



LILONGWE CITY COUNCIL STRATEGIC PLAN | 2020/1 TO 2024/5

DRAFT
10 AUGUST 2020



LILONGWE: CLEAN, GREEN & PROSPEROUS

FEEDBACK

The Lilongwe City Council welcomes comments and feedback to improve the design and implementation of our strategic plan. We urge citizens, civil society organizations and other interested partners and stakeholders to contact us and to discuss any matter of interest raised by our plan. Please assist us by letting us know what you think and identifying ways for us to improve the services we deliver.



Phone

+265 1 775 757

Toll Free #346

Email

LCCitycouncil@gmail.com

Web Site

www.lcc.mw

Social Media

<https://www.facebook.com/LilongweCityCouncil/>

Written Correspondence

LCC

PO Box 30396

Lilongwe, Malawi

TABLE OF CONTENTS

Feedback.....	i
Table of Contents.....	ii
Abbreviations.....	ii
Statement by the Mayor.....	iv
Lilongwe: our City.....	v
Mission, Vision, and values.....	vi
Mission.....	vi
Vision.....	vi
Core Values.....	vi
Introduction.....	1
Purpose.....	1
Process.....	1
SITUATION ANALYSIS.....	1
COVID-19 STRIKES.....	2
Layout.....	2
ROADMAP TO SUCCESS.....	2
Drivers of change.....	3
One-page overview of the strategic plan.....	4
GOAL #1: FIX THE CITY'S FINANCES.....	5
Make the budget transparent, prioritized, and result-oriented.....	6
Significantly increase Revenues.....	8
Eliminate debts and invest in physical assets.....	10
Regain credibility by meeting all fiduciary responsibilities.....	12
GOAL #2: ADOPT MODERN MANAGEMENT PRACTICES.....	14
Transform organizational culture and foster good governance.....	15
Use public private partnership (PPP) to provide 34 different services.....	17
Mobilize at least MK 2 Billion via partnerships with donors and civil society.....	19
Improve productivity through restructuring and Eliminate absenteeism & payroll fraud.....	21
Create accountability for results.....	23
GOAL #3: PROVIDE SERVICES IN A MORE EFFICIENT AND COST-EFFECTIVE MANNER.....	25
Spur local economic development, supporting 1,600 informal sector participants.....	26
Expand green areas by 300 hectares and protect the city's environment for future generations.....	28
Collect and properly dispose of 70% of all Solid waste generated.....	30
Make roads safer, cleaner and less congested.....	32
Mitigate covid 19, strengthen public health, and triple MCH visits.....	34
Assist 25,000 poor households with housing and land formalization.....	36

ABBREVIATIONS

ADL, Airports Development Limited

CDS, City Development Strategy

CDF, Constituency Development Fund

CEO, Chief Executive Officer

FDH, First Discount House

HR, human resources

ICT, information and communication technology

IDF, investment development fund

IFMS, integrated financial management system

LAPA, Local Authority Performance Assessment
 LGSC, Local Government Service Commission
 LLC, Lilongwe City Council
 M&E, monitoring and evaluation
 MHC, Malawi Housing Corporation
 MK, Malawian Kwacha
 MLGRD, Ministry of Local Government and Rural Development
 MLHUD, Ministry of Lands, Housing and Urban Development
 MRA, Malawi Revenue Authority
 NLGFC, National Local Government Finance Committee
 PAYE, Pay As You Earn
 PEFA, Public Expenditure and Financial Accountability
 PPP, public-private partnership
 PSD, private sector development
 SP, strategic plan
 SWM, solid waste management
 TEVET, a training levy for vocation training paid by employers (1% of wages)

TABLES AND FIGURES

TABLE 1: LARGE ARREARS	8
TABLE 2: DEBTS OWED BY THE LCC (JUNE 2018)	10
TABLE 3: JUNE 2018 ASSET VALUATION (IN MK)	10
TABLE 4: ASSET AND MAINTENANCE FUND	11
TABLE 5: IRREGULAR PAYMENTS IN THE 2017/8 ACCOUNTS (IN MILLIONS OF MK).....	12
TABLE 6: COVERAGE OF INTERNAL AUDIT REPORTS.....	13
TABLE 7: POTENTIAL PARTNERSHIP AREAS WITH CENTRAL GOVERNMENT	19
TABLE 8: POTENTIAL CIVIL SOCIETY PARTNERSHIPS.....	20
TABLE 9: POTENTIAL PARTNERSHIPS WITH DEVELOPMENT AGENCIES	20
TABLE 10: 2010 TO 2030 MASTER PLAN PROPOSED LAND AREA RESERVED FOR GREENERY	28
TABLE 11: TARGETED # OF NEW PARKS TO ESTABLISH.....	29
TABLE 12: TARGETED # HECTARES TO MANAGE.....	29
TABLE 13: CUMULATIVE KILOMETERS (KM) OF ROAD WITH FULLY FUNCTIONAL STREET LIGHTS.....	33

STATEMENT BY THE MAYOR

To be completed.

LILONGWE: OUR CITY

Lilongwe is the largest city in Malawi. It began as small fishing village on the banks of the River Lilongwe. A boma (fort) was built in 1902. In 1965 it was decided to shift the capital to Lilongwe, relocating from Zomba; in 1975 Lilongwe was declared the capital. The aim was to concentrate Government administration in one city and to stimulate development in the Central and Northern Regions by establishing a major growth point in the centre of the country.

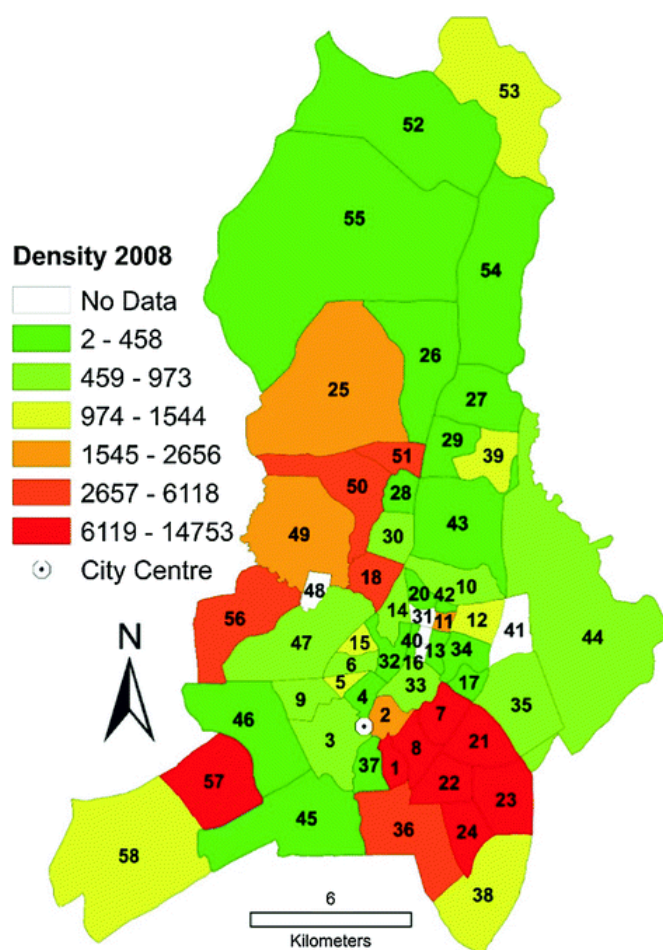
With the relocation of all government head offices from Blantyre completed in 2005, Lilongwe has encountered a high rate of urbanization. As a planned city, Lilongwe is divided into 4 sectors: Old Town, Capitol Hill, Kanengo, and Lumbadzi. This design clusters residential, employment and service areas around each centre, in order to reduce travel distances and avoid congestion.

The city is further divided into 58 areas. The numbers are assigned chronologically, not geographically.

Lilongwe is located on a plateau in Central Malawi, forming part of the East African Rift Valley, and situated at an altitude of 1,050 meters above sea level. It has a land area of 474 square kilometres.

Our city is situated at the centre of a large agricultural area, and since the 1920s has served as a major agricultural market centre for the Central Plateau Region. While Blantyre is the commercial hub of Malawi, our economy is dominated by government and public institutions. Kanengo, in the north, is the main industrial area, where food processing, tobacco storage and sales, maize storage, and other activities related to light industry are centred. Finance, banking, retail trade, construction, transport, public administration, tourism, and tobacco manufacturing are the main economic activities in our city. Kamuzu International Airport is located to the north of the city and has a capacity of 600,000 passengers per year.

The civil service employs about 27% of the city's work force while the private sector employs about



40%. The remaining 24% are self-employed, typically in small informal sector activities.

Lilongwe's population stands at about 1.1 Million and is growing at a rate of almost 4% per year. About 76% of our population lives in informal settlements. Poverty stands at roughly 25% with unemployment estimated at 16%.

YEAR	POPULATION
1966	19,425
1977	98,718
1987	223,318
1998	440,471
2008	674,448
2015	905,000
2020	1,122,000

SOURCE: <https://populationstat.com/malawi/lilongwe>

MISSION, VISION, AND VALUES

Section 146 of our nation's Constitution establishes local government authorities as democratically elected representatives of their communities. Their purposes are:

Promoting infrastructure and economic development

Encouraging private sector development

Promoting awareness of local issues to national government (through planning)

Consolidating and promote local democratic institutions and democratic participation

We work under the *Local Government Act of 1998* which entitles citizens to elect councillors directly.¹ Our functions are described in Schedule 2 of the act while revenue sources are outlined in Schedule 3.

MISSION

We are dedicated to improving our performance, to restoring citizen's confidence in the City Council. Our **mission** is:



Tirelessly serve all citizens of Lilongwe City

VISION

Lilongwe will become a city of opportunity.

Our **vision** is:



A future Lilongwe that is clean, green and prosperous

CORE VALUES

Our core values reflect our fundamental beliefs in who we are as an organization. They form a set of unwavering guiding principles, that will keep us on the right path. Our core values will be considered in everything we do. They are:

Hard work

- WE will be diligent, dedicated, and professional in everything we do

Integrity

- WE will be trustworthy and honest in all our dealings
- WE will eliminate all traces of corruption and waste in our Council and we will relentlessly discipline any employee misusing public resources

Customers and services first

- WE will put citizens first in everything we do
- WE will provide friendly, fair, simple, transparent, fast and effective services to all our city residents

Visible Results

- WE will create visible results that our residents care about

Innovation

- WE will actively pursue new and inventive ideas and we will have the courage to act immediately upon them

¹ Elected councillors elect a mayor, from amongst themselves. §11.6 of the Act details mandates established in the Constitution.

INTRODUCTION

This strategic plan defines a broad direction forward for the Lilongwe City Council (LCC). It covers a 5-year period from July 2020 to June 2025. **To meet the service delivery expectations of our residents, we need drastic and fundamental change; we need to start afresh. Failing to do so will further erode the confidence of our citizens, our staff, and our partners.** Given the breadth of the changes required:



Our plan **FOCUSES** on a limited number of manageable, innovative priorities and big ideas

PURPOSE

This plan serves several purposes. Developing this plan provided us an opportunity to:



THINK

To analyse, step back, and see the big picture



SOLVE PROBLEMS

To identify and document the most pressing issues we face



SET DIRECTION AND STRATEGIZE

To make difficult decisions, to set direction and objectives at the highest level



PRIORITIZE

To develop priorities which will be used to allocate resources



REACH CONSENSUS

To get internal consensus and commitment and to motivate our staff



COMMUNICATE

To communicate both internally and externally a compelling need to improve our performance, that can be used to mobilize support

PROCESS

In early 2016, the Lilongwe Water Board (LWB) successfully launched its five-year strategic plan. This plan positively contributed to noticeable improvements in LWB's financial position, its customer focus, and the delivery of its services. In discussions with the World Bank's Lilongwe Water and Sanitation Project (LWSP), the City secured technical assistance to facilitate development of this plan. Work began in February 2020.

