
◇ Site Visit Record	➤ Template Generator Program (Ver.4.0)	➤ PSIP Database Ver.4.0 Detail Specification of Database Schema
◇ First Appraisal Supporting Function	➤ PSIP Excel Proposal Template for FY2017/18	➤ PSIP Database Ver.4.0 User Manual for PSIP desk officers and MDA users
◇ Ministerial Meeting Making	➤ PSIP Excel Proposal Template for FY2018/19	➤ PSIP Database Ver.4.0 System Manual for Administrator
◇ Final Appraisal Supporting Function	➤ Quarterly Progress Report Format for FY2016/17	➤ Template Loader / Generator Utility User Manual (Ver.4.0)
◇ Project Status, Project Budget update, project information reference and management	➤ Quarterly Progress Report Format for FY2017/18	

Measures to improve database maintainability and security	Program	Document and Manuals
<ul style="list-style-type: none"> ➤ <u>Issue (ii)</u>: Server relocation ➤ <u>Issue (iii)</u>: Agreed on Memorandum of Understanding (MoU) with e-government about PSIP Database development ➤ <u>Issue (iv)</u>: Review the User rights and roles of PSIP Database 		<ul style="list-style-type: none"> ➤ Server Setup Manual (Common for all version) ➤ Server Maintenance Manual

As a result of the development above, the following points were improved.

Table 47: Points to be Improved by PSIP Database Improvement (Ver.3.0&4.0)

Action taken for each issue	Points to be improved
<u>Issue (i)</u> : Development of the new function for PSIP management	As a result of development of new functions, most information necessary for PSIP management became centralized on the database, contributing to the visualization and speeding up of appraisal, and reduction of human errors and data loss.
<u>Issue (ii)</u> : Server relocation	Two server machines for PSIP Database and server racks were relocated to GWAN network & server room which has countermeasures against power outage, fire protection, cooling and security system. After the relocation, the operation of the PSIP Database became very stable as the server almost no longer stopped due to power outage.
<u>Issue (iii)</u> : Agreed on Memorandum of Understanding (MoU) with e-government about PSIP Database development	MoU was agreed between e-Government and EP&D to entrust software development of PSIP Database to e-Government. This was a countermeasure against time and capacity constraint of personnel in charge of future PSIP Database development. MoU is expected to contribute sustainability of PSIP Database.
<u>Issue (iv)</u> : Review the User rights and roles of PSIP Database	User access rights and roles of PSIP Database were reviewed and access management was strengthened. The user group consists of 1) guest user, 2) MDA user, 3) PSIP user, and 4) administrator. By reviewing the targets for each user group and the functions and screens open to each user group, security risk of unnecessary access was reduced.

After CEPSIP II started, the PSIP Database system was dramatic improved. In terms of hardware, the performance of the server and other equipment were greatly improved. A data backup system was also established. In terms of software, refactoring was done and many issues found in the existing database were solved. Security was also enhanced through the introduction of SSL certificate and network

reconfiguration.

One major issue remained even after CEPSIP II is linkage between PSIP Database and the new IFMIS. Due to the delay in procurement of the new IFMIS, PSIP Database could not have the function to link with budget information within the project implementation period. However, adoption of Unified Project Code between IFMIS and other subsystem including PFIP database was already agreed among stakeholders by the acceptance of our proposal which had been made from the beginning of CEPSIP II project.

Out of more than 40 digits' new chart of accounts code to be used with the new IFMIS, 4-digit unique code for each project will be utilized as common project code to all governments system. PSIP unit is in charge of producing and managing the common project code. This ensures that all development projects to be registered in New IFMIS pass through the PSIP Database. This can increase the rate of capturing development projects in the PSIP Database. The function to produce and to manage this common project code was already developed in PSIP Database ver.4.0.

For the development of PSIP Database in the future, especially linkage with new IFMIS, cooperation of not only PSIP Unit, but also e-Government is necessary. The development of the final version of PSIP Database was carried out concurrently with intensive technical training, and IT officers in both PSIP unit and e-Government took in charge of the development of PSIP Database ver.4.0. They will take over the design and development of the PSIP Database necessary to link with the new IFMIS in the future as necessary technical transfer was already done through the training and development work.

6.2.2. PSIP Preparation Handbook

After the revised version of PSIP Preparation Handbook was compiled, PSIP work process was revisited and shifted in terms of its timing and further revision was made. DD/PSIP Unit provided amendments for the Handbook from July and September 2016. These include: a) emergency aid is included in PSIP if it is aimed for development, b) PSIP projects belong to programs under PBB framework, c) Strategic meeting led by BD was included in PSIP process, and d) cooperation between DD/PSIP Unit and DAD was included. As PSIP templates and tools are subject for frequent changes, they are uploaded to PSIP Database and made downloadable and they are attached to the PSIP Annual Guideline prepared by PSIP Unit, which is sent to MDAs together with Circular No.1. PSIP Preparation Handbook became the document for medium-term use.

The revised contents of the Handbook were explained in PSIP related workshop for MDAs in 2016. In November 2016, Chief Director of EP&D signed version of the Handbook was posted on the PSIP Portal Website. On 22 February 2017, the technical meeting between DD, BD and AGD concluded to change PSIP working calendar which was reflected in the Handbook. The final PSIP Preparation Handbook was printed in August 2017 for dissemination.

6.2.3. PSIP Process Management and Appraisal Manual

The PSIP Appraisal Manual was revisited and redefined its status. The previous manual focused on appraisal methods and process only, while the redefined one would look at collection, update and cumulate information of implementing projects as a management process under PSIP business. PSIP Database has been developed to mount the function of process information management for each project implementation and its appraisal status of the time. Therefore, the Manual was renamed as 'PSIP Process Management and Appraisal Manual' to widen its meaning.

The contents of the Manual were explained during MFEPD Meeting to strategise for FY2017/18 PSIP, PSIP Seminar as well as PSIP Orientation events in August and September 2016. The ideas of revision for the Manual had been provided by PSIP Unit since March 2017 to finalize it in June 2017. The Manual shows PSIP work flow, which indicates when PSIP Unit communicate with MDAs, when the information is updated in PSIP Database, and guide how project appraisal is done. The contents of the finalised Manual are as follows.

Contents of PSIP Process Management and Appraisal Manual (June 2017)	
1:	Purpose, Users, and Structure of the Manual
2:	Annual Flow of PSIP Work
3:	Purposes of Appraisal and Information for Appraisal
4:	Method of Appraisal
5:	Appraisal Reports and PSIP Database

Since it is an internal reference document, the final Manual was distributed among MFEPD related Divisions in July 2017 during PSIP preparation meeting and Handover meeting with EP&D in August 2017. Nevertheless, its essence was shared with MDAs through the presentation made by C/P at PSIP Orientation held in August 2017.

6.3. Output 2: activities and achievements (July 2016 to September 2017)

During this period (July 2016 to September 2017), the activities **【2-1】** ~ **【2-8】** shown below for Output 2 were conducted. Firstly, Public Finance and Economic Management Reform and Donor activities were analysed in relation to PSIP activities. Secondly, PSIP process on MDA side was reviewed to propose, implement and validate optimized PSIP processes. Thirdly, PSIP's role and its framework to set outputs and indicators was studied with similar setting of these in budget documents to propose and validate improvement measures. Fourthly, the coordination between PSIP Unit and BD was enhanced.

【Output 2】 The process of PSIP is further harmonized with the planning and budget processes of relevant ministries and the Budget Division.	
No	Activities
【2-1】	To review the current public financial and economic reform policies, programmes and activities.

【2-2】	To review the process of PSIP in line ministries.
【2-3】	To propose necessary measures to optimize the process identified in 2-2 (e.g., Feedbacks for line ministries and PSIP review meeting, etc.).
【2-4】	To put into practice the proposals identified in 2-3 for validation.
【2-5】	To review the appropriateness of the output indicators in PSIP and Budget Document and the mechanism to generate and report them.
【2-6】	To propose necessary measures to improve the issues identified in 2-5 (e.g., effective consultations and modification of the mechanism).
【2-7】	To put into practice the proposals identified in 2-6 for validation.
【2-8】	To enhance dialogue for effective coordination mechanism between PSIP Unit and Budget Division.

6.3.1. Review of Public Financial and Economic Management- Reform Programme

In both PFEM donor meeting held on 22 July 2016 and PFEM Technical meeting held on 31 August 2016, CEPSIP II explained that a New Chart of Account to be introduced together with New IFMIS would have 4-digit PSIP project code which will be commonly used even in other government systems.

While introducing the essence of PFM rolling plan (2017-2020) in PFEM Technical Meeting held on 5 and 6 April 2017, PFEM Division wished to prepare the plan with donors. CEPSIP II commented that EP&D should be involved in preparation of PFM rolling plan.

Table 48: Summary of Review of Related Activities having reference to CEPSIP II

a)	IFMIS	Concerning New IFMIS procurement, the progress was made during 2017 although one time the payment by FROIP was suspended but it was lifted. New IFMIS is scheduled to begin operation from July 2018. FROIP which is going to co-finance the procurement will end in April 2018.
b)	PFM Act amendment	As of the end of June 2017, the procurement of consultants who would lead PFM Act amendment was suspended until AfDB approves the nominee. While DD/PSIP Unit has committed to be involved in the amendment process, PSIP policy making started (CEPSIP II provided the conceptual note for PSIP policy).
c)	MDGS III	MDGS III was approved by the cabinet on 31 st August 2017. The framework of MGDS III was reflected into PSIP Database and template for FY2018/19

6.3.2. PSIP process optimization

(1) PSIP Quarterly Progress Monitoring Report

For FY2017/18 PSIP project proposal submission by 31 October 2016, the first quarter progress information of projects implemented in FY 2016/17 was also required to be submitted together for appraisal. PSIP Database could provide pre-filled form of a progress report, and the updated information

filled in the form would be uploaded to the Database. The status of submission or non-submission with updated information become monitorable from the process management screen of the Database. In the Quarterly Progress Report, MDAs were encouraged to even report the fact that projects are not funded despite of approved budget allocation. MDAs came to understand its importance and started reporting such facts.

As BD makes it a condition to allocate a part of budget for a given project by confirming quarterly report from MDA, the integration of expenditure information reporting with BD in this quarterly progress report form was discussed with BD. As the submission level of PSIP quarterly progress monitoring report was not yet adequate, it is expected that the increase of necessity for submission in terms of budget allocation procedure by BD and of project appraisal as well as monitoring by PSIP Unit would bring betterment in all levels of project management.

(2) PSIP Template

PSIP Template has improved its user-friendliness year by year while required information was increased. The template for FY2017/18 added a couple of new functions in its worksheets which newly required costing information details by activity as well as line item levels as the basis of budget request for the requested FY apart from the request for the whole project period. MDGS III framework was also included in the Template for FY2018/19. While this costing information has been well recognised, similar projects such as housing tend to have different setting of performance indicators by different MDAs, and this need to be standardized. Other practical issue was observed in terms of organizational formation for project formulation and preparation of PSIP Template. Some MDAs have less organized division for planning and preparation work for submission, which need be addressed. In JCC-8 (2 November 2016), it was commonly understood that OPC (HRMD) should play a role to address this structural issue.

(3) Institutions concerning project management strengthening

As a part of activities for PSIP process optimization proposal for MDAs, joint project audit/assessment exercise was conducted for one PSIP project. To carry out this exercise, a team of AGD, NAO and Internal Auditors was formed and it targeted a project from Fisheries Department to examine its whole project life cycle process in a viewpoint of project management from planning to evaluation. Using the framework such as Figure 4 below, a project was analysed in details and given feedback to the project manager for improvement action to be taken. It was meant to demonstrate to the institutions like AGD and NAO and especially Internal Auditors how the project is supposed to be examined and advised by doing this exercise.

<u>Intensive Examination of Project Management</u>						
<ul style="list-style-type: none"> ➤ Detailed and deep examination of each phase along Project Life Cycle Management (PLCM). ➤ First, grasp actual method and procedures of project management being taken in field practices. ➤ Then, identify missing elements for necessary project management with unfavorable consequences. 						
Project Life Cycle	Current Practice	Divisions in Charge	Responsible Managers	Method & Procedures	Managerial Records & Documents	Communication System
<u>Initiation/Preparation</u>	<ul style="list-style-type: none"> ● Inventory of prevailing problems ● Prioritization to be tackled in light of mission ● Problem analysis ● Objective analysis ● Project selection ● Formulation of logical framework 					
<u>Planning</u>	<ul style="list-style-type: none"> ● Work Breakdown Structure ● Scheduling ● Cost estimation ● Communication plan ● Risk management plan 					
<u>Implementation</u> (Implementation management)	<ul style="list-style-type: none"> ● Progress management ● Procurement management ● Project accounting <p>(Check/Action)</p> <ul style="list-style-type: none"> ● Monitoring current state of affairs ● Identification of gaps against plan ● Cause analysis ● Preparation of countermeasures 					
<u>Self-evaluation</u>	DAC 5 criteria					

Figure 4: A Framework of Project Management Examination

Fisheries Department as an examinee was recognised for how good its project has been managed and reflected feedback into action. This exercise was introduced during PSIP Review and Orientation Workshop in August 2017 by PSIP Unit (Project Management), AGD (Project Accounting) and Fisheries Department (Reactions for improved management after the Joint exercise). All these were explained in Technical Report 3 which was distributed to MDAs broadly. On 17 August 2017, AGD organized the seminar inviting project accountants and internal auditors from MDAs as well as PSIP Unit, CIAU, NAO, and BD to discuss issues of project accounting and management. CEPSIP II supported this event as this would be a fundamental and institutional basis for sustainable improvement of project and development management of Malawi. JICA Project Leader explained how CEPSIP II has come to focus on sustainable national development by strengthening project management. This was essential for management of PSIP. In the seminar using Technical Report 3 as a key document, PFM-IT was especially taken up as a tool to be used widely for all the Part II projects by the whole MDAs.

【Meeting】 Project Management Improvement Seminar	
【Date】 17 August 2017	【 Venue 】 Golden Peacock Hotel, Lilongwe
【Attendance】 AGD, NAO, CIAU, and Project Accountant and Internal Auditor from MDAs EP&D, Fisheries Department, and JICA Project Team (3)	
【Programme】	

Time	Sessions (Presenters)
09:00	1) Opening Session (AGD, EP&D, CEPSIP II)
09:25	2) Presentation: Project management (EP&D) 3) Presentation: Project management analysis- -joint exercise (AGD) 4) Presentation: Project management analysis- reaction after the analysis (Fisheries Department)
11:00	5) Questions and Answers
13:15	6) Presentation on Project Financial Management -Information Tool (PFM-IT) as a management tool
14:30	7) Discussion and way forward



6.3.3. PSIP and Budget document

PBB has been fully introduced since FY2016/17. PBB allows each Vote to set 6 programs. Director of BD indicated in the discussion with CEPSIP II on 14 November 2016 that PBB had been ideal budget framework for Malawi and projects would be a component of each program. As stated above, PSIP template therefore reflected PBB framework. Although PBB would set its performance indicators of its own at higher level than PSIP projects, PSIP project outputs and indicators are now clearly dealt with in this whole picture. As a basis of PBB performance, the importance of PSIP projects' outputs are even increased and this needs to be well monitored for the purpose of PBB.

6.3.4. Coordination between PSIP Unit and Budget Division

Although the development of New IFMIS system has not yet started by August 2017, PSIP project codes (given by PSIP Unit) will be used for linkage with PSIP Database. On the other hand, until the linkage, information of Donor projects which do not pass through PSIP process will be captured from Budget estimates with the supplementary information obtained from DAD and be registered in PSIP Database. This was agreed with DAD and PSIP Unit communicated with DAD more frequently and systematically. Such communication and coordination was agreed between the two institutions so that donor projects are registered in PSIP Database with latest funding information. The method and system was needed to make this PSIP work process with DAD possible as clearly set in PSIP calendar.

On 28 July 2017, CEPSIP II organized a strategizing meeting for FY2018/19 PSIP inviting BD, DAD and AGD. This meeting was preparatory meeting for the subsequent PSIP events planned in August 2017.

6.4. Output 3: activities and achievements (July 2016 – September 2017)

During this period (July 2016 to September 2017), activities 【3-1】~【3-5】 shown below were conducted for Output 3. Reflecting lessons from PSIP tool utilisation and PSIP process implementation, the training programme was prepared and conducted in September 2016 and August 2017. Collecting the participants' evaluation of the training contents in 2016, the rationale of the training contents and the applied method were reviewed. Examining the above activities, Action plan on capacity development was prepared.

【Output 3】 The capacity to use improved Database and Manuals/Handbook for PSIP is built in PSIP Unit and line ministries.	
No	Activities
【3-1】	To identify the training needs and institutional issues for PSIP in PSIP Unit and line ministries.
【3-2】	To prepare a training programme on the improved Database and Manuals/Handbook and the process for PSIP.
【3-3】	To implement the training programme prepared in 3-2.
【3-4】	To evaluate the results of training and create feedbacks to trainings and operation for PSIP.
【3-5】	To evaluate the overall results of training by the Project and develop an action plan on capacity development in future.

6.4.1. MDAs – practical issues, training programme and implementation

Training need for MDAs now focused on deeper practical understanding of PSIP process and required information using PSIP tools as many officers of MDAs have been used to the tools.

(1) PSIP trainer's training

Since the number of PSIP Unit Desk Officers have not been adequate, economists under other MDAs were counted on in terms of trainer's role for other officials when preparing PSIP proposals for submission. The training session was conducted for selected economists from some MDAs to learn PSIP process and tools before holding PSIP orientation event. This was also an opportunity to obtain initial feedback for the revised PSIP tools before dissemination. PSIP Unit Desk Officers played roles of lecturers for this session, which was preparatory for PSIP Unit to be presenters and trainers for the subsequent PSIP orientation. 14 Economists participated from other MDAs were trained to play supplementary lecturer role for other MDAs during the PSIP orientation. For CEPSIP II, those trained trainers from other MDAs have been treated as extended C/P.

【Meeting】 PSIP Trainers' training	
【Date】 1 ~ 2 September 2016	【Venue】 Wamkulu Palace
【Attendance】 12 from EPD, 14 from 8 MDAs (11 Divisions), and 6 JICA Project Experts	

【Program】	
Time	Sessions (Presenters)
Day 1	
09:30	1) Opening Session (DD)
10:15	2) Presentation: PSIP tools (JICA Expert Team)
11:30	3) Questions & Answers
11:30	4) Presentation: PSIP Circular 1 and PSIP Guideline for FY2017/18 (PSIP Unit)
13:30	5) Exercise Session: Work on PSIP Ongoing Project template
15:15	6) Questions & Answers
Day 2	
09:00	7) Re-cap of Day 1 (PSIP Unit)
09:15	8) Exercise Session: Project Quarterly Progress Report & PFM-IT
10:15	9) Questions & Answers
11:00	10) Exercise Session: Work on PSIP New Project template
11:45	11) Questions & Answers
13:30	12) Wrap Up and Closing

(2) PSIP Seminar (September 2016)

PSIP seminar was organized for directors of planning divisions to review PSIP process of previous FY and to inform coming PSIP process. This event was not only an event to deepen the understanding of PSIP process and tools but to hear from MDAs on their issues. This was also an opportunity for Directors to commit to PSIP and encourage them to send their officers in charge of PSIP to participate in subsequent PSIP Orientation Workshop, to lead PSIP preparation as well as to manage PSIP process in their respective MDA.

【Meeting】 PSIP Seminar	
【Date】 5 September 2016	【Venue】 Golden Peacock Hotel, Lilongwe
【Attendance】 53 from 27 MDAs, 4 from JICA Malawi Office including Mr. Tokuhashi (Resident Representative), 6 JICA Project Experts, and 2 JICA Project Staffs	
【Program】	
Time	Sessions (Presenters)
09:30	1) Opening Session (JICA Malawi Office & EPD)
09:45	2) Presentation: FY2015/16 Development Budget & PSIP Performance, and FY2016/17PSIP preparation (BD & DD)
10:45	3) Questions and Answers
11:45	4) Presentation: FY2017/18PSIP preparation, Circular 1, PSIP Guideline and Schedule (DD)
13:30	5) Questions & Answers
14:15	6) Closing Session



【Contents】

- In the opening remarks, JICA Resident Representative (Mr. Tokuhashi) appreciated improved PSIP process and announced its decision for extension of CEPSIP II. Mr. Tokuhashi appealed that all necessary economists be posted to improve PSIP process to be literally integrated PSIP into national development management system. Acting PS for EP&D (Mr. Kamphale) emphasized importance on proper project proposal and prioritization of request were essential for PSIP encouraging PSIP Unit to satisfy project information (including donor projects) and conduct issues of arrears.
- BD: The proportion of Malawi Government Development Budget for FY2015/16 was reduced to 44 billion Kwacha. Delay of budget execution was caused by lack of project progress (lack of reporting). Arrears were caused by similar reasons. Development budget proportion depends on effects by statutory expenditure.
- DD: According to the review of PSIP FY2016/17, the issues still remains as inadequate project information, less submission of progress information, and delay of proposal submission as such. It was requested that directors of planning would check if project proposals satisfy PSIP appraisal criteria and if project progress information is submitted on schedule.
- Q&A session (with answers): Feedback of project appraisal (Letter will do): Restoration of suspended projects (Communication with PSIP Unit to tell necessity): and, the reason of re-submission new project proposals (Update of information to reflect changes of its condition).

【Evaluation and feedback for PSIP Seminar】

PSIP Seminar itself was understood necessary every year to review the previous PSIP process, to implement projects in current FY understanding budget condition, and to confirm PSIP process to prepare and submit for coming FY.

(3) PSIP Orientation Workshop (September 2016)

In order to disseminate various new and upgraded feature of PSIP Database, templates and tools including PSIP process to wider people, the workshop was held twice for different MDA groups for 3 days each inviting 6 people (not only from Planning Division but accounting section or others) from each MDA just as the previous year.

This workshop was solely led and presented by C/P while JICA expert team assisted them minimum and from behind the scene. Through the effort of C/P shown in the workshop, it was ensured that institutional capacity to organize PISP training events was literally established.

【Meeting】 PSIP Orientation Workshop	
【Date】 13 ~ 15 September 2016 (First Group), 20 ~ 22 September 2016 (Second Group)	【Venue】 Golden Peacock Hotel, Lilongwe
【Attendance】 134 from 22 MDAs (First Group), 103 from 22 MDAs (Second Group) (Japanese Side: 2 from JICA Malawi Office, 6 JICA Project Experts, 2 JICA Project Staff)	
【Program】	
Time	Sessions (Presenters)
Day 1	
09:30	1) Opening Session (JICA Malawi Office & DD)
09:45	2) Presentation: FY2015/16 Development Budget review (BD) 3) Presentation: FY2016/17PSIP preparation and FY2015/16 performance review (DD/PSIP Unit)
10:30	4) Presentation: PSIP tools and PSIP Guideline (DD/ PSIP Unit)
11:40	5) Questions & Answers
13:30	6) Presentation: PSIP Database and Portal site (DD/ PSIP Unit)
14:45	7) Guidance & Group Work: Preparation of PSIP Ongoing Project template
Day 2	
09:30	8) Re-cap of Day 1
09:45	9) Guidance & Group Work: Preparation of PSIP Ongoing Project template <Continues>
10:45	10) Presentation of the Group Work: PSIP Ongoing Project template
13:30	11) Guidance & Group Work: Project Quarterly Progress Report & PFM-IT
15:30	12) Presentation of the Group Work: Project Quarterly Progress Report & PFM-IT
Day 3	
09:30	13) Re-cap of Day 2
09:45	14) Guidance: PSIP New Project template
10:45	15) Questions & Answers
11:45	16) Plan of Hands-on Guidance
13:00	17) Wrap-Up and Closing
	

【Contents】

- In the opening speech, JICA Malawi Office stated its expectation in PSIP to be national planning management system for economic development. While emphasizing its effort to tackle issues around PSIP through CEPSIP II, Deputy Director of EP&D (Mr. Banda) requested that MDAs prioritise proposed projects and submit on schedule
- (BD presentation and PSIP Unit on review were same in the contents as PSIP Seminar)
- PSIP Unit: Circular No.1 and PSIP Annual Guideline with attachments such as PSIP template forms was explained. Summary of PSIP Preparation Handbook covering its revision, new feature of PSIP Database on process management from proposal submission, appraisal and progress information, and PSIP latest appraisal criteria were introduced.
- Q&A session (with answers): Proportion of ongoing and new projects (preliminary unset): Feedback arrangement for non-approval projects (PSIP DB indicate the information for MDA users): Treatment of Pipeline projects (Re-submission is required as new though it is sealed as pipeline): Local PSIP (While discussion of Local Government Ministry is respected, LGF projects are currently treated under PSIP at national level): Treatment of projects approved in budget but un-funded (While BD requires expenditure report for funding the project, it needs to examine such cases) as such.
- In practical sessions, the method of using PSIP Database from PSIP portal site was oriented. In relation to that, it is explained that accessibility of PSIP Database information differs based on ID so that information can be properly protected.
- For mutual learning and experiencing the required level of information in practice, the results of group work were presented by 2 groups for each PSIP tool.
- Finally planning Hands-on Guidance was conducted together with all the participants asking when MDAs want PSIP Unit desk officers to visit.

(4) Hands-on Guidance

Since 2015, the programme and the contents of PSIP Orientation Workshop have been fixed. On the other hand, no matter how PSIP Orientation workshop increase the number of participants and conduct more practical sessions which would help the participants from MDAs to understand issues and to be competent, there are more government officers who are not seen in PSIP workshop events but are engaged in PSIP business in planning and monitoring. Hands-on Guidance by PSIP Unit desk officers to visit each MDA is also necessary to address such issues. More people benefitted from this guidance for the past few years. As the number of the participants increased by CEPSIP II support, budget constraint would be easily anticipated for the future events after the completion of CEPSIP II. Hands-on Guidance was also proposed as it is financially less constraint. After its trial for the past two years, this Guidance method was also fixed. In 2016, PSIP Unit Desk Officers conducted Hands-on Guidance after the Orientation, very much independently from JICA Project Experts. And it was decided to be continued in the coming years.

Evaluation after PSIP orientation in September 2016 was conducted focusing on asking capacity development needs. About 70% of the participants believed that follow up support would be necessary

after the orientation. This means that Hands-on Guidance after PSIP orientation event is still essential and necessary. While the training event may constrain number of invitees, Hands-on Guidance seems to be an integral part of Capacity Development Plan to ensure quality of PSIP and compliance on its process.

6.4.2. PSIP Database—operational issues, training programme and implementation

(1) Technical Training for PSIP Database Development and Maintenance

As a certain level of knowledge, skills and experience is necessary to develop PSIP Database, continuous training and OJT were conducted even for similar contents. The technical training for PSIP about Web and network was conducted 6 times in this period.

【Training Name】 Technical Training for PSIP Database Development and Maintenance	
【Period】 July to August 2016	【Venue】 PSIP Unit Office
【Participants】 4 IT officers in PSIP Unit (Mr. Brian Mchawi, Ms. Shalom Ghambi, Mr. Gift Njoloma, Mr. Chimwemwe Nyirenda)	
【Training Contents】	
<ul style="list-style-type: none"> ■ Linux OS ■ Web Design ■ Programming Practice using Symfony Framework ■ Design, Development and Maintenance of PSIP Database Ver.3.0 ■ Network 	
【Evaluation and Feedbacks for the Training】	
In the past, Japanese experts were mainly trainers, but in this period in 2016, IT officers who had been trained became the trainers with the support of JICA IT experts and deepened their skills and independence.	

(2) Intensive Training for PSIP Database Development (including IT officers of e-Government)

Obtaining cooperation from e-Government on PSIP Database development was basically agreed in early 2016. In November 2016, MoU was officially signed between EP&D and e-Government, and the PSIP Database development implementation structure including e-Government was organized. After that, intensive training of PSIP template, Quarterly Progress Report Format, PFM-IT tool and PSIP Database was conducted for IT officers in both PSIP unit and e-Government from September 2016 to August 2017. Development of PSIP Database was also carried out in parallel for sustainable development in the future.

As e-Government requested to let IT officers in other ministries also join the training, the target was expanded. CEPSIP II conducted a total of 71 days of training, provided some assignments, and shared responsibility to each of them for development of PSIP Database Ver. 4.0.

【Training Name】 Intensive Training for PSIP Database Development (including IT officers of e-Government)	
【Period】 September 2016 – August 2017	【Venue】 Wamkulu Palace
【Participants】 4 PSIP Unit IT officers (Mr. Brian Mchawi, Ms. Shalom Ghambi, Mr. Gift Njoloma, Mr. Chimwemwe Nyirenda) 7 e-Government IT officers 1 each from Ministry of Health, Ministry of Energy and Civil Service Commission	
【Training Contents】 <ul style="list-style-type: none"> ■ Design, development and maintenance of PSIP Excel Proposal Template, Quarterly Progress Report Form, and PFM-IT tool (12 days) ■ Web Design (6 days) ■ Java Script (3 days) ■ PHP and Smarty Programming (8 days) ■ PHP Symfony Framework (8 days) ■ Database (MySQL) (7 days) ■ Object Oriented Programming (1 day) ■ Software Testing (2 days) ■ Network and Communication Technology (1 day) ■ Linux OS (3 days) ■ Linux supplementary training (1 day) ■ Making Development Environment (1 day) ■ Template Generator/Loader (1 day) ■ PSIP Database Development Planning (4 days) ■ PSIP Database Development Practice (7 days) ■ Information Security (5 days) ■ Server Maintenance (1 day) 	
【Evaluation and Feedbacks for the Training】 Most of the training participants completed the training, and deepened their understanding of Excel tools and technologies related to PSIP Database development. In their training assignments, some training participants developed the functions with further application of what they learnt in the training. As a result, many functions of PSIP Excel Template, Quarterly Progress Report Format and PSIP Database Ver. 4.0 were developed by themselves. In addition, many participants obtained the ideas to improve the system other than PSIP Database through the training, so that there is even possibility that the positive effect will be spread beyond the scope of the original objective of the training, that sustain the PSIP Database.	

(3) Training related to Information Security

For the awareness raising of information security, CEPSIP II renewed laptop lease agreement with each staff, describing how to properly use laptop and regulation to take the laptop outside. The attendance of information security training was made as prerequisite to take the laptop outside. CEPSIP II implemented Information security training on 23 November 2016, which targeted not only PSIP unit IT officers but also

Desk Officers.

6.4.3. PSIP Unit – practical issues, training programme and implementation

PSIP Unit needs to play the role of trainers for MDAs concerning PSIP business while the Unit has an adequate number of officers to implement their own work. However, it was proved that the more PSIP Unit Desk Officers play the trainers role, the more they become competent in doing so. In 2016, PSIP Unit could conduct its leading role for PSIP Seminar and Orientation events. They organized PSIP Orientation more effectively and independently in August 2017.

Nevertheless, PSIP Unit desk officers also need to develop their own capacity in economic and financial analysis to appraise donor led infrastructure projects. Knowledge and competence in these analyses differ from Desk Officers and the training session in economic and financial analysis was requested. CEPSIP II, therefore, provided additional support to address such capacity issue.

(1) The training on Economic and Financial Analysis

The training on Economic and Financial Analysis was conducted by a JICA Project Expert on 4 July 2016. 6 PSIP Unit desk officers and 7 other officers from EP&D totalling 13 trainees participated. Referring to infrastructure project cases in other countries, the lecture emphasized the different effects of economic and financial analysis. The training was generally appreciated. These analytical methods are supposed to be basic knowledge of Economists and training opportunities in this area need to be prioritized and provided by the Government of Malawi.

(2) PSIP Appraisal workshop



Initial appraisal had started since November 2016 without holding an initial appraisal workshop, as PSIP Unit Desk Officers could independently appraise directly on PSIP Database from which the progress and results of appraisal can be monitored by supervisors. The appraisal quality was improved and in the subsequent ministerial meetings, Desk Officers made well prepared questions and discussed properly based on the initial appraisal results. MDAs were rather requested to provide additional information or resubmission of their project proposals.

PSIP Calendar was suddenly amended during FY2016/17. Immediately after the ministerial meeting ended in January 2017, the request was made by BD to decide allocation for FY2017/18 PSIP. The meeting was urgently organized to finish final appraisal allocating fund during 25-27 January 2017. Then, the rating results of the final appraisal were updated in the PSIP Database.

6.4.4. Final PSIP Seminar and Orientation Workshop in August 2017

Before concluding CEPSIP II, the last opportunity of PSIP Seminar was held on 2 August 2017 immediately after Circular No.1 was sent on 1 August 2017. In this Seminar inviting Directors of Planning Divisions from MDAs, CEPSIP II results were presented as well as PSIP Database Ver.4 was

launched by JICA Expert team. PSIP Preparation Handbook (August 2017) and Database manual for MDAs (August 2017) were disseminated in this occasion. JICA Malawi Resident Representative, Mr. Kito, appreciated efforts of both EP&D and JICA expert team to conduct CEPSIP II for the past years, and stated that PSIP would be management cycle basis to implement MGDS III while all projects should be well shared at sector working groups. Chief Director of EP&D, Mr. Simbani, on the other hand, emphasized the positive role of PSIP as a key for national development and expected planning directors of MDAs to lead PSIP work properly at each distinguished office. Chief Director concluded with his appreciation for JICA's support.

【Meeting】 PSIP Seminar	
【Date】 2 August 2017	【Venue】 Golden Peacock Hotel, Lilongwe
【Attendance】 Chief Director of EP&D (Mr. Simbani) and 59 from 36 MDAs including MFEPD 2 from JICA Malawi Office including Mr. Kito (Resident Representative), 5 JICA Project Experts, and 2 JICA Project Staffs	
【Program】	
Time	Sessions (Presenters)
09:30	Opening Session (JICA Malawi Office, and EP&D)
09:45	Presentation: CEPSIP II Project Conclusion and the tools (JICA Project Team) Presentation: FY2016/17 Development Budget (BD)
11:00	Presentation: Review of FY2016/17 PSIP, preparation of FY2017/18PSIP, and Circular No.1 for FY2018/19 (DD)
13:00	Closing Session
<div style="display: flex; justify-content: space-around;">   </div>	

Subsequently, PSIP Orientation Workshop was held from 8 to 10 August 2017 inviting 3 officers from all MDAs. JICA Deputy Resident Representative, Mr. Wada, stated that PSIP would be a basis of MGDS III and the orientation workshop would be constructive. Mr. Banda, Deputy Director of EP&D, emphasized MDAs efforts to submit necessary information in the proposals by the deadline while asking PSIP Unit Desk Officers to support MDAs.

This workshop was more independently organized by DD/PSIP Unit including individual guidance during the practical sessions. The participants were more confident of PSIP process and tools. On the third day, project management improvement session was newly added to explain from the essence of Technical Report 3 which was lectured by Chief Economist. AGD representative presented emphasis and encouraged MDAs to use PFM-IT as a project management tool from accounting perspective. Then,

representatives of Fisheries Department presented their experience of joint assessment of project management by CEPSIP II, AGD, NAO and Internal Auditors, which results were reflected in the efforts for better management by using PFM-IT.

As this is the last orientation by the support of CEPSIP II, Deputy Director of EP&D appreciated JICA support in his concluding remarks.

【Meeting】 PSIP Orientation Workshop	
【Date】 8 ~ 10 August 2017	【 Venue 】 Golden Peacock Hotel, Lilongwe
【 Attendance 】 120 from 46 MDAs and 14 from MFEPD (EP&D, BD, AGD) 2 from JICA Malawi Office including Deputy Resident Representative (Mr. Wada), 6 JICA Project Experts, 2 JICA Project Staff	
【 Program 】	
Time	Sessions (Presenters)
Day 1	
09:30	Opening Session (JICA Malawi Office & DD)
09:45	Presentation: Summary and Conclusion of CEPSIP II (JICA Project Leader)
10:45	Presentation: FY2015/16 Development Budget review (BD) Presentation: FY2017/18 PSIP preparation and FY2016/17 performance review (DD/ PSIP Unit)
13:30	Presentation: Process for FY 2018/19 PSIP
Day 2	
09:00	Re-cap of Day 1
09:15	Presentation: Introduction of PSIP Database Ver.4 (PSIP Unit: IT Officer)
10:45	Presentation & Practice: New Project Proposal Template (PSP Unit)
13:30	Presentation & Practice: Ongoing Project Proposal Template (PSIP Unit)
15:15	Presentation & Practice: Quarterly Progress Report, Extension and Completion report (PSIP Unit)
Day 3	
09:00	Re-cap of Day 2
09:15	Presentation from Practical Sessions
11:30	Presentations: PSIP and Project management with PFM-IT
13:00	Wrap-Up and Closing
	

6.4.5. Action Plan on Capacity Development

The following action plan was discussed at EP&D Handover Meeting held on 22nd August 2017, and at PSIP Database Technical Handover Meeting held on 23rd August 2017, and then, its essence was summarised as a part of the “Recommendations for Sustainability” which were endorsed by the final JCC meeting held on 24th August 2017.

(1) PSIP Unit

It has been an intention of the Project to make PSIP to function as a system that MDAs submit quality project proposal in timely manner and PSIP Unit appraises it with a set of standard appraisal criteria, and allocate budget in a harmonized manner with budgeting process. This intention has been translated into the improvements made on the PSIP Database, PSIP Preparation Handbook, and PSIP Process Management and Appraisal Manual.

Unfortunately, most of the PSIP Desk Officers at MDAs and PSIP Unit belong to Economic Common Service and they can be transferred across MDAs. It is expected that every year new sets of Economists and even officers in other traits join PSIP circle and be involved in proposal formulation, budgeting, accounting, and monitoring at MDAs, and at PSIP Unit, be involved in guidance to MDAs, appraisal and monitoring. It is therefore, necessary for PSIP Unit to continue the following process as annual events, in order for the PSIP to function as a system:

- (i) PSIP Seminar with heads of planning units shall be conducted soon after the PSIP Circular Number 1 is issued, and discuss the PSIP formulation and implementation policy for the fiscal year and nurture the common understanding.
- (ii) After (i), PSIP Unit shall conduct guidance to PSIP Desk Officers from MDAs, regarding the PSIP the contents of Circular Number 1 and PSIP Guideline, and how to use, what to write on the Proposal Templates. It is ideal if both PSIP Orientation Workshop where all the MDAs can gather, and subsequent individual hands-on guidance visits are made, because at the workshop PSIP Unit Desk Officer can be introduced and participants can also learn from one another, and PSIP Unit Desk Officer can also be trained better as trainers at the occasion. But if there is financial constraint, hands-on guidance alone can also assist MDAs to produce a quality proposal in time. The PSIP tools which can be used by both PSIP Unit and MDAs for this process is PSIP Preparation Handbook and PSIP Database User Manual for MDAs/Guests. Nevertheless, it has been proved that the real hands-on, to sit next to the MDA officer in front of the computer and open the template together, sometimes fill it in together is more effective. It is also strategic not only PSIP Unit Desk Officers to lead the guidance, but to train some officers from MDAs as PSIP Trainers so that the expertise can remain in that particular MDAs. This way of cascade, if it multiplies, will lead to the slow but steady capacity building.

- (iii) When PSIP Unit receives new officers from school or from other MDAs, it is recommended to continue the current system of attaching an experienced mentor to the new officer and train him/her on on-the-job (OJT) basis for a year. PSIP Tools are designed to assist this capacity building process of new PSIP members. If he/she utilises the Handbook/Manuals, with guidance from an experienced colleague through OJT, the new member will stand on his/her own, will be able to comfortably guide MDAs, within a year. PSIP Preparation Handbook is a must-read item for all the new officers since it explains the concept, definition, roles, and eligibility criteria of PSIP. In terms of day-to-day PSIP operation, PSIP Process Management and Appraisal Manual can be referred to follow the process of appraisable information gathering from MDAs and how to conduct each step of PSIP working calendar. It also has samples of documents which is required at each step and even programmes. On the other hand, as for the PSIP Database on which most of the PSIP operation is conducted, PSIP Database Ver.4.0 User Manual for PSIP Unit will be a good guide to go through the Database even on his/her own.
- (iv) As for the use of PSIP Database and Excel templates and formats, if enquiries or problems are beyond the capacity of PSIP Unit Desk Officers, PSIP Unit IT Officers shall attend to them.

(2) Operation, Maintenance, and Development of PSIP Database

In terms of operation, maintenance, and development of PSIP Database, as was agreed between EP&D and E-Government in an MOU signed in November 2016, a system maintenance team was established at EP&D and a system development team was established at E-Government. Both team members were given an intensive training on software development from November 2016 to August 2017 and they also carried out the development of Database Ver.4.

IT Officers also belong to a common pool and they can be transferred across MDAs. It is also ideal for PSIP Unit IT officers when an officer newly join PSIP Unit, a mentor can be assigned to guide him/her on OJT basis for a year. As for IT officers in the system development team of E-Government, it is ideal for them to conduct the same training given by JICA Project IT Experts to other IT Officers so that the expertise is maintained at the team and at the Department. The training materials used in the intensive training conducted from November 2016 are designed to be utilized for reproduction of the training in such set-up. The materials will be handed over to the officers from JICA Project Team. Even if every year training reproduction is not fulfilled, the least the Project expects to E-Government Human Resource Management Section is to consider giving ample handover time when the transfer of officers with this expertise is considered. At the PSIP Database Technical Handover Meeting held on 23rd August 2017, Director of E-Government expressed an intention that the Department will conduct a training targeting other IT officers every year and reproduce the expertise transferred by CEPSIP II, using the IT officers trained by JICA Project IT Experts.

7. Issues arising during Implementation and Devised Solutions

Issues arising from the Project activities have mostly been discussed at JCC meetings. The issues and actions taken for solution are summarised as below.

7.1. Issues arising and actions taken for solution

7.1.1. Issues related to implementing agency

(1) C/P allocation

(i) Absence of Project Manager

When the Project started in Year 1, the Director of Development Planning was vacant, but in July 2013, the position was filled.

(ii) Unavailability of IT C/P

Lack of qualified IT officers for the JICA Project IT Experts to transfer technology was raised in Year 1. JICA Project Team requested at least (a): a person in charge of database programming who would work together with JICA Expert, and (b) a person in charge of operation and maintenance. They were expected to have an acceptable level of IT knowledge, and to update their capacity constantly with the Experts. In Year 1 (a) is un-established post and her contract ended in February 2014 and (b) was vacant. So JICA Project IT Experts considered to hire or subcontract to the local IT vendors, but they did not meet the Experts' expectation and conditions. Year 2 saw an allocation was not adequate, and Year 3 had 4 IT officers but one was transferred. Seeing the need to increase more number of C/P with a certain level of expertise, in Year 3, JICA Project IT Experts started working relationship with E-Government IT officers, which was officially agreed in the form of MOU in Year 4.

(iii) Unavailability of PSIP Unit Desk Officers

As the Project saw the need of close communication and working relationship between PSIP Unit Desk Officers and MDAs, in Year 3, some Desk Officers were out of duty station for different reasons at the peak of PSIP formulation process and it was about to affect the quality and timeliness of proposal submission. Because the submission was managed individually by each Desk Officer and there was no information sharing amongst the Desk Officers, it was difficult for others to stand in when one is not available. In order to technically solve this problem, in Year 4, the Project introduced a process management screen in PSIP Database, where all the desk officers conduct their appraisal on line. The management can check the process of appraisal work, while this is where the results of project appraisal, site validation record, meeting minutes, and other documents collected for the project can be stored, even in the absence of the Desk Officer, it is easier for others to temporary support the appraisal and monitoring activities.

In Year 4, due to the transfer and study leave of staff, the Unit lost four members, by the time of completion, two were filled and one came back from Study Leave, but one left for Study Leave, so still two less than

Year 3. EP&D while making a Chief Economist to also perform as a Desk Officer, requested in August 2017 to incorporate two experienced staff whom the Project has been hiring as temporary staff to reduce the work pressure and for the smooth transition to the post project period.

(2) Capacity of C/P

(i) Third Country Training

The Project originally considered to arrange a study tour to neighbouring country's government to learn from their PSIP and PFM. With the strong request from the counterpart, it was transformed to send officials to certified courses of project appraisal and management, rather than giving them the study tour style opportunities. As a result, officials were sent to three courses in Tanzania and Kenya.

(ii) Variation in capacity of PSIP Unit Desk Officers

As the Project intensified the communication between PSIP Unit and MDAs through Hands-On Guidance, it was observed the gap amongst PSIP Unit Desk Officers in terms of their capacity and approach to MDAs. The Project took the following actions to narrow the gap:

- Guide Desk Officers individually
- Newcomers are given session to present at PSIP Orientation so that they can internalise the topics in PSIP Preparation Handbook and PSIP Process Management and Appraisal Manual.
- PSIP Unit allocate a mentor to newcomers so that he/she can be trained On-the-Job basis.
- The management checks appraisal results produced by Desk Officers before sending them to MFEPD management.

(3) Project cost bearing and cash flow

(i) Cost of equipment

Computers and Servers were identified as necessary equipment for project operation and technical transfer, but due to difficult funding situation in Year 1, EP&D requested JICA to assist in this matter and after discussion it was resolved that JICA procure laptops while EP&D procure UPSs. In Year 2, JICA approved to procure two servers, and EP&D was requested to secure the budget for replacement of such equipment in the future.

(ii) MDAs' domestic travelling costs

In Year 1, the cost-sharing agreement between GoM and JICA made in R/D was not understood and the Project had to bear the cost of travelling for the MDAs which are outside Lilongwe. After discussion at JCC, the resolution was made that those MDAs shall bear the cost by themselves, and it has been followed since that time.

(iii) Availability of funds for Hands-On Guidance

In Year 3, the Project saw the travelling budget was not made available at peak time of hands-on guidance, and a JCC meeting resolved that the Division had to plan well in advance for the funding to be available for the peak time.

(4) Environment for equipment

(i) Security and Environment of Server

In Year 1, JICA Project IT Experts discovered that servers for PSIP Database were kept at an ordinary office (PSIP Unit Office) without electricity backup, fire extinguisher, under inadequate physical security. At the same time, there is no backup power equipment in the network room of EP&D building. It caused immediate interruption of network when the power fault happened. And disconnection and intermittent connection failure problems happened to the GWAN network due to deterioration of network wiring

The recommendations were made to eventually transfer them to GWAN Server Room which fulfils the required conditions, after new servers are procured, and E-Government agreed to the transfer at JCC meeting. Meanwhile, door locks were changed to increase physical security.

In Year 2, new server machines were bought but since they had to be monitored closely up to when the operation settles, they were not transferred to GWAN Server Room immediately. It was confirmed that power backup system of the Server Room was not functioning, and the preventive security measures against the incident like Cashgate which occurred in 2013 was put in place. In addition, IFMIS software updating plan were not yet concretely decided. Therefore, it was risky to relocate PSIP servers at that time because the impact was unknown in case the PSIP server is relocated under these circumstances.

Thus, in Year 2 and 3, the Servers were kept at PSIP Unit Office, until Year 4 in November 2016, JICA Project IT Experts confirmed the power backup system of GWAN Server Room was functioning and security measures were in place, when they were transferred to GWAN Server Room.

(ii) Security of laptops

One laptop for the Project was stolen in Year 4 from the C/P's car. The Project reviewed a lease agreement with the C/P and reminded the lessees about the level of physical security to be observed and trained them on information security.

