

Executive Summary

The 2005 PAF targets for Public Sector Reform – the approval of a salary policy, and restructuring of selected ministries- were not met. The Strategic Review of Phase I of the Public Sector Reform Programme (July to September 2005), provided some useful recommendations on moving the reform agenda forward. The progress in the areas of Quick Wins and Change Management Training was also encouraging. 2005 saw the finalisation of the report on the National Governance and Corruption Survey from which a general guidelines document has been developed.

Another important development was the analysis of the inter-ministerial committees which was carried out with the aim of rationalising the committees and taking the first steps towards improving policy process in Cabinet. Important steps allowing for the decentralisation of the reform process to the provincial level also took place. These included the design of administrative procedures allowing for the decentralisation of funds, the development of provincial reform plans/budgets and the preparation of contracting of provincial reform coordinators.

MAE developed an integrated model for provincial and district government structures in line with the regulations of LOLE approved in June 2005. Also, the ToRs for the development of a Decentralisation Policy and Strategy Document were finalised during 2005. Slow progress though, was recorded in the ongoing ministerial Functional Analysis and Restructuring process, the development of a salary policy, general human resource planning and management, and in the effective embedding of the main cross cutting issues- gender and HIV/AIDS - in public sector reform programmes. 2005 reinforced the understanding that there is a continued need for improved prioritisation of the reform agenda, and that high level commitment to and leadership of the process is vital. Essential leadership can in part be facilitated through the clearer delineation of roles and responsibilities between the main institutions overseeing the reform process- MAE, UTRESP and CIRES. Stronger links between UTRESP and line ministries and other public sector bodies is also important. There is an immediate need to bring both government and donor funding to PSR/UTRESP on-budget, reflecting all contributions in the general government accounts and plans.

*

Budget Execution Report

In keeping with Government's and donor's commitment to placing all finances on-budget, support to UTRESP should begin to be placed on budget in the 2007 planning process. We should be moving to a position whereby the Budget Execution Report reflects the entire picture of support to UTRESP, including all donor and government contribution. Reflecting on UTRESP budget execution in 2005, there was an overall disbursement rate of 35% (including government and donor contributions) against planned disbursement, with the expectation that this will improve in 2006.

Key factors enhancing performance in 2005

UTRESP is staffed by well qualified competent professionals. The unit is an efficient body, generating relevant, quality outputs. In particular the work done on Change Management Training was of high quality as were many of the initiatives undertaken under the Quick Wins

programme such as reducing unnecessary bureaucratic constraints on private sector functioning. The simplification of the procurement procedures in the memorandum of understanding between government and Common Fund donors also eased the administrative burden on UTRESP. In general, UTRESP has commissioned and carried out useful analytical and diagnostic work.

Key factors hindering performance in 2005

The effectiveness of the reform programme was hindered though by a number of factors. Leadership, both overall and at sector level, is vital to advance the reform agenda. In this respect, the reform programme has been perceived as weak. Important functions of a stronger leadership will need to include the definition of priorities and focus as well as sequencing of the reforms. The programme also suffered from a lack of prioritisation of reforms, emanating in part from overly ambitious work plans and unrealistic planning. This also contributed to the low disbursement rates of 2005. In addition, programme linkages with other reform programmes and reform initiatives within sector ministries were generally weak, although important progress was made through alligning justice sector reform work with the Public sector reform initiatives. The Functional Analysis and restructuring process within the ministries, has not advanced to the restructuring phase as quickly as had been anticipated. While restructuring is well under way in some key ministries it has been slow in the remaining ones.

Linkages between sectors and reform programme

The linkage between the functional analysis and restructuring process, and the ongoing sectoral reforms, preparation of sector strategies and devolution of function, is variable and not strong overall. There is a lack of a shared understanding about the scope of the programme and the role of UTRESP in the Functional Analysis and the restructuring process. This weakness was highlighted in the Strategic Review of 2005.

Cross-cutting issues in PSR

The cross cutting issues of HIV/AIDS and gender are inadequately addressed in the reform programme. The severity of the challenges HIV/AIDS represents for the public sector, makes its visible omission from the work of the main public sector reform body a concern. A study on gender sensitivity is due for implementation in 2006. Environmental concerns do not appear in the outputs of UTRESP in 2005 and have never been foreseen in the programme.

Provincial/District perspective

Seen from the Provincial and District perspective the impact of the public sector reform has been slow to reach these levels. With the increased emphasis of the district as the main focus for development this will be expected to change.

Key lessons learned 2005

Based on the results and experiences of 2005, a number of lessons can be drawn. The issue of leadership as the reform programme moves to the second phase remains the single most important issue in determining the success of the next phase of the reform programme. The governance arrangements of the programme should ensure that there is clearer and stronger political leadership of reform through CIRESA and/or the Council of Ministers supported by clearer roles and responsibilities for MAE and UTRESP. Clearer leadership could also contribute to addressing another key area - the lack of prioritisation. The scope of UTRESP's work needs to become more focussed and prioritised. The Strategic Review of phase I recommends a shift from a supply to demand led approach. Determining priorities can in this

way be made easier by supporting requests for assistance from “reform champions” with the most determined commitment to implementing reforms, in this making them visible and setting examples for the more hesitant reformers. This will assist the government in getting the desired balance between a menu driven and demand driven agenda. Prioritisation should be given to the key cross sectoral reforms of human resource management and salary reform including the harmonisation of the three personnel data bases(SIP, TA and pay roll). The leading role of the public sector in addressing the HIV/AIDS epidemic should be the priority cross cutting theme for all UTRESP activities in future. These issues should be more effectively addressed in the ongoing discussions between government and stakeholders, started in 2005, on the design of Phase II of the PSR programme.