In undertaking our work, it was agreed formulation of this plan would be participatory; would focus on strategic thinking; would be results driven; and would be integrated into the budget cycle.

Situation Analysis

A detailed situation analysis was completed in March 2020. It can be downloaded from the LCC website at www.lcc.mw.

This stage collected background reports, prior plans and baseline data as of late 2019 or early 2020.² It identified pressing issues and constraints, and provided a platform to discuss possible options. Though some problems are clearly rooted in Malawi's institutional arrangements for decentralization,³ this plan:

1: SITUATION ANALYSIS

Understand the problems. Collect evidence on performance

2 STRATEGIC DIRECTION

Establish priorities, mission, and principles to move forward

3 IDEAS & RESULTS

Get ideas from diverse stakeholders. Identify KPIs and key strategies

4: GET BUY IN

Draft the plan. Hold workshops with potential partners to improve the plan & commit to assist

5: ROADMAP TO SUCCESS

Develop implementation arrangements and supporting plans

6: DELIVER

Form a delivery unit to solve emerging problems, monitor, report, & drive results

² More recent data became available shortly after the completion of the first draft in early July, but has not been incorporated

³ There are financial and human resource management constraints. Generally, the resources available to local

authorities are inadequate to fully undertake their mandate and civil service procedures may restrict a Council's ability to contract and hold staff accountable.

- Focusses solely on actions under the LCC's control
- Believes these institutional constraints can be largely overcome through innovation, dynamic management, and a transformation in organizational culture.
- Believes performance can therefore vastly improve

COVID-19 strikes

The spread of the COVID-19 pandemic in March 2020 required much of the formulation of this plan to be done remotely. Facilitated workshops were not possible and ideas could not be solicited from external stakeholders. The development of strategic and operational elements of the plan were therefore combined, and a draft strategic plan and roadmap were presented in late June of 2020.

LAYOUT

The preface (page vi) describes our vision, mission and core principles. These will guide everything we do. The remainder of our strategic plan is divided into 3 components, each having a broad goal.

COMPONENT	GOAL
Finance	<i>Fix the City's finances, by significantly increasing revenues; better allocating and managing available resources; and freeing up resources to expand the delivery of critical services</i>
Management	<i>Adopt modern management practices, by unleashing private sector initiative; partnering; and embedding a culture of good governance, efficient service delivery, and accountability for results</i>
Service Delivery	<i>Provide services in a more efficient and cost-effective manner, focussing on private sector development, environmental protection, solid waste management, transport, public health and town planning</i>

⁴ For example: strategic objective 1.2 which aims to significantly raise revenues led to a revised revenue enhancement strategy while the revenue enhancement strategy (page 1) identified detailed initiatives to improve the collection of market fees,

Each component contains several strategic objectives, which are described in two pages. In total there are 15 strategic objectives.

FIGURE 1: STRUCTURE OF THE PLAN



Each strategic objective briefly reviews the current situation. It presents relevant data, describes its main initiatives (strategies) and establishes performance targets (indicators) and key milestones.

Roadmap to success

Our plan is presented in two parts: a main strategy and a series of supporting, operational and implementation plans. This distinction was not always clear: the strategic plan influenced the development of the operational plan (roadmap to success) and the operational plan influenced the development of the strategic plan.⁴ The roadmap, therefore, includes:

- Supporting plans and strategies;
- The outline of possible project documents;
- More detailed indicators and results;
- Activities, timelines, and implementation responsibilities and arrangements; and
- Indicative budgets for key reform initiatives

business licenses and 6 other sources of income. Without this elaboration, the performance targets within strategic objective 1.2 could not be realistically established.

DRIVERS OF CHANGE

There are many reasons to believe our City is capable of noticeable and meaningful reform and that we can drastically improve the quality and level of services we deliver. First, during mid-2019, several **new managers** were employed. They bring a positive attitude of reform and a willingness to challenge a culture which has lacked initiative and ambition, which has resisted modernization, and which has seen

integrity and honesty slowly erode from our Council. Second, though it takes money to invest in service delivery, and though the Council has accumulated significant debts, there remains an **untapped potential to drastically improve revenue collection**. This only requires determination and a willingness to use public-private partnerships, and to implement simple administrative reform.

Third, we have **several allies for reform**. The Ministry of Local Government and Rural Development is committed to seeing the City reach its potential; the

trans·for·ma·tion

/ˌtrʌn(t)ʃərˈmɑːʃ(ə)n/ ⓘ

noun

a thorough or dramatic change in form or appearance.

A fundamental change in the structures, culture, and practices of the City Council, in order to profoundly alter how it functions and

FIGURE 2: PLANNING DEPENDENCIES



World Bank has proven to be a willing partner; other donors are likely to follow suit, once we can show positive results. Fourth, many of our **younger and newer staff** have brought a variety of experience and a strong can-do attitude. Lastly, our citizens and the business community are both genuinely interested in seeing improvements and in **participating** in an era of reform.

The following page provides a 1-page overview of the strategic plan.

ONE-PAGE OVERVIEW OF THE STRATEGIC PLAN



THE COUNCIL

MISSION	To tirelessly serve the citizens of Lilongwe City
VISION	A future Lilongwe that is clean, green and prosperous
CORE VALUES	Hard work; Integrity; Customers and Services First; Innovation



FINANCE

GOAL Fix the city's finances by significantly increasing revenues; better allocating and managing available resources; and freeing up resources to expand the delivery of critical services

STRATEGIC OBJECTIVES

- 1.1 **Budget:** Make the budget transparent, prioritized, and result-oriented
- 1.2 **Revenue:** Significantly increase revenues
- 1.3 **Assets and liabilities:** Eliminate debts and invest in physical assets
- 1.4 **Scrutiny:** regain credibility by meeting all fiduciary responsibilities



MANAGEMENT

GOAL Adopt modern management practices, by unleashing private sector initiative; partnering; and embedding a culture of good governance, efficient service delivery, and accountability for results

STRATEGIC OBJECTIVES

- 2.1 **Governance:** Transform organizational culture and foster good governance
- 2.2 **PPP:** Use public private partnership (PPP) to provide 38 different services
- 2.3 **Partners:** Mobilize at least a total of MK 5 billion via partnerships with donors and civil society
- 2.4 **Restructuring:** Improve productivity through restructuring and eliminate absenteeism and payroll fraud
- 2.5 **Performance management:** Create accountability for results



SERVICES

GOAL *Provide services in a more efficient and cost-effective manner, focussing on private sector development, environmental protection, solid waste management, transport, public health, and town planning*

STRATEGIC OBJECTIVES

- 3.1 **Local economic development:** Spur local economic development, especially in the informal sector
- 3.2 **Parks and environmental management:** Expand green areas by 300 hectares and protect the city's environment for future generations
- 3.3 **Solid Waste management:** Collect and properly dispose of 70% of all solid waste generated
- 3.4 **Transport:** Make roads safer, cleaner and less congested
- 3.5 **Public Health:** Mitigate covid 19, strengthen public health, and triple MCH visits
- 3.6 **Town planning:** assist 25,000 poor households with housing and land formalization

GOAL #1: FIX THE CITY'S FINANCES



Significantly increasing revenues;



Better allocating and managing available resources;



Freeing up resources to expand the delivery of critical services

The Council is in a precarious financial situation. Because our resources are limited, **the services we provide to the average resident are valued at only 10.6 Kwacha per person per day**. Such resources are insufficient to bring meaningful development to our city. Most of our revenues pay staff and operational costs, leaving little to invest in much-needed infrastructure. Our debts are crushing. They have reached 124% of our own source revenues and money which should be used to deliver services are being diverted to repay prior obligations. Our assets are old and in constant need of maintenance. The book value of our vehicles is zero. This drives up costs of service delivery. Taxes are routinely evaded and corruption and maladministration has plagued the city for years. We will address these problems in an aggressive manner, by radically reforming our budget system, increasing revenue collection, better managing our debts and assets, and improving scrutiny and accountability in the execution of our budget.

FINANCIAL AREAS TO IMPROVE

1

Budgeting

2

Revenues

3

Assets and liabilities

4

Scrutiny

Strategic Objective 1.1

MAKE THE BUDGET TRANSPARENT, PRIORITIZED, AND RESULT-ORIENTED

Introduction

Budgeting is the time when most important decisions are made by our City. Unfortunately, funding has increasingly been allocated to internal administration, to travel, and to other expenditures that are not directly benefiting our residents. There has been a tendency to base budgets on previous years' trends without stepping back and strategically considering ways to transform the delivery of our services. The budget has become a routine exercise rather than an opportunity to reflect, to solve problems, to strategize, and to generate new ideas.

There is a weak link between budgets and results; we cannot always calculate the unit cost of providing a given service. For example, our budget does not tell us what it costs to collect a ton of solid waste or to develop a hectare of park.

Strategies

To improve our budgeting process, we will:

1.1.1: Develop simple allocation formulas and separate internal funds in order to limit administrative expense and ring-fence service delivery, asset accumulation and debt repayment

In advance, and agreed by our elected councillors, we will establish simple limits as a percentage of our overall expected resources, on various expenditure, including corporate services (finance, administration), licensing, revenue collection, as well as on individual items, such as meetings, travel and allowances. We will set aside a fraction of the budget for each of our priority services as well as for development projects to be initiated at ward level. We will identify supplemental projects to be implemented when revenue collection surpasses a given minimum. We will establish "funds" for debt repayment, asset investment, priority reforms and innovations, and

FIGURE 3: BUDGET PROBLEMS TO SOLVE

Budget **GUIDANCE** is inadequate. The budget calendar, ceilings, and allocation rules are not in place or are poorly adhered to

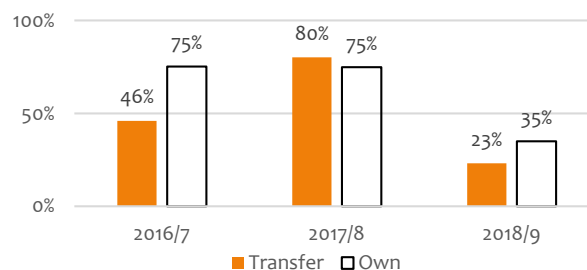
Resources are not allocated to **PRIORITIES**; the budget does not reflect strategic change or sufficient strategic thought

REVENUE TARGETS are not based on statutory requirements to pay

The budget presentation and classification needs to be more **TRANSPARENT**, strengthening debate and councilor supervision

The budget is not sufficiently linked to service delivery and **PERFORMANCE TARGETS**

FIGURE 4: REVENUE PREDICTABILITY



NOTE: "Predictability" is measured as actual / budgeted collection. "Own" = resources raised locally, while transfers come from the central government. In 2018/9 actual revenues collected and grants received were low compared to expected values, because statutory levels of revenue payment and government transfer were used.

performance rewards. Fund allocation will be clearly prioritized, from most to least important.

1.1.2: Develop revenue targets based on compliance with statutory requirements

Revenue projections will be derived from registries of tax payers and calculations of accrued arrears rather than historical patterns. Priorities are to derive more

accurate targets include property rates, business licenses, market fees, rent from commercial assets, contracted revenue collection, and advertisements.