(5) Identification and inclusion of other PSIP stakeholders

As the Project progressed, it found that important institutions missed out from the JCC membership and from the project target. Thus Year 1 JCC meeting resolved to include in the membership AGD for IFMIS linkage with PSIP Database, E-Government for the stability of GWAN and the transfer of servers to their Server Room, and PED for the link between PSIP ongoing project performance and their Performance Contract. With the DEAP project which was initiated by UNDP around the same time and has a similar

mandate as CEPSIP II in budgeting and planning areas, a coordination meeting with the chairing of PS was organised in Year 1, and since that time they are made a member of JCC for the coordination purpose. In Year 2, JCC endorsed to include in the membership the three institutions of the AGD (this time, not only IFMIS but accountant line), the National Audit Office, and the Central Internal Audit Unit to reinforce quality of project information as related agencies of the Project. These institutions were recognised as tertiary target group in the PDM Ver.3.

7.1.2. Issues related to activities

(1) PSIP Database

(i) Structure of PSIP Database Ver.1.0 left by CEPSIP I

Two structural changes were applied to PSIP Database for improvement and sustainability.

In Year 1 it was found that PSIP Database Ver.1 was created from scratch using only PHP language. The system architecture for development, such as MVC¹⁴ separation which is mandatory on the Web application development was not considered. Without the concept of those architectures, it was difficult to add and maintain functions in the future. JCC resolved that it would be refactored (restructured in the form of MVC) to make the future maintenance and expansion of functions easier, while working on the proposed improvement on the outlook and function. The Project introduced in Ver.2.0 the Web application framework (hereafter referred to as "framework"). The MVC as well as the use of the latest development architectures, such as DI¹⁵ and ORM¹⁶ were applied. After examining several applications, JICA Project IT Experts concluded to adopt Symfony as optimal in terms of prevalence and performance. After establishment of development environment by Symfony in March 2015, the older version 1.5 of PSIP Database was refactored to shift its programs to Symfony-based form. It was completed by April 2015. Normally the reconstruction of the system takes several months, while the Experts attained to complete it in about one month including the environment construction. This demonstrates the high development efficiency by the framework.

Secondly, in the previous PSIP Database, it could hold only one generation of the project information. For example, if the critical information, such as budget planning and monitoring indicators was modified, it was impossible to know what had changed compared to before. Moreover, it was not user friendly since once the data was edited and saved accidentally by a user, it could not be undone. In order to solve this problem, the IT Experts devised a database structure in Ver. 2.0 to be able to keep the entire history of the

¹⁴ MVC : Abbreviation of Model, View, and Controller. It is an architecture aiming at the improvement of the development efficiency and maintainability by isolation of Web application functions.

¹⁵ DI: Abbreviation of "dependency injection". It is a technology or mechanism for integrated management by excluding dependencies between program components and source codes.

¹⁶ ORM: Abbreviation of "object-relational mapping". It is a technology or mechanism to manage database concept seamlessly within the object-oriented program.

project information.

(ii) GWAN Instability

The instability of GWAN not only affected the connectivity of user side but also affected the availability of PSIP Database. Since the PSIP Database server is connected to GWAN, PSIP Database is only available while GWAN is in operation.

There are several causes of GWAN instability issues. The root cause was the deterioration of network equipment and infrastructure which can only be solved by renewing them, but it depended on the efforts of e-Government Department. The Project recommended e-Government Department to act on this matter as soon as possible in Year 1, and actions were taken throughout Year 2, 3, and 4.

The second cause was Server environment of EP&D, and this was solved by shifting the servers to GWAN Server Room as described above.

On the other hand, the instability of GWAN appears as users' complaints as follows:

- a) Unable to access the database when I want to use it.
- b) Although I pressed the "Submit" button after inputting all information, the system returned no response and my effort was gone.

Especially b) is critical for the Project because it very much disappointed the user and wasted their time and effort to fill in the proposal.

The problem here was the recoverability against an operation abort. It is very difficult to design and implement the capability to restore the user's input data after the network interruption is resumed. As a solution, the Project switched the data input method from an interactive way (via web browser) to submission of proposal template file and developed "Template loader" that can automatically load the contents of the PSIP proposal template file and store the loaded data into the database. In Year 1 the template was Word based, but there was a necessity to develop the Excel based template file to prevent the invalid data input by user. This was because Excel is capable to implement the simple data validation. JICA Project IT Experts developed and introduced "Excel based template file" in Year 2 November 2014 and "Template loader" that automatically loads the information into PSIP Database Ver.1.5 by reading the Excel-based template file.

(iii) Systematic and timely maintenance of project information in the Database

For the first two cycles of PSIP formulation from 2013, project information kept in the Database was the submitted proposals and the only part PSIP Unit overwrote was annual approved budget, and other parts were not updated. In this way, the requested budget by MDAs was deleted from the Database, and the applied status of the project remained in the Database, without being renewed for some years. As a result, some projects remained in the Database without updating their status, being dormant for years. From the

third cycle in PSIP Database Ver.2, a Quarterly Report Format was added, and a screen was created to record two sets of budget estimate information, that of annual and mid-year review, and project status is supposed to be renewed for each budget timing. In Ver.3, the original budget request made by MDA is also shown in the same project status screen, for comparison. After such changes, now PSIP Units are expected to enter budget estimates and to review and renew project status of each project in timely manner, so that the formulation of the next cycle PSIP is informed accurate information.

(2) PSIP Compliance (timely submission and proposal quality)

(i) Non-compliance of PSIP process – late submission and non-submission

The baseline survey revealed that not all the MDAs submitted their proposals by deadline, and in Year 1, the trend continued. Since that time, the late submission of PSIP project proposals prevailed even after giving enough time and as much as possible direct guidance for PSIP submission procedure. This leaves PSIP Unit inadequate time to appraise, hence compromises appraisal quality. Based on the solutions discussed at JCC meetings the Project with PSIP Unit implemented the following:

- Ongoing project proposal contains quarterly progress reports of the last fiscal year. If a MDA submitted the quarterly reports in time, they are only remaining with the monitoring and evaluation plan of the coming years and costing matrix for the applied fiscal year to fill. This was to reduce the burden of MDAs.
- Timetable for new project proposal submission was revised and now it is open for the whole year, but in order to apply for a specific fiscal year, the proposal submission deadline must be followed. Threshold for PSIP eligibility has been emphasised at PSIP Seminar and Orientation, and in Year 4, for the project which is more than USD 100 million, the cabinet approval is required after the feasibility study, for it to enter PSIP.
- PSIP Unit repeatedly emphasised the importance of following the submission deadline to MDAs more than ever in the past two PSIP orientations (in September 2016 and August 2017).
- PSIP Unit started the process of PSIP policy formulation and is in touch with PFEM Division to be included in PFEM Act amendment process to include PSIP compliance in the Act.
- Penalty for late submission was included in the final appraisal criteria, which is applied mainly for Part II projects, although it does not carry very big weight.
- Some of the projects submitted after the deadline are from politicians. At the internal meeting strategizing for FY2018-19 PSIP formulation, it was resolved to recommend to the management that after the initial appraisal and before the ministerial meetings, the submissions be shared with politicians through the Cabinet Committee for Projects so that if they would like to add some projects, they can submit in time for final appraisal and not after.

In addition, the non-submission of some of the fully Part I funded projects also continued from Project Year 1 to Project Year 3, although it was directed in Circular 1 and Chief Secretary's directive. MDAs tend to have weak ownership and/or less information on fully Part I funded projects and they tend to refer PSIP Unit to PIUs/PMUs, but some of them are reluctant to submit PSIP ongoing project proposals. PSIP Unit cannot check progress and report/make recommendation on such projects because if they are not submitted, they do not exist in PSIP Database. Based on the solution discussed at JCC meetings, the Project took the following actions:

- In the DCS, PSIP is defined as a part of the Country System and PSIP calendar was incorporated in the Development Cooperation Calendar in 2014.
- Presented the progress at both PFEM DP meetings and PFEM meetings attended by technical levels of GoM divisions and DPs.
- Capture Part I supported project commitment information from the Annual Budget Estimates and the revised Estimates from the Mid-Year Review and register the projects into PSIP Database with minimum information, so that in the subsequent PSIP formulation cycle, the ongoing project proposal templates will be generated automatically.

(ii) Communication between PSIP Unit and MDAs

In Year 1, the attitude of PSIP Unit Desk Officers after sending a Circular Number 1 was just "wait and see" if proposals were submitted by MDAs or not. The orientation was conducted earlier than the Circular, although proposal format and submission format were explained there. In Year 2, a concern was raised on this attitude and JCC discussed and agreed that the Desk Officers should reach out to MDAs and support their proposal formulation, which was put into practice in Year 3 and 4 through Hands-On Guidance after PSIP Orientation, which were all conducted after the Circular Number 1 was issued, and Orientation was led by PSIP Unit Desk Officers, with a lot of practical sessions to explain the proposal templates and how to write proposals. The Desk Officers were introduced to MDAs at the Orientation so that MDAs should feel free to communicate to their Desk Officers.

(iii) Prioritisation of projects

Year 2 saw in the MDAs' submission, project priorities were not put, or departmentalised and prioritisation was not conducted at ministry level. JCC discussed the importance of prioritisation at ministry level and revolved that EP&D should assist in this matter. Later PSIP Unit guided MDAs that overall principles of ongoing projects which were close to ending should be prioritised and the submission of new project proposals were not very actively recommended.

(iv) Inadequate capacity of MDAs

Regarding the inadequate capacity of MDA proposal writers, the Project with PSIP Unit implemented the following based on the JCC meeting recommendations:

- Giving feedback to MDAs on proposal quality and appraisal results
- Making recommendations to the human resource management section of economic common service to establish planning units at MDAs where there are no economists and filling of vacant posts
- PSIP Unit linked merged departments with mother ministry desk officer.

(v) Communication within MDAs

There were cases that official communication from PSIP took time to reach the right person at MDA. The reasons could have been:

- Slow circulation of hardcopy communication within the MDA
- No desk officer was assigned to coordinate and prioritise projects
- Desk officer exists but he/she does not coordinate/facilitate
- MDAs after merging different departments have not yet established their internal structure to manage PSIP submission (no PSIP desk officer or an existing desk officer does not fully cover newly merged depts.)

Based on the recommendation of JCC meetings, PSIP Unit with the Project opted to follow up an official communication by e-mail and phone, and keep guiding MDAs by visits and explain that all the departments within the Ministry should be oriented for PSIP proposal preparation. When a problem continues, an official communication was made from EP&D.

Another communication is a feedback on proposal to MDAs. It was introduced in 2015 to give feedback to MDAs, firstly on the submission status and the quality of project information at ministerial meetings. Then PSIP Unit attempted to give feedback of recommended appraisal status through the PSIP Database Ver. 2.0 in 2016, after the final recommended budget allocations were done and given to the Treasury. In 2017, for FY2017-18 PSIP, PSIP and budget process was harmonised towards the end and the feedback of PSIP was given in the form of Budget Circular where the ceiling for each project was communicated to MDAs, which was identical to the recommendation of PSIP.

(vi) PSIP eligibility

Eligibility for PSIP was defined in Project Year 1 and included in PSIP Preparation Handbook. When the Project reached Year 3, various types of projects were submitted such as projects which were turned into companies, emergency relief activities, feasibility study for infrastructure construction, and dormant projects, and there was a need to decide how to treat these projects. After discussion, it was resolved that in case of projects turned into public corporation, the development activities can remain in PSIP but not the recurrent cost of the corporation, which can be financed by the Recurrent Budget of GoM, while if it is turned to a private company, its recurrent cost cannot be financed from GoM. For both cases the

development activities can remain in PSIP. As for emergency relief activities, only the projects of developmental in nature, such as of disaster preparedness and resilience building) can be included in PSIP. Feasibility study for a big scale project can be a separate project on its own, because without the study, the project cannot be designed and budgeted. As for dormant projects, PSIP Unit Desk Officers must review the record in PSIP Database and confirm the need of MDAs, although they have been advised for the past two years that they should submit a proposal for a dormant project as long as there is an intension to continue and complete it. The Project developed and introduced a Completion Report Format in August 2017 in order to refine the project status and to separate a completed project from a dormant project in the PSIP Database.

(3) Effective allocation of development budget

Given the uncertainty of the future economic and financial perspectives under the circumstances in Malawi, a major interest of the MDAs is how to secure the funding for development projects. The PSIP Unit will also share the concerns with the MDAs. The mid-term review mission came in February 2015 has observed the ongoing measures such as (i) to limit the application of new projects, (ii) to prioritize the ongoing projects on the list, and (iii) to consider the relative importance of the project. These efforts could be refined in a more systematic manner. The MDAs will need to strategize for obtaining the development budget from limited “pie”. The PSIP Unit needs to guide the MDAs to prioritize the projects in order to accelerate the realization of the results from the investment. The PSIP Unit will also need to refine the transparent criteria for screening project proposals, and to guide and motivate the MDAs for the effective budget planning.

Since then PSIP Unit with the Project continued to maintain the ongoing measures above but also introduced the final appraisal criteria in order to select which projects should be allocated budget. These were in addition to the original criteria, which were made as initial appraisal criteria. In Year 4, the extension request format was introduced to urge MDAs to review and renew the project period according to the pattern of the budget allocation and funding received so far.

(4) Project management capacity of MDAs

In Year 2, it was analysed that many MDAs do not systematically manage the projects while a few have well developed project management systems. The lack of these systems affect the timeliness and quality of PSIP data obtained from MDAs. The Project effectiveness will be substantially improved if weaknesses at MDAs in project management are addressed.

It is therefore recommended in the Mid-Term Review Report that the Project can start discussions with the relevant organizations such as the Accountant General Department, Central Internal Audit Unit, National Audit Office, the Performance Enforcement Department, and others to facilitate the enhancement of project management system and capacity at MDA level, particularly project costing, project accounting and M&E of projects.

In the Project this was materialised in five ways. Firstly, a Quarterly Progress Report format was introduced for the use by MDAs. Secondly, PFM-IT was developed with AGD and piloted by 4 MDAs of Survey Department, Agriculture and Fishery Department, Tourism Department and OPC from Year 2 to 4. It was advocated that PFM-IT can produce the necessary information for Quarterly Progress Report, especially the financial information of expenditure per activity. Thirdly, in an ongoing project proposal template, a costing matrix for the applied fiscal year was introduced. Fourthly, the roles of three institutions were defined in PSIP Preparation Handbook. Lastly, a quick project audit exercise which was meant for internal auditors was piloted to one PSIP project of Fisheries Department in Year 4 and its result, together with PFM-IT was shared with all PSIP desk officers, and representatives from accounts and internal audit sections of all MDAs.

In addition, thanks to JICA Malawi Office, a call for application for a JICA training course (Group and Region-Focused Training “Government Audit on Public Construction Works”) which is outside the Project, was communicated to GoM as CEPSIP II related training so that the trainees would be selected from project audit section, to reinforce the overall PSIP and project management system.

With PED, the Project had an intensive discussion in November 2015 on the link amongst PSIP and PED, and the utilisation of PFM-IT.

(5) Clearer linkage between PSIP and MGDS

MGDS II had broader priority areas, thus, almost all the projects submitted by MDAs have been accommodated. Also, MGDS II did not have an investment plan. The Project contributed to MGDS II review process held in 2015, but also recommended in the JCC meeting held in November 2016 that (i) MGDS III to have a smaller number of priority areas; (ii) a clearer investment components corresponding to PSIP which should have a backup of funding sources; (iii) review process of the successor plan can refer to the results of PSIP monitoring. Economic Planning Division had already adopted the idea of assigning flagship projects for key priority areas and later it was confirmed in the final draft that the smaller number of key priority areas were set and PSIP was defined as a basis for progress monitoring.

(6) Coordination with other PFEM initiatives

(i) IFMIS and New IFMIS (supported by FROIP funded by MDTF)

The Project planned to link PSIP Database with IFMIS and AMP. With IFMIS, it was planned to obtain approved budget, funding, and expenditure data of PSIP projects which are allocated Development Budget. From the beginning of Project Year 1, JICA Project IT Experts started contacting AGD, and attended IFMIS meeting to review business processes, which would be applied in the upgraded version of IFMIS made by EPICOR. The Project discussed and agreed with IFMIS Section that the Project to create PSIP Database Prototype and demonstrate the connection in March 2014. After Cashgate incident in September 2013, IFMIS was suspended for investigation and IFMIS Section proposed that the connection of IFMIS to PSIP Database be realised after the upgrading to new version of IFMIS in July 2014. IFMIS improvement policy

of GoM, whether for upgrading the version of the current IFMIS or procurement of a new IFMIS, however, was not concluded for some time and PSIP-IFMIS interface implementation schedule could not be fixed.

In February 2015, the Mid-Term Review recommendation stated that the sequencing of the linkage from PSIP Database should be realised firstly with IFMIS and then with AMP. It is only after securing the on-budget information that PSIP could consider obtaining reliable off budget information.

In April 2016, it was concluded that the policy was to procure a new IFMIS. Meanwhile it was proved that the current IFMIS does not accommodate common project code with PSIP Database and that the vendor would charge an exorbitant fee to develop an interface to link with PSIP Database. Since both AGD and EP&D did not accept to pay the fee for connecting to the current IFMIS which is planned to be phased out, it was concluded that the connection shall be done with a new IFMIS.

JICA Project Experts negotiated and agreed with the stakeholders that in the New IFMIS, the interface development was made as a part of specification in the tender document, and the new chart of accounts would incorporate 4-digit common project code (see (iii) below), would be adopted. The common project code was adopted by the PSIP Database since September 2016. By the time of Project completion, the procurement of new IFMIS was not completed, but the Project trained IT officers from both EP&D and E-Government, based on the MOU signed between the two departments to maintain and develop the PSIP Database. So, the interface development for linking to new IFMIS will be left to the two teams.

(ii) AMP (supported by UN-DEAP)

At the beginning the Project planned to link PSIP Database with AMP to import donor supported project information at the same time as linkage to IFMIS. Discussion with AMP consultants continued for two years, and once the format to be used for PSIP-AMP interface was even agreed but with an additional fee charge. But later they indicated that their priority was to link with new IFMIS and not with PSIP, and that their system could not incorporate the common project code which would be used for PSIP, IFMIS, and AMP. Meanwhile the Mid-Term Evaluation recommended that the sequencing of the linkage is firstly with IFMIS and then with AMP. The Project also contemplated that if AMP was to be linked with IFMIS, PSIP could obtain data which were planned to be obtained from AMP, through IFMIS. The plan on linkage with AMP was to put to the end by the Terminal Evaluation team who only recommended the linkage with new IFMIS.

(iii) Project identification amongst different database

Each system of PSIP, IFMIS, and AMP uses different project codes and it is a big obstacle for data integration. The establishment of Unified Project Code (UPC) was proposed by CEPCIP2 to make project data exchangeable among systems. It is essential to maximize the data accuracy and efficiency of cross data utilization. It was intended that New IFMIS, new AMP and new PSIP Database shall include UPC as the common project identification code.

In Year 3, the discussion regarding new chart of accounts to be adopted in a new IFMIS was held and

agreed among AGD, Treasury, and PSIP that the 4-digit common project code issued by PSIP Database will be a part of the new chart of accounts.

(iv) M&E Database (supported by UN-DEAP)

In Year 1, the Project was made aware the plan of DEAP project to develop M&E Database, which would integrate AMP and its intention to integrate PSIP Database. In Year 2, the Project shared its opinion with DEAP and gave inputs to the State of M&E in Malawi Report, which will be a basis for the Database. At the end of the day, the Database was designed to store MGDS health indicators at district level and the PSIP Database became not a part of their Database.

(v) Development Cooperation Strategy: DCS (supported by UN-DEAP)

DCS includes how donor projects, which are also PSIP projects, are set to be formulated and approved. Since the Project was reviewing PSIP process including calendar and approval method, it nurtured common understanding with DAD and DEAP Project that all the projects including DP supported ones are expected to go through PSIP appraisal and to follow PSIP cycle. After working through the DCS taskforce member from Development Planning Division and writing to DAD, in DCS (2014-18) defining PSIP as a part of the country system and including the PSIP calendar was issued in December 2014.

(vi) Programme Based Budgeting: PBB (supported by IMF and UN-DEAP)

PBB was introduced to 6 pilot ministries from FY2014/15 Budget, which was in Project Year 1. From its onset, the Project has been discussing with Budget Division concerning the link between PSIP projects and PBB programmes. PBB was rolled out to all the MDAs in FY2016/17, and to subvented institutions in FY2017/18. By the Project Year 3, the Project established the common understanding that (i) each PSIP project belongs to one PBB programme, which is superior to PSIP projects, to achieve PBB objectives; (ii) the rest of PBB programme is consisted of recurrent budget; (iii) PSIP projects should still go through the appraisal and budget allocation by PSIP Unit; (iv) Budget Division would set the ceiling for each PBB programme considering the ceiling for PSIP projects which are contained in that PBB. Thus, the link with PBB programme was included in the PSIP proposal template to enable MDAs to indicate the PSIP project alignment to PBB.

(vii) Public Expenditure Review (supported by World Bank)

In Year 1, the draft report of PER 2013 was shared to the Project, where recommendations relevant to PSIP were made such as:

- PSIP should be limited to the capital investment programme
- A more strategic approach should be adopted for the planning and management of the PSIP
- Responsibility for budgeting of both recurrent and development expenditures should be further consolidated within the Budget Division

It was recommended in JCC for Development Planning Division to attend PER 2013 Final Report Dissemination Workshop which would be held in mid-November 2013 and follow what recommendations would be taken up by the GoM, so that the project will adapt to the change accordingly. But the Workshop was not held according to the plan and no actions were heard to be taken from the recommendations.

7.2. Devised Solutions

7.2.1. Training Method

(1) Hands-on guidance (outreach activities) to reach more proposal writers at MDAs with low cost

A big workshop is an effective method for information sharing and opinion exchange and it shall still be adopted in PSIP process when useful. However, the project found that the workshop method has a limited effect when it comes to technical transfer and imparting practical techniques and skills such as filling in meaningful data in PSIP proposal Excel template. That is how the approach of hands-on guidance by individual visit to each MDA was introduced to reach officers in charge of proposal writing, guide them directly while responding to their individual needs. It turned out that this approach has greater effect on imparting techniques and skills. At the same time, the cost required for this approach was much less than for a workshop. Thus, the approach can be continued by the counterparts without financial inputs by the Project.

On the other hand, PSIP Unit desk officers will need to acquire much deeper understanding of what they are guiding and training about, to have communication and teaching skills such as in the method of guidance for different MDAs and techniques to transfer.

(2) Nurturing trainers within the MDAs

This method has two cases. One was trainers of the PSIP templates and reporting formats. Training more than 100 participants during PSIP Orientation Workshop seemed too difficult for a small number of PSIP Unit staffs. In 2016 some selected economists from certain MDAs who are familiar with PSIP in process and tools were invited for trainer's training before the Workshop events. Together with PSIP Unit Desk Officers, the selected economists were expected to support other MDAs during the Orientation Workshop. Other expected role was to present what was worked on the tools during the Orientation Workshop to the audience to demonstrate and explain actual work. However, these presenters are not only these trainers but the other participants who did it well even in a short period. To train and possess potential trainers for PSIP would be useful in various senses as the trainers are economists who deals with PSIP wherever they are transferred so the knowledge of PSIP keeps cumulating.

The other was through the trial of the PFM-IT, key persons were identified, who can assist other colleagues so that technical transfer occurred spontaneously within the MDAs through cascade method. Such key persons, in other words, leaders can even assist other MDAs. The leaders realised their value through the teaching opportunities. The language such leaders use to explain the tool is easily understood by their

colleagues (accountants). This helps expansion of the user numbers.

(3) IT Technology Transfer through Development Work Transfer in Phases

With response to the request made by the Project at the 6th JCC meeting held on 1st December 2015, one IT Officer was assigned to PSIP Unit in February 2016. The new Officer had a strong motivation to absorb and acquire IT technical knowledge and skills. Since then the Project has been gradually increasing IT related works for all IT Officers including the new one to take in charge, and they became more constantly and proactively taking up the work. With this change, JICA Project IT Experts have transferred more technical works to IT C/P.

Previously, the system development was principally led by the Experts who later transferred the technology to the IT Officers. From February 2016, the Experts changed this way to let IT Officers proactively acquire the experience and knowledge and make them sharable among the officers. For example, when IT Officers got certain progress on his/her developing programme, let him/her perform technical presentation and demonstration to other officers so that everybody can share the development experience. On the operational aspects, when the system (programme) is being corrected or modified, it must be certainly reflected to the server by IT Officer. Therefore, this procedure was documented and practiced by IT Officers so that their maintenance capacity shall be improved.

(4) Technical Transfer of Excel Tools Development skills

During the Excel Design and Maintenance Training, the Project took the following measures for smooth technical transfer and its sustainability.

- (i) The Project incorporated similar skills and techniques repeatedly into the training to make the trainees practice and acquire the necessary skills.
- (ii) New topics which had not originally been planned but trainees got interested in, were included into the Training to sustain trainee's motivation. As a result, most trainees deepen their understanding about Excel tools and techniques.
- (iii) The Project utilized exercise files focusing on the topic of the day every time, and made the trainees develop several functions using the files. The exercise files developed by the trainees on the day became the exercise file for the next Training, and through the Training, the trainees could experience the development process of one tool, which is similar to PSIP Templates. Additionally, the exercise file positively affected the training efficiency as it can be used for trainee's self-study and review because of its simplicity.
- (iv) At the beginning of each day of the training, the trainees had to answer the Review Questions about the important points in the previous training. Because of this, trainees reviewed the previous training contents during their free time to be able to answer the questions. The Review Questions definitely improved training effects.

- (v) While trainer was not in Malawi, assignments were given to the trainees. As assignments were not simply the repetitions of what they did during the training time, the trainees needed to think and try by themselves to complete the assignments. This led to the improvement of their skills.
- (vi) In order to sustain trainee's motivation, "Certificate of Completion" was given to each trainee whose attendance rate was more than 80% and it was explained to the trainees at the onset of the Training, this became the motivation of trainee's attendance 6 trainees out of 7 were given the Certificate. Additionally, "Award of Excellence" was given to two trainees who showed outstanding performance. The same method was applied to the Database software development training started from January 2017.
- (vii) The Project prepared "Excel tool Manual" with exercise files so that the materials can contribute to sustain their knowledge and skills acquired, and be used for training the new personnel who will be attached to the work in the future.

7.2.2. Technological Tool using Database and Excel

(1) For self-sustainability

(i) Database refactoring and Excel templates

All the IT solutions applied for issues arising above, are technological tools meant for eventual self-sustainability, such as an introduction of Excel templates, and its loader and generator to solve GWAN instability, refactoring of the Database to restructure it in compartments.

(ii) Technical level required for utilisation and modification of PFM-IT

The development of PFM-IT considered technical level required for form utilisation and modification. Among the forms which have been designed and developed through CEPSIP II activities, PFM-IT Form was developed from the existing hand-written form and to have multiple functions for data analysis, but was designed to contain less MACRO programme. By making it simpler in terms of technology, JICA Expert Team intends that the Form would be utilised more effectively and when needs arise, be developed further by Malawian government officials. As a result, PFM-IT has inspired some officials to think about modifying it for the use of different purposes.

Excel based forms such as PSIP Proposal Template, Quarterly Progress Monitoring Report Form and PFM-IT are designed to reduce the workload of maintenance in the future. For example, when master data need to be revised, it is not necessary to reorganize data selection area and calculation functions, as the change in master data can lead to all the necessary modification automatically. This is made possible because excel function and aggregation methods used in the forms were carefully selected and combined. This enabled easier technical transfer to the counterparts and as a result it is expected to lead to the sustainability of form utilisation.

(2) For efficiency

(i) Improvement of information quality through Macro function of Excel template

An Excel template was introduced from Year 2 and it contributed to the big improvement of information quality as follows:

- (a) Taking advantage of the main characteristics of Excel, namely formula and macro functions, input errors are significantly reduced through introduction of the automated calculation and error check functions into the templates.
- (b) Compulsory fields are increased and error count is clearly visualised in case they are left blank, so that the user is obliged to fill in the mandatory information for appraisal and report output.
- (c) Control of the input data format is quite easy in Excel file while Word is more suitable for descriptive information. Applying this control data precision stored in the database can be improved by excluding inappropriate data such as a strange format in the financial outlay where only numeric values are expected.
- (d) Previously the data fields where data input was entrusted to users often caused input error or remained blank. Currently such errors substantially decreased since display is automated by the system in such fields as financial fiscal year or exchange rate once a foreign currency is selected.

However, some users who were not familiar with the use of macro saved the Excel Proposal Template without allowing the macro to function, and others changed the cell format manually in the Excel file. Both cases caused the serious inconsistency of data between Excel Proposal Template and the PSIP Database. Since then, in Year 3, the Project improved the Excel templates and guided users to enable the macro at the beginning before they start filling.

After discussion with C/P in Year 4, the Project concluded to force macro function on the Template and this improvement was effected by IT C/P during the training. In this way, users cannot open any sheets on the Excel template without effecting the macro function first and the confusion caused by not effecting macro is avoided.

(ii) Labour saving through uniform design across different templates and formats

The Project Team has made various PSIP IT tools with Microsoft Excel such as PSIP proposal template (for New and On-Going projects), Quarterly Progress Report Form and PFM-IT. When the same data items existed in different IT tools, the Project Team attempted to make their screen design, data entry field, and programmes same among them. However, due to their development processes, sometimes design and function happened to be different.

One of the examples is the difference of screen design to setup Project Logframe between PSIP Proposal

template and PFM-IT. PSIP template needs to communicate with template loader and generator and thus all the entry fields have unique name to distinguish each other. Additionally, because of its huge number of entry fields, the data entry sheets in the template are divided based on the kind of data. The sheet to setup Project Logframe existed in one sheet, which is separate and independent from other data entry fields. On the other hand, in PFM-IT, the fields to set up Project Logframe and other set-up data entry fields existed in one sheet (Setting sheet). This is because the PFM-IT has an aim to collect all the fields necessary to set-up prior to entering expenditure information in one sheet. Additionally, data entry fields in PFM-IT do not have name as the linkage with Database has not been considered. Therefore, the screen design and function are different from them.

However, during the PFM-IT follow-up activities implemented from July 2015, the Project Team has gradually realised that planners in MDAs take time to fill in Project Logframe information into PFM-IT tools. As a result, the data entry of expenditure information into PFM-IT by accountants is delayed. What is learnt from this experience is that basic project information and Project Logframe data should be imported from the PSIP Database before distributing the PFM-IT to users. Thus, the Project currently plans to develop Database linkage functions and to make new PFM-IT tools downloadable on PSIP web portal.

With this change, Setting sheet in PFM-IT for next fiscal year is divided into 3 sheets: Compulsory data entry sheet which include project basic information; Project Logframe; and Optional data entry sheet. The screen design of Project Logframe sheet, the fields name planned to be imported from the Database, and programs of PFM-IT are unified with those in PSIP template. This change is expected to lead a decrease in workloads to develop the linkage function with Database as the same programme for PSIP template can be applied easily. Additionally, the unification of design can contribute to simplify maintenance and technical transfer. This is expected to lead an increase in project sustainability as well.

(3) Visualisation of work flow

(i) MDA submission status

In Year 2, in order to promote MDAs' submission by deadline, the procedure from proposal submission until database registration was clearly divided to enable workflow management. This allowed reducing human error (such as forgetting the registration) by making the progress of each step visible as well as ensuring the completion of each step. The progress (counts by Vote) of each step was reported on the PSIP Web page so that each achievement could be monitored easily. This was deemed to contribute to the submission compliance by deadline because it became clear which Votes had not submitted yet.

PSIP
PSIP 2015/16
PSIP Documents
Appraisal Manual
Preparation
Handbook

PSIP Database
PSIP Database
DB User Manual

Reports
MGDS
MDGs Report
Economic Report
Poverty Analysis
Technical Report

Others
Announcement
News Letter

Actual status of 2015/16 Proposal Template submission by votes

The proposal templates submitted by votes are summarized in the following status:

- **submitted;** The proposal template is submitted to PSIP section
- **checked;** The proposal template has been checked by PSIP section
- **uploaded;** The proposal template is uploaded to the PSIP database

NO	Vote	Institution name	Submitted	Checked	Uploaded
1	010	The Presidency	0	0	0
2	020	Miscellaneous Other Statutory Payments	0	0	0
3	030	Pensions and Gratuities	0	0	0
4	040	Public Debt Charges	0	0	0
5	050	State Residences	7	0	0
6	060	National Audit Office	0	0	0
7	070	The Judiciary	4	0	0
8	080	National Assembly	0	0	0
55	471	Ecological Survey Department	0	0	0
56	472	Department of Mines	0	0	0
57	480	Ministry of Environment and Climate Change Management	7	7	6
58	490	Ministry of Energy	8	0	0
59	510	Anti-Corruption Bureau	0	0	0
60	550	Ombudsman	0	0	0
61	560	Law Commission	0	0	0
TOTAL			269	64	34

Figure 5: Proposal Submission Status

This was achieved through the following procedure:

- 1) Excel Template is sent attached to an e-mail from MDA to PSIP section.
- 2) After the PSIP officers receive templates, they store the files to the specified "Template_submitted" shared folder
- 3) After PSIP officers verifies and modifies the submitted templates, they store those files to the specified "Template_Checked" shared folder.
- 4) PSIP officers or IT staffs upload the checked templates stored to the folder to the PSIP Database using Template Uploader.

The result of the template submission is listed by the server program who monitors the status of the above process 2), 3) and 4), shown on the PSIP Web screen as submission number in each vote. However, during the above process of checking and uploading some officers forget to put the submitted template file to the specified folder, and others checked and modified the submitted template on their own PC, and the files remained on their PC machine instead of storing it in the shared folder. As a result, these human errors caused the data inconsistency between Excel Proposal Template and PSIP Database, although the system was introduced with an intension of increasing the reliance and consistency of information.

The system has since been improved and the final version of "Automatic Proposal Uploading" which omits the human oriented operations such as file selection and Errors & Change confirmation etc., implemented for 2017/18 PSIP proposal registration. This was implemented based on an analysis that in the previous cycle, the Desk Officer was feeling more pressure than expected in the "Errors & Change confirmation" work described above, which was a factor of delay. The figure below describes its scheme. Once the Desk

Officer copies the proposal file (Excel template) into a shared folder named “50_Auto @IN” which is visible from Windows, the system automatically detects it and processes the uploading to the database automatically. Finally, the file is moved into the corresponding folder according to the result of automatic uploading (Success / Fail). With this change, the latest submission table only indicates the result of uploaded proposals. This also contributed the simplification of the work.

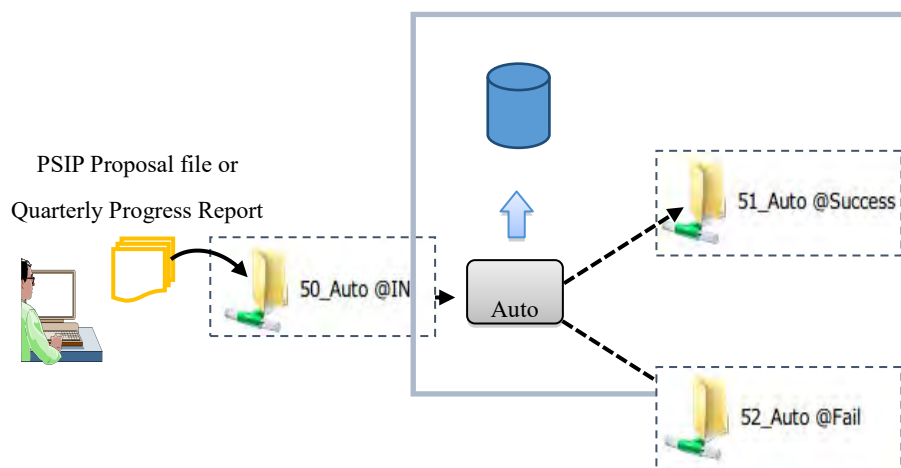


Figure 6: Mechanism of PSIP Proposal Automatic Uploading

(ii) PSIP Unit work progress status

In the PSIP Database Ver. 3, a management screen which effectively lists information related to submitted proposals was introduced. This tool displays the submission status of quarterly reports of current fiscal year, submission status of proposals for next fiscal year and its error counts at a glance for each project. These functions were implemented to strongly support the PSIP appraisal which considers the background of the project from the previous fiscal year and the submitted status of the following fiscal year. This visualisation of the PSIP formulation process is actively utilised by PSIP staff and managers for process management, of which some examples are described below.

- 1) For the Ongoing proposals for the following fiscal year, the project status finalized in the current fiscal year and the submission status (submitted or not submitted) of the quarterly report in the current year are visualized.
- 2) The submission status of the proposals for the following fiscal year is listed. The quality of the proposal based on the number of errors at the time of submission is also shown so that it can be considered as one of the criteria for judgment on the appraisal process.
- 3) Progress of 3 stages of appraisal (initial appraisal, ministerial meeting, and final appraisal) is visualised.

No.	Project Title	Project Code	Current Status in PSIP System (Budget)	Current Month (Project)	Site Location	Request for PSIP Submission			Latest Submission / Approval				Appraisal Progress				Project Status Transition				
						Submission Date	Approval Date	Score in the Tender	Score Threshold (Budget)	Submission Date	Approval Date	Score in the Tender	Score Threshold (Budget)	Appraisal Status	Final Approval	PSIP Submission	PSIP Measurement	On-Budget Approval	Renewal in the M&E Plan	Show Budget Transition	
1	Construction and Rehabilitation of State Houses and State Lodges	1001	ON-GOING	10	1001	2016-10-30	2016-10-31	0	100	2016-11-01	2016-11-04	0	100	100	100	ON-GOING	ON-GOING	ON-GOING	ON-GOING	ON-GOING	ON-GOING
2	Construction of Security Fence at Kamau and Savelle Palaces	1002	ENDING	10	1002	2016-11-02	2016-11-04	0	100	2016-11-02	2016-11-04	0	100	100	100	ON-GOING	ENDING	ENDING	ENDING	ENDING	ENDING
3	Construction of Irrigation System at State Residences	1004	ON-GOING	10	1004	2016-11-05	2016-11-05	0	100	2016-11-05	2016-11-05	0	100	100	100	ON-GOING	ENDING	ENDING	ENDING	ENDING	ENDING
4	Rehabilitation of Roads and Drive Ways at State Residences	1006	ON-GOING	10	1006	2016-10-27	2016-11-01	54	100	2016-11-01	2016-11-04	54	100	100	100	ON-GOING	ON-GOING	ON-GOING	ON-GOING	ON-GOING	ON-GOING
5	Replacement and Rehabilitation of Plants and Equipment at State Residences	1008	NEW	10	1008	2016-10-19	2016-10-20	0	100	2016-10-20	2016-10-24	0	100	100	100	ON-GOING	REJECTED	REJECTED	REJECTED	REJECTED	REJECTED
6	Construction of Banquet Hall	1007	NEW	10	1007	2016-10-19	2016-11-01	0	100	2016-10-20	2016-10-24	0	100	100	100	NEW	PENDING	PENDING	PENDING	PENDING	PENDING

Figure 7: Visualisation of PSIP Appraisal 3 Steps with PSIP Database

(4) Information summary table for better utilisation of stored data

The items and fields in the Excel project proposal template had been intensively reviewed and carefully selected to consolidate its input support functions. As a result, more accurate and reliable project information was collected through the template and stored to the PSIP Database. Seeing this improvement in information quality, the function of Database was discussed with C/Ps and modified to provide the necessary information items to users by effectively utilizing and processing the stored information without delay. Now it is no longer just to show the project information on the screen in the same way it is shown in the project proposal template. This includes selecting a set of information items by accessing the stored information and consolidating it in an Excel file, and providing a method of modifying the existing program. And it also produces ready-made tables of a project summary and appraisal summary to support the appraisal work of PSIP Unit Desk Officers, and for the former, the reporting work of MDA users.

(5) Mitigating the data loss considering the possible network failure

On PSIP Database ver.1, the web-based function was provided to MDA users to make PSIP proposals. However, if the network trouble occurred while all the input proposal information was transmitted to the Database, the user lost all the data. This was because that the number of fields that can be entered by users at one time was not limited and the timing of data transmission was totally depend on user's operation. With this lesson, CEPSIP II limited the number of fields to be entered by users at one time, provided a function to encourage users to save the data frequently, so as to shorten the interval of data preservation. As a result, the loss of data was minimized even if network trouble occurred.

8. Achievement Status at the time of Completion

As a result of the Terminal Evaluation which was conducted in April 2016, the Project was extended for one year in order to secure sustainable and self-reliant management function of PSIP Unit through conducting one more cycle of PSIP process, and was given five recommendations to be implemented (some to be realised by the end of the extended period, and the others to be realised in the mid and long term perspective). Thus, the Project focused on realizing the recommendations and to tackle the PDM indicators for which the targets were not attained at the time of Terminal Evaluation.

8.1. Terminal Evaluation Recommendations

The achievement status of the three recommendations which are expected to be achieved by the end of the extended period is summarized in the table below.

Table 49: Achievement Status by the End of Extended Project Period

Recommendation by the End of Extended Project Period	Achievement Status
<p>(1) Closer communication between PSIP Unit and MDAs for upgrading quality and timeliness of PSIP proposals</p> <p>As mentioned in OVI 2 of “3-1-4 Prospect for Achieving the Project Purpose”, considerable changes in the template affected the submission rate by the deadline (29%), but many MDA members deepened their understanding on the connection of pieces of information that are required to be spelled out for proposal application. Meanwhile, as observed in (2) of “3-1-1 Actions Taken on the Recommendations Made by Mid-Term Review”, PSIP Unit conducted outreach activities to</p>	<p>Almost achieved.</p> <p><u>Timeliness: Proposal submission rate by deadline</u></p> <p>The submission rate (the percentage of votes which submitted at least one proposal) by deadline was 29% in 2015 and 47% in 2016. The rate increased to 81% by the time of ministerial meeting in 2016¹⁷, which approached to the target of 90%. Difference is that in 2015 the communication with MDAs was led by JICA Experts, while in 2016 it was totally handled by PSIP Unit Desk Officers and JICA Experts only supported the process.</p> <p><u>Proposal Quality</u></p> <p>In 2015 the proposal templates with errors were not uploaded to PSIP Database until the errors were corrected. This ensured the quality of proposal while victimized the timely capturing of the projects, because some templates remained not corrected hence not captured in the Database.</p> <p>In 2016, the principle was changed and MDAs were urged to submit proposal templates even with some errors as soon as possible so that they can be captured in the Database in timely manner. As a result, the submission rate before deadline increased and the projects were</p>

¹⁷ As of December 2016, the rate before the ministerial meeting was 93%, but since more votes submitted proposals after the ministerial meeting, the rate went down to 81%.

Recommendation by the End of Extended Project Period	Achievement Status
<p>all MDAs for the PSIP preparation process for FY2016/17 by visiting MDAs for hands on and tailored guidance. It is highly expected that PSIP Unit promote their outreach activities in MDAs' proposal formulation in self-reliant manner to secure both quality and timeliness of their proposal.</p>	<p>captured more timely in 2016. As for the errors remaining in the proposal, PSIP Desk Officers kept guiding MDAs to make corrections before the budget allocation and the correction was reflected in the Database.</p>
<p>(2) Self-help operation and guidance of the updated PSIP Database (version 3) by PSIP Unit</p> <p>PSIP Database will be updated after the PSIP preparation process for FY2016/17. Considering numerous questions on the database from MDAs so far, it is necessary for PSIP Unit to understand operating the new database and to provide technical guidance to MDAs in the next PSIP preparation process.</p>	<p>Achieved.</p> <p><u>Self-help operation</u></p> <ul style="list-style-type: none"> • PSIP Unit Desk Officers communicated troubles of Excel templates to IT Officers and get them fixed. • IT Officers also started communicating to GWAN Section for network trouble shooting. • After a series of intensive training, IT Officers also improved Excel templates for FY2018-19 PSIP formulation, made improvement to the Database, and upgraded it to Ver.4. <p><u>Guidance to MDAs</u></p> <ul style="list-style-type: none"> • PSIP Desk Officers led the process of guiding MDAs on how to download proposal templates from the Database and how to write proposals at PSIP Orientation Workshop. The subsequent hands-on guidance was also led by them who opened the templates and guided MDAs how to write proposals. • Some MDAs started checking if their proposal templates are uploaded correctly on the Database or not, and if not they communicated to PSIP Unit.
<p>(3) Reflecting information of Part I (DP funded Project budget) into PSIP</p> <p>As referred in OVI 2-2 in “3-1-3 Achievements of Outputs”, the gap</p>	<p>Partially achieved, and provided the roadmap for achievement.</p> <ul style="list-style-type: none"> • Under the current circumstances, it is difficult to timely obtain Part I (DP funded project budget) information from MDAs / DAD and include it into PSIP. As an alternative, from FY2016/17, a new process was introduced to capture Part I project information from budget estimates and register

Recommendation by the End of Extended Project Period	Achievement Status
<p>of development budget between budget document and PSIP Database in FY2015/16 was 29.3% because 76.8% of Part I projects have been formulated outside the PSIP process. The team recommends that MFEPD establish the measure to collect Part I projects information and take it into action in the next PSIP preparation process.</p>	<p>them into PSIP Database.</p> <ul style="list-style-type: none"> • The gap between FY2017/18 PSIP and Development Budget Estimates is 28% (amount) and 70 % (19 out of 27) of Part I only projects is formulated outside PSIP process. (19 are: 7 by EU, 3 by WB, 2 each by AfDB, China, GDC, and UNDP, and 1 by Norway) • FY2017/18 PSIP formulation cycle, PSIP Unit started receiving Part I project proposals, and the Unit also reminded MDAs to submit Part I project proposals at Ministerial Meetings. <p>[Roadmap for achievement]</p> <ul style="list-style-type: none"> • In the short perspective, it is recommended that DAD attend PSIP ministerial meetings to share Part I project information. • In the mid and long-term perspective, the 4-digit common project code will be a part of new Chart of Accounts to be adopted by new IFMIS, which is issued by the PSIP Database. In this way, all the Part I on-budget projects will be registered in the PSIP Database when they obtain the code for recording the accounting in the new IFMIS. It is also expected that when Recommendation (4) is realised, this will also contribute to the achievement of timely capturing of Part I (DP funded project budget) information

The achievement prospect of the two recommendations in mid or long term perspectives is summarized in the table below:

Table 50: Prospect of Achievement in Mid or Long Term

Recommendation in Mid or Long Term Perspectives	Prospect of Achievement
<p>(4) Institutionalization of PSIP process</p> <p>As observed in (2) in “3-1-1 Actions Taken on the Recommendations Made by Mid-Term Review”, strengthening compliance of PSIP process requires institutional framework including legalization.</p>	<p>Likely to be achieved.</p> <ul style="list-style-type: none"> • PSIP Unit notified PFEM Division its intention to be involved in PFM Act amendment process. • PSIP Unit has also started formulation process of PSIP policy.

Recommendation in Mid or Long Term Perspectives	Prospect of Achievement
<p>MFEPD is now discussing the amendment of PFM Act which includes PSIP process. It is recommended to promote its discussion with involvement of PSIP Unit for enhancing PSIP in harmonization with public financial and economic management framework.</p>	
<p>System Linkage between PSIP and IFMIS</p> <p>The Project has devised a way to link PSIP Database with the new IFMIS using common project code to avoid the discrepancy. Even though the development of new IFMIS has not yet started, it is highly required to encourage its process and reflect the common project coding.</p>	<p>Not yet achieved, but provided the roadmap and capacity for achievement.</p> <ul style="list-style-type: none"> GoM plans to start operation of new IFMIS in July 2018, which seems to be unlikely under the current circumstances of unfinished procurement. As of July 2017, the least evaluated bidder was disqualified, and the second lowest conducted demonstration (in June 2017) and its report was submitted to the World Bank for the guidance. <p><u>Common Project Code</u></p> <ul style="list-style-type: none"> The discussion has been held among PSIP Unit, AGD and BD and the three agreed to include the four-digit Common Project Code in Chart of Accounts which will be adopted in the New IFMIS. The finalization of the new Chart of Accounts is awaited. 4-digit common project code, which will be a part of new chart of accounts for New IFMIS, is included in PSIP Database Ver.3 and applied to all the projects in PSIP Database from 2016. <p><u>Development of interface to link PSIP Database and the New IFMIS</u></p> <ul style="list-style-type: none"> To entrust the interface development, MoU was signed between the EP&D and e-Government and software development training was conducted from January to July 2017. The training led to the development of PSIP Database Ver.4. The designing of interface can be started at detailed design stage of the New IFMIS after its procurement is settled.

8.2. Project Purpose and Outputs

The achievement status of the Outputs and Project Purpose is summarized in the following sections. In principle, for the indicators which were attained at the time of terminal evaluation, it was left there and during the extended period, the efforts were made to implement the five recommendations states above and the unattained indicators from the PDM.

8.2.1. Achievement status of Outputs

Output 1: Database and Manuals/Handbook for PSIP are improved (especially for an appraisal of on-going projects considering their past implementation performance). - Achieved	
Objectively Verifiable Indicators of Output 1	Achievement status at the time of completion
OVI 1-1. The extent to which the identified issues were addressed by the modification of Database, Manuals/Handbook.	Achieved at the time of Terminal Evaluation. Even after the evaluation, new issues are identified and the solutions are reflected on the Database and Manuals/Handbook. This will be a continuous process which will be carried on even after the completion of the Project.,
OVI 1-2. Increased availability of information in the PSIP Database in such aspects as; implementation of on-going project, modification in plans, results of monitoring activities, etc.	Achieved at the time of Terminal Evaluation.
OVI 1-3. User's higher evaluation on usefulness and operability of PSIP Database, Manuals/Handbook.	Achieved at the time of Terminal Evaluation.
Output 2: The process of PSIP is further harmonized with the planning and budget processes of relevant ministries and the Budget Division. – Almost achieved.	
Objectively Verifiable Indicators of Output 2	Achievement status at the time of completion
OVI 2-1. The extent to which the identified issues were addressed in the modified PSIP process.	Achieved at the time of Terminal Evaluation.

<p>OVI 2-2. Percentage of development projects which did not pass the PSIP process: Less than 20% in FY2017/18.</p>	<p>Not achieved at the time of Terminal Evaluation. In FY2017/18, the percentage of development projects which did not pass the PSIP process was 22%.</p>												
<p>OVI 2-3. Reduction of duplication in reporting and communication for PSIP and monitoring of projects.</p>	<p>Achieved at the time of Terminal Evaluation.</p>												
<p>Output 3: The capacity to use improved Database and Manuals/Handbook for PSIP is built in PSIP Section and line ministries. – Fully Achieved</p>													
<p>Objectively Verifiable Indicators of Output 3</p>	<p>Achievement status at the time of completion</p>												
<p>OVI 3-1. Number of persons in PSIP Section and line ministries who are equipped with knowledge and skill to fully utilize PSIP Database and Manuals/Handbook: from 101 (2013/14) to 250 (2016/17)</p>	<p>Achieved at the time of Terminal Evaluation. After the Terminal Evaluation, the number of participants and officers in charge of PSIP proposal attended and guided at the PSIP Seminar, Orientation, and Hands-on Guidance in FY2016/17 was summarized in the table below:</p> <table border="1" data-bbox="759 976 1439 1299"> <thead> <tr> <th data-bbox="759 976 951 1084">FY2016/17</th> <th data-bbox="951 976 1126 1084">Managerial Level</th> <th data-bbox="1126 976 1283 1084">Desk Officers</th> <th data-bbox="1283 976 1439 1084">Total</th> </tr> </thead> <tbody> <tr> <td data-bbox="759 1084 951 1191">No. of Participants</td> <td data-bbox="951 1084 1126 1191">50</td> <td data-bbox="1126 1084 1283 1191">228</td> <td data-bbox="1283 1084 1439 1191">278</td> </tr> <tr> <td data-bbox="759 1191 951 1299">No. of MDAs Represented</td> <td data-bbox="951 1191 1126 1299">29</td> <td data-bbox="1126 1191 1283 1299">47</td> <td data-bbox="1283 1191 1439 1299">52</td> </tr> </tbody> </table>	FY2016/17	Managerial Level	Desk Officers	Total	No. of Participants	50	228	278	No. of MDAs Represented	29	47	52
FY2016/17	Managerial Level	Desk Officers	Total										
No. of Participants	50	228	278										
No. of MDAs Represented	29	47	52										
<p>OVI 3-2. Increased number of registered active users of PSIP Database (total, line ministries, other institutions); from 37 (2013) to 56 (2017).</p>	<p>Achieved at the time of Terminal Evaluation. The number of active users was 91 in 2017.</p>												
<p>OVI 3-3. Increased number of online page views generated by PSIP Database (total, PSIP, line ministries, other institutions); from 496 (2012/13) to 1200 (2016/17)</p>	<p>Achieved at the time of Terminal Evaluation. In FY2016/17, the number of online page views was 1641.</p>												
<p>OVI 3-4. Percentage of projects using the required formats: 70% in 2016/17 PSIP</p>	<p>Achieved at the time of Terminal Evaluation. All the projects which were uploaded to the PSIP Database in FY2016/17 used the required formats.</p>												

8.2.2. Project Purpose

Project Purpose is achieved except for Indicator 2.

Project Purpose:	
PSIP is operated with increased efficiency and enhanced harmonisation within the public financial and economic management framework.	
Objectively Verifiable Indicator	Achievement status at the time of completion
OVI 1. Increased amount and elevated quality of information (both on new projects and on-going projects) available for an appraisal by PSIP Section.	Achieved at the time of Terminal Evaluation.
OVI 2. Improved observance ratio of the deadlines of PSIP process by PSIP Section and line ministries to 90% by project completion.	Not achieved at the time of Terminal Evaluation and at the time of Completion, but it was confirmed that it is on improvement trend. In 2015, proposal submission ratio by the deadline was 29% with the strong lead and support by JICA Experts and project staff. In 2016, the ration was improved to 47%, when the process was totally led by PSIP Unit Desk Officers while JICA Experts and project staff concentrated on the supporting role. The ratio was 81%, if the submission deadline was interpreted as “by the ministerial meeting starts”, and this at least is closer to the target of 90% ¹⁸ .
OVI 3. Improved evaluation on the PSIP efficiency by the stakeholders (PSIP desk officers, Planning Section of line ministries, Budget Division, etc.)	Achieved at the time of Terminal Evaluation.
OVI 4. The number of votes of which all budgeted projects in the budget book in a given fiscal year are captured in the PSIP Database will increase from 5 to 8.	Not achieved at the time of Terminal Evaluation but was achieved at the time of completion. The number of votes that have no discrepancies between the projects in the development budget estimates and that in the PSIP Database was 16 votes in FY2016/17 and 14 votes in FY2017/18.

¹⁸As of December 2016, the ratio before the ministerial meeting was 93%, but since more votes submitted proposals after the ministerial meeting, the total number of votes submitted became 32 and the ratio went down to 81%.

8.3. Overall Goal

Overall Goal:	
The development project cycle will be efficient and effective. - Not yet achieved but the prospect of achieving overall goal is fair.	
Objectively Verifiable Indicator (OVI)	Achievement status and prospect at the time of completion
Objectively Verifiable Indicator (OVI): Projects due for completion but requiring an extension not more than 15% (every year)	<p>Out of 304 submissions made for FY2017/18 PSIP, the percentage of projects of which the project period ends in FY2016/17 or before and no extension request was made, was 17.7%.</p> <p>The rate was 20% for FY2016/17 PSIP at the time of Terminal Evaluation. Thus, it is on improvement trend towards the target of 15%.</p> <p>Thus, the Project maintains the judgement of the Terminal Evaluation: the prospect of achieving the Overall Goal: fair (=Good prospect but funding availability fluctuation might affect the achievement and remains as uncertainty factor.)</p>

8.4. Conclusion

Before the Project commenced, not all the items in the proposal information was collected and once the proposal was submitted many of them were not updated every year by MDAs.

After the Project streamlined the PSIP process and introduced an excel template as an information collection tool, MDAs have been submitting and updating their project information annually, which fulfils a set standard. The collected information is saved in the PSIP Database which is used by PSIP Unit for appraisal using a standard criteria and rating.

It can be concluded that a solid flow of close communication between the PSIP Unit and MDAs to share and maintain quality project information has been established. Although the prospect of achieving the PSIP compliance target (MDAs' proposal submission rate before deadline), is now short by 9%, it will be achieved soon.

8.5. Final Documentation Outputs

Final documentation outputs are summarised in the following table.

Table 51: Final Documentation Outputs

Number	Title	Date
1	Endline Survey Report	June 2017
2	PSIP Preparation Handbook	June 2017
3	PSIP Process Management and Appraisal Manual for PSIP Unit	June 2017

Number	Title	Date
4	PSIP Database Version 4 Change Request Format and Detailed Design Document	June 2017
5	PSIP Database System Version 4 Manual for MDA /GUEST users	July 2017
6	PSIP Database System Version 4 Manual for PSIP staff	July 2017
7	PSIP Database System Version 4 Manual for Administrator	July 2017
8	Server Setup Manual	August 2017
9	Maintenance Manual	July 2017
10	Database Specification	August 2017
11	PSIP Database Framework Design Document Symphony Manual	July 2017
12	Loader/Generator Design Document	July 2017
13	Testing Specification	August 2017
14	Template Development Manual	July 2017
15	Technical Report 3	August 2017

9. Recommendations for the Post-Project Period

Following recommendations were discussed and endorsed by the final JCC meeting held on 24th August 2017.

9.1. Follow-up of Terminal Evaluation Recommendations

(1) Timely inclusion of Part I (DP supported project) budget information in PSIP.

In order to fulfil the conditions for Malawi PSIP to function as a comprehensive management tool of “Development Activities” (not limited to infrastructure) embodied in “projects”, it is indispensable that the Part I information also reflected in PSIP. Currently Part I information is captured from the annual and mid-year review Budget Estimates, but in the near future, it is ideal to be obtained at the time of PSIP appraisal. This may be realised by enforcing PSIP compliance through the planned PFM Act amendment and the utilization of 4 - digit common project code which is issued by the PSIP Database in the new IFMIS.

(2) Linkage with new IFMIS

After the new IFMIS is procured and when its detailed designing stage starts, it is recommended that the PSIP Database system development and maintenance team members, who were trained by the Project, be involved in designing the linkage specification with the PSIP Database. At the same time, the team members are expected to develop the linkage interface on the side of PSIP Database and realise the linkage at the time of the new IFMIS operation commencement.

9.2. Recommendations for sustainability

In order to maintain the effect of the Project, the following points are proposed to be realised, with the strong commitment and leadership of MFEPD management.

(1) Maintaining the staff allocation of PSIP

It is recommended that an adequate number of staff be allocated to PSIP operation and the maintenance of PSIP tool utilization capacity be maintained all the time, so that the communication with MDAs and guidance for quality project information and timely submission be ensured. It is expected that the on-the-job system led by a mentor attached to the newly entrants to PSIP Unit be continued.

(2) Maintaining the appraisal capacity of PSIP Unit

PSIP appraisal has been conducted based on the generic appraisal criteria and rating for the past three cycles. In order to understand the criteria and rating, basic project management and appraisal knowledge is required. To support the knowledge acquirement and enhancement, the GoM Project Manual and PDM Manual are made downloadable from PSIP Portal. Even then technical backstopping within PSIP Unit is required, that is, the management is expected to verify appraisal results produced by Desk Officers. In

addition, it is recommended that the human resource management department in charge of the economic common service provide training opportunity as much as possible to enhance the knowledge of this area to those in charge of PSIP at EP&D and MDAs.

(3) Forum for PSIP orientation

PSIP Seminar, Orientation and Hands-on-Guidance to MDAs shall be conducted as major annual events for PSIP to get start the PSIP formulation of new fiscal year with MDAs.

(4) Further PSIP compliance

Through the Project, the appraisable project information flow is established. It is recommended that further PSIP compliance be reinforced, not only through PFM Act amendment but also giving feedback to MDAs on appraisal, budget allocation, and advice for smooth implementation of PSIP projects. This would enhance the incentive of MDAs to comply PSIP process.

(5) Contents maintenance of PSIP Database

The PSIP Database shall be maintained not only physically and mechanically but also the information contents, so that the information saved in the Database will be consistent and trustworthy. The master data such as votes, PBB programmes shall be reviewed and updated every year, and annual and mid-year development budget and project status must be entered in the Database to start the new fiscal year every year. The improvement proposal of the excel tools and the Databased can also be made. These are mainly the responsibility of PSIP Desk Officers and Economists, and they are expected to conduct these tasks annually in collaboration with the IT Officers.

(6) Full utilisation of the Quarterly Progress Report form

Currently the Quarterly Progress Report form is underutilized. Many MDAs do not submit the report. PSIP Unit can further guide MDAs to utilize this form to share the financial and physical progress with EP&D.

(7) PSIP Database system, its operation maintenance and development

The PSIP Database is a stand-alone tailor-made software, which will be handed over to the GoM at the end of the Project. After that the whole responsibility of operation and maintenance, and further development including linkage with the new IFMIS will solely rest in the GoM. Following the MoU between the EP&D and E-Government, the development team was established at E-Government and the maintenance team was established at EP&D. An intensive training was provided to both teams by the Project for software development. It is strongly recommended that the expertise in both teams be maintained and reproduced, even in case of the transfer and resignation of members.

9.3. PSIP in the Mid- and Long Term Perspective

To further improve PSIP system in the mid and long term perspective, the following points are recommended.

(1) Further capacity development of the PSIP Unit

The PSIP Unit will require capacity of being able to apply more specific appraisal technique in big scale infrastructure projects, such as cost benefit analysis (economic and financial analysis). Although the Project provided the training opportunities to attend to this need, they may need further capacity building to apply the knowledge acquired in practice.

(2) The totality of PSIP as a development management tool

The Project reinforced just a component of the larger PSIP system as a development management tool, which is under EP&D (i.e. project information collection and management, appraisal, budget allocation, and progress monitoring). For the larger PSIP system to function in full capacity, it is expected that other related institutions to implement the following improvements.

- (i) For DP funded projects to be formulated in the framework of PSIP, it is expected that DAD be more proactive and Sector Working Group be functioning as coordinating mechanism in this aspect.
- (ii) To realise the Overall Goal of “PSIP projects be completed within the planned project period”, the funding of projects and its timing are expected to be improved by the Cash Management Unit of the Budget Division.
- (iii) Evaluation of projects and its feedback to national development plan are recommended. M&E Division may refer to PSIP project completion report in the M&E framework of MGDS III.
- (iv) On the other hand, an individual PSIP project is managed by MDA, and for their project management to be improved and maintained, it is necessary that the three institutions of AGD, Internal Auditors and NAO be functioning to reinforce project accounting and project audit.

Annex 1

Minutes of Meeting as of 20th June 2016 (including PDM Ver.1.0 and Ver.3.0)

MINUTES OF MEETINGS
BETWEEN
JAPAN INTERNATIONAL COOPERATION AGENCY
AND
THE MINISTRY OF FINANCE, ECONOMIC PLANNING AND DEVELOPMENT
FOR AMENDMENT OF THE RECORD OF DISCUSSIONS
ON
THE PROJECT FOR CAPACITY ENHANCEMENT
IN PUBLIC SECTOR INVESTMENT PROGRAMMING PHASE II

The Japan International Cooperation Agency (hereinafter referred to as "JICA") and Ministry of Finance, Economic Planning and Development (hereinafter referred to as "MFEPD") hereby agree that the Record of Discussions on the Project for Capacity Enhancement in Public Sector Investment Programming Phase II (hereinafter referred to as "the Project") signed on 22nd October 2012 will be amended as follows;

1. Duration of the Project

Original dated on 22 nd October 2012	Amended Version
<p>Shown as II OUTLINE OF THE PROJECT (page 4), 3. Duration is as follows;</p> <p>Three years and a half from the date of the first arrival of the Japanese expert in Lilongwe</p>	<p>Four years and a half from the date of the first arrival of the Japanese expert in Lilongwe</p>
<p>Reason of amendment: Terminal Evaluation conducted in April 2016 recommends that the Project be extended one year in order to secure sustainable and self-reliant management function of PSIP Unit through conducting one more cycle of PSIP process.</p>	

2. Project Design Matrix (PDM)

PDM Version 2 (February 2015)	Amended Version
<p>Target Group MEPD, MOF, Planning Division of Line ministries</p>	<p>Target Group PSIP Unit as primary, PSIP submitting MDA units as secondary, and PSIP concerned government stakeholders as tertiary</p>
<p>Project Duration 2013-2016</p>	<p>Period of Project March 2013 - September 2017</p>
<p>Means of Verification in Overall Goal Budget Report MGDS-II Review Report</p>	<p>Means of Verification in Overall Goal PSIP Database Extension Request Form</p>

<p>Objectively Verifiable Indicators (Project Purpose)</p> <p>2. Improved observance ratio of the deadlines of PSIP process by PSIP Section and Line Ministries; from ## % (201#/1#) to ## % (2015/16)</p> <p>4. The number of the votes that have no discrepancies between the number of the projects in the development budget component of the budget book and that in the PSIP database will increase from 5 to ##.</p> <p>Objectively Verifiable Indicators (Output 2)</p> <p>2-2. Reduced percentage of development budget allocated to those projects which did not pass the PSIP process; ##% (201X/1X) to ##% (2015/16)</p> <p>Objectively Verifiable Indicators (Output 3)</p> <p>3-1. Number of persons in PSIP Section and line ministries who are equipped with knowledge and skill to fully utilize PSIP Database and manuals / handbook; from ## (201#/1#) to ## (2015/16)</p> <p>3-2. Increased number of registered active users of PSIP Database (total, line ministries, other institutions); from ## (201#/0#) to ## (2015/16)</p> <p>3-3. Increased number of online page views generated by PSIP Database (total, PSIP, line ministries, other institutions); from ## (201#/1#) to ## (2015/16)</p> <p>3-4. The adequateness of information will be assessed by the observation of the C/P by judging the following:</p> <ul style="list-style-type: none"> • New project; Costing matrix • Ongoing project; Monitoring indicators 	<p>Objectively Verifiable Indicators (Project Purpose)</p> <p>2. Improved observance ratio of the deadlines of PSIP process by PSIP Section and line ministries to 90% by project completion.</p> <p>4. The number of votes of which all budgeted projects in the budget book in a given fiscal year are captured in the PSIP database will increase from 5 in FY2013/14 to 8 in FY2017/18.</p> <p>Objectively Verifiable Indicators (Output 2)</p> <p>2-2. Percentage of development projects which did not pass the PSIP process: Less than 20% in FY2017/18.</p> <p>Objectively Verifiable Indicators (Output 3)</p> <p>3-1. Number of persons in PSIP Section and line ministries who are equipped with knowledge and skill to fully utilize PSIP Database and Manuals/ Handbook: from 101 (2013/14) to 250 (2016/17)</p> <p>3-2. Increased number of registered active users of PSIP Database (total, line ministries, other institutions) from 37 (2013) to 56 (2017)</p> <p>3-3. Increased number of online page views generated by PSIP Database (total, PSIP, line ministries, other institutions) from 496 (2012/13) to 1200 (2016/17)</p> <p>3-4. Percentage of projects using the required formats: 70% in FY2016/17 PSIP</p>
<p>Reason of amendment: Numerical indicators as well as Target Group and Means of Verification have been clarified based on the Terminal Evaluation.</p>	

3. Plan of Operation (PO)

PO has been revised based on reflection of the necessary activities in the extension period. Amended PO is shown as Annex IV.

This amendment will become effective as of June 20 2016.

ANNEX I : Record of Discussions (signed on 22nd October 2012)

ANNEX II: Project Design Matrix Version 2

ANNEX III: Amended Project Design Matrix (PDM)

ANNEX IV: Amended Plan of Operation (PO)

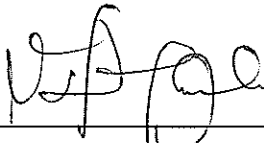
Lilongwe, June 20, 2016



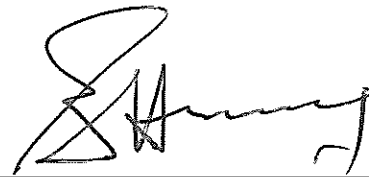
Mr. Kazuhiko Tokuhashi
Resident Representative
Malawi Office
Japan International Cooperation Agency
Japan



Dr. Ronald Mangani
Secretary to the Treasury
Ministry of Finance, Economic Planning and
Development
Malawi



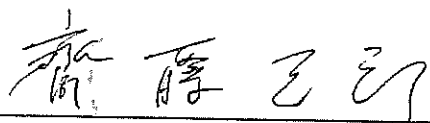
Ms. Madalo Nyambose (Witness)
Director of Debt & Aid Management Division
Ministry of Finance, Economic Planning and
Development
Malawi



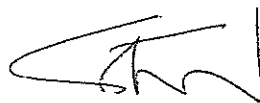
Mr. Chauncy Simwaka (Witness)
Budget Director
Ministry of Finance, Economic Planning and
Development
Malawi

RECORD OF DISCUSSIONS
ON
THE PROJECT FOR CAPACITY ENHANCEMENT
IN PUBLIC SECTOR INVESTMENT PROGRAMMING PHASE II
IN
THE REPUBLIC OF MALAWI
AGREED UPON BETWEEN
MINISTRY OF ECONOMIC PLANNING AND DEVELOPMENT
AND
JAPAN INTERNATIONAL COOPERATION AGENCY

Lilongwe, 22/10/2012




Mr. Katsuro SAITO
Resident Representative
Japan International Cooperation
Agency Malawi Office
Japan



Mr. Ted SITIMAWINA
Secretary for Economic Planning and
Development
Ministry of Economic Planning and
Development
Malawi



Mr. Peter K. SIMBANI (Witness)
Director of Debt & Aid Management
Division
Ministry of Finance
Malawi



Dr. Dalitso KABAMBE (Witness)
Director of Budget
Ministry of Finance
Malawi



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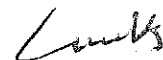
Based on the minutes of meetings on the Detailed Planning Survey on the Project for Capacity Enhancement in Public Sector Investment Programming Phase II (hereinafter referred to as "the Project") signed on June 28th, 2012 between Ministry of Economic Planning and Development (hereinafter referred to as "MEPD") and the Japan International Cooperation Agency (hereinafter referred to as "JICA") held a series of discussions with MEPD and relevant organizations to develop a detailed plan of the Project.

Both parties agreed the details of the Project and the main points discussed as described in the Appendix 1 and the Appendix 2 respectively.

Both parties also agreed that MEPD, the counterpart to JICA, will be responsible for the implementation of the Project in cooperation with JICA, coordinate with other relevant organizations and ensure that the self-reliant operation of the Project is sustained during and after the implementation period in order to contribute toward social and economic development of the Republic of Malawi.

The Project will be implemented within the framework of the Agreement on Technical Cooperation signed on March 1st, 2006 (hereinafter referred to as "the Agreement") and the Note Verbales to be exchanged between the Government of Japan (hereinafter referred to as "GOJ") and the Government of the Republic of Malawi (hereinafter referred to as "GOM").

Appendix 1: Project Description
Appendix 2: Main Points Discussed



PROJECT DESCRIPTION

Both parties confirmed that there is no change in the Project Description agreed on in the minutes of meetings on the concerning Detailed Planning Survey on the Project signed on June 28th, 2012.

I. BACKGROUND

The Republic of Malawi manages development projects which are on-going and scheduled in the next five years under Public Sector Investment Programme (hereinafter referred to as "PSIP") to effectively utilize limited development resources. The overall objective of PSIP is to act as a mechanism that screens development projects to ensure that they are in line with priority areas of the Malawi Growth and Development Strategy (hereinafter referred to as "MGDS") and that the implementation of such projects is conducted in a most effective and efficient manner. Right selection of development projects and the adequate distribution of development budget will be realized when PSIP is operated appropriately. MEPD had, however, limited capacity and experiences to operate PSIP and to manage the PSIP process while coordinating with the line ministries. On the other hand, there is a need to strengthen coordination between MEPD and the Ministry of Finance (hereinafter referred to as "MoF"). As a result, the quality of project proposals by the line ministries is low and not submitted on time with a small coverage of PSIP on the development budget. Because of the situation mentioned above, between July 2009 and July 2011, the Government of Japan (hereinafter referred to as "GoJ") carried out the Technical Cooperation Project "Capacity Enhancement in Public Sector Investment Programming (CEPSIP)" in order to enhance the capacity of PSIP section and PSIP database system. As a result of CEPSIP, the capacity of PSIP section staff has been strengthened and MEPD has been able to manage PSIP in line with a set schedule, time required for PSIP procedure has shortened, and all Ministries do submit PSIP proposals. Moreover, the gap between total amount of PSIP and budget document has shrunk from 30% in MFY2009/10 to 9.8% in MFY2010/11, which indicates that the coverage of PSIP on the development budget in Malawi has expanded.

However, in the terminal evaluation of CEPSIP, it was pointed out that the implementation performance of on-going projects is not adequately fed back to the appraisal in the subsequent year, the approval criteria for on-goings project in MEPD is not yet well established, and the process among MEPD and line ministries as well as MoF needs further harmonization.

Based on such context, GoM requested to GoJ for the second phase of CEPSIP. GoJ accepted the request and decided to implement the Project for the purpose of further improvement of comprehensive PSIP management.

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II. OUTLINE OF THE PROJECT

Details of the Project are described in Project Design Matrix: PDM (Annex 1).

1. Implementation Structure

The Project organization chart is given in the Annex 3. The roles and assignments of relevant organizations are as follows:

(1) MEPD

(a) Project Director

Principal Secretary for the Ministry of Economic Planning and Development will be responsible for overall administration and implementation of the Project.

(b) Project Manager

Director of Development Division will take responsibility for the managerial and technical matters of the Project.

(c) Deputy Project Manager

Deputy Director of Development Division or Chief Economist will take responsibility for daily operation of the Project and support for Project Manager.

(2) MoF

Director of Budget Division participates in implementation of the Project.

(3) JICA Experts

The JICA experts will give necessary technical guidance, advice and recommendations to MEPD on any matters pertaining to the implementation of the Project.

(4) Joint Coordination Committee

Joint Coordination Committee (hereinafter referred to as "JCC") will be established in order to facilitate inter-organizational coordination. JCC will be held at least once a year and whenever deems it necessary. JCC will approve an annual work plan, review overall progress, conduct monitoring and evaluation of the Project, and exchange opinions on major issues that arise during the implementation of the Project. A list of proposed members of JCC is shown in the Annex 4.

2. Project Site(s) and Beneficiaries

• Project Site: Lilongwe

• Direct Beneficiaries:

MEPD, MoF, Planning Divisions of Line Ministries

• Indirect Beneficiaries: Technical Divisions of Line Ministries

3. Duration

Three years and a half from the date of the first arrival of the Japanese expert in Lilongwe

4. Reports

Reports as listed below will be made:

DM

LM

- (1) Inception Report
- (2) Project Progress Reports
- (3) Project Completion Report

5. Environmental and Social Considerations

MEPD agreed to abide by "JICA Guidelines for Environmental and Social Considerations" in order to ensure that appropriate considerations will be made for the environmental and social impacts of the Project.

III. UNDERTAKINGS OF MEPD

MEPD will take necessary measures to:

1. ensure that the technologies and knowledge acquired by the Malawi nationals as a result of Japanese technical cooperation contributes to the economic and social development of the Republic of Malawi, and that the knowledge and experience acquired by the personnel of the Republic of Malawi from technical training as well as the equipment provided by JICA will be utilized effectively in the implementation of the Project; and
2. grant privileges, exemptions and benefits to the JICA experts and their families, which are no less favorable than those granted to experts and members of the missions and their families of third countries or international organizations performing similar missions in the Republic of Malawi.
3. provide, at its own expense, the following facilities and equipment, etc.
 - (1) Furnished office for Japanese Experts
 - (2) Domestic Telephone and Internet Service
 - (3) Other facilities mutually agreed upon as required
4. make financial contributions in the Project implementation in order to secure sustainable operations even after the Project. The financial arrangement is detailed in Annex 5.

IV. MEASURES TO BE TAKEN BY JICA

In accordance with the laws and regulations in force in Japan as well as common procedures under the Technical Cooperation scheme of Japan, the Government of Japan will take, at its own expense, the following measures through JICA.

1. Dispatch of Japanese Expert(s)

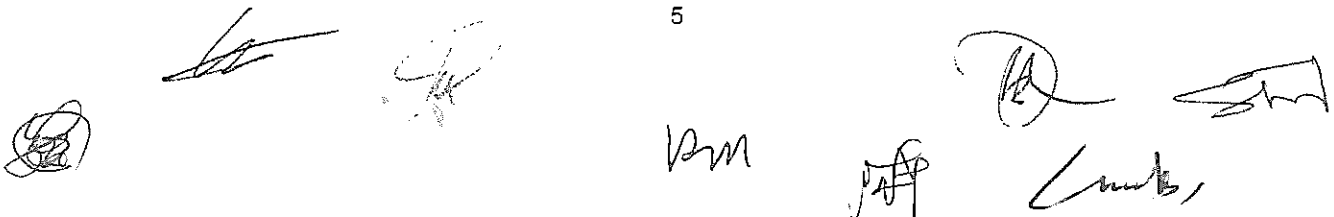
JICA will provide experts of Planning management, Public Finance, and IT.

2. Provision of Equipment

JICA will provide the necessary equipment for the implementation of the Project based on the mutual consultation between Malawi and Japanese Experts.

3. Training of Malawi Counterpart Personnel

JICA will provide training in Japan and/or a third country for Malawi counterpart



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personnel selected upon recommendation by both MEPD and Japanese experts, to increase effectiveness of technical cooperation provided by the Japanese expert(s).

4. Necessary project activity costs

JICA will take necessary measures to support the GoM in some expenses necessary for the implementation of the Project (see details in Annex 5).

V. EVALUATION

JICA and MEPD will jointly conduct the following reviews and evaluations.

1. Mid-term review at the middle of the cooperation term
2. Terminal evaluation during the last six (6) months of the cooperation term

JICA will conduct the following evaluations and surveys to mainly verify sustainability and impact of the Project and draw lessons. The MEPD is required to provide necessary supports for them.

1. Ex-post evaluation three (3) years after the project completion, in principle
2. Follow-up surveys on necessity basis

VI. PROMOTION OF PUBLIC SUPPORT

For the purpose of promoting support for the Project, MEPD will take appropriate measures to make the Project widely known to the people of the Republic of Malawi.

VII. MUTUAL CONSULTATION

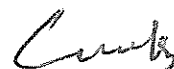

JICA and MEPD will consult each other whenever any major issues arise in the course of Project implementation.

VIII. AMENDMENTS

The record of discussions may be amended by the minutes of meetings between JICA and MEPD.

The minutes of meetings will be signed by authorized persons of each side who may be different from the signers of the record of discussions.

- Annex 1 Project Design Matrix (PDM)
- Annex 2 Tentative Plan of Operation
- Annex 3 Project Organization Chart
- Annex 4 A List of Proposed Members of Joint Coordination Committee/ Steering Committee
- Annex 5 Budget co-financing arrangement table
- Annex 6 Terms of Reference (TOR) for Japanese Experts



Appendix 2

MAIN POINTS DISCUSSED

1. Capacity development for sustainability
The nature of the Project is to develop capacity for efficient and sustainable operation of PSIP. Therefore, the strong ownership of Malawian side is very important for the sustainability of the Project achievements.
2. Assignment of the Project personnel
The Director of Development Division in MEPD has been vacant since April 2012. The Director of Development Division, however, has an important role to lead and handle the Project. Therefore the Malawian side is strongly requested to assign new Director of Development Division before the Project starts.
Regarding the Project staff, the Malawian side agreed to assign appropriate staff from PSIP Section of the Development Division in MEPD (including a Systems Engineer) and Budget Division in MOF.
3. Training in Japan and/or in third country training
It is beneficial for the Malawian side to experience the real situation of public financial and economic management in advanced countries and exchange opinions with concerned authorities. Both sides agreed that if necessary training in Japan and/or in third countries would be arranged.
4. Public finance and economic management reform in Malawi
The Public Financial and Economic Management Reform Programme (PFEM RP) has been developed by GoM to bring together the different aspects of public financial and economic management where improvements are planned from the Malawian fiscal year 2011/12 to 2013/14. The Project needs to be implemented with necessary adjustment considering the direction and progress of PFEM RP, and therefore requires close coordination with M&E Division and Budget Division in the context of PFEM RP.

Project Title: Project for Capacity Enhancement in Public Sector Investment Programming Phase II

C/P; Ministry of Economic Planning and Development (MEPD)
 Cooperation organisation: Ministry of Finance (MOF)
 Target Group: MEPD, MOF, Planning Division of Line ministries
 Target Area: Lilongwa

Project Duration: 2013~2016

Project Narrative Summary	Indicators	Means of Verification	Assumption
Overall Goal Allocation of development resources and implementation of projects and programs are in line with strategic priorities.	1 Increased rate of development resources allocation to key priority areas of Malawi Growth and Development Strategy 2 (MGDS2) 2 Rate of development budget implementation	Budget Report MGDS-II Review Report Budget Report MGDS-II Review Report	
Project Purpose PSIP is operated with increased efficiency and enhanced harmonisation within the public financial and economic management framework.	1 Increased amount and elevated quality of information (both on new projects and on-going projects) available for an appraisal by PSIP Section 2 Improved observance ratio of the deadlines of PSIP process by PSIP Section and Line Ministries; from ## % (201#/1#) to ## % (2015/16) 3 Improved evaluation on the PSIP efficiency by the stakeholders (PSIP desk officers, Planning Section of Line Ministries, Budget to MOF; from ## (201#/0#) to ## (2015/16)	Interviews to PSIP desk officers. Communication records of PSIP Section Questionnaire to desk officers, line ministries, MOF, etc. Communication records of PSIP Section	• Financial resources for development budget is available as projected. • Line ministries have capacity to efficiently implement projects. • Ministerial structure doesn't change drastically. • The role of PSIP doesn't change.
Outputs			
1 Database and Manuals/Handbook for PSIP are improved (especially for an appraisal of on-going projects considering their past implementation performance). 2 The process of PSIP is further harmonized with the planning and budget processes of relevant ministries and the Budget Division. 3 The capacity to use improved Database and Manuals/Handbook for PSIP is built in PSIP Section and line ministries.	1-1 The extent to which the identified issues were addressed by the modification of Database, Manuals / Handbook 1-2 Increased availability of information in the PSIP Database in such aspects as; implementation of on-going project, modifications in plans, results of monitoring activities, etc. 1-3 User's higher evaluation on usefulness and operability of PSIP Database, Manuals / Handbook 2-1 The extent to which the identified issues were addressed in the modified PSIP process 2-2 Reduced number/ratio of projects with discrepancies between PSIP and the Budget Document in terms of budget amount and outputs of the projects; from ## (201#/1#) to ## (2015/16) 2-3 Reduced percentage of development budget allocated to those projects which did not pass the PSIP process; ##% (201X/1X) to ##% (2015/16) 2-4 Reduction of duplications in reporting and communication for PSIP, budget preparation and monitoring of projects 3-1 Number of persons in PSIP Section and line ministries who are equipped with knowledge and skill to fully utilize PSIP Database and manuals / handbook; from ## (201#/1#) to ## (2015/16) 3-2 Increased number of registered active users of PSIP Database (total, line ministries, other institutions); from ## (201#/0#) to ## (2015/16) 3-3 Increased number of online reports generated by PSIP Database (total, PSIP, line ministries, other institutions); from ## (201#/1#) to ## (2015/16) 3-4 Reduced number/rate of project proposals of insufficient or inadequate information (alternative to discuss; Average number of inquiries by PSIP desk officers to line ministry on the quality of information in proposals.); from ## (201#/0#) to ## (2015/16)	Review of the issues and the modifications realized in Database, Manuals / Handbook. Review of database, Interview to the users (PSIP, line ministries, MOF, etc.) of PSIP Database. Survey with the PSIP, MOF, line ministries, etc. Review of the issues and the modifications realized in the process. Comparison of the two documents (PSIP and Budget Document); before and after the modifications were Review of PSIP and Budget Document Review of the reporting and communication practice of line ministries. Evaluation report of training program Records of PSIP Database Records of PSIP Database Judgement by PSIP desk officers (Records of PSIP desk officers)	• Public Financial and Economic Management Reform Program is implemented as scheduled.

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CAF

Scouts

Activities	Inputs		Precondition
	Malawian Side	Japanese Side	
1-1 To review the utilization of Database and Manuals/Handbook for PSIP, and identify issues for further improvement of PSIP.	<ul style="list-style-type: none"> • Counterpart personnel • Project office room • Equipment (PC, Printer, etc.) 	<ul style="list-style-type: none"> • Experts - Public Finance - Planning Management - IT(System Programming) • Training in Japan or third country 	
1-2 To obtain feedbacks by users of Database, Manuals/Handbook for PSIP and other issues through workshops and interviews etc.			
1-3 To reflect the feedbacks obtained in 1-2 to Database (especially for an appraisal of on-going projects considering their past performance).			
1-4 To reflect the feedbacks obtained in 1-2 and 2-2 to Manuals/Handbook and process for PSIP (especially for an appraisal of on-going projects considering their past			
2-1 To review the current public financial and economic reform policies, programs and activities.			
2-2 To review the process in PSIP in line ministries.			
2-3 To propose necessary measures to optimize the process identified in 2-2. (ex. Feedbacks for line ministries and PSIP review meeting etc.)			
2-4 To put into practice the proposals identified in 2-3 for validation.			
2-5 To review the appropriateness of the output indicators in PSIP and Budget Document and the mechanism to generate and report them.			
2-6 To propose necessary measures to improve the issues identified in 2-5. (ex. effective consultations and modification of the mechanism)			
2-7 To put into practice the proposal identified in 2-6 for validation.			
2-8 To enhance dialogue for effective coordination mechanism between PSIP Section and Budget Division.			
3-1 To identify the training needs and institutional issues for PSIP in PSIP Section and line ministries.			
3-2 To prepare a training program on the improved Database and Manuals/Handbook and the process for PSIP.			
3-3 To implement the training program prepared in 3-2.			
3-4 To evaluate the results of training and create feedbacks to trainings and operation for PSIP.			
3-5 To evaluate the overall results of training by the Project and develop an action plan on capacity development in future.			

Note : Numerical targets and baselines for the indicators 2,4(Project Purpose), 1-1, 2-1, 2-2, 2-3, 2-4, 3-1, 3-2, 3-3, 3-4 will be established during the first six months of the Project, and they will be approved in 1

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Annex2 Tentative Plan of Operation

	Y2013												Y2014												Y2015												Y2016								
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL		
PSIP Process	1st Round												2nd Round												3rd Round												4th Round								
Review of the previous PSIP Circular # 1																																													
Proposal submission by Line ministries																																													
Proposal evaluation result																																													
Ministerial meetings																																													
PSIP 1st draft																																													
PSIP 2nd draft																																													
Approved PSIP																																													
OUTPUT 1																																													
Database and Manuals Handbook for PSIP are approved (especially for an appraisal of on-going projects considering their past performances).																																													
1-1 To review the utilization of Database and Manuals Handbook for PSIP, and identify issues for further improvement of PSIP																																													
1-2 To obtain feedbacks by users of Database, Manuals Handbook for PSIP and other issues through workshops and interviews etc																																													
1-3 To reflect the feedbacks obtained in 1-2 to Database (especially for an appraisal of on-going projects considering their past performances)																																													
1-4 To reflect the feedbacks obtained in 1-2 and 2-2 to Manuals Handbook and process for PSIP (especially for an appraisal of on-going projects considering their past performances).																																													
OUTPUT 2																																													
The process of PSIP is further harmonized with the planning and budget process of relevant ministries and budget division																																													
2-1 To review the current public financial and economic reform policies, programs and activities																																													
2-2 To review the process in PSIP in line ministries																																													
2-3 To propose necessary measures to improve the issues identified in 2-2 (ex. Feedbacks for line ministries and PSIP review meeting etc)																																													
2-4 To put into practice the proposal identified in 2-3 for validation																																													
2-5 To review the applicability of the output indicators in PSIP and budget report and the mechanisms to generate and report them																																													
2-6 To propose necessary measures to improve the issues identified in 2-5 (ex. Effective consultation and notification of the above mechanism)																																													
2-7 To put into practice the proposal identified in 2-6 for validation																																													
2-8 To enhance dialogues for effective coordination mechanisms to conduct official coordination meetings between PSIP section and Budget division.																																													
OUTPUT 3																																													
Line capacity to use Improved Database and Manuals Handbook for PSIP is built in PSIP Section and line ministries.																																													
3-1 To identify the training needs and institutional issues for PSIP in PSIP section and line ministries																																													
3-2 To prepare the training programs based on the Improved Database and Manuals Handbook and process for PSIP.																																													
3-3 To implement training program prepared in 3-2.																																													
3-4 To evaluate the results of trainings and create feedbacks to trainings and management for PSIP																																													
3-5 To evaluate the overall results of training by the Project and develop an action plan on capacity development in future.																																													
Training in Asian Third countries (the schedule will be determined after the Project starts)																																													
Joint Coordination Committee (the schedule will be determined after the Project starts)																																													

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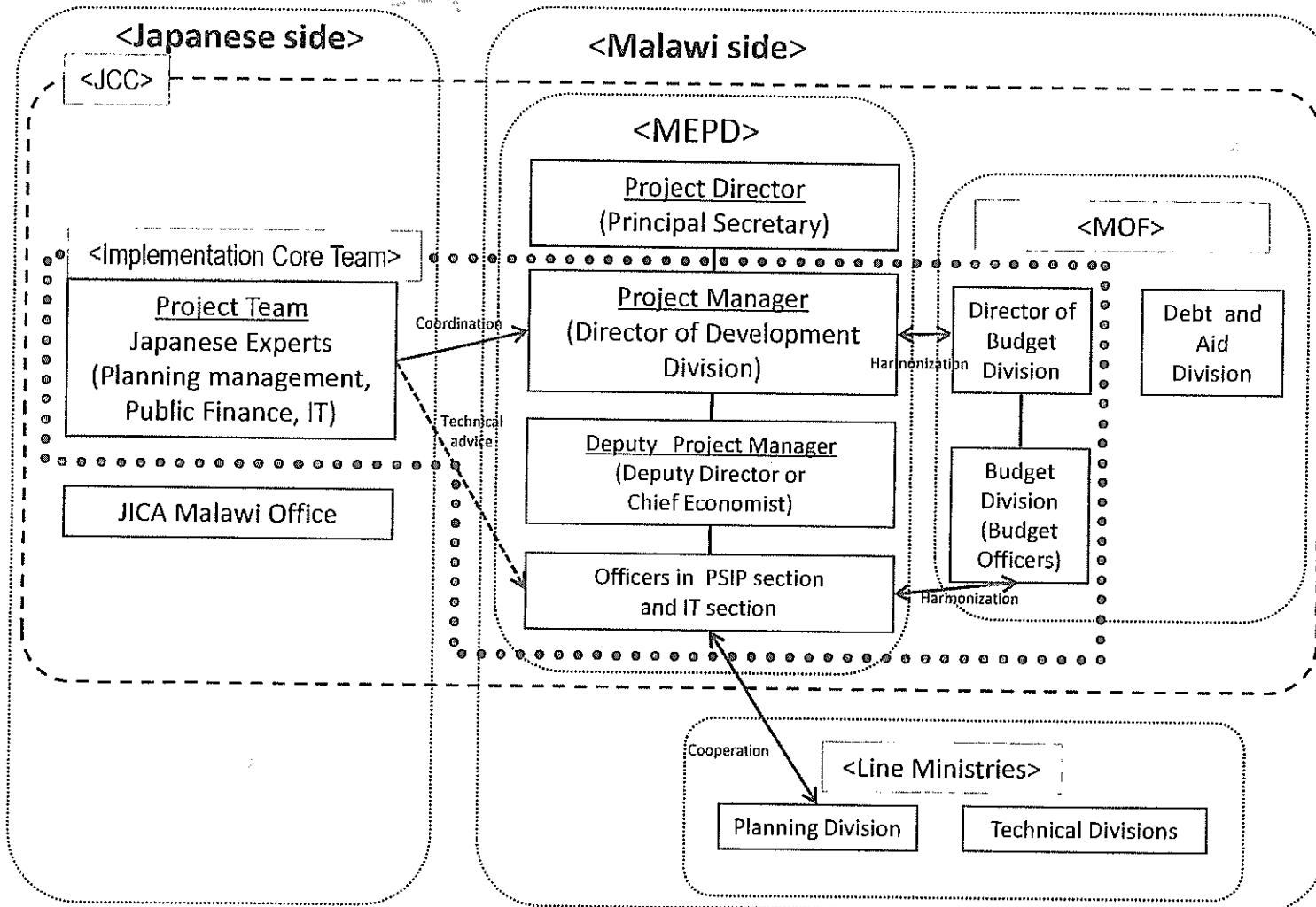
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Mid-term review

Term-end Evaluation

ANNEX 3: Project Organization Chart



PM
 JICA
 JICA
 JICA

Functions and Structure of the Joint Coordination Committee (JCC)

JOINT COORDINATION COMMITTEE

1. Functions

The Joint Coordination Committee (hereinafter referred to as "JCC") will be established for the effective and successful implementation of the Project. The JCC will meet twice a year or whenever the necessity arises in order to fulfill the following functions:

- (1) To formulate and define the Annual Work Plan of the Project
- (2) To review the progress of the Annual Work Plan
- (3) To give advices when necessary, in order to improve the operational performance in attaining the objective and outputs of the Project
- (4) To review and exchange views on major issues arising from the implementation of the Project
- (5) To discuss any other issues pertinent to the smooth implementation of the Project

2. Composition

- (1) Chairperson:
Principal Secretary,
Ministry of Economic Planning and Development (MEPD)
- (2) Members:
Malawi side:
 - a) MEPD: Director of Development Division, Director of M&E Division
 - b) Ministry of Finance (MOF): Director of Budget Division, Director of Debt & Aid Management Division
 - c) Other personnel concerned to be assigned by MEPD and MOF, if necessaryJapanese side:
 - a) Representatives of the JICA Malawi Office
 - b) Technical team of the Project (experts)
 - c) Other personnel concerned to be assigned by JICA, if necessary

The JCC can invite any related person to discuss specific issues.

Annex 5 Budget co-financing arrangement table

Items	1 st YEAR		2 nd YEAR		3 rd YEAR		4 th YEAR	
	GoM	JICA	GoM	JICA	GoM	JICA	GoM	JICA
Consultant fee		+		+	To be discussed in the period of 1 st year			
Database Development / Modification		+		+				
Database Maintenance	+		+					
Study / Survey		+		+				
Publication	Regular Publication	Project created Publication	Regular Publication	Project created Publication				
Seminar (※)		+		+				
Meeting	+		+					
Training (※※)		+		+				
Travel Cost (Domestic)	+		+					
Allowance (Domestic)	50%	50%	50%	50%				

* The arrangement are subject to change.