1.1.3: Promote budget transparency, including the costing of outputs

An easy to understand one-page budget will be prepared for citizens and will be placed in the newspaper. The budget process will include more strategic debate and decision points: councillors will approve allocation formulas (budget ceilings) and well in advance of costing, they will approve policies, strategies and a list of outputs (including indicators and costs). This separate planning step will focus on strategic thinking rather than the mechanics of budgeting. Because most sectors lack minimum standards, it is not known what a minimum bundle of core services would actually cost. Directorates will therefore need to budget around outputs, allocating both staff and operational costs under a single output so that unit cost levels and trends can be calculated for management purposes. Structures have been revised to facilitate this.⁵ Financial progress reports, focussing on outputs, will be prepared and shared with Councillors and other stakeholders.

1. GUIDELINES: Ceilings and allocation formulas



2. PLANNING: policies; outputs to be delivered



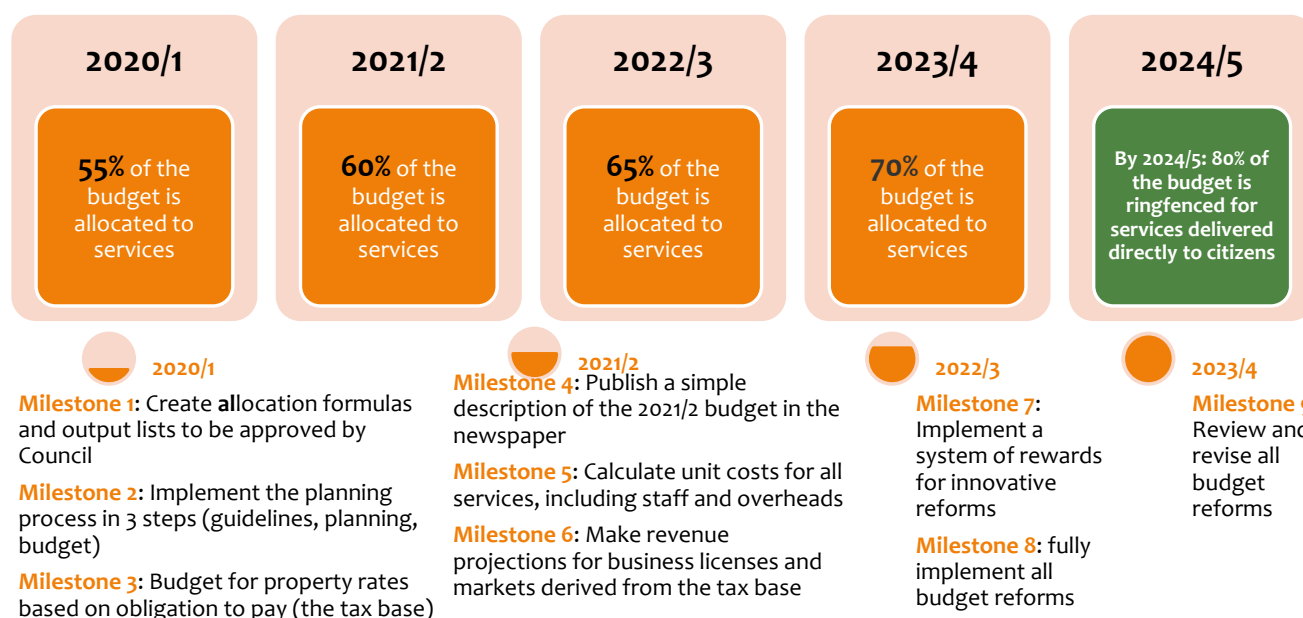
3. BUDGETING: costing of activities and inputs

1.1.4: Competitively reward new ideas through additional budget allocation.

Annually, each directorate will identify and cost a priority reform initiative. During the budget scrutiny and appraisal process, Councillors will select the single best proposal for implementation.

Targets and milestones

This strategic objective will be led by the Finance Directorate, though the Administration Directorate communicate with the public and will provide all budgetary information to councillors in a timely fashion, in a format that facilitates transparency and debate.



⁵ An initial list of these indicators can be found in the Roadmap: see page 77. Details on the full planning process are described in strategic objective #2.5 (Roadmap, page 75).

Strategic Objective 1.2

SIGNIFICANTLY INCREASE REVENUES

Introduction

The City has insufficient revenues to provide the basic services required by its residents. **In 2018/9 each resident of the city received, on average, services of only 3,872 MK per person per year (\$US 5.26);** on a daily basis this is equivalent to 11 Kwacha per person per day.

To address these problems, we prepared a *Local Revenue Enhancement Strategy* (2016-21). It aimed to increase revenues by 20% per year. This strategy has been reviewed and revised as part of the roadmap to this strategic plan.

PRIORITY

The most important priority of all our reforms is the collection and elimination of arrears on property rates

Strategies

The roadmap (page 12) details our goals, principles, and approach to enhancing revenues across 7 main sources. It aims to tackle problems including weak incentives, maladministration, and corruption. Our

strategies are as follows.

1.2.1 Create incentives, step up legal action, generate political support, and focus on large tax payers to collect property tax arrears of at least MK 7 Billion out of the outstanding 11.7 Billion

Arrears are 3 to 4 times our annual expenditure and a significant fraction is owed by "large taxpayers" (taxpayers owing in excess of MK 10 Million).

TABLE 1: LARGE ARREARS

SIZE OF ARREARS IN MK MILLIONS	NUMBER OF CUSTOMERS	TOTAL ARREARS
100+	10	1,866,214,539
50 to 100	9	693,539,912
20 to 50	31	1,030,194,098
10 to 20	56	785,237,823
Total	106	4,375,186,371

There are 106 taxpayers with arrears exceeding MK 10 Million each. In all, they owe MK 4.4 Billion. Of this, MK 2.1 Billion is owed by public sector institutions. To improve the collection of arrears, we will develop an incentive scheme that provides a discount once all arrears are paid. We will vigorously pursue legal action and debt collection. The Ministry of Local Government and Rural Development will be requested to provide political support to resolve the matter with large debtors and the public sector.

1.2.2 Expand the tax base by using Ward Executives to identify gaps and triangulating data from other agencies

We will actively identify properties, businesses, and advertisements that are not recorded in our registries. As part of our restructuring strategy we will hire ward executives to go by foot throughout their jurisdiction, identifying and photographing missing information. A system piloting the payment of rewards based on each Executive's identification of future revenue sources, such as non-licensed businesses, will be tested. Secondly, data will be triangulated with other Agencies. We will request data from the Ministry of Lands, Malawi Housing Corporation, and Malawi Revenue Authority to match this information with our registries. Real estate sales will be tracked in newspapers and web-sites to gain a more accurate valuation based on property market prices. With the Ministry of Local Government, we develop a project to pilot the use of GIS and drones to better identify properties and signboards. This will require external technical assistance and financial support.

1.2.3: Strengthen data management and link registries between different revenue sources

Registries will be over-hauled for business licenses, market fees, advertisements, and development fees. Computerized relational databases will be developed, starting with business licenses (allowing online payment). Later, business licenses and development

fees will be incorporated into the IFMIS and the IFMIS will be extended to include property valuation data. Licenses will not be issued to any taxpayer who has arrears in the payment of another tax or is delinquent in any fashion.

1.2.4: Outsource revenue collection and the management of commercial assets

Prior to outsourcing revenue collection, **feasibility studies will be completed** to identify costs and benefits for each potential source. We will enter into public private partnership concessions auctioning the right to manage markets, public toilets, and parking areas on a competitive basis. The concessionaire will collect revenues and will provide cleaning, maintenance, and security services. We will enter into PPPs for the management of the Lilongwe Guest House, taverns, Wenela Complex, Chidzanja Building, Town Hall, and other sites. Debt collection and the sub-contracting of legal action will be employed to actively pursue arrears.

1.2.5 Restructure departments and incorporate revenue collection into performance contracts for all Directors

Property valuation functions will be transferred to the Town Planning Directorate and we will hire 10 full time assessors to complete frequent valuations. Senior managers will sign performance agreements that have targets to maintain useful, up-to-date, and accurate data and registries on all taxpayers, arrears,

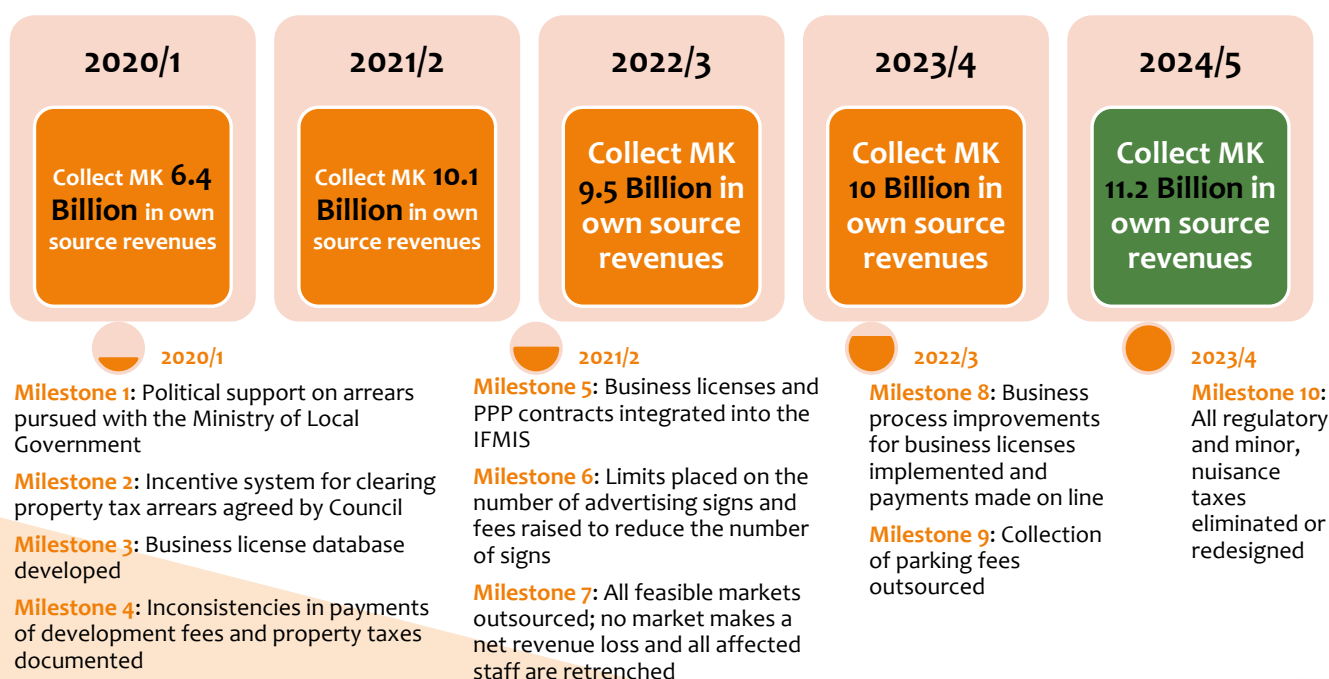
compliance rates, and tax base information. Collection targets will be signed by responsible parties. Strategic Objectives #1.4 and #2.1 strengthen the function of internal auditors and the Council to supervise revenue collection.

1.2.6: Simplify the revenue system, increasingly adopting flat rates and eliminating low yield sources and sources with regulatory objectives

Some revenue sources cost more to collect than they yield in revenues; in these cases, citizens are paying merely to have their taxes collected. Daily fees for many markets fall into this category. In addition, the process for issuing business licenses will be re-engineered to eliminate inconvenience, delay and red tape; the license performs virtually no regulatory function and behaves as an annual, flat-rate tax. This reform will be supported through computerized online payments and the issuing and printing of licenses so that taxpayers do not need to leave their home to receive a license. For property taxes, we will create minimum valuations, based on points, as is practiced in Mzuzu. Development fees and advertising will shift to a system of flat rates, with 3-4 different categories, in order to reduce discretionary assessment.