※Excluding daily allowance for participants

※※Excluding daily allowance for participants in domestic training

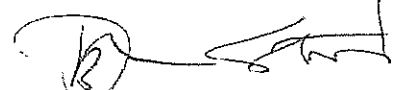
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Annex 6 : Terms of Reference (TOR) for Japanese Experts

1. Public Finance (Team Leader)
 - (1) Take a responsibility of JICA team management and creation of necessary outputs in the Project
 - (2) Advise on issues related to PSIP and budget process
 - (3) Study and report policies, programs and projects related to Public Financial and Economic reform in Malawi
 - (4) Study and report other donors programs and projects related to Public Financial and Economic reform in Malawi
 - (5) Provide necessary reports to JCC by joint works with Malawian counter parts
 - (6) Perform other necessary functions to achieve the Project purpose

2. Planning Management
 - (1) Coordinate the relevant organizations and personnel in Malawi side (EX: PSIP Section, Budget division and M&E division etc), Project team and JICA.
 - (2) To plan and review of operational work-plan and budget for the Project
 - (3) Monitor and advise on issues related to operation of PSIP and budget process
 - (4) Perform other necessary functions to achieve the Project purpose
 - (5) Arrangement of the trainings in Malawi.

3. IT (System Programming)
 - (1) Review PSIP Database
 - (2) Upgrade PSIP Database
 - (3) Revise manuals and handbooks related to PSIP Database
 - (4) Support / Implement trainings related to PSIP Database
 - (5) Analyse IFMIS and other network and database system in GoM
 - (6) Report the result of analysis related to PSIP Database and (5)
 - (7) Perform other necessary functions to achieve the Project purpose



Project Title: Project for Capacity Enhancement in Public Sector Investment Programming Phase II

C/P: Ministry of Economic Planning and Development (MEPD)
 Cooperation organization: Ministry of Finance (MOF)
 Target Group: MEPD, MOF, Planning Division of Line ministries
 Target Area: Lilongwe

Project Duration: 2013~2016

Project Narrative Summary	Indicators	Means of Verification	Assumption				
Overall Goal							
The development project cycle will be efficient and effective.	1 Projects due for completion but requiring an extension not more than 15 percent (every year) 2 Deleted	Budget Report MGDS-II Review Report Budget Report MGDS-II Review Report					
Project Purpose							
PSIP is operated with increased efficiency and enhanced harmonisation within the public financial and economic management framework.	1 Increased amount and elevated quality of information (both on new projects and on-going projects) available for an appraisal by PSIP Section 2 Improved observance ratio of the deadlines of PSIP process by PSIP Section and Line Ministries; from ## % (201#/1#) to ## % (2015/16) 3 Improved evaluation on the PSIP efficiency by the stakeholders (PSIP desk officers, Planning Section of 4 The number of the votes that have no discrepancies between the number of the projects in the development budget component of the budget book and that in the PSIP database will increase from 5 to	Interviews to PSIP desk officers. Communication records of PSIP Section Questionnaire to desk officers, line ministries, MOF, Communication records of PSIP Section	*Financial resources for development budget is available as projected. *Line ministries have capacity to efficiently implement projects. *Ministerial structure doesn't change drastically. *The role of PSIP doesn't change.				
Outputs							
1 Database and Manuals/Handbook for PSIP are improved (especially for an appraisal of on-going projects considering their past implementation performance). 2 The process of PSIP is further harmonized with the planning and budget processes of relevant ministries and the Budget Division. 3 The capacity to use improved Database and Manuals/Handbook for PSIP is built in PSIP Section and line ministries.	1-1 The extent to which the identified issues were addressed by the modification of Database, Manuals / Handbook 1-2 Increased availability of information in the PSIP Database in such aspects as; implementation of on-going project, modifications in plans, results of monitoring activities, etc. 1-3 User's higher evaluation on usefulness and operability of PSIP Database, Manuals / Handbook 2-1 The extent to which the identified issues were addressed in the modified PSIP process 2-2 Deleted 2-3 Reduced percentage of development budget allocated to those projects which did not pass the PSIP process; ##% (201X/1X) to ##% (2015/16) 2-4 Reduction of duplications in reporting and communication for PSIP and monitoring of projects 3-1 Number of persons in PSIP Section and line ministries who are equipped with knowledge and skill to fully utilize PSIP Database and manuals / handbook; from ## (201#/1#) to ## (2015/16) 3-2 Increased number of registered active users of PSIP Database (total, line ministries, other institutions); from ## (201#/0#) to ## (2015/16) 3-3 Increased number of online page views generated by PSIP Database (total, PSIP, line ministries, other institutions); from ## (201#/1#) to ## (2015/16) 3-4 The adequateness of information will be assessed by the observation of the C/P by judging the following: *New project; Costing matrix *Ongoing project; Monitoring indicators	Review of the issues and the modifications realized in Database, Manuals / Review of database. Interview to the users (PSIP, line ministries, MOF, etc.) of PSIP Database. Survey with the PSIP, MOF, line ministries, etc. Review of the issues and the modifications realized in the Comparison of the two documents (PSIP and Budget Document); before and after the modifications were made. Review of PSIP and Budget Document Review of the reporting and communication practice of line ministries. Evaluation report of training program Records of PSIP Database Records of PSIP Database Judgement by PSIP desk officers (Records of PSIP desk officers)	*Public Financial and Economic Management Reform Program is implemented as scheduled.				
Activities		Inputs					
1-1 To review the utilization of Database and Manuals/Handbook for PSIP, and identify issues for further improvement of PSIP. 1-2 To obtain feedbacks by users of Database, Manuals/Handbook for PSIP and other issues through workshops and interviews etc. 1-3 To reflect the feedbacks obtained in 1-2 to Database (especially for an appraisal of on-going projects considering their past performance). 1-4 To reflect the feedbacks obtained in 1-2 and 2-2 to Manuals/Handbook and process for PSIP (especially for an appraisal of on-going projects considering their past performance). 2-1 To review the current public financial and economic reform policies, programs and activities. 2-2 To review the process in PSIP in line ministries. 2-3 To propose necessary measures to optimize the process identified in 2-2. (ex. Feedbacks for line ministries and PSIP review meeting etc.) 2-4 To put into practice the proposals identified in 2-3 for validation. 2-5 To review the appropriateness of the output indicators in PSIP and Budget Document and the mechanism to generate and report them. 2-6 To propose necessary measures to improve the issues identified in 2-5. (ex. effective consultations and modification of the mechanism) 2-7 To put into practice the proposal identified in 2-6 for validation. 2-8 To enhance dialogue for effective coordination mechanism between PSIP Section and Budget Division. 3-1 To identify the training needs and institutional issues for PSIP in PSIP Section and line ministries. 3-2 To prepare a training program on the improved Database and Manuals/Handbook and the process for PSIP. 3-3 To implement the training program prepared in 3-2. 3-4 To evaluate the results of training and create feedbacks to trainings and operation for PSIP. 3-5 To evaluate the overall results of training by the Project and develop an action plan on capacity development in future.		<table border="1"> <thead> <tr> <th>Malawian Side</th> <th>Japanese Side</th> </tr> </thead> <tbody> <tr> <td> *Counterpart personnel *Project office room *Equipment (PC, Printer, etc.) </td> <td> *Experts ~ Public Finance ~ Planning Management ~ IT(System Programming) *Training in Japan or third country </td> </tr> </tbody> </table>		Malawian Side	Japanese Side	*Counterpart personnel *Project office room *Equipment (PC, Printer, etc.)	*Experts ~ Public Finance ~ Planning Management ~ IT(System Programming) *Training in Japan or third country
Malawian Side	Japanese Side						
*Counterpart personnel *Project office room *Equipment (PC, Printer, etc.)	*Experts ~ Public Finance ~ Planning Management ~ IT(System Programming) *Training in Japan or third country						
		Precondition					

Annex 3

Project Design Matrix

Version 3

Project Title: Project for Capacity Enhancement in Public Investment Programming Phase II (CEPSIP2) Dated 2016/6

Implementing Agency: Ministry of Finance, Economic Planning and Development (MEFPD)

Department of Economic Planning and Development/Public Sector Investment Programme Unit (PSIP)

Target Group: PSIP Unit as primary, PSIP submitting MDA units as secondary, and PSIP concerned government stakeholders as tertiary

Period of Project: March 2013 - September 2017

Project Site: Lilongwe

Model Site: [location if any]

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumption
Overall Goal			
The development project cycle will be efficient and effective.	Projects due for completion but requiring an extension not more than 15 percent (every year)	PSIP Database Extension Request Form	
Project Purpose			
PSIP is operated with increased efficiency and enhanced harmonisation within the public financial and economic management framework.	1. Increased amount and elevated quality of information (both on new projects and on-going projects) available for an appraisal by PSIP Section. 2. Improved observance ratio of the deadlines of PSIP process by PSIP Section and line ministries to 90% by project completion. 3. Improved evaluation on the PSIP efficiency by the stakeholders (PSIP desk officers, Planning Section of line ministries, Budget Division, etc.) 4. The number of votes of which all budgeted projects in the budget book in a given fiscal year are captured in the PSIP database will increase from 5 to 8.	1. Interviews to PSIP desk officers. 2. Communication records of PSIP Section 3. Questionnaire to desk officers, line ministries, MOF, etc. 4. Communication records of PSIP Section	* Financial resources for development budget is available as projected. * Line ministries have capacity to efficiently implement projects. * Ministerial structure doesn't change drastically. * The role of PSIP doesn't change.
Outputs			
1. Database and Manuals/Handbook for PSIP are improved (especially for an appraisal of on-going projects considering their past implementation performance).	1-1 The extent to which the identified issues were addressed by the modification of Database, Manuals/Handbook. 1-2 Increased availability of information in the PSIP Database in such aspects as; implementation of on-going project, modification in plans, results of monitoring 1-3 User's higher evaluation on usefulness and operability of PSIP Database, Manuals/Handbook	1-1 Review of the issues and the modifications realized in Database, Manuals/Handbook 1-2 Review of database. Interview to the users (PSIP, line ministries, MOF, etc.) 1-3 Survey with the PSIP, MOF, line ministries, etc.	* Public Financial and Economic Management Reform Program is implemented as scheduled.
2. The process of PSIP is further harmonized with the planning and budget processes of relevant ministries and the Budget Division.	2-1 The extent to which the identified issues were addressed in the modified PSIP process. 2-2 Percentage of development projects which did not pass the PSIP process: Less than 20% in FY2017/18. 2-3 Reduction of duplication in reporting and communication for PSIP and monitoring of projects.	2-1 Review of the issues and the modifications realized in the process. 2-2 Review of PSIP and Budget Document 2-3 Review of the reporting and communication practice of line ministries.	
3. The capacity to use improved Database and Manuals/Handbook for PSIP is built in PSIP Section and line ministries.	3-1 Number of persons in PSIP Section and line ministries who are equipped with knowledge and skill to fully utilize PSIP Database and Manuals/ Handbook: from 101 (2013/14) to 250 (2016/17)	3-1 Evaluation report of training program	

	3-2 Increased number of registered active users of PSIP Database (total, line ministries, other institutions); from 37 (2013) to 56 (2017)	3-2 Records of PSIP Database
	3-3 Increased number of online page views generated by PSIP Database (total, PSIP, line ministries, other institutions); from 496 (2012/13) to 1200 (2016/17)	3-3 Records of PSIP Database
	3-4 Percentage of projects using the required formats: 70% in 2016/17 PSIP	3-4 Records of PSIP Database

Activities	Inputs		Important Assumption
	The Japanese Side	The Malawi Side	
<p>1-1 To review the utilization of Database and Manuals/Handbook for PSIP, and identify issues for further improvement of PSIP.</p> <p>1-2 To obtain feedback by users of Database, Manuals/Handbook for PSIP and other issues through workshops and interviews, etc.</p> <p>1-3 To reflect the feedback obtained in 1-2 to Database (especially for an appraisal of on-going projects considering their past performance).</p> <p>1-4 To reflect the feedback obtained in 1-2 and 2-2 to Manuals/Handbook and process for PSIP (especially for an appraisal of on-going projects considering their past performance).</p> <p>2-1 To review the current public financial and economic reform policies, programs and activities.</p> <p>2-2 To review the process in PSIP in line ministries.</p> <p>2-3 To propose necessary measures to optimize the process identified in 2-2 (ex. Feedback for line ministries and PSIP review meetings, etc.)</p> <p>2-4 To put into practice the proposals identified in 2-3 for validation.</p> <p>2-5 To review the appropriateness of the output indicators in PSIP and Budget Document and the mechanism to generate and report</p> <p>2-6 To propose necessary measures to improve the issues identified in 2-5 (ex. effective consultations and modification of the mechanism.)</p> <p>2-7 To put into practice the proposal identified in 2-6 for validation.</p> <p>2-8 To enhance dialogue for effective coordination mechanism between PSIP Section and Budget Division.</p> <p>3-1 To identify the training needs and institutional issues for PSIP in PSIP Section and line ministries.</p> <p>3-2 To prepare a training program on the improved Database and Manuals/Handbook and the process for PSIP.</p> <p>3-3 To implement the training program prepared in 3-2.</p>	<p>* Experts</p> <ul style="list-style-type: none"> - Public Finance - Planning Management - IT (System Programming) <p>* Training in Japan or third country</p>	<p>* Counterpart Personnel</p> <p>* Project Office Room</p> <p>* Equipment (PC, Printer, etc.)</p>	

3-4 To evaluate the results of training and create feedback to training and operation for PSIP.

3-5 To evaluate the overall results of training by the Project and develop an action plan on capacity development in future.

Pre-Conditions

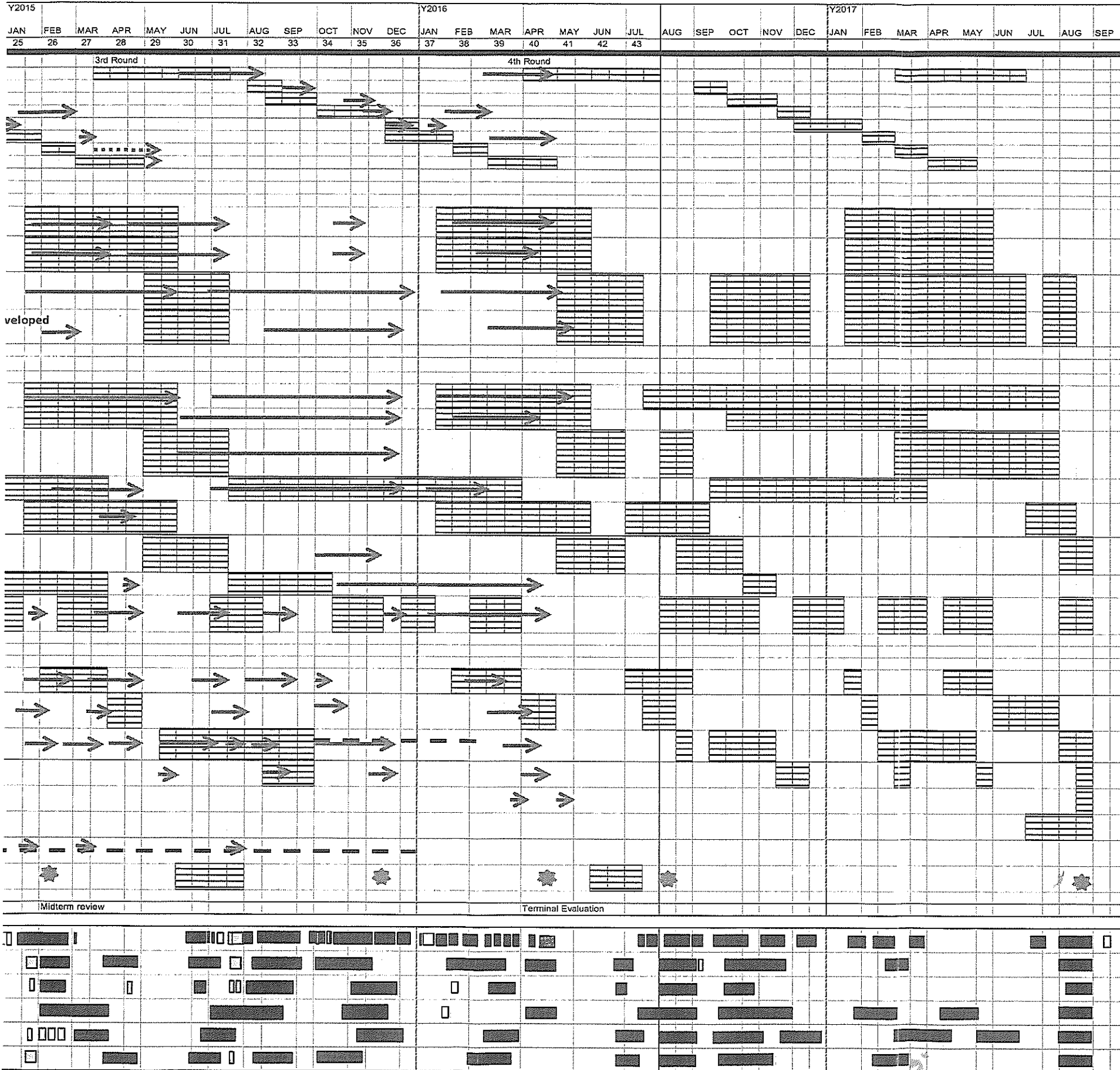
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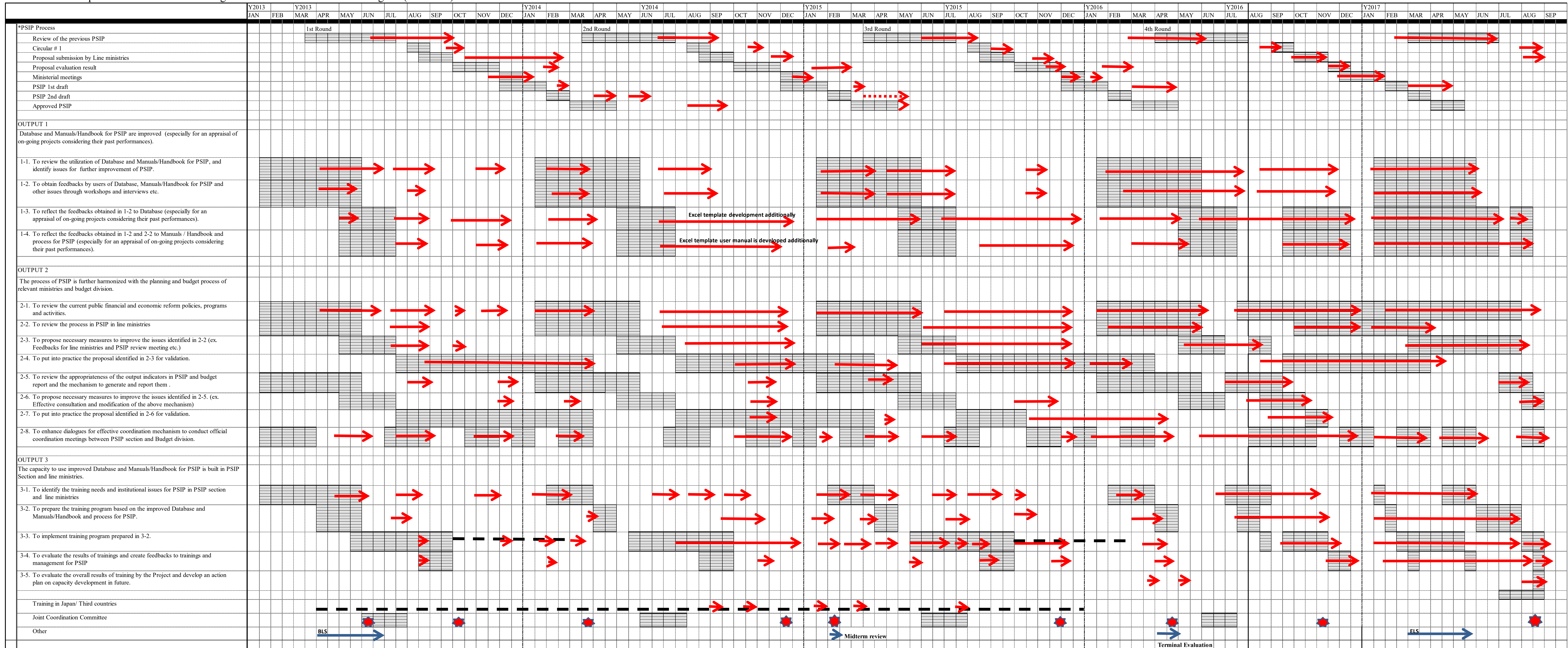
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Annex 2

Plan of Operation (Plan and Actual)

Revised Plan of Operation in Annex 2 of R/D signed on June 2016 with Actual Progress (red arrow)



Annex 3

Assignment Schedule (Plan and Actual)

Annex 4

Equipment purchased during the Project

The Project for Capacity Enhancement in Public Sector Investment Programming Phase II (Second Period)

List of Purchased Equipment

No	Item	Model	Qty	Unit Price (MK)	Total Price (MK)	Installed Location	Date of purchase	Note
1	Copy Machine	Sharp MX-2010U Colour Digital Copier	1	3,296,950.00	3,296,950.00	Project Site	2013/5/20	
2	Laptop	Dell Vostro Laptop 3550	1	640,750.00	640,750.00	Project Site	2013/8/21	
3	Laptop	DELL Vostro 2520	9	525,000.00	4,725,000.00	Project Site	2013/8/23	Unit Price include MS-Office
4	Server Machine	Dell PowerEdge 720 Server	2	2,531,295.69	5,062,591.38	Project Site	2014/8/18	
5	Laptop	Dell Vostro 2520	2	687,641.25	1,375,282.50	Project Site	2014/8/18	Unit Price include MS-Office & Kaspersky Anti-virus 2014
6	UPS	SOCOMEK Backup UPS (1000VA)	2	101,355.00	202,710.00	Project Site	2015/2/13	
7	Copy Machine	Xerox Workcentre Multifunctional 7835 Colour Photocopier	1	4,601,750.00	4,601,750.00	Project Site	2017/2/23	
8	Laptop	HP Probook 450 G3	1	978,600.00	978,600.00	Project Site	2017/2/23	

※Item less than Yen 50,000 are not in the list

Annex 5

Total Operational Expenses by Japanese Side

Total Operational Expenses in Malawi (CEPSIP II JICA Expenditure)

(1) Local Expenses

	JICA 1st Period (Mar 2013 - April 2014)	JICA 2nd Period (June 2014 - Sep 2017) *2	Total (Yen)
	Actual Expenditure (Yen)	Actual Expenditure (Yen)	
Printing / Publication	¥28,729	¥2,000,764	¥2,029,493
Training / Seminar / Workshop	¥643,973	¥8,865,136	¥9,509,109
Monitoring Travelling Expenses	¥170,290	¥1,871,212	¥2,041,502
Office Equipment	¥2,487,834	¥2,642,962	¥5,130,796
Office Supply	¥751,632	¥3,260,393	¥4,012,025
Others	¥1,602,979	¥9,097,681	¥10,700,660
Sub-Total	¥5,685,437	¥27,738,148	¥33,423,585

(2) External Training

	JICA 1st Period (Mar 2013 - April 2014)	JICA 2nd Period (June 2014 - Sep 2017) *2	Total (Yen)
	Actual Expenditure (Yen)	Actual Expenditure (Yen)	
Training in Japan *1	¥0	¥2,504,000	¥2,504,000
Training in the third country	¥52,841	¥5,809,487	¥5,862,328
Sub-Total	¥52,841	¥8,313,487	¥8,366,328

Total	¥5,738,278	¥36,051,635	¥41,789,913
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*1: Excluding travelling cost of Malawian trainees.

*2: This is an approximate figure calculated as of September 2017.

Annex 6

Training Conducted by the Project

Training Conducted by the Project

Workshop/Seminar	Date	Participants	Particular
Database user meeting	2013/5/3 & 8	PSIP officers in Line Ministry -20 PSIP Unit officers (MEPD) - 6 JICA Experts - 4	*Explanation session for system operations such as the connection to the database, the download method for reference materials and the confirmation for budget information
PSIP Seminar (Kick-off seminar)	2013/8/20	Directors and leaders of Line Ministry Planning Units - 32 MOF (Budget Division) - 3 MEPD (PS, Director-DD, Deputy Director-DD, DD-9, M&E-1) - 13 JICA Malawi Office - 3 JICA Experts - 4	*Formulation of the Development Budget *Improvement of PSIP and Development Budget Process *Outline of CEPSIP2
PSIP review orientation workshop	2013/8/27-28	PSIP Desk Officers from Line Ministry Planning Units - 34 MOF Budget Division – 12 MEPD (Director-DD, Deputy Director-DD, DD-6, M&E-3) -11 JICA Experts - 3	*To review PSIP formulation process *Formulation of the Development Budget *PSIP monitoring, issues and challenges *Discussion on presentations and proposals for *Baseline Summary *Orientation for PSIP Proposal Submission *Improvement of PSIP and Development Budget - Process and Database *Discussion on Improvement of PSIP and Development
PSIP Database Division Meeting	2013/10/25	PSIP Unit officers (MEPD) JICA Experts - 2	*Detailed progress of PSIP database so far *Detailed improvement plan of PSIP database system *Discussion on new design of screen, template and report *Discussion on new business process involved
PSIP appraisal seminar	2013/12/9 & 11	PSIP Unit officers (MEPD) - 12 JICA Experts - 3	*Problem of PSIP from different perspectives *Role of PSIP and Public Management Cycle in Malawi *Type of Projects and Costs of Implementation *Appraisal Method *Ex-Ante Evaluation=Appraisal, Ex-Post Evaluation, and Policy Evaluation *DAC 5 Criteria for Evaluation *Cost-Benefit Analysis *Judgment on Evaluation applying DAC 5 Criteria *Output indicators *Case Study from Malawi PSIP proposals *Database Improvement – progress and plan *Discussion on Template: New Project, On-Going Project , and Programme Template *Discussion on Quarterly Progress Reporting Format
PSIP appraisal follow up workshop	2014/1/28 & 2/12	PSIP Unit officers (MEPD) - 11 JICA Experts - 3	*Appraisal Rating Matrix *Appraisal Rating Summary Sheet *Appraisal Exercise *Appraisal Decision
PSIP appraisal manual and preparation handbook review - Divisional Workshop and Meeting	2014/3/11-12 (Workshop) and 3/24-25 (Meeting)	PSIP Unit officers (MEPD) - 6 JICA Team - 5 (2 Experts, 3 Project Assistants)	*Review of FY 2014/15 PSIP process so far and revision of PSIP Calendar *Review and Revision of PSIP Appraisal Matrix *Revision of PSIP Appraisal Manual *Revision of PSIP Preparation Handbook *PSIP Database Updating Exercise
IT C/P training	2014/7/11 ~2014/08/18 13 times (3 hours)	IT staffs -2 Mr. Brian Mchawi Ms. Shalom Ghambi Temporary IT staff - 1 Mr. Gresham Nhlane	*Linux OS *Web Design *MySQL Database *PHP *Web Application *New Template Structure
IT C/P training	2014/10/14 ~2014/12/11 13 times (3 hours)	IT staffs -3 Ms. Annie Malitoni Ms. Shalom Ghambi Mr. Gift Njoloma	*Linux OS *Web Design *MySQL Database *PHP *Web Application *Proposal submission steps *Template Loader Operation
Third country training (Project Appraisal Course)	2014/9/8~19 ESAMI (Eastern & Southern African Management Institute), Tanzania	PSIP Unit officers (MEPD) - 4 Mr. Edward Kabwinja - Principal Economist Mr. Pempho Mwinjiilo - Economist Mr. Daudi Chinong'one - Economist Mr. Dan Gareta, - Economist	*Project Design *Logical Framework *Network Analysis *Project Selection Techniques *Appraisal of Development Projects *Developing Indicators *Project Appraisal Techniques *Data Collection and Analysis *Monitoring Techniques *Review of Appraisal Instrument
Third country training (PPP Project Course)	2014/10/20~24 ESAMI (Eastern & Southern African Management Institute), Kenya	PSIP Unit officers (MEPD) - 3 Mr. Jollam Banda, Deputy Director (DD) Mr. Isaac Dambula - Chief Economist Mr. Charles Mtonga - Chief Economist	*PPP Policy and Legal Framework *Prerequisites for Establishing the PPP Unit * Role of the PPP Unit * Understanding PPPs from Strategic Context *Evaluating Selecting and Managing PPP Projects *Strategies for Promoting PPP Projects

Workshop/Seminar	Date	Participants	Particular
PSIP orientation workshop 2014	2014/11/4~5	PSIP Officers in MDAs - 90	*Review of 2013 PSIP Performance and 2014 PSIP *Review of 2014 Development Budget Performance and 2014 Development Budget Formulation *Circular, PSIP Guidelines, and attachments for FY2015-16 PSIP Formulation *PSIP Preparation Handbook 2014 *PSIP DB Improvement *PSIP Template and Manual *Formulation of PSIP Proposal using new templates
PSIP seminar 2014	2014/11/7	Directors of Planning Dept (MDAs) - 40	*Update on upcoming activities *Review of 2014 Development Budget Performance and 2014 Development Budget Formulation *PSIP Preparation Handbook 2014 *PSIP DB Improvement
Hands-on Guidance for PSIP proposal preparation	2014/11/14~28	6 focused ministries (Agriculture, Education, Health, Transport, Tourism, and Lands&Housing)	*Hands-on training on preparation of PSIP proposals *Follow-up on preparation of PSIP proposal submission
Training in Japan (IT Security Training)	2015/1/19~28 Kyoto Computer Gakuin	IT staffs (MFEPD & E-government) -5 Mr. Moses Chiwoni Mr. Brian Mchawi Ms. Annie Malitoni Ms. Shalom Ghambi Mr. Gift Njoloma	*Outline of Information Security *Hacking and Secure Coding *Server Security * Information Security Measures
PSIP appraisal follow-up Workshop	2015/1/26~2/20	PSIP Unit officers (MFEPD) - 11 JICA Experts - 4 (During Mid-term review)	*Appraisal Rating Matrix *Appraisal Rating Summary Sheet *Appraisal Exercise *Appraisal Decision
Third country training (Project Appraisal Techniques Course)	2015/3/9~20 Institute of Rural Development Planning Lake Zone Centre (IRDP-LZC), Tanzania	PSIP Unit officers (MFEPD) - 2 Mr. Jollam Banda – Deputy Director Mr. Charles Mtonga – Chief Economist	*Concepts, techniques of Project Appraisal *Project analysis *Assessment methods *Appraisal reporting
IT C/P training	2015/3/17 ~2015/3/26 3 times (3 hours each)	IT staffs - 4 Mr. Brian Mchawi Ms. Annie Malitoni Ms. Shalom Ghambi Mr. Gift Njoloma	*Linux OS *Web Design *MySQL Database *PHP *Web Application *Proposal submission steps *Template Loader Operation
PSIP Template Review WS	2015/3/27, 3/31	PSIP Unit officers (MFEPD) - 4 JICA Experts - 4	Presentation and discussion on PSIP revised template for coming FY, Quarterly report form design
Hands-on Guidance for Project Financial Management Information Tool (PFM-IT) : discussion and orientation for trial use	2015/2~4 2/4, 13, 18, 20,23 3/17,24-27,30 4/1, 2, 7, 8, 9, 10,13,15,17,20-23	PSIP Unit & BD (MFEPD) , AGD, CIAU, NAO MDAs (Agriculture, Tourism, Lands)	Discussion on project related accounting exercise and proposed form. Hearing for the design of the tool from relevant institutions and assistance for focused MDAs to start trial use of the tool by individual visit.
Project Financial Management Information Tool (PFM-IT) : Orientation WS	2015/4/7	Project accountants of the Ministry of Agriculture, Ministry of Lands & Housing - 8	PFM-IT tool introduction and practice
PSIP Appraisal Review	2015/6/24	PSIP Unit officers (MFEPD) - 5 JICA Experts -4	Review of proposed projects and methods of appraisal
PSIP Handbook review	2015/6/26	PSIP Unit officers (MFEPD) - 5 JICA Experts -4	Discussion on proposals on Handbook (templates) revision
PSIP Handbook review (MDAs)	2015/7/2	MDAs (Education, Health, Agriculture, Tourism, Lands, Transport)	Discussion on proposals on Handbook (templates) revision
IT C/P training	2015/7/15, 9/1	IT staffs - 4 Mr. Brian Mchawi Ms. Annie Malitoni Ms. Shalom Ghambi Mr. Gift Njoloma	*Linux OS *Web Design *MySQL Database *PHP *Web Application *Proposal submission steps *Template Loader Operation

Workshop/Seminar	Date	Participants	Particular
Training in Japan (Public Sector Investment Programming and Performance Measurement)	2015/7/16~25	DD + PSIP Unit officers, EPD, BD, DAD, M&E. AGD (MFEPD), Education, Transport - 12 Mr. Y. Kamphale - Acting PS (EPD) Mr. Kayamba Banda - Deputy Secretary (EPD) Mr. Hetherwick Njati - Director (DD) Mr. Peterson Ponderani - Dep. Director (M&E) Mr. Dalitso Kalimba - Chief Economist Mr. Levison Chirwa - Dep Budget Director (M&E- BD) Mr. Alfred Kutengule - Ass Director Mr. John Bosco Phiri - Act Director, Planning (Transport) Mr. Edward Joshua - Chief Economist (PSIP Unit) Mr. Friday Likwinji - Ass Accountant General (AGD) Mr. Eric Chiwala Banda - Ass Accountant (AGD)	Experience of Japan in national plan, evaluation, infrastructure projects, local government lessons of reform efforts
PSIP Seminar	2015/8/18	Heads of Planning (MDAs) -56	Budget Performance PSIP review Introduction of new/revised PSIP tools
PSIP Process Review WS (including PSIP Database introduction)	2015/8/19-21, 8/25~27 2015/9/17	PSIP Unit, MDAs (Planning Section, Technical, Accounting officers) - LUANAR Lilongwe University of Agriculture and Natural Resources -10 interns)	Budget Performance PSIP review Introduction of new/revised PSIP tools Practical session for tools
PSIP Reflection WS	2015/9/7	JICA Experts - 6 (including 2 staffs)	Review of PSIP Seminar, PSIP Review WS
PSIP Hands on Guidance	2015/9~11	MDAs (including 12 institutions outside Lilongwe)	Guidance and practice for PSIP tools to prepare and submit the template
PSIP Appraisal WS	2015/11/20, 11/30~12/3	PSIP Unit officers (MFEPD) - 10 JICA Experts - 3 (including staffs)	
Project Financial Management Information Tool (PFM-IT) : Orientation WS & follow up	2015/12/10, 2016/2/4	OPC - 19 JICA Experts - 3 (including 1 staff)	PFM-IT tool introduction and practice
PSIP Database Seminar	2015/12/11	PSIP Unit officers + IT staffs - 14	Introduction of and discussion on PSIP Database ver.2.0
Hands on Guidance for Proposal re-submission and Quarterly Progress Report	2016/1~2	MDAs	Additional assistance for MDAs which needs to re-submit the proposal template, while guidance on preparation of newly developed Quarterly Progress Report form was conducted to MDAs
PSIP Final Appraisal WS	2016/2/15-2/23	PSIP Unit officers + IT staffs - 14 JICA Experts - 7 (including 3 staffs)	Compilation of and discussion on appraisal results with allocation and status
Project Financial Management Information Tool (PFM-IT) : Follow up meeting	2016/2/19	Ministry of Agriculture (Accountants) - 9	Follow up individual work to be done
Review WS on Final appraisal results	2016/3/1-3/7	C/P (DD) , MDAs	Review of final appraisal results
Project Financial Management Information Tool (PFM-IT) : Orientation/Follow up meeting	2016/3/7,8	Ministry of lands and Housing	Orientation to project accountants
Project Financial Management Information Tool (PFM-IT) : Orientation meeting	2016/3/10	Digital Migration project (Information Department)	Orientation to project accountant
PSIP Database Workshop	2016/3/11	PSIP Unit officers + IT staffs - 12 JICA Experts - 8 (including 3 staffs)	Image of the latest PSIP portal and discussion on PSIP database future and PSIP template revisions
IT C/P training	2016/3/12,23	IT Staffs - 3 Ms. Shalom Ghambi Mr. Gift Njoloma Mr. Chimwemwe Nyirenda	*Linux OS *Web Design *MySQL Database *PHP *Web Application *Proposal submission steps *Template Loader Operation
PSIP Database Workshop (MDAs)	2016/3/22	MDAs and MoFEPD - 107 participants	Image of the latest PSIP portal and discussion on PSIP database future and PSIP template revisions
PFM-IT Training for Project Accountants, Ministry of Agriculture,	2016/3/31	Ministry of Agriculture (Accountants) - 30	PFM-IT tool introduction and practice for preparation
Follow-Up for PSIP Database ver.2 Dissemination Seminar	2016/4/1	MDAs -12	Image of the latest PSIP portal and discussion on PSIP database future and PSIP template revisions
PSIP Database ver.2 Maintenance Training with e-Government	2016/4/12	10 IT officers from e-Government, 4 officers from EP&D	Introduction of PSIP Database Ver.2
PSIP Non-IT Tool Finalisation WS	2016/4/14, 15	Deputy Director and 6 Economists from DD - 7	Finalisation of PSIP Preparation Handbook and Appraisal Manual

Workshop/Seminar	Date	Participants	Particular
PSIP Appraisal Methods Finalisation	2016/4/20	Deputy Director and 7 Economists from DD - 8	Introduction of PSIP Appraisal Methods
Financial and Economic Analysis	2016/7/4	13 Economists from EP&D	Technique for Financial and Economic Analysis
IT C/P In-house Training	2016/7/11, 15, 18 2016/8/11, 18, 24	4 IT Staffs from PSIP and EP&D	*Linux OS *Symfony Framework *Web Design *Network *Maintenance
Kick Off & Process Review and Strategising for FY2017/18 Cycle	2016/8/17	Budget - 1 PSIP - 6 AGD - 1, DAD - 1, PFM - 1, M&E - 1 Total: 11	Allow key stakeholders in the Ministry, who are responsible for the programming and management of the PSIP to once again reflect on the PSIP process and provide suggestions for improvement.
PSIP Trainers Training	2016/9/1, 2	12 from EPD, 14 from 8 MDAs (11 Divisi	PSIP tools PSIP Circular 1 and PSIP Guideline for FY2017/18 Exercise Session
Excel Tools Design and Maintenance	2016/9/16, 23, 26, 28	4 IT officers from PSIP unit and DD, 3 IT officers from e-Government	PSIP Excel Template Development and Maintenance Training for PSIP IT C/P and e-Government IT officers
PSIP Seminar Heads of Planning Unit	2016/9/5	53 from 27 MDAs, 4 from JICA Malawi Office including Mr. Tokuhashi (Resident Representative), 6 JICA Project Experts, and 2 JICA Project Staff	Budget Performance PSIP Review Introduction of revised PSIP tools
PSIP Orientation Group A	2016/9/13-15	134 from 22 MDAs	FY2015/16 Development Budget Review FY2016/17 PSIP Preparation and FY2015/16 Performance Review PSIP Tools and Database Practical Session
PSIP Orientation Group B	2016/9/20-22	103 from 22 MDAs	FY2015/16 Development Budget Review FY2016/17 PSIP Preparation and FY2015/16 Performance Review PSIP Tools and Database Practical Session
Excel Tools Design and Maintenance Training Review Session	2016/10/19	4 IT officers from PSIP unit and DD, 3 IT officers from e-Government	Support for Review Session for Excel Training
Training for Information Security	2016/11/23	PSIP Desk Officers - 5	To raise awareness of Information Security for PSIP C/P
Intensive Training for PSIP Database Development (59 days excluding Excel training)	2017/1/17-19, 24-26, 31-2/1 2017/2/7-9, 14-16, 21-23 2017/3/10, 15, 16, 21, 23, 28, 30 2017/4/4, 6, 13, 18-20, 25-27 2017/5/3, 4, 5, 9, 11, 15, 16, 18, 23, 25, 30 2017/6/1, 6, 8, 13, 15, 20, 22, 27 2017/8/21 2017/8/4. 8/28	*4 PSIP Unit IT officers *7 e-Government IT officers *1 each from Ministry of Health, Ministry of Energy and Civil Service Commission	*PHP Programming *Smarty *MySQL *Software Testing *Web Design *Object Oriented Programming *PHP Symfony Framework *Network *Linux *Development Environment *JavaScript *Development Practice *Information Security *Development Follow-up *Maintenance
Final Appraisal Workshop	2017/1/25-27	EP&D - 8	• To finalize preliminary resource allocation of the projects to be sent to treasury for review and inclusion into the national development budget. • To identify projects that can be taken by DAD to lobby for resources.
PFM-IT Training for Project Accountants of Fisheries	2017/2/28	Fisheries - 4	* To train on how to use PFM-IT
FY2017/18 PSIP Process Review Workshop - Essential tools and DB Review	2017/2/28	EP&D - 12 e-Government - 2	To collect the ideas for requirement for PSIP Database Ver.4

Workshop/Seminar	Date	Participants	Particular
FY2017/18 PSIP Process Review Workshop - Handbook and Appraisal Manual	2017/3/1	PSIP - 7	To review and discuss the revision points for PSIP Handbook and Appraisal Manual
PSIP Excel and Database Development Plan for FY2018/19	2017/3/13, 14	4 IT officers from EP&D and 3 from e-Government	To make a Development Plan for Excel tools and PSIP Database Ver.4 based on the requirements obtained on 28th Feb 2017
IMF Public Investment Management Assessment (PIMA) Tool Training	2017/3/29	PSIP - 10	To share and practice the use of PIMA Tool
PSIP Database Development Plan and Change Request Format Meeting	2017/4/10, 11	3 IT officers from EP&D and 5 IT officers from e-Government	Discuss the development plan and schedule with IT officers from PSIP and e-Government
Strategising for FY2018/19 PSIP Workshop	2017/7/28	PSIP - 9 Budget - 1 Debt & Aid - 1 EP&D - 1 Accountant General - 2	*Review of FY2017/18 PSIP formulation *Prepare for FY2018/19 PSIP formulation *CEPSIP II Project Conclusion and PSIP Tools
PSIP Seminar	2017/8/2	Chief Director of EP&D (Mr. Simbani) and 59 from 36 MDAs including MFEPD	*CEPSIP II Project Conclusion and the tools (JICA Project Team) *FY2016/17 Development Budget *Review of FY2016/17 PSIP, preparation of FY2017/18 PSIP and Circular No. 1 for FY2018/19
PSIP Orientation Workshop	2017/8/8-10	120 from 46 MDAs and 14 from MFEPD (EP&D, BD, AGD)	*Summary and Conclusion of CEPSIP II *FY2017/18 PSIP preparation and FY2016/17 Performance Review *Introduction of PSIP Database Ver.4 and Template *Practical Sessions
Project Management Improvement Seminar	2017/8/17	AGD, NAO, CIAU and Project Accountant and Internal Auditor from MDAs - 52	Project Management (EP&D) Project Management Analysis - Joint Exercise (AGD) Project Management Analysis - Reaction after the analysis (Fisheries Department)
Technical Handover Meeting of PSIP Database	2017/8/23	Director, Deputy Director, 1 Chief System Analyst from e-Government and 1 Chief System Analyst from EP&D. 1 IT C/P from PSIP, DD and 3 e-Government Department	*Summary and Conclusion of CEPSIP II and PSIP Tools *Introduction of PSIP Database Ver.4 and Template, and Handover of Documentation Outputs *Linkage between PSIP Excel Template and Database

Annex 7

Minutes of Meeting on Final Joint Coordination Committee

**MINUTES
OF
THE FINAL (NINETH) JOINT COORDINATION COMMITTEE
MEETING
FOR
THE PROJECT FOR CAPACITY ENHANCEMENT
IN PUBLIC SECTOR INVESTMENT PROGRAMMING PHASE II
(CEPSIP2)**

**HELD
ON 24 AUGUST 2017**

**AT THE TREASURY MAIN CONFERENCE ROOM
LILONGWE**

不原 耕一

Mr. Koichi Kito
Resident Representative
Japan International Cooperation Agency
(JICA)
Malawi Office



Mr. Brian Mchawi
Chief Systems Analyst
on behalf of
Acting Chief Director for
Economic Planning and Development
Ministry of Finance, Economic Planning
and Development, and
Chairperson of the Joint Coordination
Committee for the Project for Capacity
Enhancement in Public Sector
Investment Programming Phase II
(CEPSIP2)

The Project for Capacity Enhancement in Public Sector Investment Programming Phase II (CEPSIP2)

The Final [Ninth] Joint Coordination Committee (JCC)

Meeting Minutes

1. **Date:** 24th August 2017
2. **Venue:** Ministry of Finance Main Conference Room
3. **Participants**

No.	Ministry/Department /Division	Name	Designation
1	MoFEP&D (Development Planning)	Brian Mchawi	Chief Systems Analyst
2	MoFEP&D (Development Planning)	Daudi Chinong'one	Economist
3	MoFEP&D (Development Planning)	Chikondi Phiri	Economist
4	MoFEP&D (Development Planning)	George Nkhoma	Economist
5	MoFEP&D (Budget)	Winston Nyasulu	Assistant Director
6	MoFEP&D (Budget)	Chisomo Tsonga	Principal Budget Officer
7	MoFEP&D (Debt and Aid)	Moses Chirwa	Assistant Director
8	National Audit Office	A. Kalumbi	Principal Auditor General
9	OPC (Performance Enforcement Department)	D.E. Chunga	Chief Director
10	Accountant General Department	Olive Chikankheni	Chief Director-new IFMIS
11	Accountant General Department	Abel Mwambinga	Assistant Accountant General
12	JICA Malawi Office	Koichi Kito	Resident Representative
13	JICA Malawi Office	Shinpei Akatsuka	Assistant Resident Representative
14	CEPSIP II	Y. Kobayashi-Sangala	Team Leader
15	CEPSIP II	N. Hashimoto	Deputy Team Leader
16	CEPSIP II	M. Sugimito	Planning and Management
17	CEPSIP II	Y. Ishikawa	IT Programming
18	CEPSIP II	Rena Mizuno	Coordinator/ IT Programming Assistant
19	CEPSIP II	Afiske Nsini	Project Assistant

4. Agenda

- (1) Opening prayer
- (2) Introduction of participants
- (3) Opening remarks by the Chairperson
- (4) Adoption of Agenda
- (5) Presentation of Completion Report
 - (1) Project Outputs and Performance
 - (2) Conclusion and Recommendations
- (6) Discussion and Way Forward
- (7) Remarks by JICA Malawi Office
- (8) Closing remarks by Chairperson
- (9) Closing prayer

5. Handouts

- (1) JCC Agenda
- (2) Project Summary and Conclusion
- (3) Endline Survey Report
- (4) How to access PSIP Database
- (5) PSIP preparation Handbook- Final Version
- (6) PSIP Database (Ver.4) User Manual for MDAs
- (7) Technical Report 3

6. Record of Presentation and Discussion

6.1 Opening

The Chairperson called the meeting to order at 9:40AM. The meeting was opened with a prayer by an Economist from the Department of Economic Planning and Development. Then the chairperson welcomed the members and called for self-introductions. He indicated that this is the final JCC meeting and commended JICA for the support to the project which was to end September 2016 but further supported the project through to an extension period which is now ending in August 2017 to accomplish recommendations made in the 8th JCC meeting. He thus requested members to actively participate in the meeting.

6.2 Adoption of agenda

The agenda was adopted as presented.

6.3 Presentation and Discussion

6.3.1 Project Outputs and Performance

CEPSIP2 IT team leader made a presentation on the project outputs and how the project has performed since inception in 2013. The summary is as follows:

(1) Performance of Terminal Evaluation Recommendations

Recommendations to be achieved by the end of extended period:

- A) Closer communication between PSIP Unit and MDAs for upgrading quality and timeliness of PSIP proposals. - *Almost achieved.* (81% against the target of 90%)
- B) Self-help operation and guidance of the updated PSIP Database (version 3) by PSIP Unit – *Achieved.*
- C) Reflecting information of Part 1 (DP funded Project budget) into PSIP - *Partially achieved, provided a roadmap* (of DAD attending PSIP ministerial meetings and 4-digit common project code issued by PSIP Database which shall be used in the new IFMIS).