Targets and milestones

This strategic objective will be led by the Finance Directorate, though many revenue sources are assessed and managed by almost all Directorates.



Strategic Objective 1.3

ELIMINATE DEBTS AND INVEST IN PHYSICAL ASSETS

Introduction

In 2019 we updated our asset and liability registers which had become outdated and inaccurate. In previous regimes, liabilities reached alarming levels. To this date, this debt overhand compromises our ability to make sound financial decisions and to provide adequate services to our residents. It has led us to be guided by cash flow considerations rather than long term economic costs and benefits.

Though we wish to reduce staff to free resources to invest in improved services, this will require significant expenditure on employee compensation, which has accumulated for many years. We estimate MK 1.8 billion is owed to our staff, **when they retire or if they are retrenched**.⁶ Our cash flow constraints have contributed to the following problems:

- Our last headcount revealed 46 staff are past retirement age
- Our workforce has become very old, averaging almost 26 years of service
- 56% of our staff was hired in 2001 or earlier and 19% were hired in the 1970s or 1980s

As of June 2018, liabilities totalled MK 5 Billion, equivalent to roughly 123% of our own source revenues (about MK 3.5 Billion). In late 2019, agreements were reached with most creditors to systematically pay down these obligations. Debts are no longer accumulating.⁷

TABLE 2: DEBTS OWED BY THE LCC (JUNE 2018)

ITEM	AMOUNT	%
1. Short term liabilities	198,560,356	5.7%
2. Long term liabilities	2,294,298,406	65.6%

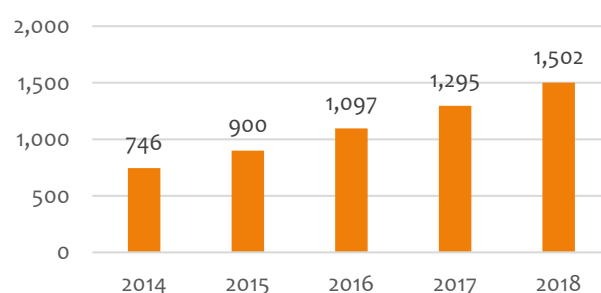
⁶ 1,459 staff are not paid pensions and are eligible for severance compensation (5% of current salary x years worked). Average salaries are MK 82,000 per month and average years is 25.

ITEM	AMOUNT	%
2.1. FDH loan	597,011,750	17.1%
2.2. Pay as you earn	1,501,718,113	42.9%
2.3. TEVET Levy	62,026,043	1.8%
2.4. Pension	133,542,500	3.8%
3. Staff Compensation	1,794,570,000	51.3%
Total (1+2+3)	4,287,428,762	122.5%

Note: % = as a ratio to historical own source revenues (MK 3.5 Billion)

The FDH loan, which carries interest, has grown rapidly from the MK 95.3 Million originally borrowed in 2012. Similar liability growth has taken place with PAYE and the 1% payroll training levy (TEVET).

FIGURE 5: PAYE LIABILITIES (JUNE OF EACH YEAR, IN MILLIONS OF MK)



Our weak financial position has also led to a deterioration of the quality of our assets. As of June 2018, all of our vehicles and equipment had fully depreciated and our land and buildings have lost 35% of their value. **Our capital stock urgently needs replacement, repair, and maintenance.**

TABLE 3: JUNE 2018 ASSET VALUATION (IN MK)

ASSET	ORIGINAL VALUATION	BOOK VALUE
Land and Buildings	1,622,466,980	1,054,603,537
Equipment	37,329,806	0
Vehicles	325,853,401	0
Total	1,985,650,188	1,054,603,537

⁷ Table 2 excludes a disputed debt of MK 600 Million for a sewerage line (probably owed by the central government). PAYE and TEVET taxes are owed to the central government.

Strategies

To clean our balance sheet, we will:

1.3.1: Create a prioritized ring-fenced fund to pay all necessary retirement and retrenchment costs.

Based on our functional review (strategic objective #2.4), we will set aside, as a budget priority, sufficient resources to: (i) pay the retrenchment costs of reducing our staffing from the current level of 1,643 to 1,263 by 2024;⁸ and (ii) pay all retirement compensation. To prevent accumulation of debt, we will require all staff to enter the social security scheme and we will stringently enforce the retirement age.

1.3.2: Pay down the entire FDH loan balance and continue paying TEVET and PAYE liabilities as per agreements with the Malawi Revenue Authority.

Where possible we will prevent the accrual of interest and penalties on all Council liabilities; borrowing will only take place for productive or cost saving activities.

1.3.3: Establish and implement a formula-based asset acquisition and maintenance fund to modernize the Council's capital stock.

Depreciation rates have been used to calculate investment requirements to replace aging assets. This

covers buildings, vehicles and office equipment, including their maintenance. Allocation formulas (as described in sub-strategy 1.1) are as follows:

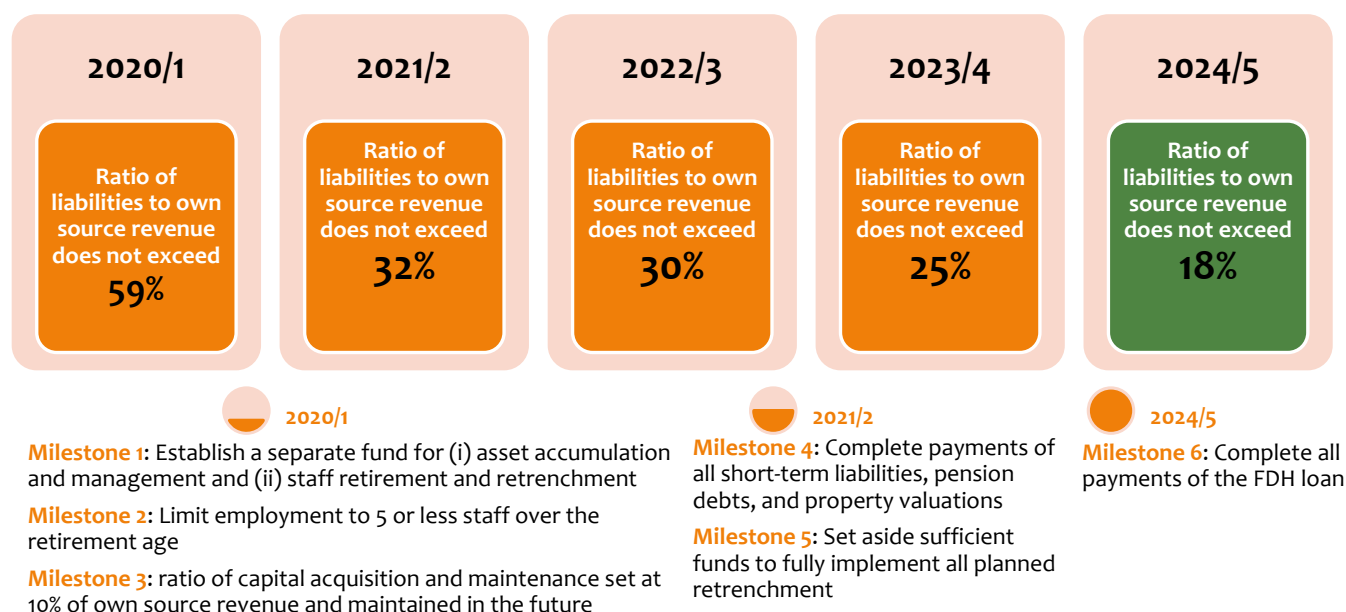
TABLE 4: ASSET AND MAINTENANCE FUND

ITEM	% OF PREVIOUS YEAR'S REVENUES
1. Capital investment	6%
1.1. Administration [1]	2%
1.2. Service Delivery	4%
2. Maintenance and repair	4%
2.1. Administration [1]	2%
2.2. Service Delivery	2%
Total (1+2)	10%

Note: [1] includes the Administration and Finance Directorates and any assets (vehicles) used by Directors in other Directorates

Targets and milestones

This strategic objective will be led by the Finance Directorate. A debt and liability management strategy, describing the calculations made, can be found in the *Roadmap*, on page 52. Expected results monitor the ratio of liabilities to revenues and asset investment to revenues, as follows



⁸ Including retrenchment, voluntary retirement, and conversion of permanent and pensionable staff to contracts.

Strategic Objective 1.4

REGAIN CREDIBILITY BY MEETING ALL FIDUCIARY RESPONSIBILITIES

Introduction

The Lilongwe City Council is the steward of public financial resources on behalf of our residents.

Unfortunately, for many years we have failed to sufficiently meet our fiduciary responsibilities. Until June of this year, **financial statements and external audits were not completed for the seven-year period from 2012/3 to 2018/9**. Records were not presented to the NLGFC (the National Local Government Finance Committee) on time. In the past the City lacked a procurement plan and did not regularly report to the Public Procurement and Disposal of Assets Authority (PPDA). These failures have compromised our relationship with other government institutions, with banks, and with development partners. It has undermined our credibility.

THE COUNCIL

Councillors plan an important role in this plan. The Council appraises and approves the budget (strategic objective #1.1). Councillors also have important representation and oversight functions (strategic objective #2.1).

Preparing accurate financial reports has proven challenging due to lax record keeping. Despite enormous effort, it is unlikely we can fully and accurately piece together historical information from the past, to accurately reconcile our account balances.

Internal checks and balances have also been compromised. Councillors' oversight function requires strengthening and we must urgently expand and improve our internal audit capacities.

Strategies

To fully meet our fiduciary and stewardship responsibilities we will:

FIGURE 6: FIDUCIARY PROBLEMS TO SOLVE

NON-COMPLIANCE with external reporting and audit standards

Weak **INTERNAL SUPERVISORY** systems and institutions, including internal audit and Councillor oversight

1.4.1: Complete all statutory external financial reporting and audit requirements

A financial audit of the LCC for the year ended 30th June, 2018 was completed by the National Audit Office in October, 2018. It identified irregular payments totalling MK 292 Million. Data from 2017/8 is as follows:

TABLE 5: IRREGULAR PAYMENTS IN THE 2017/8 ACCOUNTS (IN MILLIONS OF MK)

ITEM	AMOUNT
Fuel not accounted for	6.8
Wasteful expenditure	45.8
Fringe benefits tax not paid	9.8
Irregular payment of fuel benefits	3.2
Vehicle maintenance without IPC approval	5.6
Payment Vouchers without supporting docs	98.4
Payment Vouchers not Produced for Audit:	67.0
Payments made without being authorized	39.8
Fuel not recorded in fuel register	16.1
Total	292.5

In the first half of 2020, we submitted all financial reports due dating back to 2012. With our books cleared, we will continue to present all required financial and procurement reports to the NLGFC and PPDA, on time, to ensure timely external audit.