Recommendations to be achieved in the mid- and long term perspective

- D) Institutionalization of PSIP process – *Likely to be achieved.*
- E) System Linkage between PSIP and IFMIS - *Not yet achieved, provided a roadmap* (with a 4-digit common project code to be used for linkage, and established teams with IT officers and trained them for development so that they can be engaged in designing and developing the interface for the linkage).

(2) Performance of Project Design Matrix (Logical Framework)

A) Outputs

Output 1: Database and Manuals/Handbook for PSIP are improved (especially for an appraisal of on-going projects considering their past implementation performance) - *Fully Achieved.*

Final documentation outputs are as follows:

- (i) PSIP Database Version 4 User Manual for MDA users
- (ii) PSIP Database Version 4 User Manual for PSIP staff
- (iii) PSIP Database Version 4 User Manual for Administrator
- (iv) Server Setup Manual
- (v) Maintenance Manual

- (vi) Database specification
- (vii) PSIP Database Version 4 Change Request Format and Detailed Design Document
- (viii) PSIP Database Framework Design Document
- (ix) Loader/Generator Design Document
- (x) Testing Specification
- (xi) Template Development Manual
- (xii) PSIP Preparation Handbook (for all PSIP stakeholders)
- (xiii) PSIP Process Management and Approval Manual (for internal use of EP&D)
- (xiv) CEPSIP2 Technical Report 3
- (xv) Endline Survey Report

Output 2: The process of PSIP is further harmonized with the planning and budget processes – *Almost achieved* (Percentage of development projects which did not pass the PSIP process: 22% for FY2017/18 against the target of 20%).

Output 3: The capacity to use improved Database and Manuals/Handbook for PSIP is built in PSIP Section and line ministries. - *Fully Achieved*.

B) Project Purpose: PSIP is operated with increased efficiency and enhanced harmonisation within the public financial and economic management framework. – *Partially achieved* (except for Indicator 2: MDA’s proposal submission by deadline 81% against the target of 90%).

C) Overall Goal: The development project cycle will be efficient and effective. - *Not yet achieved but the prospect of achieving it in mid- and long perspective is fare.* (Projects due for completion but requiring an extension: 17.7% for FY2017/18 PSIP, against the target of 15% every year.)

6.3.2 Conclusions and Recommendations for Post-Project Period

(1) Conclusions

- Before the Project commenced, not all the items in the proposal was filled and once the proposal was submitted, many of them were not updated every year by MDAs.
- After the Project streamlined the PSIP process and introduced an excel template as an information collection tool, MDAs have been submitting and updating their project information annually, which fulfills a set standard. The collected information is saved in the PSIP Database which is used by PSIP Unit for appraisal using a standard criteria and rating.

- It can be concluded that a solid flow of close communication between the PSIP Unit and MDAs to share and maintain quality project information has been established. The prospect of achieving the PSIP compliance target (MDAs' proposal submission rate before deadline) soon, which fell short by 9%, is fare.

(2) Recommendations for Post Project Period

Following recommendations were made for post project period.

A) Follow-up of Terminal Evaluation Recommendations:

(i) Timely inclusion of Part 1 (DP supported project) budget information in PSIP.

This is expected to be realised by enforcing PSIP compliance through the planned PFM Act amendment, and the utilisation of 4 –digit common project code granted by the PSIP Database in the new IFMIS. Thus, both need to be followed up.

(ii) Linkage with new IFMIS

It is recommended that the PSIP Database development and maintenance teams, who were trained by the Project, be involved in designing the linkage specification with the PSIP Database. At the same time, the team members are expected to develop the interface on the side of PSIP Database and realise the linkage at the commencement of the new IFMIS.

B) Recommendations for sustainability (to maintain the effect of the project)

(i) Maintaining the staff allocation of PSIP Unit

- MFEPD is expected to allocate the adequate number of staff to PSIP Unit for PSIP operation and to maintain the basis for its capacity to communicate with MDAs and guide them for quality project information and timely submission.
- On-the-job system led by a mentor attached to the newly entrants to PSIP Unit be continued.

(ii) Maintaining the capacity of PSIP Unit

- PSIP appraisal has been conducted based on the generic appraisal criteria and rating for the past three cycles.
- In order to understand the criteria and rating, the basic project management and appraisal knowledge is required. To support the knowledge acquirement and enhancement, the GoM Project Manual and PDM Manual are made downloadable from PSIP Portal.
- Even then the technical backstopping within PSIP Unit is required, that is, the management is expected to verify appraisal results produced by Desk Officers.
- In addition, it is recommended that the human resource management section in charge of the economic common service provide as much as possible the

training opportunity to enhance the knowledge of project management and appraisal to those in charge of PSIP at EP&D and MDAs.

(iii) Forum for PSIP Orientation

- PSIP Seminar, Orientation and Hands-on-Guidance to MDAs shall be conducted as major annual events for PSIP to get start the PSIP formulation of new fiscal year with MDAs.

(iv) Further PSIP compliance

- The compliance is expected to be reinforced not only through PFM Act amendment but also giving feedback from PSIP Unit to MDAs on appraisal, budget allocation, and advice for smooth implementation of PSIP projects. This would enhance the incentive of MDAs to comply with PSIP process.

(v) Contents maintenance of PSIP Database

- The Database has to be maintained not only by IT Officers but also by Economists. The reviewing and updating of master data (eg. votes, PBB, donors), project status, annual and mid-year budget estimates are the responsibility of PSIP Economists before the new fiscal year (new cycle of PSIP) starts.

(vi) Full Utilisation of Quarterly Progress Report

- Currently Quarterly Progress Report forms are underutilized. Many MDAs do not submit the report. PSIP Unit can further guide MDAs to utilize these forms to share the financial and physical progress with EP&D.

(vii) PSIP Database system, its operation and maintenance, and development

- The PSIP Database is a stand-alone tailor-made software, which will be handed over to the GoM at the end of the Project. After that, the responsibility of operation and maintenance, and further development will solely rest in the GoM.
- It is strongly recommended that the expertise in the PSIP Database development team (e-Government) and the maintenance team (EP&D) be maintained and reproduced, even in case of the transfer and resignation of members.

C) Recommendations in the mid- and long term perspective (to further improve PSIP system)

(i) Further capacity development of PSIP Unit

- The PSIP Unit will require capacity of being able to apply more specific appraisal technique in big scale infrastructure projects, such as cost benefit analysis (economic and financial analysis). Although the Project provided the training opportunities to attend to this need, they may need further capacity building to apply the knowledge acquired in practice.

(ii) The totality of PSIP as a development management device

In order for the larger PSIP system to function in full, it is recommended that other related institutions and agencies to implement the followings:

- For formulation of DP funded projects within the framework of PSIP, coordination role by DAD and through Sector Working Group shall be improved
- For completion of projects as they are planned, improvement of funding amount allocation and timing of funding led by Cash Management Unit shall be improved
- Evaluation of projects and its feedback to national development plan shall be realised by M&E Division, who may refer to PSIP project completion report for monitoring and evaluation of MGDS III.
- For project management at MDA level, for satisfactory project information for PSIP's appraisal, the three institutions of AGD, Internal Auditors and NAO be improved and functioning in terms of project accounting and project audit.

7. Discussion, Comments and way Forward

The Meeting endorsed all the recommendations, and the following comments were taken note of:

- The Chief Director of AGD gave an assurance to incorporate PSIP through the 4-digit common code to new IFMIS. She indicated that the activity has been featured on the advanced draft of procurement of new IFMIS and that the technical committee overseeing the draft is aware of the development. She also indicated the project goal to be very ambitious which is good to make the coordinating institutions make aspirations in improving and ensuring sustenance of the project. She further highlighted that PSIP Database Ver.4 User Manual for Administrator should give a full guidance on data management. On the different note, she highlighted that staff attrition and transfers at EP&D and MDAs be taken care of in order to achieve the project goal.
- The Chief Director of Performance Enforcement indicated to have been pleased with the project and hinted that the trained officers should return and manage the PSIP process for sustainability.
- The Principal Auditor appreciated and commended the project for skills and knowledge transfer from JICA Expert and linking them to participate in JICA government infrastructure project audit training, which has built capacity of 6 officers.
- Assistant Accountant General indicated to enforce the use of the PFM-IT which provides detailed and precise information regarding project management unlike the current IFMIS which does not give report on the activity progression and outputs.

- Assistant Director from Budget Division commended the Project for featuring PBB in the project proposal template. He expressed continual collaboration in ensuring the PSIP process is sustainable.
- Assistant Director from the Debt and Aid Division commended the project and indicated that their division uses the PSIP Database as a resource mobilisation tool when submitting projects to donors because they can find detailed information in the PSIP database.

8. Remarks by JICA Malawi Office

JICA Resident Representative acknowledged the success of the project and emphasised on the three key points which are:

- PSIP should ensure maximum usage of human capital; thus, should ensure that there is good communication between PSIP and MDAs but also ensure that there is adequate staff.
- Strengthening Collaboration with the Treasury and Cash management committee so that there is funding and that projects be completed on time.
- Strengthening Internal project management in MDAs

9. Closing Remarks.

In his closing remarks, the Chairperson commended JICA for the untiring support to the project to the country. He gave an assurance that the financial capital which was invested towards the project would be used effectively and efficiently. He then indicated sustenance of the project by ensuring a closer working relationship with coordinating institutions of PSIP and maintaining a good interface with MDAs for the nation's development.

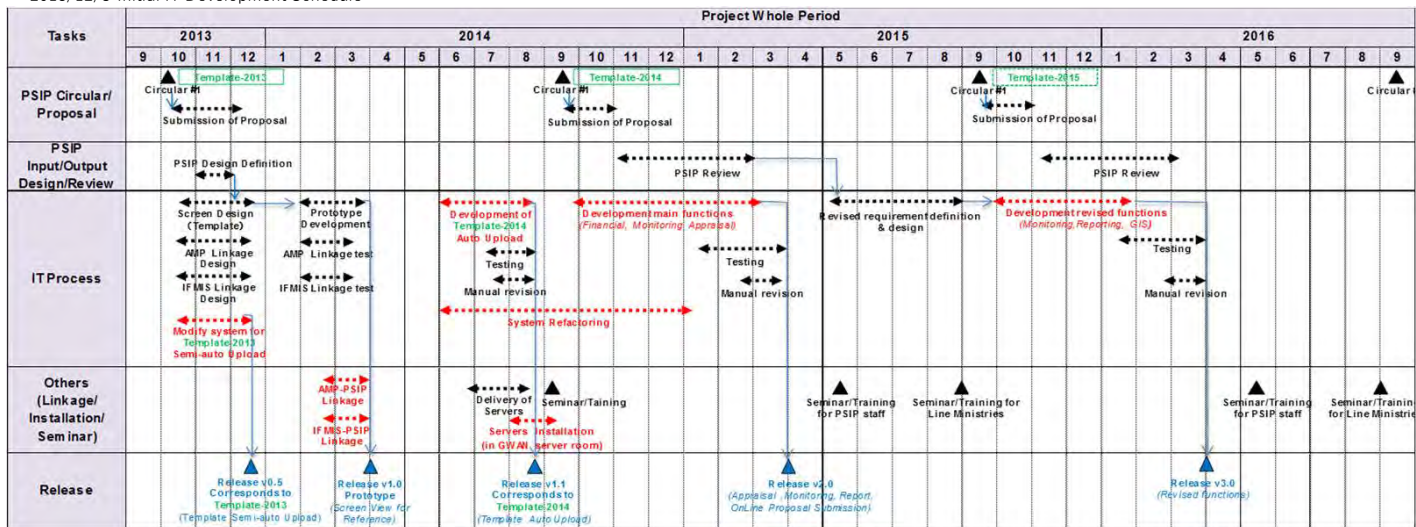
The meeting then closed with a prayer at 10:45AM.

Annex 8

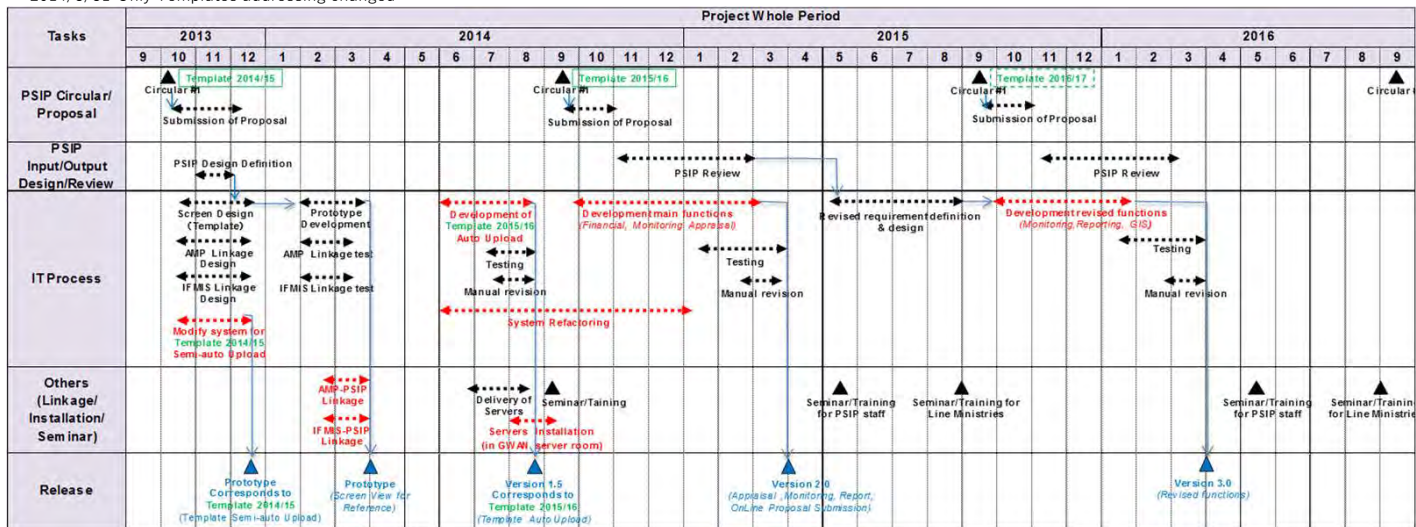
PSIP Database Development Schedule

PSIP Database Development Schedule Summary

2013/12/8 Initial IT Development Schedule

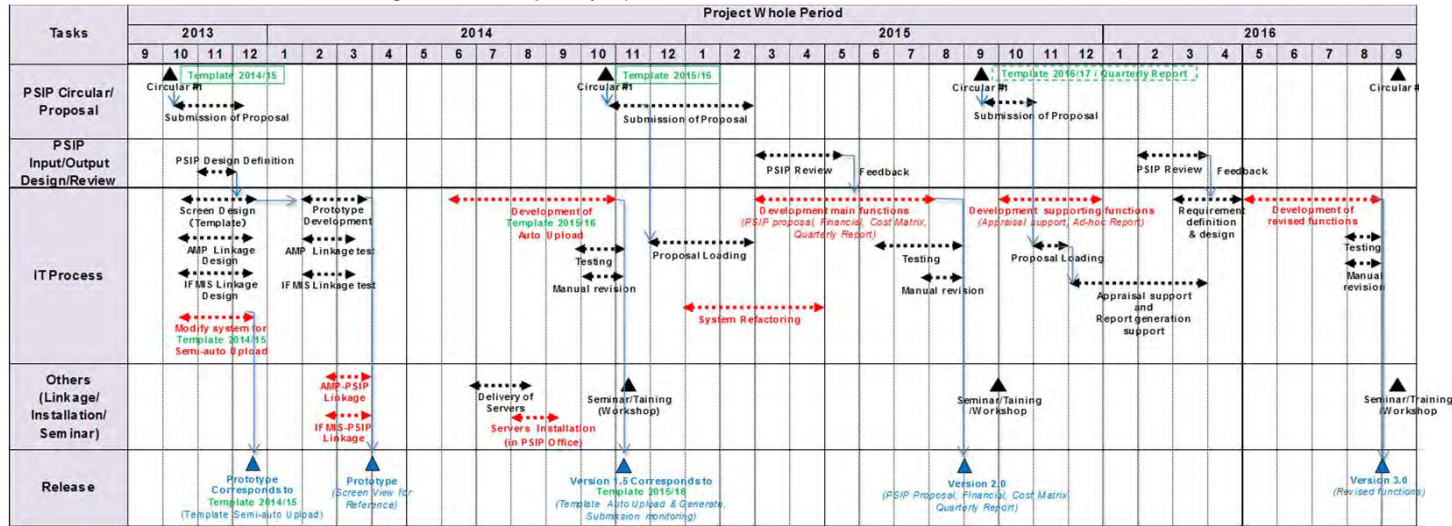


2014/3/31 Only Templates addressing changed

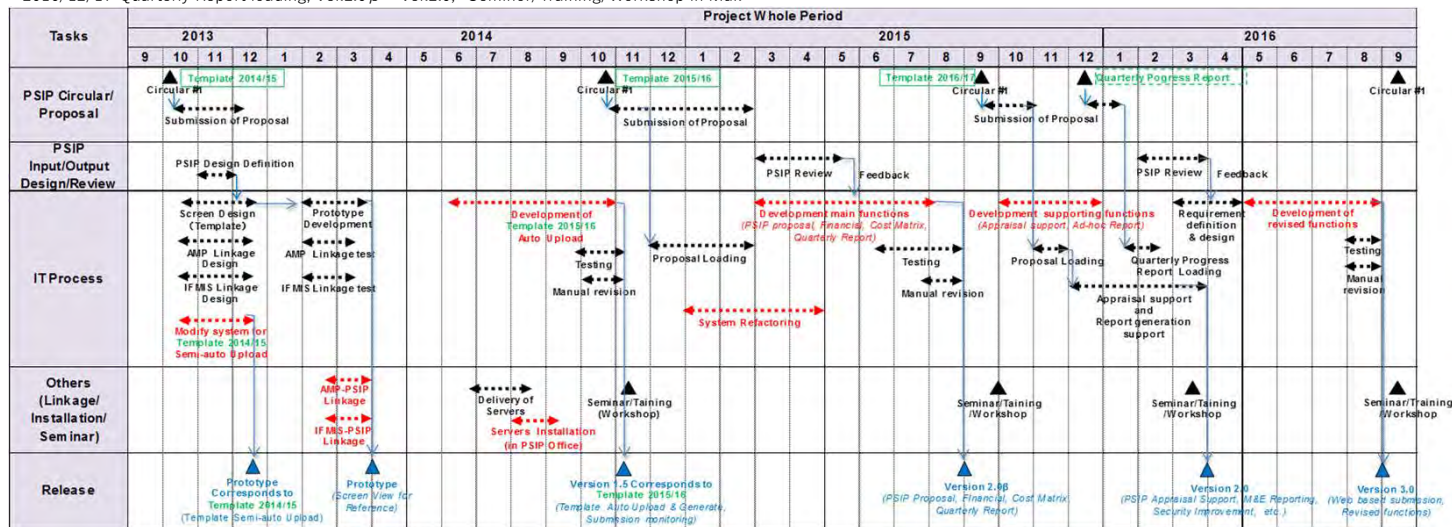


PSIP Database Development Schedule Summary

2015/5/19 Ver.2 Concrete schedule, introducing CostMatrix and Quarterly Report

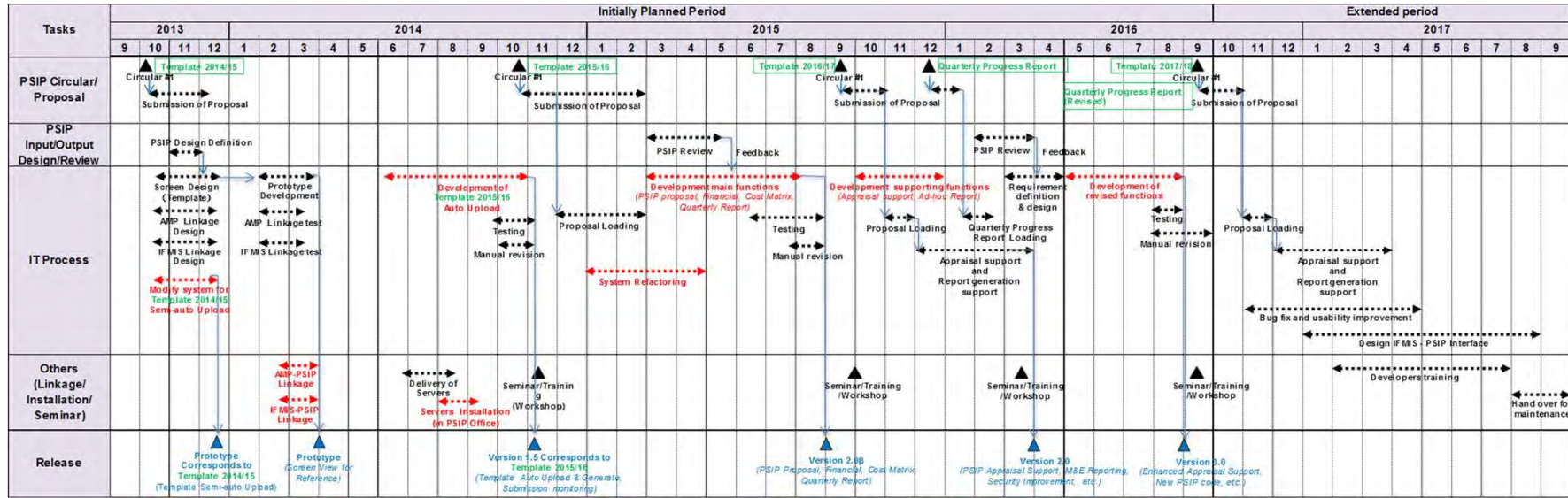


2016/12/17 Quarterly Report loading, Ver.2.0β + Ver.2.0, Seminar/Training/Workshop in Mar.

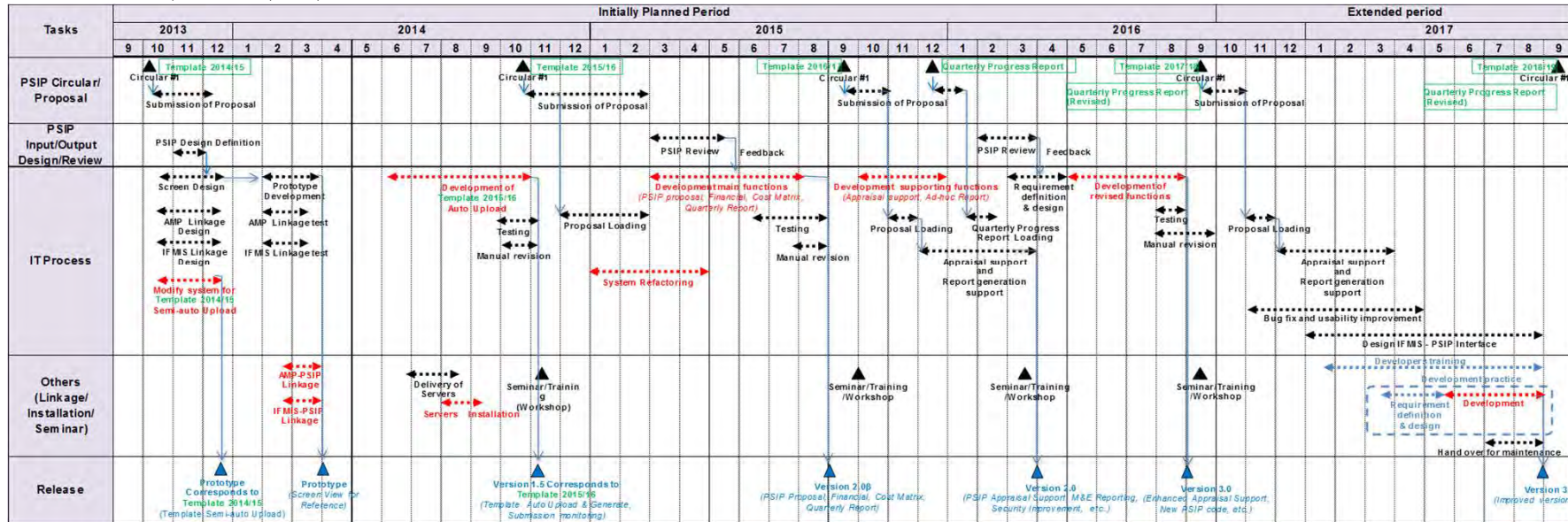


PSIP Database Development Schedule Summary

2016/6/29 Schedule of extended period



2017/1/10 Concrete plan of Development practice



Annex 9

Report on PSIP Database Software Development Training and Development Practice

**Ministry of Finance, Economic Planning and Development
(MFEPD)
The Republic of Malawi**

**The Project for Capacity Enhancement
in Public Sector Investment Programming Phase II
(Second Period)**

**Report on
PSIP Database Software Development
Training and Development Practice**

August 2017

**Japan International Cooperation Agency
(JICA)**

Koei Research & Consulting Inc.

Table of Contents

Chapter 1 Outline of the Training.....	1
1.1 Background	1
1.2 Training Objective.....	1
1.3 Training Period.....	1
1.4 Training Participants	1
1.5 Training Venue.....	2
1.6 Training Contents.....	2
1.7 Training Methodology.....	3
1.8 Training Materials	3
Chapter 2 Training Achievements	4
2.1 Client Side Technology	4
2.1.1 HTML, CSS and BootStrap	4
2.1.2 JavaScript	4
2.2 Server Side Programming and Database	5
2.2.1 PHP and Smarty Programming	5
2.2.2 PHP Symfony Framework	5
2.2.3 MySQL.....	7
2.2.4 Linux OS	7
2.2.5 Template Loader & Generator	8
2.3 Software Development	8
2.3.1 Object Oriented Programming	8
2.3.2 Software Testing	8
2.4 Network and Security.....	9
2.4.1 Network and Communication Technology	9
2.4.2 Information Security	9
2.5 PSIP Database Development Process and Practice	11
2.5.1 Development Planning	11
2.5.2 Development Environment.....	12
2.5.3 Database Development Practice.....	12
2.5.4 Database Maintenance.....	12
Chapter 3 Lessons Learnt	14
Chapter 4 Way Forward	15

List of Tables

Table 1 List of Participants	1
Table 2 Training Contents.....	2
Table 3 The Number of Certificates and Award of Excellence given to the Participants (Web Design).....	4
Table 4 The Number of Certificates and Award of Excellence given to the Participants (Java Script)	5
Table 5 The Number of Certificates and Award of Excellence given to the Participants (PHP and Smarty Programming)	5
Table 6 The Number of Certificates and Award of Excellence given to the Participants (PHP Symfony Framework)	7
Table 7 The Number of Certificates and Award of Excellence given to the Participants (MySQL)	7
Table 8 The Number of Certificates and Award of Excellence given to the Participants (Software Testing)	9
Table 9 The Number of Certificates and Award of Excellence given to the Participants (Information Security)	10
Table 10 Summary of Development Planning	11

List of Figures

Figure 1 Questionnaire Result for Level of Understanding: Web Design.....	4
Figure 2 Questionnaire Result for Level of Understanding: Symfony Framework	6
Figure 3 Usefulness of the Training for PHP Symfony Framework	6
Figure 4 Questionnaire Result for Level of Understanding: Information Security	10
Figure 5 Usefulness of the Training for Information Security	10

Appendix

Appendix 1 Training Program Schedule

Appendix 2 PSIP Database Ver.4 Development Planning and Progress

Abbreviation

CEPSIP	(The Project for) Capacity Enhancement in Public Sector Investment Programming
C/P	Counterpart
CSS	Cascade Style Sheet
EP&D	Economic Planning and Development (Department)
GoM	Government of Malawi
HTML	Hyper Text Markup Language
IT	Information Technology
JICA	Japan International Cooperation Agency
MDAs	Ministries, Departments and Agencies
MFEPD	Ministry of Finance, Economic Planning and Development
MoU	Memorandum of Understanding
PFEM-RP	Public Finance and Economic Management Reform Programme
PSIP	Public Sector Investment Programme

Chapter 1 Outline of the Training

1.1 Background

Responding to the request from Government of Malawi (GoM), Japan International Cooperation Agency (JICA) has been implementing the Project for Capacity Enhancement in Public Sector Investment Programming Phase II (CEPSIP-2) since March 2013. The aim of the Project is to improve PSIP and its process under the framework of Public Finance and Economic Management Reform Programme (PFEM-RP). One of the important components in the Project is to develop PSIP Database. The Project has made a great improvement and created new mechanism for the Database. To equip IT counterpart (C/P) with adequate capacities to maintain and develop the Database in the future, the Project implemented a series of intensive and systematic training sessions, targeting PSIP IT C/P as well as e-Government IT officers, based on the Memorandum of Understanding (MoU) agreed between e-Government and EP&D. The development of PSIP Database Ver.4 was incorporated into the training programme and its development was practiced in parallel with the training.

1.2 Training Objective

The objectives of the training were set as follows.

1. To equip IT C/P of PSIP and e-Government with adequate capacities to develop and maintain PSIP Database.
2. To let IT C/P experience and understand whole development processes of PSIP Database through the development of the Database Ver.4
3. To contribute to the sustainability of the Project through 1 and 2 above.

1.3 Training Period

The Training was implemented from one to three times a week during the period between 17th January 2017 and 28th August 2017 when Japanese experts in charge were in Malawi. The training schedule is attached with Annex 1.

1.4 Training Participants

Participants in the training are listed in Table 1. They are Chief System Analyst from Economic Planning and Development Department (EP&D), who played a managing role for others, three IT officers from PSIP unit, and six IT specialists from the Department of e-Government. Based on the request from e-Government, three IT specialists from another Ministry also joined.

Table 1 List of Participants

	Name	Ministry & Division	Position
1	Brian Mchawi	MFEPD, EP&D	Chief System Analyst
2	Shalom Ghambi	MFEPD, PSIP	System Analyst

	Name	Ministry & Division	Position
3	Gift Njoloma	MFEPD, PSIP	Programmer
4	Chimwemwe Nyirenda	MFEPD, PSIP	Programmer
5	James Mwaiponya	e-government	Principal Systems Analyst
6	Leviticus Madzi	e-government	Systems Analyst
7	Khumbo Mologo	e-government	Senior Programmer
8	Wezi Chinguwo	e-government	Programmer
9	Chisomo Kamata	e-government	Programmer
10	Anderson Mphimingo	e-government	Programmer
11	Sherrif Kawo	Ministry of Health	Systems Analyst
12	Yvonne Dziweni	Civil Service Commission	Programmer
13	Mileous Tembenu	Ministry of Energy	Programmer

1.5 Training Venue

For convenience and eases of training arrangements, a conference room in Wamkulu Palace was selected as training venue.

1.6 Training Contents

The training contents is summarized in Table 2. In each training, the specific contents for PSIP database was covered after general topics.

Table 2 Training Contents

	Training Contents	Training days
1	HTML and CSS (Web Design)	4 days
2	BootStrap (Web Design)	2 days
3	JavaScript	3 days
4	PHP and Smarty Programming	8 days
5	PHP Symfony Framework	8 days
6	MySQL	7 days
7	Linux OS	4 days
8	Loader & Generator	1 day
9	Object Oriented Programming	1 day
10	Software Testing	2 days
11	Network and Communication Technology	1 day
12	Information Security	5 days
13	Development Planning	4 days
14	Development Environment	1 day
15	Database Development Practice	7 days
16	Database Maintenance	1 day
	TOTAL	59 days

1.7 Training Methodology

Each training was usually conducted in order of lecture, demonstration and exercise. Participants carried out exercises while utilizing the exercise file prepared by the Project. Each participant was asked to submit the assignments after the training, and was required to practice even outside the training.

1.8 Training Materials

Training materials used are listed as follows.

1. Textbook
2. Sub-Textbook (if necessary)
3. Exercise file

These materials were prepared and provided with both hard and soft format so that the participants can reuse and refer to as necessary. They are expected to be utilized by C/P in the future to maintain the technical knowledge even after the training. If new personnel join the development and maintenance work for PSIP Database in the future, the participants can use these materials and conduct the same kind of training for the new personnel.

Chapter 2 Training Achievements

2.1 Client Side Technology

2.1.1 HTML, CSS and Bootstrap

Web Design training was held from 10th Mar 2017 to 28th Mar 2017 as 6 days training. This course includes the HTML (Hyper Text Markup Language), CSS (Cascade Style Sheet) and Bootstrap (design framework), which are the client side technology to show the contents on the browser. These technologies are essential for design view of the Web application. The principal training objective was to let the participants understand how to manage each technology, such as HTML tags or Style Sheet definitions. They learned new version of HTML5, CSS3 as well as Bootstrap which is CSS framework developed by the team at Twitter. The following figure illustrates the participants' level of understanding obtained by questionnaire conducted after the training. The number of respondents were 10.

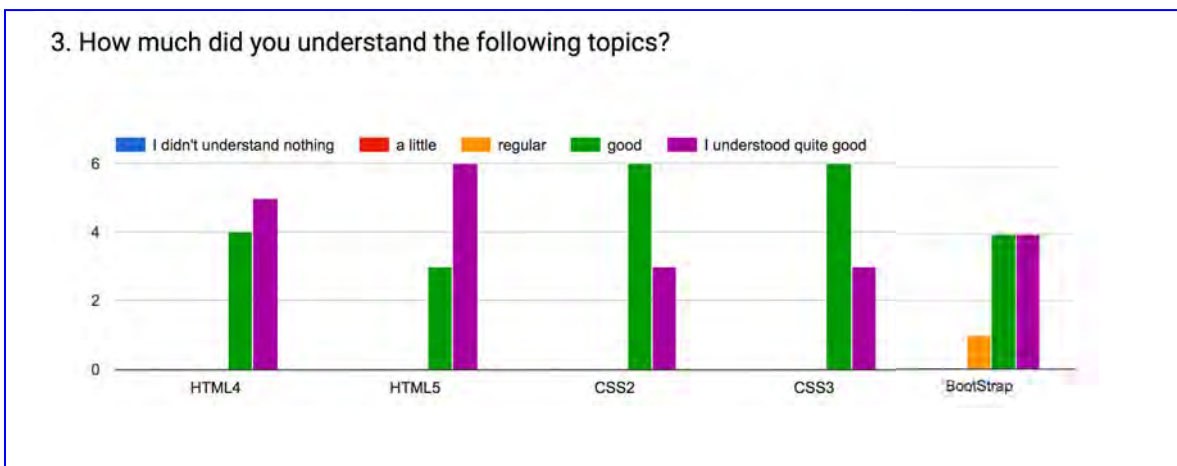


Figure 1 Questionnaire Result for Level of Understanding: Web Design

The result shows that the training achievements are quite high with "good" or "quite good" level of understanding. Table 3 shows the number of certificates and award of excellence given the Participants in the end of the training.

Table 3 The Number of Certificates and Award of Excellence given to the Participants (Web Design)

Number of issued certificates	Number of award of excellence	Certificate condition
7	2	Higher than 80% of attendance

2.1.2 JavaScript

JavaScript training was held from 30th May 2017 to 8th Jun 2017 as 3 days training. JavaScript is client side

script (short programming) language executed by user's browser engine. Nowadays JavaScript is requisite in almost all the Web Applications for input validation, quick response, or asynchronous communication with the server. In the training, the lecture of JavaScript basic grammar was skipped as it has similar structure as PHP language of which basic knowledge had been already captured in the PHP programming language course. Instead, more practical lecture and exercises were implemented. The jQuery (JavaScript Library to simplify the script) was also introduced in the training.

Table 4 shows the number of certificates and award of excellence given the Participants in the end of the training.

Table 4 The Number of Certificates and Award of Excellence given to the Participants (Java Script)

Number of issued certificates	Number of award of excellence	Certificate condition
3	0	Higher than 80% of attendance

2.2 Server Side Programming and Database

2.2.1 PHP and Smarty Programming

PHP and Smarty Programming training was held from 17th Jan 2017 to 1st Feb 2017 as 8 days training. There were 3 regular participants from EP&D, 6 from e-Government and 1 from GWAN office. The practical exercises were inserted at the end of every section to ensure the understanding of participants. Ms. Shalom volunteered the lecturer of the basic topics and she taught first 2 days' classes. It is because she joined from former project CEPSIP-I since 2009 and she had experience not only in doing programming but also teaching PHP in a school. 7 out of 10 participants were certified as being completed the course and 5 were awarded as Excellence as shown in Table 5.

Table 5 The Number of Certificates and Award of Excellence given to the Participants (PHP and Smarty Programming)

Number of issued certificates	Number of award of excellence	Certificate condition
7	5	Higher than 80% of attendance

As the result of this course, all of them could acquire the knowledge of web application programming. The knowledge is essential for moving on to do development of PSIP Database.

2.2.2 PHP Symfony Framework

PHP Symfony Framework training was held from 4th Apr 2017 to 15th Jun 2017 as 8 days training. To understand the mechanism of PHP Symfony Framework is essential because PSIP Database is developed

with the framework. The training was organized to obtain development skill with MVC (Model, View, Controller) pattern with which the framework is structured.

The result of questionnaire, which was collected from 8 participants after the training, is shown in Figure 2. This was conducted to analyze the training achievement.

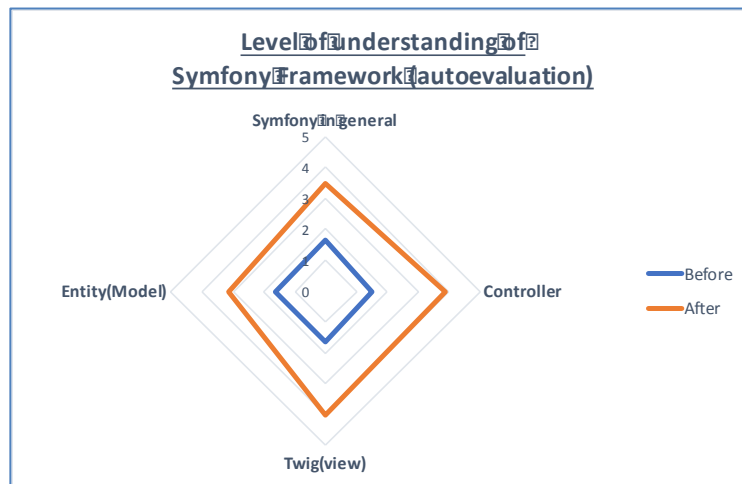


Figure 2 Questionnaire Result for Level of Understanding: Symfony Framework

Participants were asked their level of understanding giving 5-rank evaluation (1: none, 2: a little, 3: regular, 4: good, 5: very good). They marked 3.6 points in average after the training. Although the level of understanding increased on all categories in Symfony Framework, the result represents that the participants were not confident enough in their skill. This may be because the framework development was the first time and they were not yet used to do programming with its method. They obtained deeper skills after the course by working hard with the development assignment of PSIP Database Ver.4.

Figure 3 shows usefulness of the training asked to the participants by the questionnaire. All of them showed positive answer in the given question.

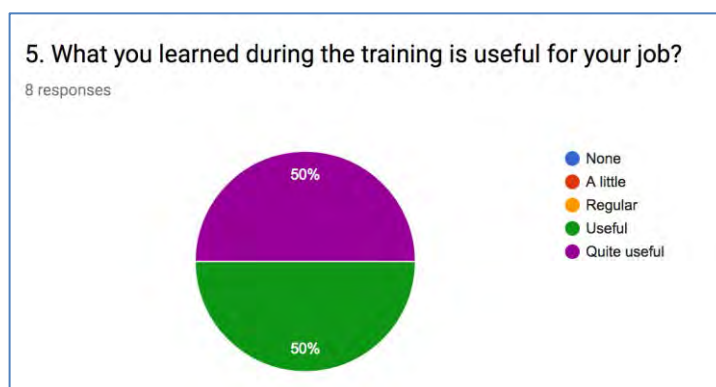


Figure 3 Usefulness of the Training for PHP Symfony Framework

Table 6 shows the number of certificates and award of excellence given the Participants in the end of the training.

Table 6 The Number of Certificates and Award of Excellence given to the Participants (PHP Symfony Framework)

Number of issued certificates	Number of award of excellence	Certificate condition
7	3	Higher than 80% of attendance

2.2.3 MySQL

MySQL training was held from 7th Feb 2017 to 16th Feb 2017 as a 6 days training. The number of regular participants was 9 (3 from EP&D, 5 from e-Government and 1 from GWAN office). The first 2 days were mainly spent for teaching the basic usage of MySQL, and SQL syntaxes and next 2 days were spent for teaching the advanced usage of MySQL such as View, Subqueries, Stored Procedure and administrative operations. The last 2 days was used to let them experience a real application development. The application name is “Attendance System” which can be used for attendance record of training classes. Based on the given requirements (by the lecturer), the participants made a database design and web pages design and started making database tables and program. Finally, only one attendee completed the development within 2 days and the rest were incomplete but had certain progress. Through this small development experience, they understood the simple procedure of web database application development. 3 out of 9 participants were certified as being completed the course and 3 were awarded as Excellence as shown in Table 7.

Table 7 The Number of Certificates and Award of Excellence given to the Participants (MySQL)

Number of issued certificates	Number of award of excellence	Certificate condition
3	3	Higher than 80% of attendance

2.2.4 Linux OS

MySQL training was held from 18th Apr 2017 to 20th Apr 2017 as 3 days training. The number of regular participants was 8 (1 from EP&D, 6 from e-Government and 1 from GWAN office). The first 2 days were mainly spent for teaching the installation and basic configuration & operation of Linux and the last day was spent for the practical lesson of virtualization technology named “KVM”. The virtualization technology was requested by e-Government when the training was planned because it is a key technology of today’s server management. All of them got used to using Linux after this training course (Certificates were not issued for this training).

2.2.5 Template Loader & Generator

Template Loader & Generator training was held on 27th Apr 2017. Template Loader & Generator is a component of PSIP Database which dramatically reduce the workload of PSIP proposal data registration work. This component must be modified at the same time the PSIP related Excel forms are modified. In this training, the structure and codes of Template Loader & Generator were explained and practical exercises were followed. Also, the usage of development environment with “git” utility was explained and practiced. The number of regular participants was 7 (1 from EP&D and 6 from e-Government). All of them could understand how the Template Loader & Generator works and how to modify it. Also, they could understand the efficient code management method under a team (Certificates were not issued for this training).

2.3 Software Development

2.3.1 Object Oriented Programming

Object Oriented Programming training was held on 30th Mar 2017. Object Oriented Programming(OOP) is the new programming method that the PHP Symfony Framework requires for the development. The training concentrated on the OOP characteristics mostly used in the PSIP Database system to be able to get the achievements of the following basic OOP concepts;

- Class (unit of the module) and method (function)
- Inheritance (parent-child relation of the modules)
- Access control of the property or method

The C/P successfully obtained the basic skill of the OOP in this course. They obtained higher ability in the practical process of the development of PSIP Database Ver.4 (Certificates were not issued for this training).

2.3.2 Software Testing

Software Testing training was held on 22nd and 23rd of Feb 2017 as 2 days training. The number of regular participants was 8 (4 from EP&D, 3 from e-Government and 1 from GWAN office). 2 persons who temporarily employed to help our project work joined this training. Because they were supposed to make the test case of the latest PSIP Database.

The theory of software testing was taught in the 1st day and the actual test case design was practiced in the 2nd day. 7 out of 8 participants were certified as being completed the course as shown in Table 8.

**Table 8 The Number of Certificates and Award of Excellence given to the Participants
(Software Testing)**

Number of issued certificates	Number of award of excellence	Certificate condition
7	Not given	Higher than 80% of attendance

2.4 Network and Security

2.4.1 Network and Communication Technology

Network and Communication training was held on 13th Apr 2017. In this training, the basic theory of TCP/IP networking was taught and the router configuration practice was provided. These knowledge is essential for building new network environment as well as maintenance and troubleshooting of PSIP Database. The number of participants was 8 (2 from EP&D and 6 from e-Government). All of them could understand how the TPC/IP network works and how to configure the router (Certificates were not issued for this training).

2.4.2 Information Security

Information Security training was held from 22nd June to 4th of Aug 2017 as 6 days training. Information Security training consists of the practical topics as follows;

- how the cyber-attacks break the security
- how the attackers gather information before attack
- what kind of security is often attacked in Web Application like PSIP Database, learning the cases of SQL Injection and Cross Site Scripting
- what counter measures can be taken against attacks
- how to conduct penetration testing to check if the network is secure or not using several tools in Kali Linux

The result of questionnaire, which was collected from 6 participants to analyze the training achievements, is shown in Figure 4. Participants were asked their level of understanding giving 5-rank evaluation (1: none, 2: a little, 3: regular, 4: good, 5: very good) comparing before and after the training. The result shows all of them are confident in understanding those topics.

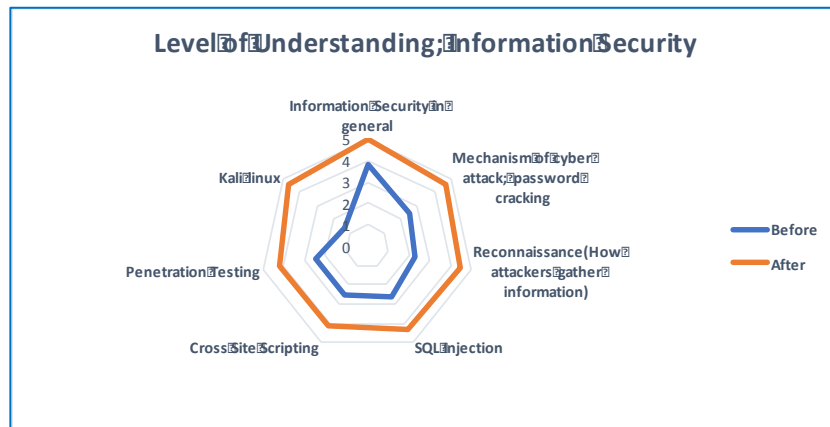


Figure 4 Questionnaire Result for Level of Understanding: Information Security

Recently the importance of the Information Security is quite elevated. Especially, its knowledge is required for developers and network engineers to protect the system from any cyber-attacks against confidentiality and integrity of business assets such as PSIP Database. The knowledge obtained in the training are expected to be widely applied to their IT job, since its usefulness is shown in the answers for the questionnaire shown in Figure 5.



Figure 5 Usefulness of the Training for Information Security

Table 9 shows the number of certificates and award of excellence given the Participants in the end of the training.

Table 9 The Number of Certificates and Award of Excellence given to the Participants (Information Security)

Number of issued certificates	Number of award of excellence	Certificate condition
4	1	Higher than 80% of attendance

2.5 PSIP Database Development Process and Practice

2.5.1 Development Planning

[Development Planning Process]

First, all the improvement and new requirement proposals for the PSIP Database Ver.4 were collected by PSIP Desk officers, IT officers and JICA experts in February 2017. Then, two days intensive meeting was conducted on March in order to discuss how to deal with the requirements. The e-Government IT officers also joined this meeting, and some development requirements were agreed to be developed and registered to the development plan. On April and May, the development planning meetings were held where development requirements were assigned to each IT staff who started the development tasks under the support of JICA experts. Its progress and deadline were controlled based on the plan. The detail design such as screen design, database image, and detail procedure of the development were created by EP&D IT staff with support of JICA experts. Through this process of the development planning, the training participants learned not only the programming skill but also the whole process flow from planning until testing and evaluation regarding the development of the system. This experience is expected to be adopted in the next cycle of the development of the PSIP Database in 2018.

Table 10 shows summary of development planning.

Table 10 Summary of Development Planning

Development Category	Proposed Requirements	Decided to be Developed	Rejected to be developed	Remarks
Excel	9	7	2	
Database	6	5	1	
Smarty program	18	12	6	
Symfony program	20	19	1	
TOTAL	53	43	10	

[What's new in Ver.4]

PSIP Database Ver.4 focuses on providing better feedback to the MDA users with the valuable information such as the result of the requested project extension. The submitted reports by MDA users such as Project Extension Request or Completion Report is displayed on the Web page with the same format as PSIP related Excel tools. The requested and approved budget amount can be traced on the Status & Budget screen for reference of MDA users. The powerful management tool is provided for PSIP Unit where all the PSIP process of each project can be managed from its submission until approval of the budget.