1.4.2: Strengthen the internal audit unit, to ensure the completion of one thorough and high-quality internal audit report each month

Internal audit plays an indispensable managerial and preventative function. To strengthen accountability, we will place the internal audit unit under the

CEO and increase its staffing from 4 to 5 persons. Standards will be established for coverage of audit investigations, reporting, and procedures to be employed. **Audit will cover both performance and financial management issues.** An Audit Service Committee will be setup and separated from the Finance Service Committee. Each year will produce 12 investigations, as follows:

TABLE 6: COVERAGE OF INTERNAL AUDIT REPORTS

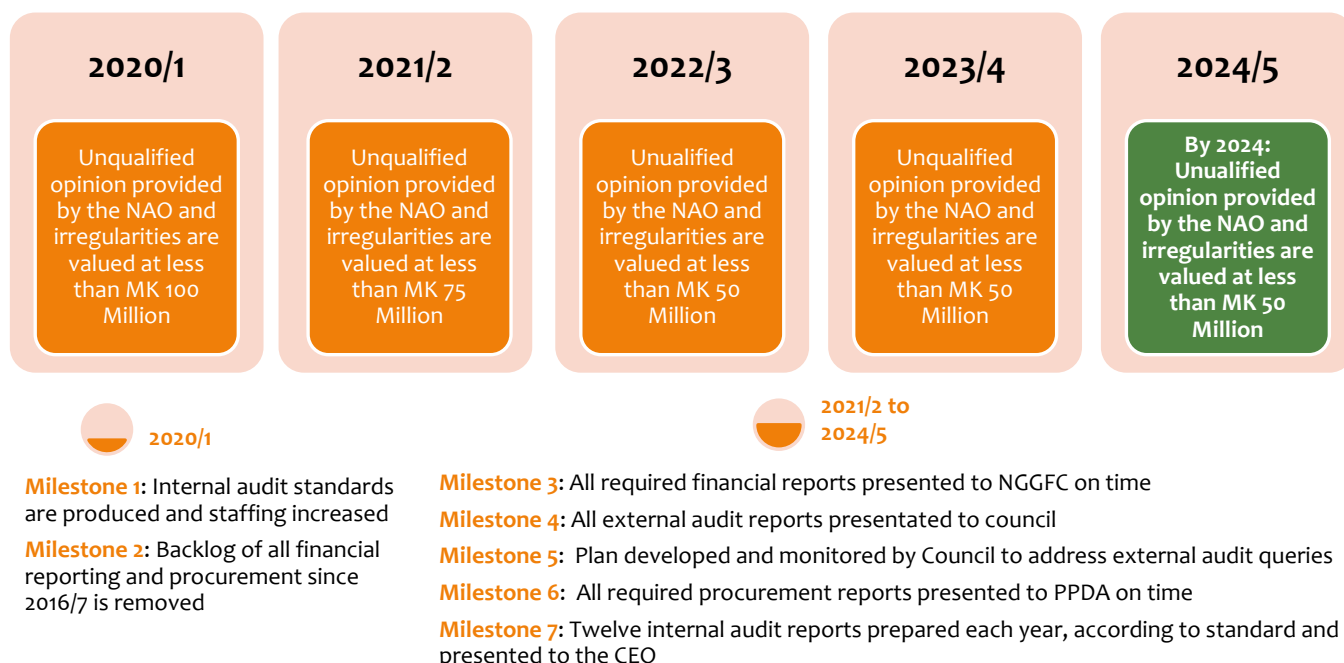
AREA OF INVESTIGATION	# OF REPORTS
Tax registries, management of arrears and revenue collection	2
PPP contracts (covering 20% of all contracts)	2
Vehicle usage and travel	1
Asset quality and maintenance	1
Payroll, headcounts, and employee IDs	1
Absenteeism and under-work	1
Procurement	1
Performance	3
TOTAL	12

- The quality of financial management (as measured through external audit results as measured by the audit opinion⁹ and value of financial regularities (MK Millions) reported by the Auditor General;
- Compliance with fiduciary and reporting standards, including annual: (i) submission of all required financial reports, on time, to NGLFC; (ii) submission all required financial reports, on time, to PPDA; (iii) discussion of all external audit (including procurement) results in Council; and (iv) agreement and monitoring of the Council on the implementation of any recommendations in external audit reports;
- Preparation of 12 internal audit reports per year.

Details are as follows:

Targets and milestones

We will monitor results in terms of:



⁹ As defined in the Auditor General's Report: "An unqualified opinion is expressed when the auditor concludes that the financial requirement gives a true and fair view or are presented

fairly, in all material respects, in accordance with the applicable financial reporting framework."

GOAL #2: ADOPT MODERN MANAGEMENT PRACTICES



Unleashing private sector initiative;



Partnering



Building a culture of good governance, efficient service delivery, and accountability for results

During mid-2019, several new managers were employed by the City. Though they brought a positive attitude of reform and possibility, our organizational culture remains conservative and many services are provided exactly as they were in the 1970s. There are a large number of secretaries and messengers; there remain switchboard and telephone operators. Grass is cut by hand; drains are cleaned by hand; streets are swept by hand. Some staff are underemployed. To change this, we will need to hold staff accountable for results and we will need to right-size the Council based on workloads and demand for services. We will convert ourselves from an organization that manages people, and that employs mostly unskilled labour, to an organization that regulates services and that provides services through contracts using modern, state of the art technology. We will actively seek partnerships with the private sector, civil society, development partners and the central government.

MANAGEMENT AREAS TO IMPROVE

1

Organizational culture & good governance

2

Public Private Partnerships

3

Partnerships for development

4

Restructuring & HR management

5

Performance management

Strategic Objective 2.1

TRANSFORM ORGANIZATIONAL CULTURE AND FOSTER GOOD GOVERNANCE

Introduction

To realize our goals, **we urgently need to transform our organizational culture**. During mid-2019, several new managers were employed. While they brought a new and positive attitude, some directorates and staff are still beset by self-defeat and a lack of vibrancy, ambition, and vision. Though we must modernize, many services are still delivered in an out-dated manner. Grass is cut by hand; drains and streets are cleaned by hand. We have numerous switchboard and telephone operators, secretaries, and messengers. Many staff sit around, under-employed, and without initiative. Though our office environment is suitable, its neglect projects a poor image. The depth of change needed is considerable.

Councillors play a central role in running our city. The Council, as a legislative, representative, and oversight body, still requires strengthening. It is essential to improve the quality of debate and deliberation especially in terms of the budget, financial expenditure, and the realization of service delivery results. Councillors lack resources and support staff to better undertake independent analysis and evaluation. A coherent approach to strengthening the capacity of Councillors is necessary.

Councillors hold regular “public hearings” and are genuinely aware of the priorities and problems facing their constituencies. While meetings provide a solid foundation for civic engagement: (i) a more systematic and high-profile approach to citizen feedback is needed; and (ii) resources are not allocated to implementing citizen’s direct priorities.

Finally, a more forceful approach to gender equity is called for, both programmatically and in terms of representation within the management structure of the Executive, in which no Director is female.

Strategies

To strengthen good governance, we will:

2.1.1 Create a positive leadership and organizational culture, to instil core values, and manage our ambitious reforms

Transformation of our city can only be realized with strong leadership of each Directorate. Directorates will be responsible for implementing these reforms including restructuring, performance management, and public private partnerships. Each will develop a short strategy for: (i) ensuring consistency with our core values; and (ii) projecting an outward image of change and competence.

2.1.2 Systematically engage citizens to identify service delivery constraints, mobilizing ideas and support for performance improvements

Insufficient pressure from citizens has contributed to poor performance and expenditure choices that are not consistent with a services first approach. We will implement simple social accountability procedures to: (i) prioritize community problems and implement and monitor solutions via a Ward planning process (strategic objective #2.5); (ii) partner with civil society to engage local communities (strategic objective #2.3); (iii) provide easy-to-understand information on our website, including budget information and service delivery against targets

2.1.3 Establish an online and independent complaints handling and anti-corruption unit

In 2021/2, through a public private partnership with a civil society, we will establish an independent complaints-handling and anti-corruption unit. This unit will listen to citizens. It will enable complaints, through a vast information campaign, including: radio, newspaper, websites, hotlines, brochures, posters, public announcement, and social media. We will lodge and officially acknowledge complaints in a

timely manner, determine their relevance and forward all complaints to the proper respondent. We will monitor the timeliness of our response. Where desired by the complainant, we will provide regular status updates. We recognize citizen feedback as valuable, as a way to strengthen accountability, solve problems, and continuously improve service delivery.

2.1.4 Strengthen independent council oversight by creating a Council Evaluation Fund

To strengthen Council oversight, an independent evaluation fund will be created, with an annual budget of MK 60 Million. This fund will be used to procure independent evaluators, auditors, and researchers on behalf of Councillors, to: (i) appraise plans, budgets and projects; (ii) develop standards for budgeting, planning, and reporting; (iii) audit contracts, asset management, adherence to budgets, and revenue collection; (iv) evaluate service delivery efficiency and effectiveness in a few subsectors; (v) complete citizen satisfaction surveys; and (vi) assess adherence to core values in each Directorate. Councillors will identify evaluations, but procurement will be under the Directorate of Administration. Additional partnerships with civil society organizations will be pursued to review policies.

2.1.5 Develop a Council Charter

To ensure genuine policy debate and good governance, Councillors, with external technical assistance, will develop a *Council Charter*, as a supreme by-law (akin to a local Constitution). The

Charter will contain requirements for the provision of transparent information and standard reporting formats and timelines. More generally, the charter will regulate the relationship and interaction between the Executive and Legislative Branches, consistent with the *1998 Local Government Act*.

2.1.6 Implement a Councillor capacity development Fund

To strengthen Council capacity, an independent fund will be established to provide on-site training to the Council. Its annual budget will be MK 30 Million.

2.1.7 Implement a female executive capacity development plan to strengthen leaders of the future

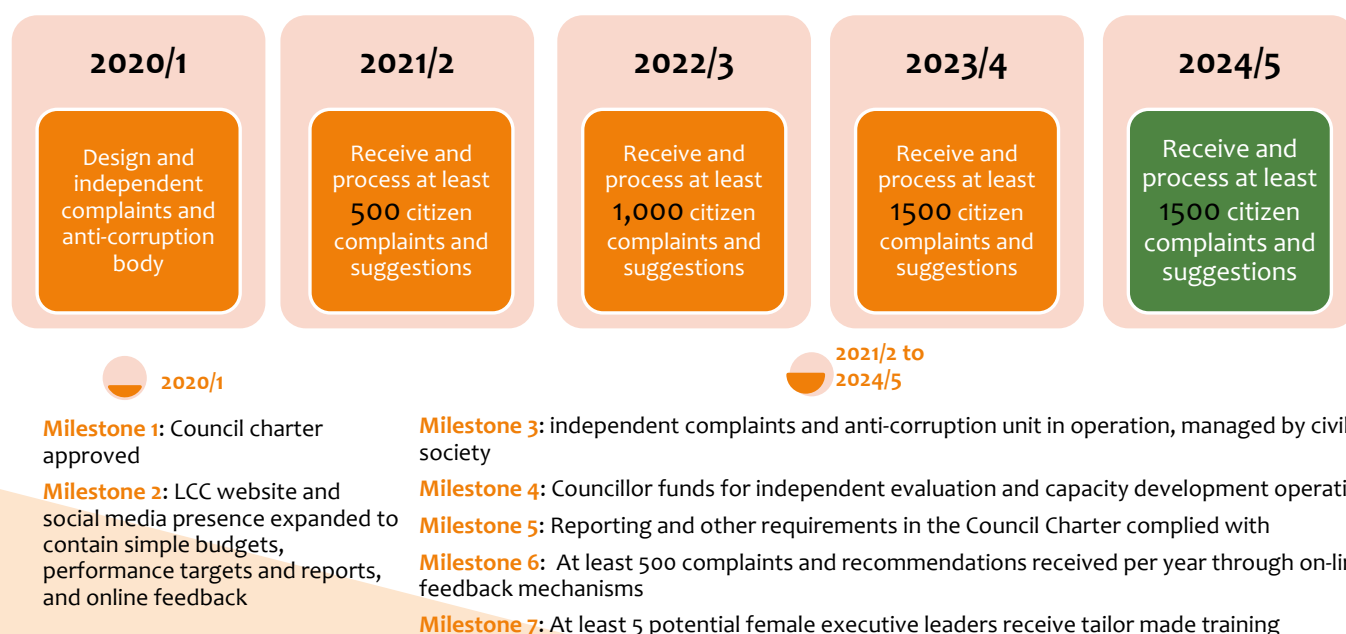
Each year we will provide professional training to at least 5 promising senior and mid-level women who have been identified as **having the potential to become future Directors**.