2.5.2 Development Environment

Development Environment training was held on 26th Apr 2017. In this training, the management process of team development work based on “git” utility was taught. Also, a practical exercise which builds the “git” based development environment was provided. The number of participants was 7 (1 from EP&D and 6 from e-Government). All of them could understand how to use “git” utility well.

2.5.3 Database Development Practice

The Development Practice was divided into 2 according to the technology used such as Smarty and Symfony. Smarty part was held from 3rd of May to 15th May 2017 (5 days). Symfony part was held from 4th April to 15th Jun (8 days) when the Symfony training was conducted, and additional 2 days development follow up for Symfony was also conducted to assist individual development. The purpose of Database Development Practice training is to let participants make use of their knowledge in real development work. In the practice, every staff was assigned 1 or 2 actual development items which discussed and agreed among PSIP unit and e-Government as new functions for PSIP Database Ver.4. During the development practice, they developed their assigned development items referring the detail design and manuals, and all of them are followed up based on the agreed schedule.

PSIP Database Ver.4 was finally released on August 2017. The summary of the result is shown below.

- Most of the development items couldn't complete by the planned deadline.
- 7 out of 7 Excel items have been completed (100%).
- 5 out of 5 Database items have been completed (100%).
- 12 out of 12 Smarty items have been completed (100%). Some items were 50% - 100% helped by the lecturer.
- 17 out of 19 Symfony items have been completed (90%).

Two Symfony items were not completed in the end and agreed to be developed in the next fiscal year. Through this practice, all of them could challenge the real development by gathering their knowledge learnt in the past training sessions and cooperate each other to solve the issues. They could also experience how difficult managing their daily works to align the progress to the ideal schedule. Believe that everything they experienced through this training will be utilized in next development cycle.

2.5.4 Database Maintenance

Database Maintenance training was held on 28th Aug 2017. It was last minute of the onsite work because the latest information of PSIP Database was reflected to the textbook (Server Setup Manual and Database Maintenance Manual were used). In this training, the maintenance framework, annual maintenance

operations and backup & restore strategy were taught. Also, how to build & configure the server including virtual machines were explained. Such knowledge is widely applicable to daily/weekly/annual maintenance works and even building new server systems. This training was supposed to mainly be provided to EP&D IT staffs because they take charge of maintenance. But unfortunately, 2 out of 3 staffs were abroad due to donor supported training course, therefore only 1 staff took this training. As for e-Government staffs, they seriously took this training because they'd like to apply the knowledge to the existing server systems.

Chapter 3 Lessons Learnt

3.1.1 Necessity of Internet Connection

In the training, the participants installed the virtual server on their PCs and the central server connected through internal network was installed on the training PC. In this way, they could practice the development under the similar environment condition as the real PSIP Database server, however, unfortunately there was no internet connection. If the internet connection was available in the training venue, the training could be more effective. For example, the participants can practice a lot of exercises, test or quiz found on the web. They can also obtain richer and deeper knowledge from several sites which the manual cannot cover.

3.1.2 Successful key factors for long term training

Availability of the participants is one of the keys for successful training achievements if the training is intensive, and long term. The participants were sometimes absent from the training as they had their usual business tasks and some of them had to attend to another training about one month. That is why the clear direction by the management is important to ensure their availability for the training. The visit of senior management to the training venue is also effective as the participants can demonstrate its development capacity and achievements to the management. The management acknowledgement would be an effective encouragement for the participants to maintain their motivation to engage in the long-term training.

Chapter 4 Way Forward

All the essential trainings have been done as planned and the participants' level of understanding for each content necessary for PSIP Database development has been dramatically improved. The e-Government development team now has capability to develop not only PSIP Database but also other systems by applying similar technology as PSIP Database. EP&D IT team has capability to maintain PSIP Database to be always available and to help PSIP desk officers for improving the efficiency and accuracy of their work. It is believed that e-Government development team and EP&D IT team can start and handle the development cycle of PSIP Database from now on. Remaining challenge is "Sustainability" of such institutional arrangement. Once someone left without taking over his/her responsible part, or someone never practice his/her knowledge, either case may make the situation critical in terms of sustainability. To tackle this issue, the following actions are necessary as the way forward:

- Establish the structural (well manageable) and redundant (able to cover others part) organization and overcome the difficulties as a team. Help each other to solve the issues.
- Utilize and keep practicing the learnt knowledge in own work.
- Keep the manpower of the team. It means that, employ and train new staff to complement the insufficient manpower.
- Keep updating and sharing the technology within the team.

PSIP Database Software Development Training Program Schedule Jan. - Aug. 2017

Lecturers	Mr.ishikawa	i
	Ms.Yuko S.	y

24-Jul-17

Ver. 1.07

January		February		March		April		May		June		July		Aug	
1 Su	New Year Holiday	1 We	PHP and Smarty Programming [8] i	1 We		1 Sa		1 Mo	Labour Day	1 Th	Development followup [1]	1 Sa		1 Tu	
2 Mo	New Year Holiday	2 Th		2 Th		2 Su		2 Tu		2 Fr		2 Su		2 We	
3 Tu	New Year Holiday	3 Fr		3 Fr	Martyrs's Day	3 Mo		3 We	PSIP Database development practice [1]	3 Sa		3 Mo		3 Th	
4 We		4 Sa		4 Sa		4 Tu	PHP Symfony Framework Introduction [1] y	4 Th	PSIP Database development practice [2] i	4 Su		4 Tu		4 Fr	Information security [5] y
5 Th		5 Su		5 Su		5 We		5 Fr	Linux supplemental training i	5 Mo		5 We		5 Sa	
6 Fr		6 Mo		6 Mo		6 Th	PHP Symfony Framework Introduction [2] y	6 Sa		6 Tu	JavaScript [2] y	6 Th	Independence Day	6 Su	
7 Sa		7 Tu	Database (MySQL) [1] i	7 Tu		7 Fr		7 Su		7 We		7 Fr		7 Mo	
8 Su		8 We	Database (MySQL) [2] i	8 We		8 Sa		8 Mo		8 Th	JavaScript [3] y	8 Sa		8 Tu	
9 Mo		9 Th	Database (MySQL) [3] i	9 Th		9 Su		9 Tu	PSIP Database development practice [3] i	9 Fr		9 Su		9 We	
10 Tu		10 Fr		10 Fr	Web design [1] y	10 Mo	DB_Development_Plan & Change Request Meeting	10 We		10 Sa		10 Mo		10 Th	
11 We		11 Sa		11 Sa		11 Tu	DB_Development_Plan & Change Request Meeting	11 Th	PSIP Database development practice [4] i	11 Su		11 Tu		11 Fr	
12 Th		12 Su		12 Su		12 We		12 Fr		12 Mo		12 We		12 Sa	
13 Fr		13 Mo		13 Mo	DB_Development_Plan Workshop	13 Th	Network and Communication Technology i	13 Sa		13 Tu	PHP Symfony Framework [5] y	13 Th		13 Su	
14 Sa		14 Tu	Database (MySQL) [4] i	14 Tu	DB_Development_Plan Workshop	14 Fr	Good Friday	14 Su		14 We		14 Fr		14 Mo	
15 Su		15 We	Database (MySQL) [5] i	15 We	Web design [2] y	15 Sa		15 Mo	PSIP Database development practice [5] i	15 Th	PHP Symfony Framework [6] y	15 Sa		15 Tu	
16 Mo	Chilembwe Day(Substitute for 15th Jan)	16 Th	Database (MySQL) [6] i	16 Th	Web design [3] y	16 Su		16 Tu	PHP Symfony Framework [1] y	16 Fr		16 Su		16 We	
17 Tu	PHP and Smarty Programming [1] i	17 Fr		17 Fr		17 Mo	Easter Monday	17 We		17 Sa		17 Mo		17 Th	
18 We	PHP and Smarty Programming [2] i	18 Sa		18 Sa		18 Tu	Linux OS i	18 Th	PHP Symfony Framework [2] Development_Plan and Schedule Meeting y	18 Su		18 Tu		18 Fr	
19 Th	PHP and Smarty Programming [3] i	19 Su		19 Su		19 We	Linux OS i	19 Fr		19 Mo		19 We		19 Sa	
20 Fr		20 Mo		20 Mo		20 Th	Linux OS i	20 Sa		20 Tu	Development followup [2] y	20 Th	Information security [3] y	20 Su	
21 Sa		21 Tu	Database (MySQL) [7] i	21 Tu	Web design [4] y	21 Fr		21 Su		21 We		21 Fr		21 Mo	
22 Su		22 We	Software Testing [1] i	22 We		22 Sa		22 Mo		22 Th	Information security [1] y	22 Sa		22 Tu	
23 Mo		23 Th	Software Testing [2] i	23 Th	Web design [5] y	23 Su		23 Tu	PHP Symfony Framework [3] y	23 Fr		23 Su		23 We	
24 Tu	PHP and Smarty Programming [4] i	24 Fr		24 Fr		24 Mo		24 We		24 Sa		24 Mo		24 Th	
25 We	PHP and Smarty Programming [5] i	25 Sa		25 Sa		25 Tu		25 Th	PHP Symfony Framework [4] y	25 Su		25 Tu	Information security [4] y	25 Fr	
26 Th	PHP and Smarty Programming [6] i	26 Su		26 Su		26 We	Development Environment i	26 Fr		26 Mo		26 We		26 Sa	
27 Fr		27 Mo		27 Mo		27 Th	Loader & Generator i	27 Sa		27 Tu	Information security [2]	27 Th		27 Su	
28 Sa		28 Tu		28 Tu	Web design [6] y	28 Fr		28 Su		28 We		28 Fr		28 Mo	Maintenance i
29 Su		29 We		29 We		29 Sa		29 Mo		29 Th		29 Sa		29 Tu	
30 Mo		30 Th		30 Th	Object Oriented Programming [1] y	30 Su		30 Tu	JavaScript [1] y	30 Fr		30 Su		30 We	
31 Tu	PHP and Smarty Programming [7] i	31 Fr		31 Fr				31 We				31 Mo		31 Th	

PSIP Database and Excel tools Development Plan & Progress

As of 11/Aug/2017

No	Discussion Points (Issues)	Measures from IT side	ID	Has Detail Design?	What to be developed	Necessary Days for Development	Party in charge	Priority	Person in-charge	PSIP in charge	Timing to be completed	Idea of implementation	Status as of 11/Aug/2017	Progress, Challenges, Recommendations as of 11/Aug/2017
5	summary of the progress need to be added on the template	Before the arear input button add Summary of the progress on template	5D	Yes	DB	1 week (or less than 1 week)	PSIP	High		Chimwemwe	Apr	New field --> progress_summary in finance_summary table FINANCE_SUMMARY table, add column PROGRESS_SUMMARY	Completed	Completed.
17	Need to add another status Not applicable as a PBB status	If that vote does not have PBB, the user should click Not Applicable. This applies only to subvented projects.	17D	Yes	DB	1 week (or less than 1 week)	PSIP	Normal		Chimwemwe	Apr	Add new code into tables: [mst_pbb_program]vote_code:275, pbb_program_code:99, name:99, not applicable [mst_pbb_subprogram]:vote_code:275, pbb_program_code:99, name:99, not applicable This does not involve structure change of tables. The change in template will be reflected to the database when master data uploading.	Completed	Completed.
21	Need additional field for PSIP desk officers for project progress.	Add new fields for PSIP desk officers to update about progress of the project in process management unit.	21D	Yes	DB	1 week (or less than 1 week)	PSIP	Normal		Gift	Apr	No.5 is for MDA users to write the progress. This is for PSIP desk officer to write the progress. New field in Project Table.--> Has been added (memo in project table)@ver:3:01:06: The "progress" must be divided into "Progress", "Challenges" and (maybe) "Recommendations". Therefore, those collesponding columns have to be added into project table instead of "memo".	Completed	The specification is being deissued. The necessary columns of the report are: Vote, NEW/ONGOING (FY2016/17 Status), Project Title, Project Purpose, Physical Progress as at 30th March 2017, Challenges Faced --> New table "project_progress" is added by Ishikawa.
22	Need project status completed	To add new project status completed.	22D	Yes	DB	1 week (or less than 1 week)	PSIP	High		Gift	Apr	Add new code to table Const1 This does not involve structure change of tables	Completed	The addition of COMPLETED status is held because the effect of the addition has to be examined. --> COMPLETED status can be added only in development environment. It will be done anytime during development period on the development server.
23	Another sheet to quartely progress format	To add another sheet to quarterly progress format. To make MDAs users to write completion report.	23D	Yes	DB	1 week (or less than 1 week)	PSIP	Normal		Shalom	Apr	Start Date, End Date, Note for Completion Report, Person who write completion report Add new table COMPLETION_REPORT	Not Started	Completed.
5	summary of the progress need to be added on the template	Before the arear input button add Summary of the progress on template	5WM	No	Web -Smarty	1 week (or less than 1 week)	PSIP	High		Shalom	Apr	Add a difinition into loadspec.php Modify model and view of project detail screen	Completed	The feature has been added into Ongoing proposal template and Quarterly Progress Report, and also loader/generator + Ongoing view and Quarterly report view are confirmed working well.
13	Updating old template to the database does not counted as errors and uploaded as the one for the wrong years	When uploading a template the usr should specify that templates are for which year on the web before uploading, and if the template with wrong fiscal year tries to be updated, that should be rejected	13WM	Yes	Web -Smarty	2 weeks (or less than 2 weeks)	PSIP	Critical	Ishikawa	Chimwemwe	May	After the discussion, below is the idea. Implement year restriction in automatic upload (Shared folder and web-based). But not in manual upload. Because old year's upload is still needed for maintenance purpose. --> Issue: How to know that the upload is rejected	Ongoing	Design is ongoing by Ishikawa. Supposed to be completed by the End of May.
14	Need summary of ministerial minutes	System should be able to produce a summary of ministerial minutes	14WM	Yes	Web -Smarty	more than 2 weeks	e-government	High	Leviticus	Shalom	May	vote, vote code, overall comments, remarks Need new dsign screen with Excel output. --> How to reach this screen? --> Put a button "Ministerial Meeting Summary" on the top of PSIP Process Management screen	Completed	Completed.
15	Projects submitted need to be equal to automatically uploaded projects	Remove submitted project column	15WM	No	Web -Smarty	1 week (or less than 1 week)	PSIP	Normal	Ishikawa	Shalom	Apr	After the discussion, below is the conclusion. - Remove submission count - Remove Submission folder - Make vote folders in Auto@Success and Auto@Fail folders so that the templates are automatically stored into corresponding vote folders - All submitted templates are stored in Auto@Scuccess and Auto@Fail folders --> Ishikawa does	Ongoing	Design is ongoing by Ishikawa. Supposed to be completed by the End of May.
17	Need to add another status Not applicable as a PBB status	If that vote does not have PBB,show "Not Applicable". This applies only to subvented projects.	17WM	No	Web -Smarty	1 week (or less than 1 week)	PSIP	Normal		Chimwemwe	Apr	Modification in general info. Maybe no modification required -> Yes it is	Not Started	Completed.
21	Need additional field for PSIP desk officers for project progress.	Add new fields for PSIP desk officers to update about progress of the project in process management unit.	21WM	No	Web -Smarty	more than 2 weeks	e-government	Normal	Khumbo	Shalom	May	No.5 is for MDA users to write the progress. This is for PSIP desk officer to write the progress. Add new window launched from PSIP Process management screen	Ongoing	Progress=70% - Buttons on the process management screenn completed. - Database modification completed. - Input window design and coding completed. - Doing debugging.
22	Need project status completed	To add new project status completed.	22WM	No	Web -Smarty	1 week (or less than 1 week)	PSIP	High		Gift	Apr	Just for testing (need to check ISHIKAWA) --> I think addition of COMPLETE status (code='C') into CONST1 table is enough. No modification is needed in program. By Ishikawa Appraisal Summary --> Statistics and Generator (status selection) have to be modified	Completed	Completed.
23	Another sheet to quartely progress format	To add another sheet to quarterly progress format. To make MDAs users to write completion report.	23WM	No	Web -Smarty	more than 2 weeks	e-government	Normal	Wezi, Yvonne	Shalom	May	Attach Excel template Add COMPLETION_REPORT table, add completion report tab and contents in Quarterly Report view, add definition of COMPLETION_REPORT table in data.class.php, add loading spec of template info into loadspec.php	Ongoing	Completed.
24	How can we pay attention to ending projects.	label template indicating new,ongoing ,ending,pended,completed (when project is generated, need more appropriate project status)	24WM	No	Web -Smarty	1 week (or less than 1 week)	PSIP	Normal	Anderson	Gift	Apr	ONGOING (ENDING) --> Must be added to Template generator Modify the part in libTemplate.php, refer to the part which is making NEW(PIPELINE) indication.	Completed	Completed.

No	Discussion Points (Issues)	Measures from IT side	ID	Has Detail Design?	What to be developed	Necessary Days for Development	Party in charge	Priority	Person in-charge	PSIP in charge	Timing to be completed	Idea of implementation	Status as of 11/Aug/2017	Progress, Challenges, Recommendations as of 11/Aug/2017
29	Lack of project status information in the extension approval screen	Enable psip desk officers to change project status function in the extension approval screen (To jump from extension approval screen to project status screen when changing project status)	29WM	No	Web - Smarty	more than 2 weeks	e-government	High	(2)&(3):Ishikawa	Gift	May	*** Conclusion of discussion on 12 May *** (1) Add [Extension] button near the [Update] button at "Status & Approved Budget" screen if the extension request is available on the project. [Symfony] (2) Add [Extension] remark in a column "FY2017/18 Start-End (Revised)" of Project Summary screen if the extension request is available on the project. [Smarty] (3) Add notice "The project status should be edited because you've approved/withdrawn the extension request. You can reach the status edit function by: Project Status --> Status & Approved Budget --> Press Update button. [Smarty]	Completed	The specification has been confirmed among Kobayashi, Shiraishi and Ishikawa on 12 May 2017. The conclusion is written in left column. (1) Move to Symphony 0% (2) Assigned to Gift: Implementation done 90% (3) Assigned to Ishikawa: 0% (Complete by End of May)
37	We can not see how the project is changed from the past to recent.	See how the project is changed (from the previous version to latest version) and see what fields are changed and who change the field.	37WM	Yes	Web - Smarty	more than 2 weeks	e-government	Normal	James	Chimwemwe	May	Navigate from Top Page, PSIP Management->"Project comparison". Modify compare_projects.php to be general purpose. Accomodate get parameter such as: pc=1110&hn1=0&hn2=0&fy1=2016&fy2=2017	Completed	Completed. Addition of side menu is held because it's Symfony side issue.
41	Report for templates submission and work progress	Report for Deputy Director and Chief showing which ministry submitted how many templates and show those that hasn't submitted	41WM	Yes	Web - Smarty	2 weeks (or less than 2 weeks)	PSIP	Normal	Ishikawa	Shalom	Jun	Create a screen which shows the summary of submission status. Retrieve information from submission table. --> Pick up information from Process Screen?	Not Started	Requesting for the screen specification. --> Spec is provided by Yuki on 15 May. Start design & implementation. Supposed to be completed by the End of June.
5	summary of the progress need to be added on the template	Before the arear input button add Summary of the progress on template	5WH	No	Web - Symfony	1 week (or less than 1 week)	e-government	High	Wezi	Shalom	23-Jun	-Quarterly Progress Report format(ProjectPerformance) -Proposal Ongoing Template (ProjectPerformance)	Completed	
7	Need a comparison of the approved budget against the submission budget on the web (Status & Budget)	Analyse budget gap	7WH	Yes	Web - Symfony	more than 2 weeks	e-government	Low	Khumbo	Gift	9-Jun	Status & Approved Budget. Insert Part1, Part2 budget next to submission status. Can view all	Completed	
8	the template has to be saved from Web when you've made very small changes to the template	Make parts of the templat editable by Web (project period, title...)	8WH	Yes	Web - Symfony	more than 2 weeks	PSIP	Normal	Shalom	Shalom	16-Jun	GeneralInfo Shalom to define the fields(Title, priority, summary of progress) Only PSIP and Admin can edit.	Completed	
10	MDA should know their desk officer upon before logging into the system	Show the responsible desk officer after before logging in on the announcement page	10WH	No	Web - Symfony	1 week (or less than 1 week)	PSIP	Low	Chim	Chimwemwe	2-Jun	For security reason, the information should be placed after login page.	Completed	Completed-
17	Need to add another status Not applicable as a PBB status	If that vote does not have PBB, show "Not Applicable". . This applies only to subvented projects.	17WH	No	Web - Symfony	1 week (or less than 1 week)	PSIP	Normal	Gift	Gift	May	No modification required	Completed	
22	Need project status "completed"	To add new project status completed.	22WH	No	Web - Symfony	2 weeks (or less than 2 weeks)	PSIP	High	Gift Shalom	Shalom	2-Jun	- Insert "Completed" status to Const1 table. - Determine if the "Completed" status should be shown in * Edit Appraisal Results of Proposals * Initial Appraisal * Final Appraisal * Project Status & Budget Transition (each project) * Approved Status & Budget Registration	Completed	
23	Add Completion Report new screen in quartely progress report	To add another sheet to quarterly progress format. To make MDAs users to write completion report.	23WH	Yes	Web - Symfony	more than 2 weeks	e-government	Normal	Leviticus James	Shalom	10-Jul	QtReport new tab for Completion Report Similar to No.31 Need to integrate into the tab if exists completion report. This program will be practiced during the training	Completed	
25	No condition for searching project using submission status in Project status screen	add the search condition using submission status	25WH	Yes	Web - Symfony	more than 2 weeks	e-government	Normal	Khumbo	Shalom	23-Jun	Status & Approved Budget. Similar program will be practiced during the training	Ongoing	
26	New search condition for Project status in the Project Quarterly Progress Report Status Screen	Project status will be included as a search condition in the Project Quarterly Progress Report Status screen	26WH	Yes	Web - Symfony	more than 2 weeks	e-government	Normal	Yvonne	Gift	16-Jun	Project Quarterly Progress Report Status. Similar program will be practiced during the training	Completed	
27	Recent project status missing in the result list QTproject report screen.	Add Project status column in the list in Project Quarterly Progress Report Status screen	27WH	Yes	Web - Symfony	more than 2 weeks	e-government	Normal	Yvonne	Gift	2-Jun	Project Quarterly Progress Report Status	Completed	
28	in project status & budget transition copy doesn't show where the copied figures are coming from	add in the project status & transition the case where the figure is copied eg Case A	28WH	Yes	Web - Symfony	more than 2 weeks	e-government	Normal	James	Gift	2-Jun	-Add additional field "copy_from" to app_decision_transition table - project status & budget transition	Completed	
31	There is no extension request sheet on quarterly report on the web	Add extension request in quarterly report on the web	31WH	No	Web - Symfony	more than 2 weeks	e-government	Normal	Leviticus James	Gift	10-Jul	Project Quarterly Progress Report (ExtensionRequest) Similar to No.23 Need to integrate into the tab if exists completion report.This program will be practiced during the training	Completed	
35	lack of project,purpose,progress report in PSIP report	Add PSIP report showing the project,purpose,progress (Summary report)	35WH	No	Web - Symfony	more than 2 weeks	e-government	Normal	Chisomo Khumbo	Chimwemwe	27-Jun	ProjectList Only project, purpose and progress will be inserted	Not Started	
36	There is lack of PBB information in quarterly report(Main tab) on Web	Add PBB Information on quartey report on Web	36WH	No	Web - Symfony	1 week (or less than 1 week)	PSIP	Normal	Gift	Shalom	16-Jun	Project Quarterly Progress Report (Main) Web-smarty is already done.	Completed	
38	Master data in PSIP Admin TOOL shows all the master data without considering fiscal year	Add search condition by fiscal year (Mst Ver num) to enable searching the master data with only corresponding fislca year in PSIP Admin Tool	38WH	No	Web - Symfony	2 weeks (or less than 2 weeks)	PSIP	High	Chim	Chimwemwe	23-Jun	AdminTool Chimwemwe will do	Completed	
40	Symphony Upgrade	Upgrade the Symphony from Ver. 2.6 to Ver. 2.8 (the latest version)	40WH	No	Web - Symfony	more than 2 weeks	e-government	Normal	Yuko/James	Chimwemwe	23-Jun	Version up to 2.8 (Long Support Version) Some deprecated method will be reviewed.	Completed	
42	No extension information(popup window) in Project Quarterly Progress Report Status	Add extension mark if the project has extension request InProject Quarterly Progress Report Status Screen	42WH	Yes	Web - Symfony	more than 2 weeks	e-government	High	Yvonne	Chimwemwe	27-Jun	Project Quarterly Progress Report	Completed	
43	Use PSIP2 database and integrate into the menu structure in Download Project Templates.		43WH	No	Web - Symfony	more than 2 weeks	e-government	High	James	Chimwemwe	23-Jun	form_ongoingOut.php	Completed	

Annex 10

Final Documentation Outputs (CD only)

Final Documentation Outputs

Title	Date
Endline Survey Report	June 2017
PSIP Preparation Handbook	June 2017
PSIP Process Management and Appraisal Manual for PSIP Unit	June 2017
PSIP Database Version 4 Change Request Format and Detailed Design Document	June 2017
PSIP Database System Version 4 Manual for MDA /GUEST users	July 2017
PSIP Database System Version 4 Manual for PSIP staff	July 2017
PSIP Database System Version 4 Manual for Administrator	July 2017
Server Setup Manual	August 2017
Maintenance Manual	July 2017
Database Specification	August 2017
PSIP Database Framework Design Document Symphony Manual	July 2017
Loader/Generator Design Document	July 2017
Testing Specification	August 2017
Template Development Manual	July 2017
Technical Report 3	August 2017

**Ministry of Finance, Economic Planning and Development (MFEPD)
The Republic of Malawi**

**The Project for Capacity Enhancement
In Public Sector Investment Programming Phase II**

Endline Survey Report

June 2017

**Japan International Cooperation Agency
(JICA)**

**Koei Research and Consulting Inc.
(KRC)**

Contents

1. Introduction	2
2. Methodology.....	6
3. Results of the Survey	7
3.1 Project Purpose: Indicator 2	7
3.2 Project Purpose: Indicator 4	8
3.3 Output 1: Indicator 1-1	8
3.4 Output 2: Indicator 2-1	9
3.5 Output 2: Indicator 2-2 (Output 2: Indicator 2-3 in PDM Ver.1)	11
3.6 Output 2: Indicator 2-3 (Output 2: Indicator 2-4 in PDM Ver.1)	13
3.7 Output 3: Indicator 3-1	14
3.8 Output 3: Indicator 3-2	16
3.9 Output 3: Indicator 3-3	18
3.10 Output 3: Indicator 3-4	19
4. Summary	20
Appendix 1: Project Design Matrix Ver.1	21
Appendix 2: Project Design Matrix Ver.2.....	22
Appendix 3: Detailed Survey Report of Output 3 Indicator 3-2 and 3-3 (by Yuko Shiraishi)	23
1 Result Survey of Indicator 3-2 (Output3)	23
2 Result Survey of Indicator 3-3 (Output 3)	26
2.1 Source of the page view	26
2.2 Target period of the survey	26
2.3 Procedure of survey	26
2.4 Result of the survey	27
2.5 Server status and configuration.....	28
2.6 Observations	28
Appendix 4: Officers trained for utilisation of PSIP Tools from MDAs and PSIP Unit in 2016/17	29

1. Introduction

This is an endline survey report for the Project for Capacity Enhancement in Public Sector Investment Programming Phase II (CEPSIP II), which is jointly implemented by the Ministry of Finance, Economic Planning and Development (MFEPD) of the Government of Malawi (GoM) with the support from Japan International Cooperation Agency (JICA).

CEPSIP II started in March 2013 and was planned to end in September 2016, based on the Record of Discussion (R/D) signed on 22 October 2012. The R/D included the first project design matrix (PDM Ver.1, see Appendix 1) and it specifies certain indicators that needed a baseline survey at the beginning of the Project. These are indicators 2 and 4 of the Project Purpose, and indicators 1-1, 2-1, 2-2, 2-3, 2-4, 3-1, 3-2, 3-3, 3-4 for the Outputs. A baseline survey was conducted for these indicators and its results were summarised in the Baseline Survey Report in September 2013.

In February 2015, the PDM was revised to PDM Ver.2 (see Appendix 2) based on the recommendations made by the Mid-Term Review. In April 2016, recommendations were made by the Terminal Evaluation to extend the project for one year and to revise the PDM. Consequently, the project period of CEPSIP II was extended to September 2017 and the PDM Ver.3 (see Table 1) was agreed in the Minutes of Meeting (M/M) dated 20 June 2016.

An endline survey was originally scheduled to be conducted around June 2016, three months before the end of original project period, September 2016. After the project period was extended for one year, the timing of endline survey was postponed for one year to June 2017. The survey was conducted for the same indicators specified in the R/D of October 2012, for which baseline survey was conducted, but based on the PDM Ver. 3 of June 2016.

Out of the specified indicators for baseline, following are the revisions made as PDM was revised from Ver.1 to Ver.3:

- Project Purpose Indicator 2 (a target was set and means of verification were clarified)
- Project Purpose Indicator 4 (an indicator was modified and a target was set)
- Output 2 Indicator 2-2 (a numbering adjusted, an indicator was modified and a target was set)
- Output 2 Indicator 2-3 (a numbering adjusted)
- Output 3 Indicator 3-1 (a target was set)
- Output 3 Indicator 3-2 (a target was set)
- Output 3 Indicator 3-3 (an indicator was modified and a target was set)
- Output 3 Indicator 3-4 (an indicator was modified and a target was set)

The details of the revision are explained under 3. Results of the survey.

This report was authored by Yuki Kobayashi-Sangala and Yuko Shiraishi (in charge of Output 3 Indicator 3-2 and 3-3, and Appendix 3). Thokozani Bandawe and Afiske B. Nsini of CEPSIP II team took part in data collection and analysis.


Table 1: PDM Ver.3

Project Narrative Summary		Indicators		Means of Verification	Assumption
Overall Goal					
The development project cycle will be efficient and effective.		1	Projects due for completion but requiring an extension not more than 15 percent (every year)	PSIP Database Extension Request Form	
Project Purpose					
PSIP is operated with increased efficiency and enhanced harmonisation within the public financial and economic management framework.		1	Increased amount and elevated quality of information (both on new projects and on-going projects) available for an appraisal by PSIP Section.	Interviews to PSIP desk officers.	• Financial resources for development budget is available as projected.
		2	Improved observance ratio of the deadlines of PSIP process by PSIP Section and line ministries to 90% by project completion.	Communication records of PSIP Section	• Line ministries have capacity to efficiently implement projects.
		3	Improved evaluation on the PSIP efficiency by the stakeholders (PSIP desk officers, Planning Section of line ministries, Budget Division, etc.)	Questionnaire to desk officers, line ministries, MOF, etc.	• Ministerial structure doesn't change drastically.
		4	The number of votes of which all budgeted projects in the budget book in a given fiscal year are captured in the PSIP database will increase from 5 in FY2013/14 to 8 in FY2017/18.	Communication records of PSIP Section	• The role of PSIP doesn't change.
Outputs					
1	Database and Manuals/Handbook for PSIP are improved (especially for an appraisal of on-going projects considering their past implementation performance).	1-1	The extent to which the identified issues were addressed by the modification of Database, Manuals / Handbook	Review of the issues and the modifications realized in Database, Manuals / Handbook.	• Public Financial and Economic Management Reform Program is implemented as scheduled.
		1-2	Increased availability of information in the PSIP Database in such aspects as; implementation of on-going project, modification in plans, results of monitoring activities, etc.	Review of database. Interview to the users (PSIP, line ministries, MOF, etc.)	
		1-3	User's higher evaluation on usefulness and operability of PSIP Database, Manuals/Handbook	Survey with the PSIP, MOF, line ministries, etc.	
2	The process of PSIP is further harmonized with the planning and budget processes of relevant ministries and the Budget Division.	2-1	The extent to which the identified issues were addressed in the modified PSIP process	Review of the issues and the modifications realized in the process	
		2-2	Percentage of development projects which did not pass the PSIP process: Less than 20% in FY2017/18	Review of PSIP and Budget Document	
		2-3	Reduction of duplication in reporting and communication for PSIP and monitoring of projects.	Review of the reporting and communication practice of line ministries	
3	The capacity to use improved Database and	3-1	Number of persons in PSIP Section and line ministries who are equipped with	Evaluation report of training program	

	Manuals/Handbook for PSIP is built in PSIP Section and line ministries.		knowledge and skill to fully utilize PSIP Database and Manuals/ Handbook: from 101 (2013/14) to 250 (2016/17)		
		3-2	Increased number of registered active users of PSIP Database (total, line ministries, other institutions) from 37 (2013) to 56 (2017)	Records of PSIP Database	
		3-3	Increased number of online page views generated by PSIP Database (total, PSIP, line ministries, other institutions) from 496 (2012/13) to 1200 (2016/17)	Records of PSIP Database	
		3-4	Percentage of projects using the required formats: 70% in FY2016/17 PSIP	Records of PSIP Database	

Activities	Inputs		Important Assumption
	The Japanese Side	The Malawi Side	
<p>1-1 To review the utilization of Database and Manuals/Handbook for PSIP, and identify issues for further improvement of PSIP.</p> <p>1-2 To obtain feedback by users of Database, Manuals/Handbook for PSIP and other issues through workshops and interviews, etc.</p> <p>1-3 To reflect the feedback obtained in 1-2 to Database (especially for an appraisal of on-going projects considering their past performance).</p> <p>1-4 To reflect the feedback obtained in 1-2 and 2-2 to Manuals/Handbook and process for PSIP (especially for an appraisal of on-going projects considering their past performance).</p> <p>2-1 To review the current public financial and economic reform policies, programs and activities.</p> <p>2-2 To review the process in PSIP in line ministries.</p> <p>2-3 To propose necessary measures to optimize the process identified in 2-2 (ex. Feedback for line ministries and PSIP review meetings, etc.)</p> <p>2-4 To put into practice the proposals identified in 2-3 for validation.</p> <p>2-5 To review the appropriateness of the output indicators in PSIP and Budget Document and the mechanism to generate and report them.</p>	<p>* Experts - Public Finance - Planning Management - IT (System Programming)</p> <p>* Training in Japan or third country</p>	<p>* Counterpart Personnel * Project Office Room * Equipment (PC, Printer, etc.)</p>	

2-6 To propose necessary measures to improve the issues identified in 2-5 (ex. effective consultations and modification of the mechanism.)
 2-7 To put into practice the proposal identified in 2-6 for validation.
 2-8 To enhance dialogue for effective coordination mechanism between PSIP Section and Budget Division.
 3-1 To identify the training needs and institutional issues for PSIP in PSIP Section and line ministries.
 3-2 To prepare a training program on the improved Database and Manuals/Handbook and the process for PSIP.
 3-3 To implement the training program prepared in 3-2.
 3-4 To evaluate the results of training and create feedback to training and operation for PSIP.
 3-5 To evaluate the overall results of training by the Project and develop an action plan on capacity development in future.

Pre-Conditions

<Issues and countermeasures>

Note) Highlighted indicators are specified for baseline survey although some of them were revised from the PDM Ver.1 which was utilised for baseline survey.

2. Methodology

Since the project period was extended for one year up to September 2017, from the originally set September 2016, the measurement of the R/D specified indicators are conducted as follows:

- (1) The indicators which were confirmed as achieved at the time of April 2016 Terminal Evaluation: the result of measurement was taken from the Terminal Evaluation Report
- (2) The indicators which were confirmed not achieved at the time of April 2016 Terminal Evaluation: the measurement was taken from the latest available timing before the end of June 2017.
- (3) The indicators for which the specific timing is set for the target achievement: the measurement was taken at the set timing.

The detailed methodology is explained under the next chapter, 3. Results of the Survey, in the column of “means of verification in this survey” with some narrative statement where felt necessary.

3. Results of the Survey

The means of verification used and results are described in the following sections.

3.1 Project Purpose: Indicator 2

The part which was revised for this indicator from PDM Ver.1 to Ver.3 is the target and the clarification of how to measure the observance ratio. The target was set in PDM Ver.3. and the method of measurement was defined clearer through the Mid-Term Review and Terminal Evaluation.

The indicator in Ver. 1 and the key results are in the Box below:

Baseline Survey: Project Purpose: Indicator 2		
Indicator	Proposed means of verification in PDM	Means of verification in a baseline survey
Improved observance ratio of the deadlines of PSIP process by PSIP Section and Line Ministries	Communication records of PSIP Section	Questionnaire survey to PSIP Section
Results:		
<ul style="list-style-type: none"> ➤ 13 Ministries and Departments (45%) made all the proposal submission before the deadline set in the Circular Number 1, but others (51%) made submission after the deadline. ➤ The collection of figures depended on the memory of PSIP Section Desk Officers, since there was no communication records about submission dates. ➤ The quality of proposal was not good, there are many parts which were left unfilled. 		

The description of the indicator in PDM Ver.3 and the means of verification are as follows:

Indicator	Proposed means of verification in PDM	Means of measurement in endline survey
Improved observance ratio of the deadlines of PSIP process by PSIP Section and line ministries to 90% by project completion	Communication records of PSIP Section	FY2017/18 PSIP proposal submission status screen at PSIP Database and e-mail communication from MDAs

The rate of PSIP proposal submission by line ministries (votes) at the time of deadline is deemed as an observance ratio here. The counting is made valid if a vote submits at least one proposal by the deadline.

The indicator was not achieved at the time of Terminal Evaluation which was held in April 2016. The result that time was 29% for proposal submission deadline in 2015, and a Terminal Evaluation Team concluded that it was not achieved but safeguarding arrangement was in place.

In 2016, two deadlines are considered for this indicator. The first deadline is the one set as a proposal submission deadline, 31 October 2017, in the Circular Number 1 for FY2017/18 PSIP issued on 1 September 2016. The second deadline is 5 December 2016, when ministerial meetings started, assuming that the last acceptable timing of PSIP proposal submission is before ministerial meetings start.

The result of the first submission deadline is 15 votes out of 32 votes (47%), while the one of the second submission deadline is 26 votes out of 32 votes (81%).

The target of 90% was not achieved by 43% for the first deadline, and by 9% for the second

deadline, although the result shows improvement from 2015.

3.2 Project Purpose: Indicator 4

This is the indicator which was revised from PDM Ver.1. The indicator in Ver. 1 and the key results are in the Box below:

Baseline Survey: Project Purpose: Indicator 4		
Indicator	Proposed means of measurement in PDM	Means of measurement in a baseline survey
Smaller number of modifications after the PSIP is finalized and sent to MFEPD	Communication records of PSIP Section	Comparison between 2013/14 PSIP List as of 29 April 2013 and Development Budget
Results:		
Only 5 votes have the same projects (number and name) in both PSIP and Development Budget Estimates, but budget amounts allocated for these projects differ to each other.		

Now the Project Purpose Indicator 4 is revised in PDM Ver.3 as below.

Indicator	Proposed means of measurement in PDM	Means of measurement in an endline survey
The number of votes of which all budgeted projects in the budget book in a given fiscal year are captured in the PSIP database will increase from 5 in FY2013/14 to 8 in FY2017/18	Communication records of PSIP Section	Comparison between FY2017/18 PSIP Database and FY2017/18 Draft Development Budget Estimates

The comparison between FY2017/18 PSIP Profiles in the PSIP Database and FY2017/18 Draft Development Budget Estimates proves that in 14 votes all the development projects which are budgeted appear in the Draft Estimates.

Thus the target of 8 is achieved by 175%.

3.3 Output 1: Indicator 1-1

There was no modification made on this indicator. The baseline survey results are as follows:

Baseline Survey: Output Indicator 1-1	
Indicator	Proposed means of measurement in PDM
The extent to which the identified issues were addressed by the modification of Database, Manuals / Handbook	Review of the issues and the modifications realised in Database, Manuals/ Handbooks
Results:	
As a baseline, no modification is made to Database, Manuals/Handbook as of August 2013, except for very minor changes on database such as updating the name of MEPPD and flag. 14 Issues around PSIP were identified through discussion with PSIP Section, interview and questionnaire survey with line ministries.	

Since the time of Baseline Survey, every year issues have been tackled and renewed. The details of those were confirmed by the Mid-Term Review, and the Terminal Evaluation, which is taken here as below:

Indicator	Proposed means of measurement in PDM	Means of measurement in an endline survey
The extent to which the identified issues were addressed by the modification of Database, Manuals / Handbook	Review of the issues and the modifications realised in Database, Manuals/ Handbooks	As is shown in the Terminal Evaluation Report

The indicator was achieved at the time of Terminal Evaluation which was held in April 2016. The following is an extraction from Terminal Evaluation Report (signed on 29 April 2016):

Terminal Evaluation: Output Indicator 1-1

Regarding “OVI 1-1. The extent to which the identified issues were addressed by the modification of Database, Manuals/Handbook,” the Project responded to the issues that were presented and discussed at the 6th JCC meeting (December 2015) as follows:

- 1) On PSIP and IFMIS Interface: The Project approached and discussed with the donor funded IFMIS consultants and agreed on specification for experimental connection with the current IFMIS (to confirm the functionality of connection interface by using 10-20 pilot projects). However, the on-top fee demanded was not secured, resulting in no further action for now.
- 2) On technical problems with GWAN that arose from the replacement of fiber backbone and network switches, procurement delay for rehabilitation of Data Center, and glitch during migration to New Internet Service Provider: In preparation for March 2, 2016 seminar, the Project diagnosed the problems associated with connecting to PSIP Database from outside in cooperation with E-Government Department and acted on the identified routing configuration.
- 3) On Database update: The Project reviewed business process for cases of resubmission of proposals to avoid human errors at Database Workshop with PSIP Unit held on March 11, 2016 as well as during preparation process for the March 22, 2016 Database Seminar for MDAs. These reviews led to the arrangement that both management and desk officers will be responsible for updating Database information. In addition, in December 2015, trace of the users’ activities in the PISP Database was enabled by which one can track past changes.

3.4 Output 2: Indicator 2-1

There was no modification made on this indicator. The baseline survey results are as follows:

Baseline Survey: Output Indicator 2-1

Indicator	Proposed means of measurement in PDM
The extent to which the identified issues were addressed in the modified PSIP process	Review the issues and the modification realized in the process

Results:

As a baseline, no modification is made to PSIP process as of July 2013. 20 issues around PSIP process are identified through discussion with PSIP Section, interview and questionnaire survey with line ministries as summarised

Since the time of Baseline Survey, every year issues have been tackled and renewed. The details of those were confirmed by the Mid-Term Review, and the Terminal Evaluation, which is taken here as below:

Indicator	Proposed means of measurement in PDM	Means of measurement in an endline survey
The extent to which the identified issues were addressed in the modified PSIP process	Review the issues and the modification realized in the process	As is shown in the Terminal Evaluation Report

The indicator was achieved at the time of Terminal Evaluation which was held in April 2016. The following is an extraction from Terminal Evaluation Report (signed on 29 April 2016)

Terminal Evaluation: Output Indicator 2-1

On “**OVI 2-1**. The extent to which the identified issues were addressed in the modified PSIP process,” the following issues that were raised at the 6th JCC meeting (December 2015) have been discussed/consulted, and measures taken:

- 1) On violation on compliance with PSIP process¹:
 - Template is modified to require submission of the progress reports for the renewal of on-going projects.
 - Compliance with Development Cooperation Strategy (Dec. 2014) (i.e. Part 1 funded projects should channel thorough both AMP and PSIP) was communicated at Development Cooperation Group meeting held on 23 March 2016, and it was confirmed that all the donor supported projects should pass through PSIP process (according to the Director of Development Planning).
 - In the newly introduced final appraisal criteria, PSIP compliance is given additional point.
- 2) On communication within MDAs:

¹ Revision of the timetable for new project proposal submission is being planned, in order to provide more time to scrutinize new project proposals. On the details to be incorporated in the PSIP Preparation Handbook Final version, further discussion with the C/P will be required. Further sensitization of the role of PSIP toward PSIP Policy and Law (or amendment of PFM Act) is yet to be undertaken, particularly in the environment where no progress has been made on the review of PFM Act.

- Desk Officers of PSIP Unit sends a copy of communication to their counterparts at MDAs in parallel to an official communication so that communication gap is minimized².
 - Coordination problems among technical departments are reported and addressed during ministerial meeting as well as by writing, with the possibility of using official communication requesting improvements if necessary.
 - PSIP Unit visits MDAs to provide guidance with the intention of all the departments within the ministry is oriented for PSIP proposal preparation.
- 3) On limited capacity of MDAs:
- Feedback provision to MDAs on proposal quality initiated in December 2015 at ministerial meetings.
 - Intervention by PSIP Unit to link merged department with mother ministry desk officers so that MDAs can address PSIP matters within the network.
- 4) On uneven capacity of Desk Officers of PSIP Unit:
- Officers are encouraged and expected to explain not only on how to use templates and also on what is expected to be written, resulting in improvement in feedback provision on proposal at December 2015 ministerial meeting, final appraisal conducted from February to March 2016 aiming at communicating the results to MDAs, and PSIP Database ver.2 dissemination seminar held in March 2016.
- 5) On ambiguity of PSIP's eligibility criteria:
- Further defined PSIP eligibility, such as treatment of emergency relief projects, dormant projects, affiliated projects, companies, and feasibility studies.
- 6) On different levels used for planning "output" by different parties (i.e. PED for Performance Contract, BD for programmes in PBB, and PSIP for project outputs)
- PSIP template made to link projects to a programme under PBB³.

3.5 Output 2: Indicator 2-2 (Output 2: Indicator 2-3 in PDM Ver.1)

The only part which was revised for this indicator from PDM Ver.1 to Ver.3 is the target, which was set in PDM Ver.3. Since the original Output 2 Indicator 2-2 in Ver.1 was deleted from PDM Ver.2 and onwards, the indicator has become Output Indicator 2-2. The indicator in Ver. 1 and the key results are in the Box below:

² Possibility of automatic e-mail reminder function to be considered for Database ver3 or later version.

³ Description needs to be inserted into PBB Manual being drafted by DEAP consultants. Then MFEPD and OPC should furnish an official statement of the link between different levels.

Baseline Survey: Output Indicator 2-3 (in PDM Ver.1)

Indicator	Proposed means of measurement in PDM	Means of measurement in a baseline survey
Reduced percentage of development budget allocated to those projects which did not pass the PSIP process	Compare PSIP and Budget document	Comparison between 2013/14 PSIP as of 29 April 2013 and Development Budget sent to parliament

Results:

As shown in the table below, in the 2013/14 Budget Estimates, the proportion of projects which did not appear in the PSIP List but appear in the Development Budget Estimates is 27.9% (61 projects) of the total number of projects (219 projects), which comprises 45.4% (approximately MWK80 billion) of the total Development Budget (approximately MWK177 billion). Out of 61 projects, 43 (70.5%) are the projects which are funded only by development partners (Part 1 only project).

Projects allocated Development Budget in 2013/14 Budget Estimates

Budget Category	A Number of Projects that are in Budget Estimates and not in PSIP (which are allocated budgets)	B Total budget allocated for A	C Total Number of Projects in Budget Estimates (which are allocated budgets)	D Total Development Budget (Total budget allocated for C)	E Percentage of projects allocated budget without passing through PSIP (A/C)	F Percentage of development budget allocated without passing through PSIP (B/D)
Part 1 only	43	65,708,171,009	54	96,692,747,792	79.6%	68.0%
Part 2 only	16	9,930,250,000	150	46,546,241,464	10.7%	21.3%
Both Part 1 and Part 2	2	4,544,326,191	15	33,390,526,885	13.3%	13.6%
Total	61	80,182,747,200	219	176,629,516,141	27.9%	45.4%

The description of the indicator in PDM Ver.3 and the means of verification are as follows:

Indicator	Proposed means of measurement in PDM	Means of measurement in a baseline survey
Percentage of development projects which did not pass the PSIP process: Less than 20% in FY2017/18	Review of PSIP and Budget Document	Comparison between FY2017/18 PSIP profiles in the PSIP Database and FY2017/18 Draft Development Budget Estimates

The indicator was not achieved at the time of Terminal Evaluation which was held in April 2016. The result that time was 29.3% for FY2015/16.

This time, as shown in the table below, the number of projects which did not pass through PSIP process for the consideration in FY2017/18 is 40 projects, out of all the 184 projects allocated development budget, which translates to 22%. Out of 40 projects, one Part I only project and two Part II only projects were registered in the PSIP Database in FY2016/17, but their proposals were not submitted for the consideration in FY2017/18. If we remove these three from 40, then the ratio becomes 20.1%.

Thus the target of 20% was almost achieved.

Table 2: Projects allocated Development Budget in 2017/18 Estimates Budget.

Budget Category	A	B	C	D	E	F
	Number of projects that are in Budget Estimates and not in PSIP Database (which are allocated budgets)	Total budget allocated for A (MK)	Total number of projects in Budget Estimates (which are allocated budgets)	Total Development Budget (Total budget allocated for C) (MK)	Percentage of projects allocated budget without passing through PSIP (A/C)	Percentage of development budget allocated without passing through PSIP (B/D)
Part 1 only	19	72,050,000,000	27	115,609,100,000	70.4	62.3
Part 2 only	18	15,180,000,000	132	103,982,000,000	13.6	14.6
Both part 1 and 2	3	6,350,000,000	25	115,460,000,000	12.0	5.5
Total	40	93,580,000,000	184	335,051,100,000	21.7	27.9

3.6 Output 2: Indicator 2-3 (Output 2: Indicator 2-4 in PDM Ver.1)

There was no modification made on this indicator. Since the original Output 2 Indicator 2-2 in Ver.1 was deleted from PDM Ver.2 and onwards, the indicator has become Output Indicator 2-3. The indicator in Ver. 1 and the key results are in the Box below:

Baseline Survey: Output Indicator 2-4 (in PDM Ver.1)

Indicator	Proposed means of measurement in PDM	Means of measurement in a baseline survey
Reduction of duplications in reporting and communication for PSIP, budget preparation and monitoring of projects	Review the reporting and communication practice of Line Ministries	Interview to MEPD and Line Ministries

Results:

As for the PSIP budget preparation, for 2013/14 PSIP, general practices were that line ministries started communicating with PSIP Section from October to May, and then they communicated to Budget Division from February to May which most of the time PSIP Section Desk Officers were aware of.

Regarding PSIP monitoring of projects, similar but different purposes of monitoring reports are prepared by line ministries as follows:

Types of Monitoring Report prepared by the Line Ministries

Name of Monitoring Report	Submitted to	Contents and link with PSIP
Project / Programme Monitoring Report	Management of line ministries	According to the requirement of line ministry management. If the project/programme is PSIP project/programme, it is relevant.
Project / Programme Monitoring Report	Development Partners	According to the requirement of DPs. If the project/programme is PSIP project/programme, it is relevant.
Performance	Office of	Highlights of achievements, performance against the

Agreement Assessment Progress Report	President and Cabinet	target, funding, and activity progress set in the Annual Work Plan at the beginning of the fiscal year. Development activities are related to PSIP.
Budget Performance Monitoring Report	Budget Division	Actual expenditure against the quarterly expenditure plan for the Development Budget submitted beforehand. It is the budget and expenditure progress of PSIP.
Quarterly Progress Report	M&E Division	Summary of expected outcomes for MGDS II and ERP, funds used from both GoM and DPs, and output based performance review for each of the Medium Term Expected Outcomes, budget performance under each output / key strategy, challenges, lessons learnt and success story, monitoring mechanisms, ERP progress, and risks

The description of the indicator and the means of verification are as follows:

Indicator	Proposed means of measurement in PDM	Means of measurement in a baseline survey
Reduction of duplication in reporting and communication for PSIP and monitoring of projects.	Review of the reporting and communication practice of line ministries.	As is shown in the Terminal Evaluation Report

The indicator was achieved at the time of Terminal Evaluation which was held in April 2016. The following is an extraction from Terminal Evaluation Report (signed on 29 April 2016)

Terminal Evaluation: Output Indicator 2-3

On “OVI 2-3. Reduction of duplication in reporting and communication for PSIP and monitoring of projects,” from the stakeholders interviewed by the Terminal Evaluation Team, numerous comments were heard on the benefit of thorough data prepared for PSIP process, as such data in the system can be extracted easily for other reporting, analytical, and sharing needs within the respective organizations. The data prepared for PSIP can be used for preparing quarterly report for the Ministry as well as for passing on to the auditor. Also, the Project devised Project Financial Management Information Tool (PFM-IT) has been well accepted for its usefulness among the stakeholders. AGD agreed for piloting it at Ministry of Agriculture and Ministry of Information and Tourism whose feedback to AGD is so far positive. Later, Office of the President also joined bandwagon and the Terminal Evaluation Team received very positive remark from them. At the recent Accountant General session, AG remarked that in the 4th quarter of FY2016/17 he would like to launch the Tool in all the ministries by bringing up the issue to Secretary to Treasury. The next circular is anticipated to mention about it, the Terminal Evaluation was informed at one stakeholder meeting.

3.7 Output 3: Indicator 3-1

The only part which was revised for this indicator from PDM Ver.1 to Ver.3 is the target, which was set in PDM Ver.3. The indicator in Ver. 1 and the key results are in the Box below:

Baseline Survey: Output Indicator 3-1

Indicator	Proposed means of measurement in PDM	Means of measurement in a baseline survey
Number of persons in PSIP Section and line ministries who are equipped with knowledge and skill to fully utilize PSIP Database and manuals / handbook	Evaluation report of training programme	Questionnaire survey to PSIP Section

Results:

The number of PSIP Section officers who are equipped with knowledge and skill to fully utilise PSIP database and manuals /handbook is seven. As for line ministries, 17 ministries and departments (58%) had more than one officer trained on PSIP Database, and 10 ministries had none trained.

The description of the indicator in PDM Ver.3 and the means of verification are as follows:

Indicator	Proposed means of measurement in PDM	Means of measurement in a baseline survey
Number of persons in PSIP Section and line ministries who are equipped with knowledge and skill to fully utilize PSIP Database and Manuals/ Handbook: from 101 (2013/14) to 250 (2016/17)	Evaluation report of training program	Questionnaire survey to PSIP Section held in FY2015/16 and Attendance of Seminar/Workshop and Hands-On Guidance in FY2016/17

The indicator was achieved at the time of Terminal Evaluation which was held in April 2016. The following is an extraction from Terminal Evaluation Report (signed on 29 April 2016)

Terminal Evaluation: Output Indicator 3-1

In relation to “**OVI 3-1**. Number of persons in PSIP Section and line ministries who are equipped with knowledge and skill to fully utilize PSIP Database and Manuals/Handbook: from ## (201##/#) to ## (2015/16),” against the FY2013/14 figure of 101 persons that received intensive training organized by the Project to guide the participants to become proficient in PSIP process and tools, the FY2015/16 figure recorded a total of 252 persons, that is 2.5 times increase and FY2016/17 recorded a total of 2.7 times increase (Table 7) and If we look at the desk officer cohort who are direct counterpart of the PSIP Unit desk officers, the increase over the three years is 4 times. The numbers of MDAs represented (26 in FY2013/14 to 41 in FY15/16 and 51 in FY16/17) also shows that more MDAs have become proactive in learning about and mastering the PSIP procedure compared to three years back.

PSIP Process Review Workshop Participants Breakdown

FY2013/14	Managerial Level	Desk Officers	Total
No. of Participants	48	53	101
No. MDAs Represented	28	26	35 Excluding duplication

FY2015/16	Managerial Level	Desk Officers	Total
No. of Participants	52	200	252
No. MDAs Represented	25	41	41 Excluding duplication

From the PSIP side the number of PSIP staff trained and have the knowledge and skills to fully utilize the PSIP Database and Manuals/Handbook raised from seven to Twelve from previous years and over 100% of the officers across MDAs have been trained.

The training was facilitated by PSIP Unit staff with the support from JICA Experts, and covered contents including introduction and discussion of what are new in PSIP procedures, project logical structure, costing, appraisal method, and project management (financial reporting).

In addition to such group training, the Project has been conducting hands-on guidance visits to MDAs to respond to client specific needs. Thus, potentially, the actual total number of the trained is reflected together with the total number of the trained in the table

The stakeholders who were trained at Seminar/Workshop and Hands-On Guidance in FY2016/17 is summarised in the table below:

FY2016/17	Managerial Level	Desk Officers	Total
No. of Participants	50	228	278
No. MDAs Represented	29	47	52 Excluding duplication

3.8 Output 3: Indicator 3-2

The only part which was revised for this indicator from PDM Ver.1 to Ver.3 is the target, which was set in PDM Ver.3. The indicator in Ver. 1 and the key results are in the Box below:

Baseline Survey: Output Indicator 3-2

Indicator	Means of measurement
Increased number of registered active users of PSIP Database	Record of PSIP Database as of April 18 2013

Results:

The total users registered in the Database is 94, but 61% of them have not used the Database during 6 month. Some of them may have just registered and never used, others may have transferred to other position. As a result the 39% of them corresponding to 37users who have used the PSIP within 6 months are considered as number of registered active users of PSIP Database as of Apr. 18, 2013.

The following table shows the number of the registered users in the PSIP Database.

Number of PSIP Database Users		
Users	Number	Remarks
Total users	94	All Registered users in the PSIP Database
Inactive users	57	Users who have NOT used the PSIP Database in 6 months.
Active users	37	Users who have used PSIP Database within 6 months

The description of the indicator in PDM Ver.3 and the means of verification are as follows:

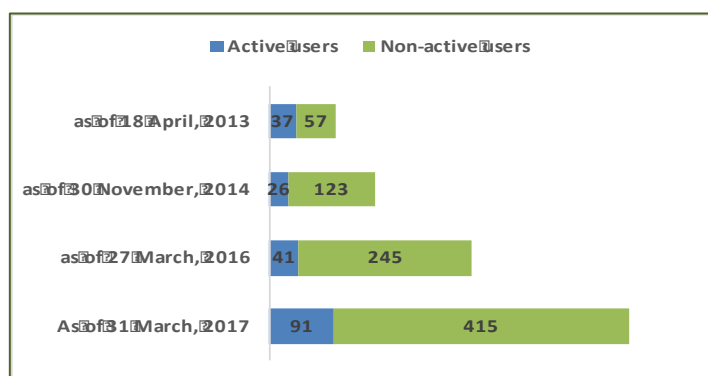
Indicator	Proposed means of measurement in PDM	Means of measurement in a baseline survey
Increased number of registered active users of PSIP Database from 37 (2013) to 56 (2017)	Records of PSIP Database	Records of MySQL database. See the number of registered users in the finalized form of PSIP

The following table shows the number of the registered users obtained from the PSIP Database during this target period

Users	Number	Remarks
Total users	506	All Registered users in the PSIP Database
Non-active users	415	Users who have NOT used the PSIP Database in 6 months.
Active users	91	Users who have used PSIP Database within 6 months

[Note] To define "active" users, the criteria of 6 months are applied. This is mainly because usually they are supposed to get some information within six months from the system, especially October, or November when it is an important period to monitor their submission information of the proposals for coming FY.

The following graph illustrates the history obtained in the past surveys of the registered users in the PSIP Database from the beginning of the project.



The detailed report on this indicator is included in Appendix 3.

3.9 Output 3: Indicator 3-3

This is the indicator which was revised from PDM Ver.1. The indicator in Ver. 1 and the key results are in the Box below:

Baseline Survey: Output Indicator 3-3

Indicator	Means of measurement
Increased number of online reports generated by PSIP Database	Record of PSIP Database

The following table shows number of online reports generated by PSIP Database by period and by each server. The "PSIP" in the table shows the online report number generated from the desktops in the PSIP section, while "Others" shows the report number excluding PSIP desktops access. "Others" includes all the case accessed through the Internet server as well as laptop PC with Wi-Fi connection from PSIP section, because the senders cannot be identified by IP address if they are from PSIP section. That means that the access number from the PSIP section may be higher than shown in the table.

Number of Online Reports generated by PSIP Database

Period	Intranet Server			Internet Server		
	PSIP	Others	Total	PSIP	Others	Total
2011/07/01~2012/06/30	273	763	1036	0	267	267
2012/07/01~2013/06/30	158	207	365	0	237	237
Total	431	970	1401	0	504	504

Now the indicator was revised in PDM Ver. 2 and given target in Ver.3 as below.

Indicator	Proposed means of measurement in PDM	Means of measurement in a baseline survey
Increased number of page views of PSIP Database (total, PSIP, line ministries, other institutions): from 496 (2012/13) to 1200 (2016/17)	Records of PSIP Database	Apache Log history

The result of the survey for this target year is shown in the following table.

Target Date	Total Access	Number of days	access/day	access number per month
01/04/2016~31/03/2017	19,690	365	54	1,641

The total access during one year was **19,690**. The total number was divided by 12 to get the access number per month of **1,641**.

The following table summarizes the number of access to the most visited pages from the past surveys. The last row highlighted in brown color shows the access per day and per month during this target period.

Target Date	Previous Intranet Server	Previous Web Server	Actual Web Server	Total	Number of days	Access /day	Access number per month
27/07/2011 - 30/03/2012	5,863	3765		9,628	248	39	1165
02/04/2012 - 27/03/2013	3,934	2102		6,036	365	17	496
01/04/2013 - 31/03/2014	12,381	707		13,088	365	36	1,076
01/04/2014 - 27/11/2014	5,955	410		6,365	244	26	783
01/04/2015 - 24/03/2016	1,025	675	4,696	6,396	218	49	1,479
01/04/2016~31/03/2017			19,690	19,690	365	54	1,641

The detailed report on this indicator is included in Appendix 3.

3.10 Output 3: Indicator 3-4

The indicator in Ver. 1 and the key results are in the Box below:

Baseline Survey: Output Indicator 3-3

Indicator	Proposed means of measurement in PDM	Means of measurement in a baseline survey
Reduced number/rate of project proposals of insufficient or inadequate information (alternative to discuss; Average number of inquiries by PSIP desk officers to line ministry on the quality of information in proposals.)	Judgement by PSIP desk officers (Records of PSIP desk officers)	Questionnaire survey to PSIP Section

This indicator was interpreted into four questions in the questionnaire survey as:

- (i) whether the proposal was submitted in a required format
- (ii) whether the submission contained necessary information
- (iii) proportion of how far the project profile in the PSIP database is completed
- (iv) number of enquiries made on proposal contents and information

Out of all the four above, (i) corresponds to the Indicator set in PDM Ver.3. The results of (i) is that 19 ministries and departments (66%) submit proposals in a required format and 4 ministries and departments (14%) submit some projects in a required format.

Now the indicator was revised in PDM Ver. 2 and given target in Ver.3 as below.

Indicator	Proposed means of measurement in PDM	Means of measurement in an endline survey
Percentage of projects using the required formats: 70% in FY2016/17 PSIP	Records of PSIP Database	As is shown in the Terminal Evaluation Report

The indicator was achieved at the time of Terminal Evaluation which was held in April 2016. The following is an extraction from Terminal Evaluation Report (signed on 29 April 2016)

Terminal Evaluation: Output Indicator 3-1

On “**OVI 3-4**. Percentage of projects using the required formats: 70% in 2016/17 PSIP,” through the step-by-step responses of the Project, the procedure has advanced with built-in error detective function where the Database will not accept submission without complete input. As the system arrangement mainstreamed, the awareness on the importance of full information provision has also elevated among the concerned, both at the receiving end of the project application (i.e. PSIP Unit) and the sending side of the data (i.e. MDAs). Thus, even for submission by excel file, both take the error message seriously and refinement communication smoothly take place for toward clean final submission. With such mechanism, by now, percentage of projects using the required format reached 100%.

Likewise this indicator was achieved 100% in FY2017/18 PSIP.

4. Summary

The following table summarises achievement status of each indicator:

Indicator	Achievement Status
<p>Project Purpose Indicator 2: Improved observance ratio of the deadlines of PSIP process by PSIP Section and line ministries to 90% by project completion</p>	<p>Not achieved. The ratio at the first submission deadline is 47%, while the one of the second submission deadline is 81% in 2016, although the ratio improved from 2015.</p>
<p>Project Purpose Indicator 4: The number of votes of which all budgeted projects in the budget book in a given fiscal year are captured in the PSIP database will increase from 5 in FY2013/14 to 8 in FY2017/18</p>	<p>Achieved with 14 votes in FY2017/18.</p>
<p>Output 1: Indicator 1-1: The extent to which the identified issues were addressed by the modification of Database, Manuals / Handbook</p>	<p>Achieved.</p>
<p>Output 2: Indicator 2-1: The extent to which the identified issues were addressed in the modified PSIP process</p>	<p>Achieved.</p>
<p>Output 2: Indicator 2-2: Percentage of development projects which did not pass the PSIP process: Less than 20% in FY2017/18</p>	<p>Almost achieved with 22% in FY2017/18.</p>
<p>Output 2: Indicator 2-3: Reduction of duplication in reporting and communication for PSIP and monitoring of projects.</p>	<p>Achieved.</p>
<p>Output 3: Indicator 3-1: Number of persons in PSIP Section and line ministries who are equipped with knowledge and skill to fully utilize PSIP Database and Manuals/ Handbook: from 101 (2013/14) to 250 (2016/17)</p>	<p>Achieved with 278 in 2016/17.</p>
<p>Output 3: Indicator 3-2: Increased number of registered active users of PSIP Database from 37 (2013) to 56 (2017)</p>	<p>Achieved with 91 in 2017.</p>
<p>Output 3: Indicator 3-3: Increased number of page views of PSIP Database (total, PSIP, line ministries, other institutions): from 496 (2012/13) to 1200 (2016/17)</p>	<p>Achieved with 1,641 in 2016/17.</p>
<p>Output 3: Indicator 3-4: Percentage of projects using the required formats: 70% in FY2016/17 PSIP</p>	<p>Achieved with 100%.</p>

Appendix 1: Project Design Matrix Ver.1

Project Title: Project for Capacity Enhancement in Public Sector Investment Programming Phase II		C/P: Ministry of Economic Planning and Development (MEPD) Cooperation organisation: Ministry of Finance (MOF) Target Group: MEFD, MOF, Planning Division of Line Ministries Target Area: Lilongwe			
Project Duration: 2013~2016					
Project Narrative Summary		Overall Goal			
Overall Goal		Indicators	Means of Verification	Assumption	
Allocation of development resources and implementation of projects and programs are in line with strategic priorities.		1	Increased rate of development resources allocation to key priority areas of Malawi Growth and Development Strategy 2 (MGDS2)	Budget Report MGDS-II Review Report	
		2	Rate of development budget implementation	Budget Report MGDS-II Review Report	
Project Purpose					
PSIP is operated with increased efficiency and enhanced harmonisation within the public financial and economic management framework.		1	Increased amount and elevated quality of information (both on new projects and on-going projects) available for an appraisal by PSIP Section	Interviews to PSIP desk officers	*Financial resources for development budget is available as projected
		2	Improved observance ratio of the deadlines of PSIP process by PSIP Section and Line Ministries, from ## % (2014/15) to ## % (2015/16)	Communication records of PSIP Section	*Line ministries have capacity to efficiently implement projects
		3	Improved evaluation on the PSIP efficiency by the stakeholders (PSIP desk officers, Planning Section of Line Ministries, Budget Division, etc.)	Questionnaire to desk-officers, line ministries, MOF, etc.	*Ministerial structure doesn't change drastically
		4	Smaller number of modifications after the PSIP is finalized and sent to MOF, from ## (2014/04) to ## (2015/16)	Communication records of PSIP Section	*The role of PSIP doesn't change
Outputs					
1	Database and Manuals/Handbook for PSIP are improved (especially for an appraisal of on-going projects considering their past implementation performance).	1-1	The extent to which the identified issues were addressed by the modification of Database, Manuals / Handbook	Review of the issues and the modifications realized in Database, Manuals / Handbook	*Public Financial and Economic Management Reform Program is implemented as scheduled
		1-2	Increased availability of information in the PSIP Database in such aspects as: implementation of on-going project, modifications in plans, results of monitoring activities, etc.	Review of database. Interview to the users (PSIP, line ministries, MOF, etc.) of PSIP Database	
		1-3	User's higher evaluation on usefulness and operability of PSIP Database, Manuals / Handbook	Survey with the PSIP, MOF, line ministries, etc.	
2	The process of PSIP is further harmonized with the planning and budget processes of relevant ministries and the Budget Division.	2-1	The extent to which the identified issues were addressed in the modified PSIP process	Review of the issues and the modifications realized in the process	
		2-2	Reduced number/ratio of projects with discrepancies between PSIP and the Budget Document in terms of budget amount and outputs of the projects, from ## (2014/15) to ## (2015/16)	Comparison of the two documents (PSIP and Budget Document), before and after the modifications were made	
		2-3	Reduced percentage of development budget allocated to those projects which did not pass the PSIP process, ##% (2014/15) to ##% (2015/16)	Review of PSIP and Budget Document	
		2-4	Reduction of duplications in reporting and communication for PSIP, budget preparation and monitoring of projects	Review of the reporting and communication practice of line ministries	
3	The capacity to use improved Database and Manuals/Handbook for PSIP is built in PSIP Section and line ministries.	3-1	Number of persons in PSIP Section and line ministries who are equipped with knowledge and skill to fully utilize PSIP Database and manuals / handbook, from ## (2014/15) to ## (2015/16)	Evaluation report of training program	
		3-2	Increased number of registered active users of PSIP Database (total, line ministries, other institutions), from ## (2014/04) to ## (2015/16)	Records of PSIP Database	
		3-3	Increased number of online reports generated by PSIP Database (total, PSIP, line ministries, other institutions), from ## (2014/15) to ## (2015/16)	Records of PSIP Database	
		3-4	Reduced number/rate of project proposals of insufficient or inadequate information (alternative to discuss; Average number of inquiries by PSIP desk officers to line ministry on the quality of information in proposals), from ## (2014/04) to ## (2015/16)	Judgement by PSIP desk officers Records of PSIP desk officers	
Activities		Inputs		Precondition	
1-1	To review the utilization of Database and Manuals/Handbook for PSIP, and identify issues for further improvement of PSIP.	Malawian Side			
1-2	To obtain feedbacks by users of Database, Manuals/Handbook for PSIP and other issues through workshops and interviews etc.	*Counterpart personnel *Project office room *Equipment (PC, Printer, etc.)			
1-3	To reflect the feedbacks obtained in 1-2 to Database (especially for an appraisal of on-going projects considering their past performance).				
1-4	To reflect the feedbacks obtained in 1-2 and 2-2 to Manuals/Handbook and process for PSIP (especially for an appraisal of on-going projects considering their past performance).				
2-1	To review the current public financial and economic reform policies, programs and activities.				
2-2	To review the process in PSIP in line ministries				
2-3	To propose necessary measures to optimize the process identified in 2-2 (ex: Feedbacks for line ministries and PSIP review meeting etc.)				
2-4	To put into practice the proposals identified in 2-3 for validation				
2-5	To review the appropriateness of the output indicators in PSIP and Budget Document and the mechanism to generate and report them				
2-6	To propose necessary measures to improve the issues identified in 2-5 (ex: effective consultations and modification of the mechanism)				
2-7	To put into practice the proposal identified in 2-6 for validation				
2-8	To enhance dialogue for effective coordination mechanism between PSIP Section and Budget Division				
3-1	To identify the training needs and institutional issues for PSIP in PSIP Section and line ministries				
3-2	To prepare a training program on the improved Database and Manuals/Handbook and the process for PSIP				
3-3	To implement the training program prepared in 3-2				
3-4	To evaluate the results of training and create feedbacks to trainings and operation for PSIP				
3-5	To evaluate the overall results of training by the Project and develop an action plan on capacity development in future				
		Japanese Side			
		*Experts - Public Finance - Planning Management - IT(System Programming)			
		*Training in Japan or third country			

Note: Numerical targets and baselines for the indicators 2.4(Project Purpose), 1-1, 2-1, 2-2, 2-3, 2-4, 3-1, 3-2, 3-3, 3-4 will be established during the first six months of the Project, and they will be approved in the first JCC

Appendix 2: Project Design Matrix Ver.2

Project Title: Project for Capacity Enhancement in Public Sector Investment Programming Phase II		C/P: Ministry of Economic Planning and Development (MEPD) Cooperation organization: Ministry of Finance (MOF) Target Group: MEPD, MOF, Planning Division of Line ministries Target Area: Lilongwe		
Project Duration: 2013~2016				
Project Narrative Summary		Indicators	Means of Verification	Assumption
Overall Goal				
The development project cycle will be efficient and effective		1 Projects due for completion but requiring an extension are more than 15 percent (every year)	Budget Report MDS-II Review Report	
		2 Deleted	Budget Report MDS-II Review Report	
Project Purpose				
PSIP is operated with increased efficiency and enhanced harmonisation within the public financial and economic management framework		1 Increased amount and elevated quality of information (both on new projects and on-going projects) available for an appraisal by PSIP Section	Interviews to PSIP desk officers	*Financial resources for development budget is available as projected
		2 Improved observance ratio of the deadlines of PSIP process by PSIP Section and Line Ministries, from ## % (201#/1#) to ## % (2015/16)	Communication records of PSIP Section	*Line ministries have capacity to efficiently implement projects.
		3 Improved evaluation on the PSIP efficiency by the stakeholders (PSIP desk officers, Planning Section of Line	Questionnaire to desk officers, line ministries, MOF, etc.	*Ministerial structure doesn't change drastically
		4 The number of the votes that have no discrepancies between the number of the projects in the development budget component of the budget book and that in the PSIP database will increase from 5 to ##	Communication records of PSIP Section	*The role of PSIP doesn't change.
Outputs				
1 Database and Manuals/Handbook for PSIP are improved (especially for an appraisal of on-going projects considering their past implementation performance)	1-1 The extent to which the identified issues were addressed by the modification of Database, Manuals / Handbook	Review of the issues and the modifications realized in Database, Manuals / Handbook	*Public Financial and Economic Management Reform Program is implemented as scheduled.	
	1-2 Increased availability of information in the PSIP Database in such aspects as: implementation of on-going project, modifications in plans, results of monitoring activities, etc.	Review of database, Interview to the users (PSIP, line ministries, MOF, etc.) of PSIP Database.		
2 The process of PSIP is further harmonized with the planning and budget processes of relevant ministries and the Budget Division.	1-3 User's higher evaluation on usefulness and operability of PSIP Database, Manuals / Handbook	Survey with the PSIP, MOF, line ministries, etc.		
	2-1 The extent to which the identified issues were addressed in the modified PSIP process	Review of the issues and the modifications realized in the		
	2-2 Deleted	Comparison of the two documents (PSIP and Budget Document), before and after the modifications were made.		
	2-3 Reduced percentage of development budget allocated to those projects which did not pass the PSIP process, ##% (201x/1x) to ##% (2015/16)	Review of PSIP and Budget Document		
3 The capacity to use improved Database and Manuals/Handbook for PSIP is built in PSIP Section and line ministries.	2-4 Reduction of duplications in reporting and communication for PSIP and monitoring of projects	Review of the reporting and communication practice of line ministries		
	3-1 Number of persons in PSIP Section and line ministries who are equipped with knowledge and skill to fully utilize PSIP Database and manuals / handbook, from ## (201#/1#) to ## (2015/16)	Evaluation report of training program		
	3-2 Increased number of registered active users of PSIP Database (total, line ministries, other institutions), from ## (201#/0#) to ## (2015/16)	Records of PSIP Database		
	3-3 Increased number of online page views generated by PSIP Database (total, PSIP, line ministries, other institutions), from ## (201#/1#) to ## (2015/16)	Records of PSIP Database		
	3-4 The adequateness of information will be assessed by the observation of the C/P by judging the following: *New project, Costing matrix *Ongoing project, Monitoring indicators	Judgement by PSIP desk officers (Records of PSIP desk officers)		
Activities		Inputs		Precondition
1-1 To review the utilization of Database and Manuals/Handbook for PSIP and identify issues for further improvement of PSIP		Malawian Side	Japanese Side	
1-2 To obtain feedbacks by users of Database, Manuals/Handbook for PSIP and other issues through workshops and interviews etc.		*Counterpart personnel *Project office room *Equipment (PC, Printer, etc.)	*Experts - Public Finance - Planning Management - IT(System Programming)	
1-3 To reflect the feedbacks obtained in 1-2 to Database (especially for an appraisal of on-going projects considering their past performance)				
1-4 To reflect the feedbacks obtained in 1-2 and 2-2 to Manuals/Handbook and process for PSIP (especially for an appraisal of on-going projects considering their past performance)			*Training in Japan or third country	
2-1 To review the current public financial and economic reform policies, programs and activities.				
2-2 To review the process in PSIP in line ministries.				
2-3 To propose necessary measures to optimize the process identified in 2-2. (ex: Feedbacks for line ministries and PSIP review meeting etc.)				
2-4 To put into practice the proposals identified in 2-3 for validation.				
2-5 To review the appropriateness of the output indicators in PSIP and Budget Document and the mechanism to generate and report them.				
2-6 To propose necessary measures to improve the issues identified in 2-5. (ex: effective consultations and modification of the mechanism)				
2-7 To put into practice the proposal identified in 2-6 for validation.				
2-8 To enhance dialogue for effective coordination mechanism between PSIP Section and Budget Division.				
3-1 To identify the training needs and institutional issues for PSIP in PSIP Section and line ministries.				
3-2 To prepare a training program on the improved Database and Manuals/Handbook and the process for PSIP.				
3-3 To implement the training program prepared in 3-2.				
3-4 To evaluate the results of training and create feedbacks to trainings and operation for PSIP.				
3-5 To evaluate the overall results of training by the Project and develop an action plan on capacity development in future.				

Appendix 3: Detailed Survey Report of Output 3 Indicator 3-2 and 3-3 (by Yuko Shiraishi)

1 Result Survey of Indicator 3-2 (Output3)

1.1 Indicator 3-2 (Output3)

Indicator	Means of measurement	Points to set target value
Indicator 3-2 (Output 3)	Increased number of registered active users of PSIP Database Record of MySQL database	See the number of registered users in the finalized form of PSIP

1.2 Detail of means of measurement

Means of measurement	Record of MySQL database
DB name	psip2
Target table name	User table
Date of the survey	As of 31 March, 2017

1.3 Definition of a registered user for the survey

The top page of PSIP Database can be accessed just entering the URL address "http://psip.malawi.gov.mw/" from a browser without any login user authentication. The following figure shows the top page.

Malawi PSIP Portal
Ministry of Finance, Economic Planning and Development

Welcome to Malawi PSIP Portal.

General Information

- PSIP Database 3.0 is now available! Click [*HERE*](#) to login.
- The 'guest' account is currently unavailable for login to PSIP Database. Please use your registered User ID and password.
- 2017/18 PSIP Circular is available! Click [*HERE*](#) to download.
- 2017-18 PSIP Guideline & Attachments.pdf under 2017/18 PSIP Circular contains 'Template', 'Progress Report Format' and 'PFM-IT Format' as attached. To submit required templates or formats, first please [login to PSIP Database ver.3](#), go to 'Download Forms' from the left menu and select the forms you want to download.
- If you have any question or concern, or you do not remember Login ID or password, please feel free to contact PSIP Section on 01-788-888 (Ext: 150/164) / 01-788-278(Direct) or psipsubmissions@gmail.com.


Actual status of 2017/18 Proposal Template submission by votes

The proposal templates submitted by votes are summarized in the following status:

- submitted:** The proposal template is submitted to PSIP section
- checked:** The proposal template has been checked by PSIP section
- uploaded:** The proposal template is uploaded to the PSIP database

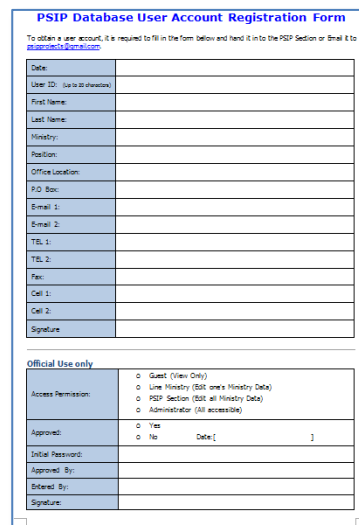
NO	Vote	Institution name	Submitted	Checked	Uploaded
1	050	State Residences	8	0	4
2	060	National Audit Office	0	0	0
3	070	The Judiciary	8	0	3
4	080	National Assembly	6	0	4
5	081	Office of the Director of Public Officer's Declarations	0	0	0
6	090	Office of the President and Cabinet	4	0	2
7	093	Department of Human Resources Management and Development	2	0	1

To access to the PSIP Database, a user clicks on 'Login to PSIP Database ver3.0' from the left pane menu. Then the system requires user ID and password in the Login Form. A user who wants to use the Database should be registered previously by PSIP staff submitting a user registration form.



The image shows the login screen for the PSIP2 Database System. At the top, it says "PSIP2 Database System" and features the Government of Malawi coat of arms. Below that, it identifies the "Government of Malawi" and the "Ministry of Finance, Economic Planning and Development". The main section is titled "PSIP2 Database User Login" and contains a form with fields for "Login ID:" (containing "yuko") and "Password:" (containing "****"). A red "login" button is positioned below the password field. At the bottom, it states "Supported by Japan International Co-operation Agency (JICA)" and includes the JICA logo and the flags of Malawi and Japan.

[Login Screen]



The image shows the "PSIP Database User Account Registration Form". It includes a header with the title and a note: "To obtain a user account, it is required to fill in the form below and hand it into the PSP Section or Email it to psip@psip.mil.gov.mw". The form contains several fields: Date, User ID (with a note "User ID should be unique"), First Name, Last Name, Ministry, Position, Office Location, P.O. Box, Email 1, Email 2, TBL 1, TBL 2, Fax, Cell 1, Cell 2, and Signature. There is also a section for "Official Use only" with radio buttons for "Access Permission" (Guest (View Only), Line Ministry (Edit one's Ministry Data), PSP Section (Edit all Ministry Data), Administrator (All Accessible)), "Approved:" (Yes/No), "Initial Password:", "Approved By:", "Entered By:", and "Signature:".

[User Registration Form]

The registered user data is stored in the "User" table of the Database which is the target of this survey. On September 2016, the general user account “guest” that was used for those who did not have user ID was disabled. Now all the user is required to register to the system if they want to use PSIP Database application.

1.4 Procedure of Survey

- 1) Obtain MySQL Dump data recorded at 01/Apr, 2017 00:54.
- 2) Count total registered user number excluding disabled users.

[Issued SQL command]

```
UPDATE user set status = 'E'
WHERE status is NULL;
SELECT count(*) from user
WHERE
status <>'D'
```

- 3) Extract **ACTIVE** registered users from "User" table of the PSIP database calculating the number of days from the last login date by issuing SQL command.

[Issued SQL command]

```
SELECT login_id, first_name, last_name, last_login_date, vote_code,
(to_days('2017/04/01') - to_days(last_login_date)) as dates_login , login_count
FROM user
WHERE login_count is not null
AND (last_login_date) > '2016-10-01'
AND status <> 'D'
ORDER BY dates_login desc ;
```

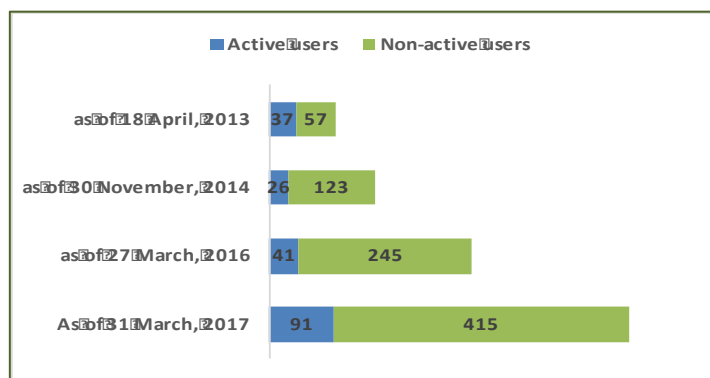
1.5 Result of the survey

The following table shows the number of the registered users obtained from the PSIP Database during this target period

Users	Number	Remarks
Total users	506	All Registered users in the PSIP Database
Non-active users	415	Users who have NOT used the PSIP Database in 6 months.
Active users	91	Users who have used PSIP Database within 6 months

[Note] To define "active" users, the criteria of 6 months are applied. This is mainly because usually they are supposed to get some information within six months from the system, especially October, or November when it is an important period to monitor their submission information of the proposals for coming FY.

The following graph illustrates the history obtained in the past surveys of the registered users in the PSIP Database from the beginning of the project.



The percentage for Active/Non-active users number is shown in the following table inside the parenthesis. The last row highlighted in brown is the result of this target year.

	As of date	Active users	Non-active users	Total Registered Users
1	as of 18 April, 2013	37 (39%)	57 (61%)	94
2	as of 30 November, 2014	26 (17%)	123 (83%)	149
3	as of 27 March, 2016	41 (14%)	245 (86%)	286
4	as of 31 March, 2017	91 (18%)	353 (82%)	506

1.6 Observations

- (1) The active registered user number has been elevated until March 2017, more than twice than the last year. This indicates that the system utilization has drastically increased compared with the previous years of survey.
- (2) The removal of "guest" account may contribute to this increase of the number in the registered active users of PSIP Database, since they could not but use their own account.
- (3) However, the percentage of the active user is 20%, while 80% of registered users are inactive. This will be analyzed as follows;
 - Some users may have duplicate accounts with different user ID since they create new user ID each time they forget the password, remaining the old

- account as inactive.
- The participants of the seminar usually register the account once, but they do not use the system after the seminar.

One of the solutions to reduce the inactive users is to logically remove those who do not have access for certain period, for example more than one year.

Another solution is to let them reuse the same user ID in case they forget only the password, enabling to renew the password by themselves. For example, such function as the temporary password will be provided by mail, and they will change the first time they login from the temporary one to their own password.

2 Result Survey of Indicator 3-3 (Output 3)

1.7 Indicator 3-3 (Output3)

Indicator		Means of measurement	Points to set target value
Indicator 3-3 (Output 3)	Increased number of page views of PSIP Database (total, PSIP, line ministries, other institutions):	Apache Log history	

2.1 Source of the page view

The page view information is obtained from the following two sources;

- (1) PSIP Database server

The log history was collected as of Mar.31, 2017

- (2) Local server temporarily installed for the Workshops or Seminars.

The log history was collected from the local server temporarily installed for the following Workshops and Seminars.

- 01~02 September 2017 (Training of PSIP Trainer)
- 05 September 2017 (Seminar for Heads of Planning Units)
- 11~13 September 2017 (PSIP Orientation Group A)
- 11~13 September 2017 (PSIP Orientation Group B)

The local server was set up for the Workshops and Seminars, because the Internet connection was not available to communicate directly to the PSIP database server in the venue.

2.2 Target period of the survey

Period	Days
01 April 2016 to 31 March 2017	365

2.3 Procedure of survey

- 1) Obtain the target period of user access logs in the Apache Web Server of PSIP Database (first source). This server has two ports to receive access from Internet and GWAN intranet connection. The URL of both connection that a user enters is;

http://psip.malawi.gov.mw

The server log is captured monthly in different files.

- 2) Obtain the user access logs from local server installed for the seminar (second source), from where the corresponding log data was extracted according to the seminar's date. The extracted log data is incorporated into the above access logs of PSIP database. This process was done by executing the script (small program).
 - 3) Remove unnecessary access history from the log file through executing the script. The following files are examples of excluded records.
 - Report files
 - Manuals
 - Non-target period log
 - Top page frames
 - 4) Combine all the monthly log files into one containing all the clean access log history during one year.
 - 5) Generate statistics report using a tool.
 - Tool; WebLogExperLite ver.9.3
 - The reports such as PDF or Microsoft word file downloaded from the screen are not counted as the page access.
 - The most accessed top 50 pages are extracted by the tool.
 - 6) From the statistics report remove the top page (since users have not yet log in) or the page access that does not exist.
- [note]** The page access number is obtained from the pages that can be accessed **after Login** to analyze the usage of the PSIP Database system. Not only top page but the reports or manuals which reside on the top page of the PSIP portal were excluded from the target of the survey.

2.4 Result of the survey

The result of the survey for this target year is shown in the following table.

Target Date	Total Access	Number of days	access/day	access number per month
01/04/2016~31/03/2017	19,690	365	54	1,641

The total access during one year was **19,690**. The total number was divided by 12 to get the access number per month of **1,641**.

The following table summarizes the number of access to the most visited pages from the past surveys. The last row highlighted in brown color shows the access per day and per month during this target period.

Target Date	Previous Intranet Server	Previous Web Server	Actual Web Server	total	Number of days	access /day	access number per month
27/07/2011 - 30/03/2012	5,863	3765		9,628	248	39	1165
02/04/2012 - 27/03/2013	3,934	2102		6,036	365	17	496

01/04/2013 - 31/03/2014	12,381	707		13,088	365	36	1,076
01/04/2014 - 27/11/2014	5,955	410		6,365	244	26	783
01/04/2015 - 24/03/2016	1,025	675	4,696	6,396	218	49	1,479
01/04/2016-31/03/2017			19,690	19,690	365	54	1,641

2.5 *Server status and configuration*

- The PSIP Database ver.2.0 was released on Dec. 11, 2015.
- In the past survey, the CEPSIP1 servers were still working and the access number was obtained from both the previous servers and new server from Ver.2
- The PSIP Database ver3 was released in Sep 2016. Therefore, during current target period, from April to August, the access represents to the Ver.2. From September 2016 to March 2017, the users accessed to the ver.3.

2.6 *Observations*

- The access number will show the tendency of the utilization of the system. However, comparing several periods does not represent exactly the increase or decrease of the utilization, since system function or page design is different depending on the several versions. For example, version 1.5 required more page transfers to get proposal information, while in the current version it is designed to get necessary information with minimum page transfer for the better user interface. This will cause the decrease of the page access. Another example is that in ver.3, some Web functions in the previous versions are improved to have it automated by the system without any human intervention. Those functions are not displayed in Web page neither counted as page access, which may reduce the access number compared with the previous target period. The better usability and user interface does not always increase the number of page view.
- During the Workshops and Seminars in the last September 2016, many MDA users practiced the use of the system in the demonstration session presented by C/P. Since they navigated several pages to try them, it considerably increased the page view. It was really a good opportunity to introduce the new functions in new version. Hopefully these events will be constantly or annually held to promote the utilization of PSIP Database.



Government of Malawi

Public Sector Investment Programme (PSIP) Preparation Handbook

The Ministry of Finance, Economic Planning and Development
Department of Economic Planning and Development
P. O. Box 30136
Lilongwe 3, Malawi

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(CEPSIP II)**

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Government of Malawi

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The Ministry of Finance, Economic Planning and Development
Department of Economic Planning and Development
P. O. Box 30136
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TABLE OF CONTENTS

ACRONYMS.....	1
Forward.....	2
CHAPTER 1. INTRODUCTION.....	4
1-1. Malawi's Key Development Planning Instruments	4
1-2. Purpose and Target Users of This Handbook.....	7
1-2-1. Purpose.....	7
1-2-2. Target users.....	7
1-2-3. Structure of the Handbook.....	8
CHAPTER 2. PRINCIPLES, SCOPE AND COVERAGE OF THE PSIP	9
2-1. Definition of PSIP.....	9
2-2. PSIP Objectives and Functions.....	9
2-3. PSIP Scope and Coverage	10
2-3-1. Eligibility of projects	10
2-3-2. Key PSIP Principles	11
2-4. "Project" in relation to "Program".....	12
2-5. PSIP - Budget Link	13
CHAPTER 3. PSIP PROJECT PROPOSAL FORMULATION	15
3-1. PSIP Calendar	15
3-2. Guidelines on undertaking key calendar events (for MDAs)	22
3-2-1. PSIP Circular No.1 (Calendar Events No.2 & No.3: September)	22
3-2-2. Proposal Submission (Calendar Event No.4: Submission Deadline is End-October).....	22
3-2-3. Quarterly Performance Reporting (Calendar Event No.5, 11, 18, and 27: October, January, April, and August)	26
3-2-4. Ministerial Meetings (Calendar Event No.8: December)	27
3-2-5. Feedback to MDAs (Calendar Event No.13: February)	27
3-2-6. Final Budget Ceilings (Calendar Event No.16: March).....	28
3-2-7. PSIP Annual Review Meeting (Calendar Event No.28: August)	28
3-2-8. Donor-funded project funding information update (Calendar Event No.9 and No.29: May and January)	28
Chapter 4 PSIP Formulation Process and Role of Different Institutions	29
4-1. Project Identification and Preparation	29
4-2. Project Appraisal	29
4-3. Authorisation for Implementation.....	30
4-4. Project Financing (Disbursement)	30
4-5. Project Implementation and Management	30
4-6. Monitoring and Evaluation.....	31
4-7. Coordination Framework	32

ACRONYMS

AG	Accountant General
AGD	Accountant General's Department
BD	Budget Division
DAD	Debt and Aid Management Division
DD	Development Planning Division
EP&D	Economic Planning and Development
ERP	Economic Recovery Plan
GoM	Government of Malawi
MDAs	Ministries, Departments, and Agencies
MDGs	Millennium Development Goals
M&ED	Monitoring and Evaluation Division
MGDS	Malawi Growth and Development Strategy
MPRS	Malawi Poverty Reduction Strategy
MTEF	Medium Term Economic Framework
NDS	National Development Strategy
OPC	Office of President and Cabinet
PAP	Poverty Alleviation Programme
PPP	Public Private Partnership
PSIP	Public Sector Investment Programme
PSs	Principal Secretaries

FOREWORD

The Public Sector Investment Programme (PSIP) translates national aspirations and plans in the Vision 2020 and MGDS into projectised activities implemented through the development component of the national budget. As a product, the PSIP is a five year rolling plan that provides details of Government's development projects with their estimated resource requirements.

The responsibility of managing the PSIP is, therefore, central in ensuring that publicly funded national development projects are not only effective and efficient but also in line with national development goals of the country. In fulfilling this role, the Department of Economic Planning and Development ensures that all project proposals submitted by ministries, departments and other implementing agencies are screened, verified and programmed for implementation through the PSIP system.

In a quest to improve and standardize the project preparation process, this Preparation Handbook has been developed to guide ministries, departments, and agencies (MDAs) to prepare sound development projects for appraisal and subsequent inclusion in the PSIP. The handbook sets out a standard for the PSIP formulation processes, primarily for MDAs of the Malawi Government. With the annual guidelines, which will be drafted and circulated annually, the handbook will facilitate a uniform approach in the formulation of projects throughout the public sector. The handbook further spells out the roles and responsibilities of the entities involved in the various stages of development planning and project cycle in line with the PSIP process.

I trust that this handbook will benefit all stakeholders involved in the PSIP formulation process.