MUNICIPAL CHARTERS

Charters contain the organizing principals, enumerated powers, privileges, and essential procedures of city governance. They function like a constitution for local governments, usually specifying the structure of the government, its budgeting processes and operations, fiscal controls, types of public offices, avenues for public participation and information release, electoral rules, and taxation powers (Aaron Deslatte, 2018. "Municipal Charters.")

Targets and milestones

We will monitor results in terms of:



Strategic Objective 2.2

USE PUBLIC PRIVATE PARTNERSHIP (PPP) TO PROVIDE 38 DIFFERENT SERVICES

Introduction

We will transform the LCC from an organization that manages people, that employs mostly unskilled labour, and that provides services by hand, to an organization that regulates and that provides services through contracts using modern, state of the art technology. Public private partnerships and service delivery modernization will be employed across our Directorates. In a PPP arrangement, the City purchases ("buys") services rather than provides ("makes") the service itself. A PPP approach takes advantage of the private operators' technical expertise and managerial competence. It makes use of competition to lower prices of service delivery. Current fiscal burdens, the inability to borrow, and liquidity constraints have led the City to a point where private financing of infrastructure is often the cheapest or only feasible option. PPP will allow the city to focus on establishing policy, assessing the feasibility of outsourcing, and creating clear and monitorable service delivery standards.

In outsourcing services, we aim to expand the level of services provided, improve quality and provide services more efficiently

Strategies

We will implement the following strategies.

2.2.1 Outsource up to 36 different services by 2024/5

PPP will be employed across as wide range of areas: including

AREAS OF WORK



Public Administration: contract out non-core, administrative functions. This will include (1) cleaning and gardening; (2) possibly,¹⁰ the secretarial pool; (3) possibly the driving pool; (4) Possibly messenger services; (5) possibly IT and photocopying; (6) vehicle maintenance; (7) other workshops (buildings); (8) debt collection; (9) feedback and anti-corruption reporting



Commercial activities: we will get out of the management of commercial activities. This will include: (10) Lilongwe Guest House; (11) Wenela Business Complex; (12) Chidzanjia Building; (13) town hall and river beautification; (14) possibly 3 Community Centers; (15); taverns; (16) possibly the nursery and fuelwood production



Public Health and markets: expand access to services through PPP contracts, especially where fee payment can be used. This will include: (17) sewerage/liquid waste management to the LWB; (18) solid waste management; (19) public toilets; (20) markets; (21) possibly cemeteries; (22) possibly labor-based sanitation (grass cutting, drain cleaning, etc.); (23) laboratory services; (24) holding areas for confiscated animals



Transport, engineering, parks: (25) parking management; (26) towing of illegally parked vehicles; (27) possibly mechanized street sweeping; (28) repair and maintenance of some roads; (29) food for firefighters (30) new park development; (31) park cleaning and maintenance

¹⁰ "Possibly" means subject to a feasibility study.

AREAS OF WORK



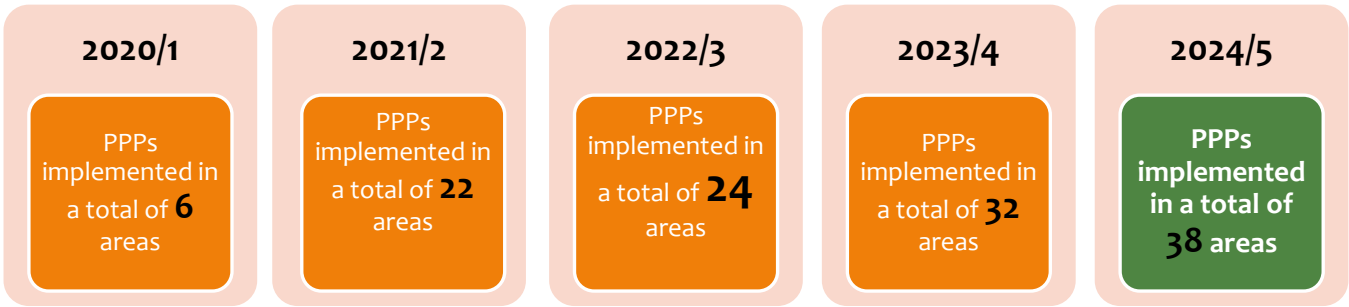
Infrastructure development: enter into build own transfer (BOT) arrangements to create new infrastructure: (32) bus terminals; (33) a modern market; (34) new public toilets; (35) housing developments; (36) solid waste conversion to energy; (37) new cemeteries; (38) modern abattoir

2.2.2 Develop, document and implement new and clear PPP procedures

Public private partnerships begin with an idea of a service that is required and a proof of concept that the service can be provided through outsourcing. A new PPP division will be created and the City will solicit a wide range of new ideas from our stakeholders. We will develop a step-by-step manual, including standards to identify, analyse, procure, monitor and evaluate PPP contracts.

Targets and Milestones

A detailed PPP strategy can be found in our roadmap (see page 59). Our targets and milestones are depicted below.



Strategic Objective 2.3

MOBILIZE AT LEAST A TOTAL OF MK 5 BILLION VIA PARTNERSHIPS WITH DONORS AND CIVIL SOCIETY

Introduction

The development problems of Lilongwe cannot be solved in isolation, solely by our City Council. To transform our city, we will need to form lasting and sustainable partnerships, bringing together central government, development partners, and civil society.¹¹

Our strategic plan forms the basis of these partnerships. It is a preliminary step to build ownership and cooperation between the City and its potential partners. Partnerships will help us¹² mobilize ideas, know how, and financial resources. Partnerships will strengthen good governance, for example, through more active citizen engagement. Ultimately partnerships will enable us to increase access and to improve the delivery of services.

Strategies

To build meaningful partnerships, we will implement the following four strategies.

2.3.1: Establish and staff an Outreach Unit to identify and build lasting partnerships

An Outreach Unit, under the CEO's office, will be created to handle all donor, central government, and civil society affairs. It will be responsible for creating partnerships and communicating the City's desire to work together with all interested parties. The Unit will be headed by a high ranking staff member with proven contacts and experience in the development partner and civil society community. This unit is expected to demonstrate tremendous initiative with its remuneration partly based on the value of projects

and memorandum of associations signed with the City.

2.3.2: Mobilize policy support and cooperation from the Ministry of Local Government and Rural Development (MLGRD) and other central Government agencies

We aim to become a pilot and test case for ambitious but practical local government reform across Malawi. We would like other Councils to learn from our experiences. To do so, we will work closely with the Ministry of Local Government and Rural Development. Government partnerships may include:

TABLE 7: POTENTIAL PARTNERSHIP AREAS WITH CENTRAL GOVERNMENT

AREA	PARTNER
Council Charters (#2.1)	MLGRD
Performance management and contracts (#2.4)	MLGRD
Revenue mobilization and the use of drones and GIS for property valuation (#1.2)	MLGRD
Public Private Partnerships (#2.2)	MLGRD
Ward Development projects (#2.5)	MLGRD
Data exchange and joint legal action on arrears (#1.2)	Malawi Revenue Authority; Ministry of Lands
Joint infrastructure development (#3.4)	Malawi Roads Authority
Tourism [1] (#3.1)	Ministry Tourism
Water catchments and water monitoring (#3.2 & #3.5)	Lilongwe Water Board

Note: [1] develops and markets activities for tourists to spend an extra day in Malawi, exploring Lilongwe. # = strategic objective

¹¹ The City Development Plan lists 76 potential aid agencies.

¹²Strategic objective #2.2 focusses private sector partnerships.

2.3.3: Form partnerships with civil society focussing on public health information, citizen engagement, environmental protection, private sector development, and social welfare

Numerous civil society organizations operate in Lilongwe. Our partnerships will focus on grass roots and community-based organizations who we can work together on:

TABLE 8: POTENTIAL CIVIL SOCIETY PARTNERSHIPS

AREA	STRATEGIC OBJECTIVE
Good governance	#2.1
Operating an independent complaints handling and anti-corruption unit	#2.1
Ward based development projects	#2.5
Informal sector development	#3.1
Environmental protection	#3.2
Solid Waste Management	#3.3
Preventative (public) health communications; the COVID-19 response	#3.5

An immediate priority will be working with civil society to prepare and present an annual "Lilongwe State of the Environment Report."

2.3.4: Identify, jointly finance, and implement projects with development partners

As our revenue base expands, money will be set aside in a special *Project Development Fund*. This will be used to leverage assistance from development partners, to implement projects on a cost sharing basis. This contribution will demonstrate our

commitment. Some partnerships with development partners may include:

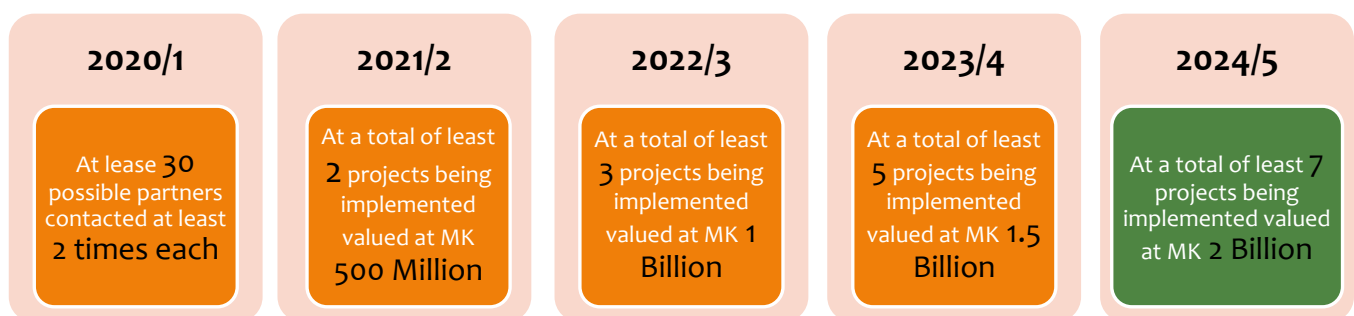
TABLE 9: POTENTIAL PARTNERSHIPS WITH DEVELOPMENT AGENCIES

AREA	POTENTIAL DP
GIS for property tax (#1.2)	JICA
Sewerage (#2.2)	World Bank
Ward infrastructure projects (#2.5)	Unknown
Local Economic Development (#3.1)	Many
Cut red tape; business forum (#3.1)	IFC
Informal sector formalization (#3.1)	ILO
Trash pickers (#3.1)	Unknown
Rivers, wetlands, forests (#3.2)	Many
Solid waste management (#3.3)	World Bank, GIZ, JICA
Waste to energy conversion (#3.3)	GCF [1], JICA
Mechanized Street Cleaning (#3.4)	JICA
Refurbish the town hall area (#3.6)	JICA
Town Planning (#3.6) and public transport (#3.3)	JICA

Notes: [1] GCF = the Green Climate Fund. More generally, there are many opportunities for climate change mitigation and adaptation

Targets and milestones

We will monitor results in terms of the total number and value of projects and partnerships implemented.