Peter K. Simbani

Acting Chief Director for Economic Planning and Development
Department of Economic Planning and Development

CHAPTER 1. INTRODUCTION

1-1. Malawi's Key Development Planning Instruments

National Development Planning Frameworks in the country can be classified as long-term, medium-term, and short-term, based on the execution time horizon. The Vision 2020, Malawi Growth and Development Strategy II (MGDS II), and the National Annual Budget are examples of long-term, medium-term and short-term national development frameworks respectively. The PSIP serves as a planning, implementing as well as coordinating tool for the national development projects under Development Budget frameworks. The PSIP interfaces budgeting, implementation and evaluation phases of the entire development management cycle as illustrated in Figure 1.

Long Term Development Strategies

Long term development strategies give the long-run aspirations for Malawi and they provide broad guide into the direction of development and what has to be done. Vision 2020 is the current Malawi's long term development plan. It stipulates that *"By the Year 2020, Malawi, as a God-fearing nation will be secure, democratically mature, environmentally sustainable, self-reliant with equal opportunities for and active participation by all, having social services, vibrant cultural and religious values and a technology driven middle-income economy"*. It expresses both hope and determination in ridding the nation of poverty and attaining a middle-income status by World standards. The Vision 2020 proposes that investment should be made in addressing challenges in the following areas: good governance; achieving economic growth and development; achieving a vibrant culture; developing economic infrastructure; food security and nutrition; human resource development and management; achieving science and technology led-development; fair and equitable distribution of income; and natural resource and environmental management.

Medium Term Development Strategies - PAP, MPRS, MGDS I & II, ERP

In the medium term, typically of three or five years planning horizon, the Government of Malawi (GoM) puts up strategies and programs that have to be pursued in order to meet specific goals and objectives. This is presented in systematic pillars of themes

and priority areas of focus. Examples of Medium term strategies include the Malawi Poverty Reduction Strategy (MPRS), MGDS I, MGDS II and the Economic Recovery Plan (ERP). Medium term strategies prescribe the development trajectory for a given period and define the primary eligibility of programs, projects and activities that the GoM will undertake or support.

Public Sector Investment Programme (PSIP)

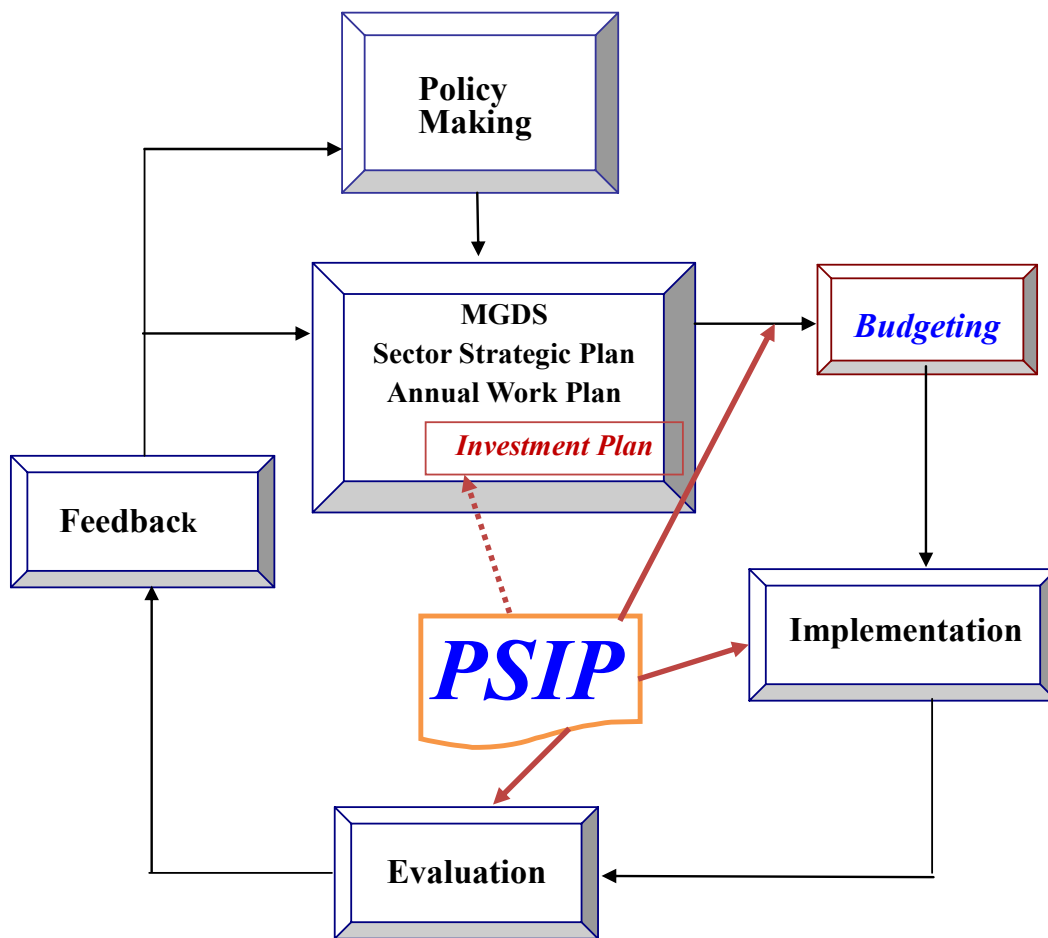
The development pathway as outlined in long term and medium term strategies are further translated into specific actions through the PSIP. The Medium Term Plan sets themes and priorities define the focus of planning and programming. The logical structure of the plan is to ensure that each development project which PSIP deals with is set to achieve goals under thematic areas in various sectors and/or priorities within national plan. In this regard, the PSIP serves as an implementing as well as coordinating tool for National Development Strategy. It provides details of the government's investment programme in a transparent form. It presents a statement of estimated financial resource requirements for new, ongoing and pipeline public sector projects. This supports Government to make the best utilisation of its domestic and externally provided development assistance resources in a cost effective way to attain optimum benefits to support the sustainable development of Malawi.

The National Budget

All public expenditures are planned, authorized and controlled through the national budget in line with the Public Finance Management Act. The national budget consists of two components: (i) the Revenue and Grants which includes domestic revenue and grants, and (ii) the Expenditure which covers recurrent and development expenditures. The recurrent budget finances routine tasks to maintain the status quo, while the development budget finances development activities carried out to contribute toward specific progress or improvement on present status. The Development Budget is in two parts. Part I of the Development Budget reflects financing from foreign grants and loans. Part II comprises local counterpart funds to Part 1, and projects funded wholly from local resources.

The national budget is formulated within the context of the Medium Term Expenditure Framework (MTEF). MTEF is a multi-year approach to budgeting, typically covering a three-year period, that attempts to strengthen the links between planning, policy-making, and budgets. A well prepared Public Sector Investment Programme is an intermediate stage for MTEF.

Figure 1: PSIP in the Development Management Cycle



1-2. Purpose and Target Users of This Handbook

1-2-1. Purpose

This handbook has been prepared to help individuals responsible for PSIP in different institutions and sectors, design and successfully manage implementation of development projects.

The Handbook facilitates a uniform approach in planning, scheduling and presentation of projects by the various agencies of the government and thereby improving the quality of PSIP and its management. It further spells out the roles and responsibilities of the entities involved in the various stages of the project management cycle vis-à-vis the PSIP process. The handbook is a reference document, an instruction to be kept close at hand and referred to when necessary.

Specifically, the handbook should help in achieving the following objectives:

- To guide MDAs to crystallize their intended development activities into projects and to properly present the content and report progress to the PSIP management.
- To clarify roles and responsibilities within the PSIP management process so as to eliminate the duplication of activities and ensure involvement of all relevant participants.
- To streamline PSIP preparation processes to make them more effective and efficient.
- To ensure that the projects being proposed are aligned to national priorities.
- To provide guidance on appropriate techniques for use at different stages of the PSIP cycle.

1-2-2. Target users

The handbook provides standard guidelines for the entire PSIP formulation processes, including information production and collection processes of development projects, for MDAs and the Ministry responsible for the PSIP. It can essentially be useful to all stakeholders in the PSIP process with a focus on the following:

- Planning officers in MDAs responsible for the formulation and implementation of development projects;
- Project Managers in MDAs responsible for managing projects;
- Government institutions responsible for preparing PSIP and the Development Budget.

1-2-3. Structure of the Handbook

The rest of the document is structured as follows: principles, scope and coverage of the PSIP follow in Chapter 2. Chapter 3 presents the different stages of the PSIP and how they should be carried out. Chapter 4 summarises institutional roles of different stakeholders in the PSIP process formulation and management.

The Handbook is supported by PSIP Annual Guidelines explaining how to fill in the proposals using special proposal and reporting formats.

CHAPTER 2. PRINCIPLES, SCOPE AND COVERAGE OF THE PSIP

2-1. Definition of PSIP

The PSIP can be defined from the perspective of either a system or a product. As a system, the PSIP is a multi-functional and multi-stakeholder management device that translates development strategies and plans into implementation through approval of development projects for execution in the national budget. It also monitors and supervises performance of ongoing projects to track and guide their implementation. In this system, stakeholders have different roles and interests. The PSIP is useful in reconciling these often diverging interests in order to meet the overall national development objectives.

As a product, the PSIP is a rolling plan that provides details of Government's new, ongoing, and pipeline development projects, with estimated financial resource requirements for each project. It is thus reviewed annually, making provision for the first year and estimates for the subsequent four years. As a product the PSIP informs the development budget.

2-2. PSIP Objectives and Functions

Drawing from both perspectives, the PSIP is a multi-faceted tool that fulfils the following objectives and functions:

- **A screening mechanism:** to verify that proposed projects conform to Government priorities; and meet design standards.
- **A programming tool:** to facilitate the scheduling of investments for consistency with overall institutional expenditure ceilings and its absorptive capacity
- **A recording system:** providing data on past and projected levels of public investments by the public sector and on project-related donor assistance.
- **A planning framework** that helps formulate the development budget.

- **A planning tool:** to facilitate project preparation and implementation for harmonised and complementary investments; and – allows adequate lead-times for project design and funding.
- **A resource mobilisation tool:** It indicates the gap between investment needs and available financing.
- **A monitoring tool:** PSIP Database contains project progress information collected every quarter from MDAs undertaking Projects.

2-3. PSIP Scope and Coverage

The basic tenet of the PSIP is to facilitate the implementation of Government's development strategies as outlined in vision statement, medium term development strategy, sector strategies and programmes of work. The PSIP, in this respect, governs the procedures and processes for approving development initiatives proposed for implementation through the development budget and management of such initiatives.

2-3-1. Eligibility of projects

Eligibility of projects for the PSIP is determined by four basic factors namely; alignment to the overarching National Development Strategy (NDS), Development nature of the intervention, magnitude (size) of the intervention and source of the project.

Clear and direct linkage between a proposed project and NDS defines the relevance of the proposed intervention to Malawi's development agenda and is paramount in establishing the suitability of a project. In this regard the PSIP will dwell exclusively on the Government/ NDS based prioritised projects. Projects with inadequate or no linkage to the Government/ NDS priorities will be rejected. Project proposal should fall within the framework of established government and sector objectives. It must be clearly demonstrated that the objectives of the proposed projects are in line with these priorities, which are presented in the medium term strategy, macroeconomic framework and sector strategy documents.

Having been Government priority-compliant, the proposed intervention should be

judged development in nature as opposed to being recurrent, and projectised. A project is deemed development in nature if it aims at increasing future productivity or capacity. A development project intends to make improvements on quality or quantity or both of delivered public goods and services, referred to as “raising the bar”. To the contrast, recurrent intervention is intended to maintain the status quo, referred to as “maintaining the bar”.

The third eligibility factor is the size (scale) of intervention. In order to avoid proliferation to too many small-scale, unrelated projects, the PSIP will enrol only development activities with an total estimated cost of not less than an equivalent of **USD 1,000,000 for infrastructure projects and USD 500,000 for service projects**.

Eligibility will also be on the grounds of the source of the proposed project. The PSIP will accept projects submitted by a MDA mandated to fulfil the objectives in the proposed project. In this regard the PSIP does not include private sector projects (except for PPP projects). The controlling officer or his/her designate will make a formal submission of a proposal if a proposal has to meet this eligibility criterion.

Emergency relief projects which satisfies above definition shall also be included in PSIP as long as they are of development in nature such as disaster preparedness and resilience building¹.

2-3-2. Key PSIP Principles

Further to the eligibility factors laid out above, the following principles need to be followed when undertaking PSIP processes:

- Project identification will be characterised by high levels of consultation, making sure that those who are to be the targeted beneficiaries and who will be involved in the implementation of the project should be participants in the development of the project idea and its planning. Failure to ensure this significantly increases the chances of inappropriate or ill-conceived projects

¹ This does not include emergency response activities such as food distribution, which shall not be included in PSIP.

being initiated.

- The proposed projects should clearly address identified needs or seek to capitalize on identified new opportunities. Adequate supporting data and analysis are needed to verify either the problem or the opportunity in question and presented in appropriate formats as directed the responsible ministry.
- Projects should have firm logical structure in which activities clearly link to respective outputs as well as outcomes.
- The nature of the project must be clearly within the government's domain of interventions and not an activity better undertaken by the private sector. However, Government is promoting the use of Public-Private Partnership (PPP) as one of the means of procuring and financing infrastructure projects and service delivery, in the public sector.
- The availability of finance from a donor for a particular project should not be a determining factor in project identification.
- No project will be funded unless it has been duly appraised and approved through the PSIP process. The appraisal of projects will follow a systematic format, guided by the PSIP Appraisal Manual based on information as made available by the proposing MDAs.

2-4. "Project" in relation to "Program"

PSIP deals with projects. Where several projects are parts under a program, there must be a clear logical link between a project and a program. A project is an individual investment plan with a set of related activities to be implemented within a specific period and limited input to achieve a specific goal. It is not a routine task.

A program, on the other hand, is supposed to be a comprehensive scheme within a sector or geographic area, being comprised of related projects and other development activities that share the same goal. A program has a target within a certain scale of time, normally in medium-term or long-term and usually relate to upper strategies. A project is considered as an important means to fulfil the program objective. Since FY 2016-17, Program-based Budget (PBB) is adopted for whole central government; each

project should fall under a certain program under PBB structure.

2-5. PSIP - Budget Link

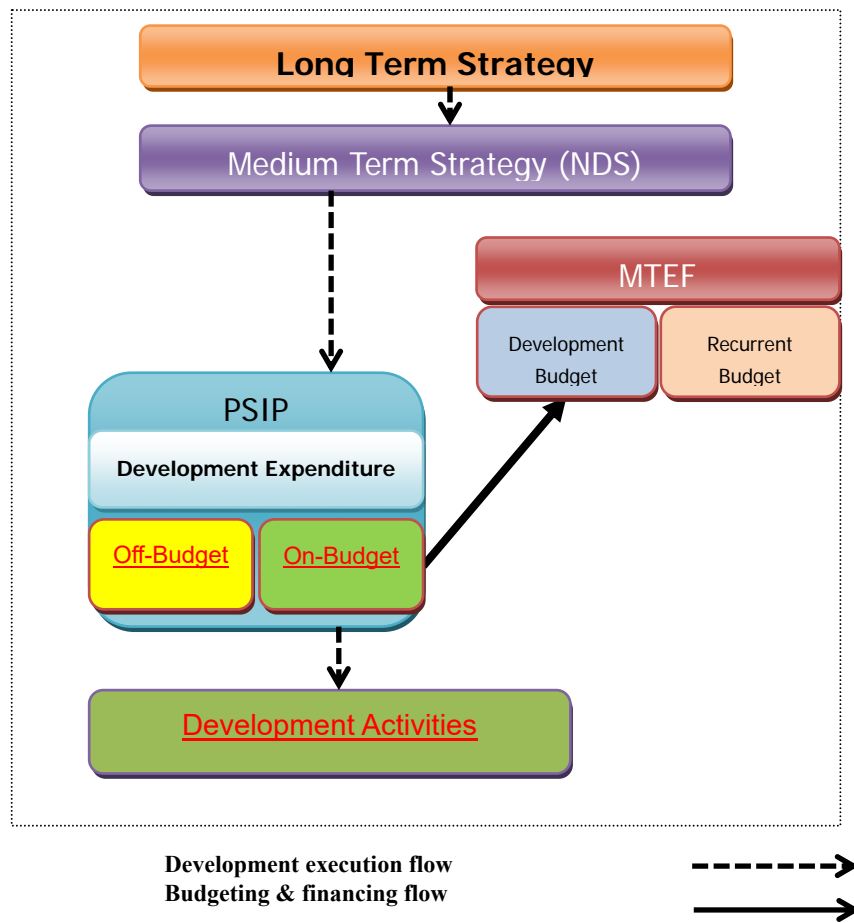
Figure 2 shows how the PSIP is used in informing the national budget. Drawing from the vision statement and the NDS, the MDAs identify project interventions as well as recurrent interventions that would be carried out over a given period. The PSIP facilitates the consolidation and programming of all project interventions to annual development expenditure. The Development activities as outlined by the PSIP may have donor support which could be on or off budget. The off-budget donor support refers to those projects whose financial management and reporting procedures are done outside Government of Malawi's own systems. Some projects will not have donor support thus fully funded by the Government of Malawi. The whole of Government of Malawi financing is obviously on-budget.

All on-budget expenditure of the PSIP will inform the Development Budget component of the MTEF hence providing the relationship between PSIP and the Budget.

In this framework, setting targets for the PSIP and the budget is done simultaneously guided by appropriate circulars. The draft PSIP recommends projects requiring financing and forms the basis of the development budget. Thus, appropriations as detailed in the development budget correspond directly with the allocations for the first year of the PSIP, while the first three years of the PSIP will inform the development component of the MTEF. The exceptions to this are the off-budget projects or partly off-budget projects which are funded by donors and in case of PPP projects funded by private sectors.

The interrelation between the development plans and budgets surrounding the PSIP is illustrated in Figure 2.

Figure 2: Relational Flow of Development Execution & National Budgets



CHAPTER 3. PSIP PROJECT PROPOSAL FORMULATION

3-1. PSIP Calendar

The PSIP calendar is a list of sequenced activities conducted by different stakeholders in a year on planning and management of the PSIP. The calendar activities relate to both the PSIP under implementation as well as one being planned for. With respect to PSIP under implementation the focus is on progress monitoring and reporting while the quality of submission and requirement for inclusion in the budget is the focus for the planning year activities.

Efficient coordination of different PSIP-related activities requires that they should all be planned according to a single consolidated schedule in line with the Government business calendar. Table 1 below presents a detailed working calendar for the PSIP process.

The calendar is critical in ensuring that activities by the various stakeholders smoothly feed into each other. Of particular importance in this regard is ensuring that planning activities of the PSIP smoothly feed into the national budgeting process.

The PSIP calendar in Table 1 isolates events and activities which MDAs directly work on are highlighted in dark colour. Also highlighted are the budgeting process activities which are beyond control of PSIP Unit. Note that these events and activities undertaken by MDAs (which deal primarily with sector activities) are integrated into the single consolidated schedule. The MDAs ought to undertake such activities taken into consideration of their timeline and their relation with all other events and activities in the flow of PSIP Calendar schedule.

Table 1: PSIP Working Calendar

F= PSIP formulation for the following fiscal year

I= PSIP implementation for this fiscal year

No	Month	Event	Initiator	Institutions	Purpose	Activities	Output
1	End-Jul.	II Uploading approved budget to DB and updating project status	AG, DD	AG, DD	To update information in PSIP Database	Update approved budget and project status to PSIP Database	Update of DB
2	July.	F Pre-Circular 1 Meeting between DD and Budget Division	DD	BD, DAD	To discuss and agree on any emerging issues to be included in Circular No. 1	<ul style="list-style-type: none"> - Review PSIP performance of previous FY - Review the previous appraisal process - Update /verify Part 1 Figures for current FY - Discuss guidelines, contents of Circular No. 1 	<ul style="list-style-type: none"> - Meeting Minutes (PSIP preparation guidelines and basic principles/policy)
3	Aug.	F PSIP Circular No. 1	DD	MDAs	Requesting & guiding MDAs on submission of PSIP project proposal	<ul style="list-style-type: none"> - Prepare and circulate Circular No. 1 which highlights concepts and principles with guidelines and templates (Note: Preparation of new project proposals can be started far in advance, and ongoing project proposals can be prepared by submitting quarterly performance report) 	<ul style="list-style-type: none"> - PSIP Circular No. 1 - PSIP Guideline for the next FY

No	Month	Event	Initiator	Institutions	Purpose	Activities	Output
4	Aug.	F PSIP Circular No. 1 Orientation and Hands-on Guidance to individual MDAs	DD	MDAs, BD, DAD	To orient MDAs on the improvement of PSIP project profiling and proposals	<ul style="list-style-type: none"> - DD PSIP Desk officers to visit MDAs if MDAs organize internal meeting to revisit development projects to prepare for submission - Explain contents of Circular No. 1 and PSIP Guidelines - Training using PSIP Preparation Handbook - Training on PSIP Database and prepare and submit proposals using excel template and quarterly reports 	<ul style="list-style-type: none"> - PSIP Project proposal templates for submission drafts - PSIP Desk Officers and other relevant officers from MDAs are mainly oriented for finalizing Proposals (templates)
5	End-Aug.	F Proposal Submission Deadline	MDAs	DD	To submit proposals to PSIP Unit for appraisal	<ul style="list-style-type: none"> - MDAs submit all the proposals with necessary information - Projects can be submitted any time of the year but this deadline is for projects to be considered for the upcoming FY. 	<ul style="list-style-type: none"> - Proposals submitted using right template, and with sufficient information.
6	Sep.	F Initial Appraisal	DD	(MDAs)	To appraise all new and ongoing project proposals	<ul style="list-style-type: none"> - Appraise all the submissions in an appraisal template (used for Ministerial Meetings) with preliminary rating and feedback points to be given to MDAs at Ministerial Meetings 	<ul style="list-style-type: none"> - Project proposals are appraised. - Appraisal rating matrix filled in the template

No	Month	Event	Initiator	Institutions	Purpose	Activities	Output
7	Oct.	1Q Performance Report (Each Project)	MDAs	DD	To access and analyse progress of PSIP implementation	- Analyse the quarterly financial disbursement, physical progress, and challenges and good practices of each PSIP project and produce a report	- 1st Quarter PSIP project progress report
8	Oct.	Ministerial Meetings with MDAs	DD	MDAs, BD, DAD	To clarify issues arising from 1 st appraisal as the 1 st feedback to submission	- Based on Initial appraisal (in a form of appraisal template), clarify unclear parts of all the projects and update information on ongoing projects - Mid-Year PSIP Implementation Review	- Meeting Minutes
9	Nov	Budget Strategic Meeting	BD	MDAs, DD,	To discuss with MDAs for budget issues for coming fiscal year	- Discuss budget with MDAs and DD to prepare budget ceiling	- Indicative Budget ceiling
10	Dec.	PSIP final appraisal	DD		Dev. Budget planning	- Screen eligible projects and allocate Dev. Budget for the coming year	Appraisal results
11	Jan	Donor-funded project funding info updates	Jan.	DAD, MDAs	To update the disbursement information of donor funded projects	- Desk Officers collect funding information from implementing agencies and AMP Reflect the funding information to PSIP Database	Disbursement information of Part 1 and Off-Budget of PSIP Database is updated

No	Month	Event	Initiator	Institutions	Purpose	Activities	Output
12	Jan.	F Meeting with Treasury	DD	BD, DAD,	To share the results of final appraisal for indicative Dev. Budget to prepare	<ul style="list-style-type: none"> - To share appraisal results and indicative allocations reflecting updates from Ministerial Meetings - To present appraisal updates to PSIP Management and Treasury - Update on ongoing projects 	<ul style="list-style-type: none"> - Appraisal Note and Draft PSIP - Meeting Minutes
13	Mid-Jan.	I 2Q Performance Report	MDAs	DD, BD	To access and analyse progress of PSIP project implementation	<ul style="list-style-type: none"> - Analyse the quarterly financial disbursement, physical progress, and challenges and good practices of each PSIP project and produce a report 	<ul style="list-style-type: none"> - 2nd Quarter PSIP project progress report
14	Feb.	F Final Appraisal results feedback to MDAs	DD	MDAs	To share the results of final appraisal	<ul style="list-style-type: none"> - Allocate Dev. Budget and register recommended projects status on PSIP Database 	Letter to MDAs
15	End-Jan.	F Dev. Budget Allocation	BD	MDAs		<ul style="list-style-type: none"> - Circulation of indicative Dev. Budget to MDAs 	-
16	Feb.	F Budget Framework	BD, DAD, Revenue	--		<ul style="list-style-type: none"> - Budget framework is drafted 	Budget framework
17	Feb.	F Budget Circular	BD	MDAs	To provide Indicative Budget Ceiling to MDAs	<ul style="list-style-type: none"> - Together with PSIP appraisal results, the Budget Template is shared with MDAs\ 	Budget Circular with Budget Template

No	Month	Event	Initiator	Institutions	Purpose	Activities	Output
18	Mar.	Budget submission	MDAs	BD	To request budget proposal to BD	- Budget template is filled and submitted to BD by MDAs	Filled Budget Templates
19	Mar.-Apr.	<input type="checkbox"/> Budget Hearing	BD	MDAs (DD)	To understand MDAs' strategies and resource needs	- Participates in the meeting to check if PSIP and Non-PSIP projects are included in Development Budget portion and recurrent implication of donor projects	
20	Apr.	<input type="checkbox"/> Final Budget Ceilings	BD	DD		Adjustment of Final Ceiling to submit Cabinet	Final Budget Ceiling
21	Apr.	<input type="checkbox"/> Cabinet Paper	DD	Cabinet	To get cabinet approval for PSIP	- -Submission of cabinet paper on the Draft PSIP - (i) Comprehensive PSIP - (ii) Resource gap analysis - (iii) Development Budget	PSIP Cabinet Paper
22	Apr.	<input type="checkbox"/> 3Q Performance Report	MDAs	DD	To access and analyse progress of PSIP project implementation	- Analyse the quarterly financial disbursement, physical progress, and challenges and good practices of each PSIP project and produce a report	- 3rd Quarter PSIP project progress report
23	End-Apr.	<input type="checkbox"/> Cabinet Approval	Cabinet	--	To approve PSIP	- Approve PSIP for budget estimates	- Final PSIP
24	Apr.	<input type="checkbox"/> Donor-funded project funding info updates	DD	DAD, MDAs	To update the disbursement information of donor funded projects	- Desk Officers collect funding information from implementing agencies and AMP - Reflect the funding information to PSIP Database	- Disbursement information of Part 1 and Off-Budget of PSIP Database is updated

No	Month	Event	Initiator	Institutions	Purpose	Activities	Output
25	Late-May	☐ Draft PSIP	DD	--	To distribute it as reference for budget session	- Print PSIP Booklet for presentation with Budget Documents at the Parliament	- Draft PSIP Documents
26	Late-May	☐ Budget Estimates Submission	BD	--		-	- Budget Document
27	End-Jun.	☐ Budget approval	Parliament	--			
28	Jul.	☐ Approved Budget	BD	--		Reflect discussion and adjustments made by Parliament and finalise the approved budget	- Approved Budget
29	Aug.	▮ 4Q/ Annual Performance Report	MDAs	DD	To access and analyse progress of PSIP project implementation	- Analyse the quarterly financial disbursement, physical progress, and challenges and good practices of each PSIP project and produce a report	- 4th Quarter PSIP project progress report
30	Aug.	☐ Printing of Final PSIP	DD	--	To disseminate PSIP	- Print PSIP with the approved Development Budget	- Printed PSIP Booklet
31	Aug.	▮ PSIP Annual Review Meeting	DD	MDAs , BD, DAD	To review previous FY's PSIP performance	- Review previous FY PSIP performance - Review previous PSIP process	- Meeting Minutes (PSIP Performance report) -
32	Aug.	▮ Donor-funded project funding info updates	DD	DAD, MDAs	To update the disbursement information of donor funded projects	- Desk Officers collect funding information from implementing agencies and AMP - Reflect the funding information to PSIP Database	- Disbursement information of Part 1 of PSIP Database is updated

3-2. Guidelines on undertaking key calendar events (for MDAs)

3-2-1. PSIP Circular No.1 (Calendar Events No.2 & No.3: September)

The PSIP Circular No.1 is an official communication through which the ministry responsible for the PSIP solicits project proposals from MDAs for consideration into the PSIP of each year. It may also contain PSIP indicative ceilings which give an indication to the MTEF (see Box 1).

BOX 1: PSIP indicative ceiling and the MTEF

The PSIP indicative ceilings give an indication of the expected resource allocation to sectors or ministries for a particular planning year. The efficacy of the ceiling is to prevent submission with unrealistic financial requirements that cannot be realised in a given financial year. The determination of ceilings for any institution is done by the Ministry responsible for PSIP based on financial resource projections in the PSIP database subject to the resource envelope and other policy directions at a given time. Furthermore, it should be noted that the first three years of the PSIP depicts the development component of the MTEF. In this case the ceilings will include projects whose implementation will start in the one or two years.

3-2-2. Proposal Submission (Calendar Event No.5: Submission Deadline is End-August)

(1) Proposal Templates²

There are two types of proposal templates that an MDA will have to use for making a submission to the ministry responsible for PSIP, for inclusion into the PSIP, depending on whether the project is new, ongoing or seeking extension. The proposal templates

² The design of project proposal templates may change from year to year depending on feedback from MDAs with regard to the user-friendliness of the templates and new information demand. The process of upgrading the database may also bring about a number of changes including the design of templates and MDAs should bear with these changes and comply where necessary.

will be revised every year and indicated in the annually circulated "PSIP Annual Guidelines". MDAs are expected to use the latest version of templates for their submission, not the ones from the previous years. The electronic files are made downloadable from PSIP Database (registered users can log in from PSIP Portal site <https://psip.malawi.gov.mw>).

MDAs are expected to update the information of projects every year using the template meant for PSIP for that particular fiscal year, if the project need to be considered for funding in that fiscal year. Without re-submission, even pipeline projects and ongoing projects will not be considered in the following year. This submission principle is applicable to all the projects including those which are financed by Part 1 funding.

Data as captured and presented in these templates are critical for a sound and fair appraisal of projects or submissions. Therefore, incomplete submission or templates giving erroneous information will not be processed. These will be referred back to the submitting authority for redress.

i) New Project Proposals (Template for New Project)

Projects being proposed for PSIP inclusion for the first time must use new project profile template. The new project template is designed to gather comprehensive project information for whole period of the project. Formerly submitted projects that have never received funding are supposed to be re-submitted every year if they are still relevant. This will be done by indicating that the project still forms the part of MDA submission in either its previous design or modified one.

ii) Ongoing Project Proposals (Template for Ongoing Project)

Projects that have ever been implemented through the PSIP must use the ongoing project template. These are referred to as Ongoing Projects and include: (a) "Project performance" sheet to indicate information of the previous fiscal year³, (b) "Annual

³ This can be aggregation data from quarterly performance progress reports submitted

cost matrix" information for proposed FY, and (c) other information to form the proposal details. The ongoing project template focuses on the project's financial and physical performance to determine the need for continued inclusion of the projects in the national development budget.

(2) Guide on Preparation of Project Proposal Document

The following processes and steps are considered necessary and recommendable as MDAs are preparing the PSIP submissions.

i) Identification and Project Development

Identification is the earliest phase at which a development opportunity is conceived. Enough information must be contained in the submission documents for a decision to be made by the ministry responsible for the PSIP on whether or not the project should be included in the PSIP. The template must carry appraisable data (full and high quality data).

ii) Filling Templates

The submitting ministry must comply with appropriate templates for submission of their projects. These have to be filled in full and with correct and sufficient information. After internal approval within the implementing agency is granted, templates for new, ongoing projects (and project extension form if applicable) must be submitted by the deadline as indicated in the PSIP Circular No. 1 if they are to be considered for funding in the subsequent financial year.

New projects are submitted initially in the form of new project profile for pre-appraisal by the ministry responsible for the PSIP. This may occur at any time of the year, however, as mentioned above, must be submitted by the deadline indicated by the PSIP Circular No. 1 if they are to be funded in the subsequent financial year.

All submitted projects will be subjected to an appraisal process guided by the PSIP Appraisal Manual. The brief of appraisal criteria would be found in PSIP Guidelines

during the year (Note: This is obliged to submit every quarter during the year)

annually circulated (or on the PSIP portal site). It is advisable for MDAs to refer to it and undertake a self assessment once the templates are filled in.

iii) Prioritization/ reprioritization of the Project Proposals

Submitting MDAs will indicate on each project submission template the priority of the project in relation to all their submissions. This information is important in guiding resource allocation in view of limited resources. While projects can be ranked against each other, priority must be given to ongoing projects over new projects.

iv) Verifying Submission Compliance to PSIP Requirement

Quality assurance of proposal is a responsibility of MDAs. MDAs should refer to specific guidelines provided from time to time in order to meet the PSIP requirement.

v) Project Extension Request Form

If for some reasons the implementing agencies want to extend the project period of some ongoing projects, the MDA will have to ask for request for project extension using the format downloadable from the PSIP Database (registered users can log in from PSIP Portal <https://psip.malawi.gov.mw>). The project extension request form should be submitted early enough, at least one year before the end-date of the project, by August every year, before another PSIP submission process starts in September.

vi) Other Compulsory/ Supplementary information to accompany proposal

Besides the proposal templates, MDAs are required to provide supplementary information depending on nature of the project. The list of supplementary documents is as follows:

Table 2 : The supplementary documents for submission

Type of Projects	Supplementary information documents	Submission is required for
New	• Project Implementation Plan	• All new projects
	• Project Appraisal Report (Donor’s)	• All new projects supported by Donor(s)
	• Project document produced by MDA or Donor	• A new project which has a project document
	• Memorandum of Understanding for an ODA project (Donors)	• All new projects supported by donor(s)

	<ul style="list-style-type: none"> • Results of Environment Impact Assessment 	<ul style="list-style-type: none"> • All new projects which have construction components
Ongoing	<ul style="list-style-type: none"> • Quarterly Performance Report (required by PSIP) 	<ul style="list-style-type: none"> • All ongoing projects
	<ul style="list-style-type: none"> • Quarterly reviews by executing agencies (Agencies' own) 	<ul style="list-style-type: none"> • All ongoing projects which issue agencies' own quarterly reviews
	<ul style="list-style-type: none"> • Donor and supervision missions' reports 	<ul style="list-style-type: none"> • All ongoing projects which are supported by donor(s)

Once submitted, they will be saved with proposals in the PSIP Database.

vii) Submission methods and procedure

The Ministry responsible for PSIP will accept submissions of project proposals only in electronic excel version (PSIP proposal templates). However the rest of the documentation could be provided in any other format but electronically. The proposals should have internal approval before submission;

- a) The project profile templates in excel form should be properly named following the illustration indicated in PSIP proposal templates (if any changes, there will be a notification).
- b) Submission of PSIP template in excel format should be made by e-mail. The email address will be communicated by PSIP Circular No. 1 and/or PSIP Annual Guidelines.
- c) The electronic transmittal of submission will have to be accompanied by a signed letter of submission that simply lists all the projects submitted.

3-2-3. Quarterly Performance Reporting (Calendar Event No.7, 13, 22, and 29: October, January, April, and August)

MDAs are required to provide information with regard to implementation of projects on quarterly basis in line with calendar events number 5, 11, 18 and 27, in October, January, April, and August respectively. The performance reports for the first and second quarter will also form a basis for appraisal for the project inclusion in the following fiscal year. The quarterly reports will follow specially designed excel format which is downloadable from PSIP Database (registered users can log in from PSIP Portal <http://psip.malawi.gov.mw>) .

3-2-4. Ministerial Meetings (Calendar Event No.8: December)

Ministerial meetings to discuss PSIP are held in December. They involve BD, DD, and the implementing agencies. The main agenda of the ministerial meetings is reflected in Table 2 below.

Table 2: Objectives and Expected Outputs of Ministerial Meetings

Objectives	<ul style="list-style-type: none">➤ Agree on the list of submitted projects and their priority➤ Enquiry on submitted project proposals➤ Discuss the submission results, along with the provision of updated project information➤ Discuss the project appraisal results for new projects.
Expected Outputs	<ul style="list-style-type: none">➤ The list of technically accepted projects as agreed with MDAs in which the total amount is ideally under the PSIP ceiling➤ Minutes of the meeting, including agreement on the follow-up requirements for both the Ministry responsible for PSIP and the MDAs

3-2-5. Feedback to MDAs (Calendar Event No.14: February)

PSIP Unit conducts two-fold appraisal, the initial appraisal for checking the eligibility to PSIP and the final appraisal for inclusion in PSIP of the following year. The latter depends much on the ceiling or the resource envelope and the priority and urgency of the project. The Ministry responsible for PSIP will give feedback on their submissions in terms of project status.

The status of project submitted by MDAs changes as the time flows as follows:

a) New project

After the appraisal by PSIP and the development budget approval by the Parliament, a project may assume the following status:

- (i) New to be funded (inclusion in PSIP for the following year)
- (ii) Pipeline (the eligibility of the project to PSIP is confirmed but the priority is not high enough given the limited ceiling, it can be marketed to DPs)
- (iii) Rejected the project does not satisfy PSIP eligibility conditions)

b) Ongoing project

After the appraisal by PSIP and the development budget approval by the Parliament, for each stage, the project status can change to:

- (i) Ongoing (inclusion in PSIP for the following year)
- (ii) Pended (the eligibility of the project to remain in PSIP is confirmed but the priority is not high enough given the limited ceiling)
- (iii) Terminated (the eligibility of the project to remain in PSIP is not confirmed.)
- (iv) Ending (the project is expected to end in the year of submission so it should not be continued in the applied year of submission.)

3-2-6. Final Budget Ceilings (Calendar Event No.20: April)

The Budget Division is expected to release the budget ceiling around April. The determination of ceilings on the development budget will be done in close consultation with the Development Division.

3-2-7. PSIP Annual Review Meeting (Calendar Event No.31: August)

Annual review meetings will be organized in August to review previous PSIP process and performance. These will be attended by all MDAs and other key stakeholders particularly the Treasury and OPC.

3-2-8. Donor-funded project funding information update (Calendar Event No.11 and No.32: May and August)

The PSIP Unit will update the database with confirmed Part I figures. These will be obtained from MDAs and confirmed with the Debt and Aid Division.

Chapter 4 PSIP Formulation Process and Role of Different Institutions

PSIP formulation and management is a multi stakeholder process. Government agencies interact not only in various capacities but also with different interests. The ability to coordinate and synergise the efforts by these players will have a significant influence of the formulation and performance of the PSIP.

This chapter gives out the role assignment to the main stakeholders and a coordination framework for the PSIP processes.

4-1. Project Identification and Preparation

The responsibility of identifying projects and developing them is for MDAs. In a normal scenario, the Planning Unit of MDAs will facilitate the formulation of project proposals. The Ministry responsible for the PSIP, nonetheless, provides guidance on development of a project to ensure that minimum standards for eligibility are met and formats for submission are adhered to.

MDAs will ensure that all requisite appropriate consultations and approvals are made before making a submission to the Ministry responsible for the PSIP.

4-2. Project Appraisal

The appraisal for a new project aims at establishing the suitability and feasibility of a proposed project. This responsibility is split into two phases. The first phase, pre-feasibility, will have to be conducted by MDAs. The prefeasibility phase will ensure that consultations are conducted and all necessary questions on the feasibility of the project have been addressed in the design of the project. The second phase, appraisal, will be done by the Ministry responsible for the PSIP. The phase will dwell on relevance, effectiveness, efficiency, impact and sustainability aspects of the proposed project. This process is guided by the PSIP Appraisal Manual. In the appraisal of projects, the responsible MDA will, where necessary, make consultations with relevant technical departments such as those in construction industry, judicial system, etc on a

case-by-case basis. On the other hand, the appraisal of an ongoing project aims at determining the need for continued inclusion of the project in the national development budget by checking the financial and physical performance.

4-3. Authorisation for Implementation

Based on appraisal results, the Ministry responsible for the PSIP will recommend a list of approved projects in the PSIP database that will form part of a five-year rolling plan. This list of projects will be deliberated upon by Management of the Ministry responsible for PSIP, which will be presented to the Cabinet for final decision and approval of the PSIP.

4-4. Project Financing (Disbursement)

Annual National Budget provides primary financing means for PSIP projects. In this case, financing is the responsibility of the Treasury, through the Budget Division. Disbursing of resources will be done by the Accountant General's Department (AGD). Treasury will provide monthly funding figures to the PSIP system as an input to the coordination role played by the PSIP Unit. As for the projects supported by the Development Partners, the Debt and Aid Management Division (DAD) facilitates resource mobilisation and compiles the commitment and disbursement information, which is shared with PSIP Unit.

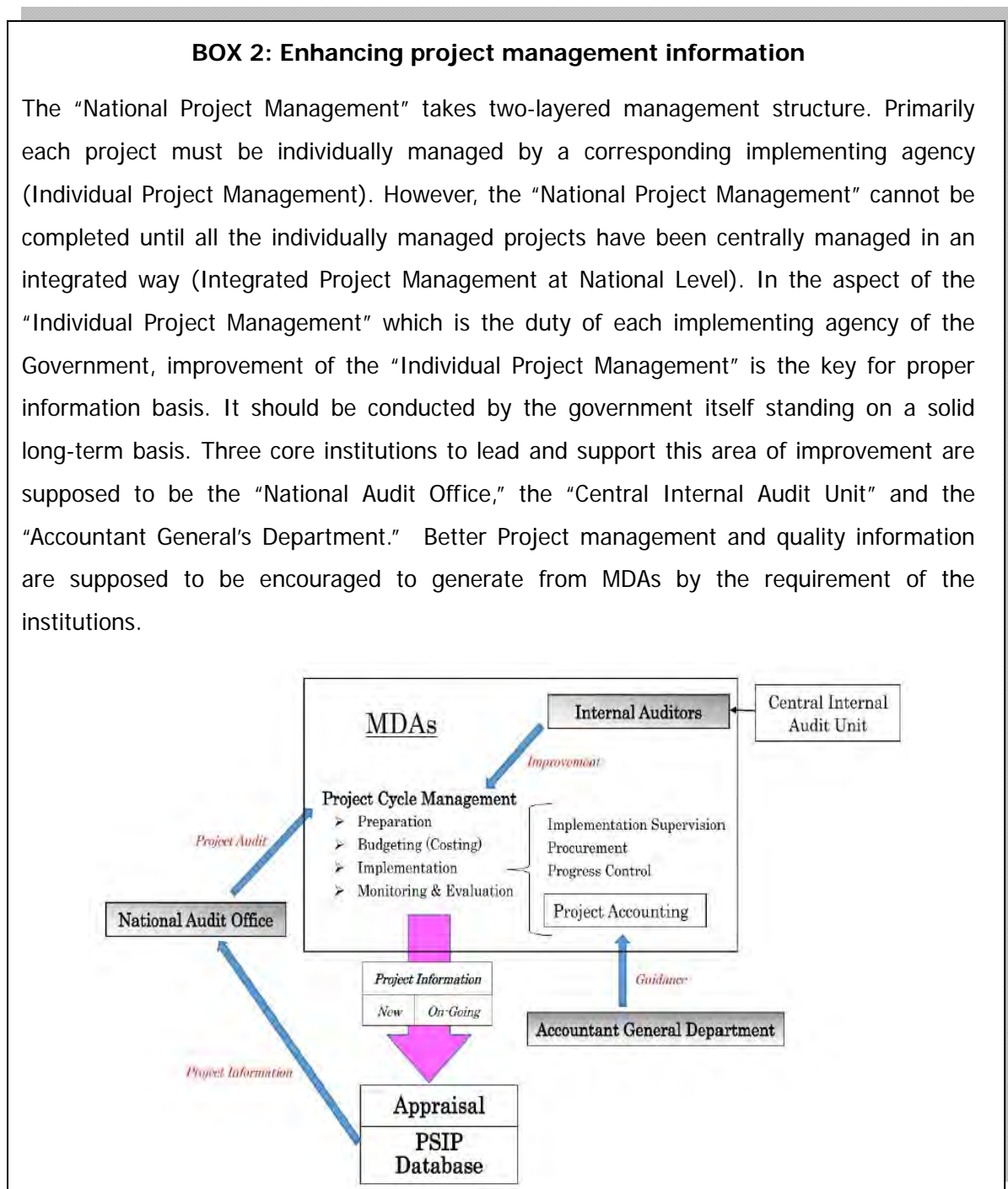
4-5. Project Implementation and Management

Implementation of a PSIP Project is the responsibility of MDAs. The submission of quarterly progress report is a way of quality assurance for proper and responsible project management. In particular, AGD can assist project accounting which enables MDAs to obtain accurate financial information of their projects⁴, and CIAU can assist through internal auditors stationed at MDAs to conduct project audit so that all aspect

⁴ PSIP Unit in collaboration with AGD developed an Excel based Project Financial Management Information Tool (PFM-IT), which will assist MDAs for project accounting and production of all the necessary financial information for project management. This tool is downloadable from the PSIP Database.

of project management can be corrected.

The importance of project information for management is presented in Box 2.



4-6. Monitoring and Evaluation

The MDAs are expected to establish functional monitoring and evaluation (M&E) systems for their projects for ease of management and reporting.

Overall responsibility for M&E rests on the Ministry responsible for M&E. However, all MDAs are expected to monitor and evaluate PSIP processes and to produce quarterly progress report in line with PSIP calendar. After that, PSIP Unit will analyse and produce consolidated quarterly progress report. While M&E Division has a mandate to conduct project monitoring mainly for impact assessment, PSIP Unit has a mandate to validate project implementation progress for programming purpose.

4-7. Coordination Framework

The overall coordination role of the PSIP, both in its formulation and management is by the Ministry responsible for PSIP. The Ministry will have in place a dedicated PSIP Unit within its establishment for all the secretarial services. In undertaking the coordination role, the ministry responsible for PSIP will:

- Receive and appraise the proposals for the PSIP
- Provide backstopping services to planning units in project formulation and management
- Organise PSIP planning and review meetings
- Provide regular updates on PSIP project implementation to OPC and the Cabinet
- Develop and maintain PSIP database for development projects

Based on the PSIP calendar, there will be meetings for fact finding, information sharing and validation, and decision making. These will be conducted in the spirit of coordination, mutual accountability and partnership building.

Table 3 below summarises roles and functions of key stakeholders in the formulation and management of the PSIP, by indicating PSIP project phase on the first column and stakeholders from the second to ninth columns.

Table 3: Roles and functions of key stakeholders in the formulation and management of the PSIP

PSIP project Phase	MDAs	Development Division	M&E Division	Budget Division	Debt and Aid Division	Accountant General's Department	NAO, CIAU	OPC and the Cabinet
Project Identification and Preparation	Identify project concept and formulate project design documents	Guides the formulation and project specification processes	Advises MDAs how to set indicators for project monitoring					
Project Appraisal	Conduct pre-feasibility assessments	Reviews submissions and conduct appraisals						
Authorisation for implementation		Produces project list for authorisation						Approve projects to include in the budget
Project Financing		Provides PSIP funding requirements for budget formulation Ensures that projects are funded to plan		Formulates the budget based on PSIP Ensures that projects are funded to plan	Facilitates mobilisation and disbursement of Part I funding	Accounts for resources made available and used		
Project Implementation and Management	Conducts all project management function including reporting	Identifies implementation bottleneck and facilitates consultations to addressing them	Flags out important implementation challenges and lessons			Establishing/enforcing project accounting procedure	Guidance on project management and accounting (Internal Audit)	
Monitoring and Evaluation	Compiles reports in required formats and reporting periods	Validates project performance reports for programming purpose Reviews reports in line with project objectives and on efficiency in implementation and reports to OPC	Validates consolidated report on PSIP performance Conducts field M&E Missions for impact assessment	Monitors Budget Performance	Facilitates donor missions on supervision, M&E	Facilitate the production of quality expenditure data	Project audit (NAO)	