2020/1

Milestone 1: Form and staff an outreach unit with staff employed on contract

Milestone 2: Develop all outreach materials and procedures

Milestone 3: Work with civil society to develop an annual "Lilongwe State of the Environment Report"

Strategic Objective 2.4

IMPROVE PRODUCTIVITY THROUGH RESTRUCTURING AND ELIMINATE ABSCENTEEISM & PAYROLL FRAUD

Introduction

The LCC currently employs 1,634 staff. In 2018/9 the wage bill accounted for 43% of all actual expenditure. Many of our staff are under-utilized or perform administrative duties. Reallocating these resources is fundamental to reducing our debt overhang and to investing in public infrastructure and the provision of services our citizens care about. Our staffing structure must be transformed from a burden to an asset.

To improve efficiency, we will increasingly rely on the private sector (strategic objective #2.2). This, together with the employment of information technology and modern production techniques (like mechanical street sweeping), will also affect our staffing.

As a matter of principle, we will link staffing levels to workloads and our structures will reflect the services we provide. This alignment will reduce waste, will clarify lines of accountability, and will directly link employment and budgets to the outputs we produce.¹³

Strategies

We will adopt 3 main strategies.

2.4.1 Restructure, to align all positions to workloads and to priority service delivery

Our strategy is to reduce general administration, over-employment in activities that clean the city, and revenue collectors at markets. With this savings we will reinvest in protecting the environment, developing the private sector, managing solid waste, ensuring public health, and strengthening the transport sector.

Our restructuring plan (Roadmap, page 72) documents these changes. First, we will establish Ward Executives. They will engage citizens, to solve local problems, supervise development initiatives and sanitation services, and identify businesses, properties, advertisements and other revenue sources.

Second, we will unify manual labour under a single, new directorate ("Labour-based Sanitation"), drastically reducing staff levels.¹⁴ Currently, 68% of all LCC employees are manual labourers and their direct supervisors. By hand, they sweep the streets and pick up refuse; they clean drains and cut grass. Many are older; on average they have served 25 years. Most are not using anything more than rudimentary hand tools. Data is as follows:

FIGURE 7: EMPLOYMENT OF LABOURERS

POSITION	# STAFF	%
1. Parks Directorate	285	17.44%
1.1. Laborers	240	14.69%
1.2. Supervisors	45	2.75%
2. Engineering Directorate	256	15.67%
2.1. Laborers	241	14.75%
2.2. Supervisors	15	0.92%
3. Health/Cleansing	563	34.46%
3.1. Laborers	512	31.33%
3.2. Cemeteries	45	2.75%
3.3. Solid Waste	43	2.63%
3.4. Markets	290	17.75%
3.5. Street cleaning	134	8.20%
3.6. Supervisors	51	3.12%
4. TOTAL	1,104	67.56%

NOTE: % = the % of total employment, which is 1,634 staff. Data is from February 2019. Placement of laborers in more specific functions like "solid waste" is an estimate: specific data is not available.

¹³ For example, allowing the calculation, over time, of collecting and disposing a ton of waste or reforesting a hectare of land.

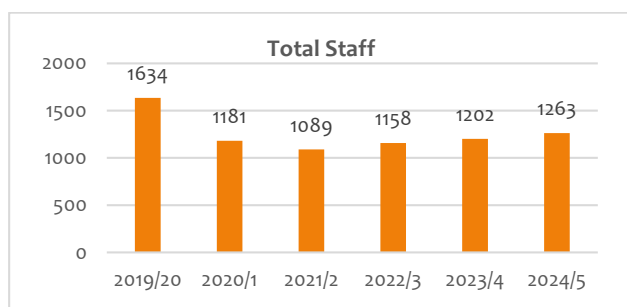
¹⁴ The directorate may be called "Cleansing" or "Sanitation."

Our most recent “headcount estimate” found absenteeism, mainly amongst these cleansing activities, to be around 50%.

In the future, laborers will work in ward-level multi-functional teams, carrying out drainage clearing, street sweeping, refuse collection, and grass cutting, area by area, street by street. In all, we estimate work can be completed by 432 workers. We aim to employ 150-200 of these staff on a contractual rather than permanent basis.

Third, secretarial services are provided as they were in the 1970s. There are a large number of secretaries and messengers, copy typists, switchboard and telephone operators. In 2020/1 we will create a central, computerized system of appointments and reception, and will by 2024/5 reduce staff from 50 to 20. Our staffing is expected to evolve over time as follows.

FIGURE 8: STAFFING TARGETS OVER TIME



2.4.2 Reduce absenteeism rates to 5%.

We will complete regular and random spot checks and investigations into absenteeism. All non-

management staff, not under performance contracts, will have staff appraisals that evaluate their punctuality and absenteeism. Penalties for absenteeism will be developed. At headquarters, we will install a biometric system to track staff arrivals and departures.

Returning basic and core discipline to our Council is a priority of our management.

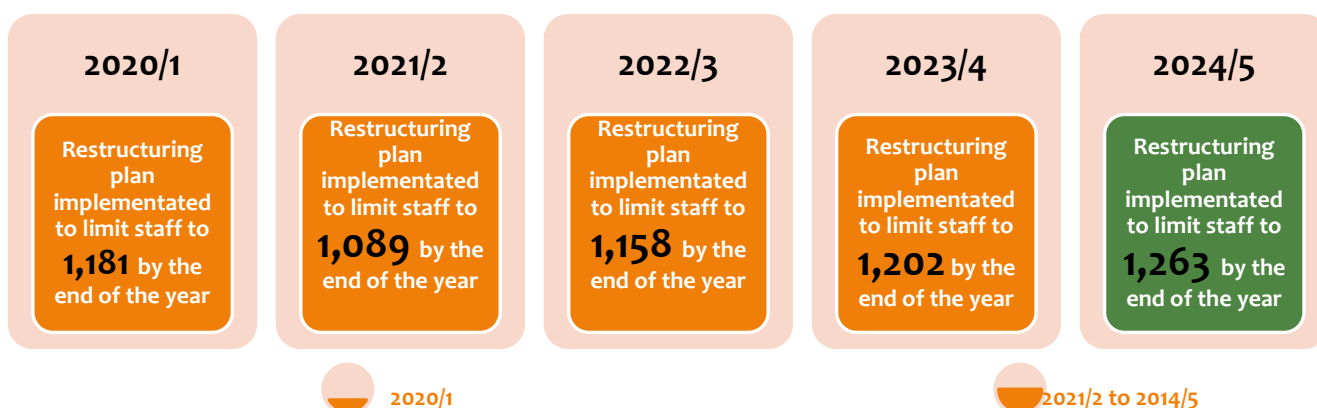
2.4.3 Verify all staff identity and fully adhere to the retirement age

In 2019 we established a computerised human resource management and payroll database. We will expand this database, requiring all staff to have IDs and for ID information to be recorded in the database. In 2020/1 we will complete a physical verification of all staff to guarantee payroll integrity. All staff reaching retirement age will be retired on schedule.

Targets and milestones

We will monitor results in terms of staffing levels, based on our restructuring plan (Roadmap, page 72).

REVIEW STAFFING IF OUTSOURCED. HR raised & Municipal police.....



Milestone 1: Absenteeism incorporated into all performance appraisals

Milestone 2: Random monthly absenteeism checks completed

Milestone 3: All staff reaching retirement age retired

Milestone 4: All staff verified through mandatory IDs and physical check

Milestone 5: Retrenchment and voluntary retirement procedures established

Milestone 6: Revise HR data to include each employees Directorate, unit, and functions

Milestone 7: HR database records ID information

Milestone 8: Monthly absenteeism and payroll verification continued

Strategic Objective 2.5

CREATE ACCOUNTABILITY FOR RESULTS

Introduction

Performance management is the process by which an organization identifies its expected goals and results and ensures its targets are met.

Performance management aims to solve several problems confronting the Council. First, since 2015, we lacked a clear strategic plan to spell out an agreed direction forward. Second, over the years, our planning processes have become highly centralized and we have not been practicing bottom up, citizen led planning. Bottom up planning can better align our actions to citizen demands. Third, we do not have clear and comprehensive performance targets, nor the data required to hold staff accountable or to reward them for their performance. This lack of targets and incentives has affected our ability to enforce service delivery standards and to create a clarity of expectations.

Strategies

Our performance management system will consist of several tools and five main strategies.

2.5.1: Operationalize the strategic plan by linking the strategic plan to a coherent process of annual planning and budgeting

Every year, we will review our strategic plan and analyse our current situation in order to develop an annual plan which transparently spells out and costs our main outputs and performance measures. This will be presented in a way which facilitates appraisal by elected councillors. As a part of this process, Wards will be allocated funds based on a formula which is 50% weighted to past performance. This fund can only be used for projects that were formulated in a participatory manner and which were competitively procured and technically evaluated by our Directorates.

2.5.2 Implement scorecards and performance agreements for all managers

Although we already have a staff appraisal system, we will revise it to create performance contracts that adopt key performance indicators found in our strategic and annual plans. Performance contracts will be signed between the Mayor and the CEO, the CEO and all heads of Directorates, and heads of Directorates with each head of Division and key unit chiefs. Within these contracts, scorecards will contain 5-10 priority performance targets in terms of service delivery (outputs and outcomes), revenue collection, development of data management systems, identifying partners and projects, project implementation and infrastructure development, entering into public private partnerships, internal reforms, and client service charter performance.

2.5.3 Create a Delivery Unit as part of the CEO's office to prioritize results, solve high level problems and assure unbiased implementation of M&E and performance management systems

The delivery unit advises and supports the CEO, ensuring results are realized. Historically, such units were formed because countries and organizations had excellent plans, yet failed to execute them. The Delivery unit will have the following main functions:

- Monitor closely, on a daily and weekly basis;
- Constructively and rapidly solve **key emerging problems** and remove obstacles and constraints
- Facilitate performance contacts, aligning then to the strategic plan and ensuring indicators are meaningful and challenging;
- Validate and verify reporting accuracy
- Ensure unbiased performance information is publicly available

2.5.4 Operationalize 7 client service charters to establish citizens' "rights" to receive services within a well-defined timeframe, or of a particular standard

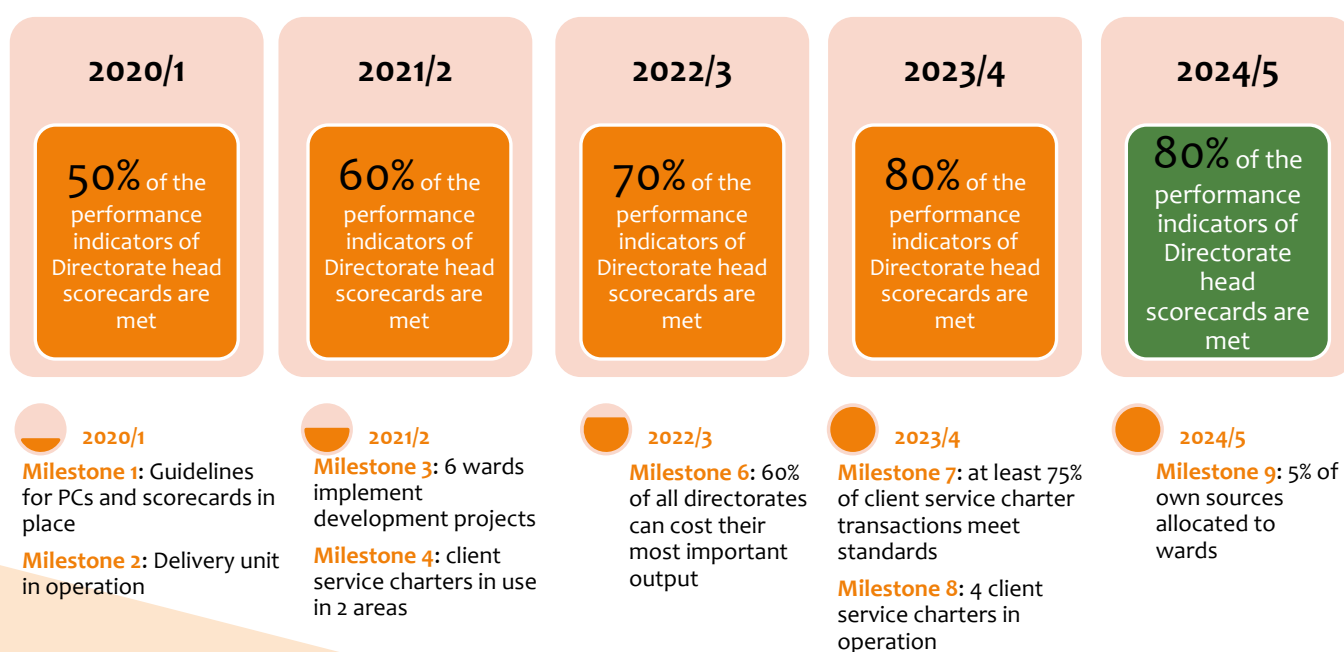
Charters will establish standards. This will be done with the participation of the private sector, civil society, and other key stakeholders, to ensure they meet service delivery expectations. Charters will be widely communicated and monitoring systems will be developed to ensure each transaction can be assessed, individually, as to whether it has met the required standard. Redress systems will be developed, for cases where commitments are not met. *Amongst others*, charters will be developed for business licensing, complaints handling, key regulatory inspections, street lights, refuse collection, market cleanliness, and public toilets.

2.5.5 Pilot performance-based rewards to test the selective use of bonuses based on performance indicators.

This intends to reduce pressures to use fringe benefits as a means to informally augment salaries. In 2023/4 we will begin designing and piloting a system of financial rewards. Not all participants will be rewarded as the reward system must create competition for improved performance, based on indicators of performance against absolute and relative measures and improvements over time.

Targets and milestones

Our detailed sub-strategy on performance management can be found in our Roadmap, on page 94. Expected results are as follows.



GOAL #3: PROVIDE SERVICES IN A MORE EFFICIENT AND COST-EFFECTIVE MANNER



Reallocating staff and budgets



Modernization



Public private partnership

Our financial situation has negatively affected our ability to provide even the most basic of services to our residents. We currently collect only 22% of all solid waste generated; our MCH clinics are understaffed; our roads are ill-lit and infrequently repaired; and, we have not supported the private sector, which is Lilongwe's engine of growth. We have no parks and our rivers and open spaces are under threat. This strategic plan offers a bold restructuring, that requires difficult choices, that frees up resources which have not reflected the service delivery priorities of our people.

SERVICE DELIVERY AREAS TO IMPROVE

1

Local
economic
development

2

Parks and
Environment

3

Solid waste
management

4

Transport

5

Public Health

6

Town
Planning

Strategic Objective 3.1

SPUR LOCAL ECONOMIC DEVELOPMENT, SUPPORTING 1,600 INFORMAL SECTOR PARTICIPANTS

Introduction

One of our important objectives is “to create a conducive environment for the growth and development of trade and industry in the City.”¹⁵ Despite this, our operations have overly-focussed on revenue raising, in particular, the management of markets and commercial properties and the issuing of business licenses. The impact of these activities on the local economy is negligible.

Strategies

To implement our work, the Commerce, Industry, and Trade Directorate will be restructured into the Private Sector Development Directorate.

Ideally, our private sector development strategy would address a full range of needed support including, creating a positive enabling environment, promoting access to finance, public infrastructure, enhancing human capital, and facilitating our most competitive sectors. As we evolve into this new role, we will slowly adopt the broad approach depicted in Figure 9.

Our private sector development strategy is mainstreamed throughout this plan.

- Strategic objective #2.2 defines our approach to public private partnership
- Infrastructure development and public services are described in strategic objectives #3.3 (solid waste management), #3.4 (transport), and #3.6 (land and town planning)

For or now, we will concentrate on 5 main strategies.

FIGURE 9: AREAS OF WORK IN A TYPICAL PRIVATE SECTOR DEVELOPMENT STRATEGY



3.1.1 Hold 6 meetings per year as part of a Lilongwe Business Forum to identify investment opportunities and to actively solve constraints facing the private sector

Dialogue is the foundation of a true partnership with the private sector. We will establish the *Lilongwe Business Forum* to engage the private sector in transparent dialogue,¹⁶ taking an analytical and coherent approach to problem solving. Initially, the forum will build trust and establish the Council's seriousness in listening to the private sector and in solving a few immediate, priority problems, as “quick wins.” The Forum will be officially established, will be divided into two committees (formal sector, informal sector) and will use an external facilitator to ensure independence. It will identify PPP investment opportunities and by the end of 2024/5 it will solve 10 concrete, mutually agreed upon issues.

3.1.2 Cut red tape and improve inspection procedures in at least 5 LCC regulatory processes

All LCC private sector regulatory processes will be reviewed, to ensure they are sensibly applied, are transparent and predictable (with clear and measurable standards), do not cause unreasonable obstacles and an unrealistic regulatory burden, and

¹⁵ Strategy of the Directorate of Commerce, Industry and Trade

¹⁶ See Herzberg, Benjamin and Andrew Wright, undated. “The PPD Handbook: A Toolkit for Business Environment Reformers.

Operational Guidelines for the Charter of Good Practice in Using Public-Private Dialogue for Private Sector Development (available at <http://www.publicprivatedialogue.org/>)

encourage voluntary compliance. All inspections will have clear publicly available checklists and performance measures, and official reports will be provided to all inspected parties. A by-law will be prepared guiding the development and implementation of all inspection activities, whereby **no company already in operation will ever have to suspend or slow operations as it awaits inspection.**

We will create an online system for business licensing and will re-engineer procedures and regulatory inspections, in consultation with the *Business Forum*, for (i) business licenses; (ii) food handling; (iii) fire inspection; (iv) at least 1 other health and 1 other environmental regulation

3.1.3 Support 1000 street vendors and waste pickers, as some of the most vulnerable informal sector operators

To limit the scope of our informal sector work, we will focus on two key vulnerable groups. We will revise a policy and by-law on street vending, together with various vendors' associations. To directly benefit up to 650 vendors by 2024/5, we will: (i) create new off-street markets; (ii) refine spacial regulations to reduce congestion; (iii) incorporate vendors into our access to credit program (strategy 3.1.5); (v) support vendors bargaining power with wholesale traders; and (v) issuing cheap licenses and identity cards to protect vendors' rights.

In terms of trash pickers, we will: (i) assist waste pickers to organize into groups and cooperatives; (ii)

link sorters and markets; (iii) facilitate service contract with the City and dump site-management; (iv) provide simple safety and other equipment; and (v) link female waste pickers/sorters to NGOs, in order to better protect them from sexual abuse.

3.1.4 Strengthen two value chains including 300 entrepreneurs

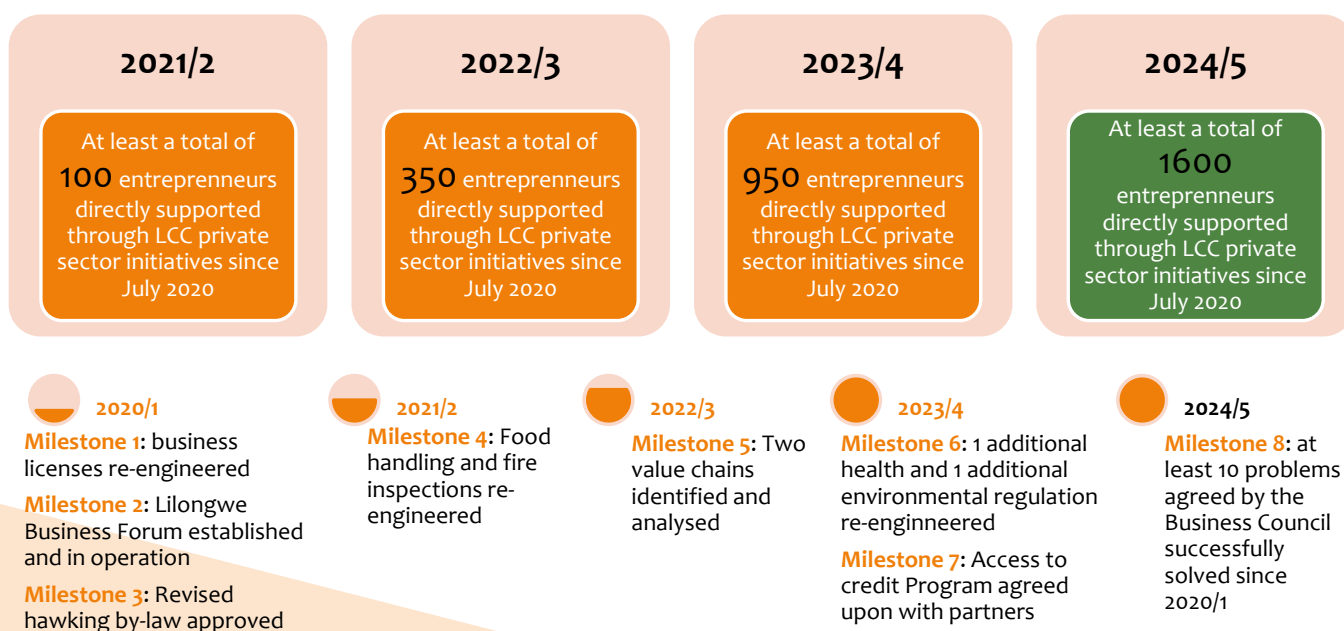
A value chain approach seeks to understand the firms that operate within an industry, from input suppliers to end market buyers. Based on this analysis, a comprehensive and specific support package will be developed. In the later years will we develop 2 value chain support initiatives (with partners)—presumably furniture making and tourism.

3.1.5 Provide financial support to 400 informal sector entrepreneurs through access to credit programs implemented by NGOs or micro-finance institutions

During the second half of this plan, we will begin supporting microfinance institutions and NGOs to provide credit to the informal sector. Our support is likely to include: (i) sharing some of the costs of the program; and (ii) assisting with regulations, creating market contacts, etc. The City will not implement credit initiatives on its own, nor will it interfere in the management or allocation of credit by its partners.

Targets and Milestones

Details of our approach are found in the roadmap.



Strategic Objective 3.2

EXPAND GREEN AREAS BY 300 HECTARES AND PROTECT THE CITY'S ENVIRONMENT FOR FUTURE GENERATIONS

Introduction

Lilongwe's environment consists of natural and man-made forests, rivers, and wetlands. The City contains five rivers with a combined length of 56 kilometres. Almost all areas along these rivers are either encroached or deforested, are unprotected, are being used for cultivation; or suffer sand mining or the dumping of sewerage.

Our 2010-30 City Master Plan envisioned a significant expansion of parks, recreational and natural greenery to "create an attractive urban environment and contribute towards conservation of the natural environment and the creation of a good city view." Parks and greenery are planned to reach roughly 20% of the city's land area with forests reaching an additional 24%. Despite the enormous potential—**there is no reason why Lilongwe cannot become one of Africa's most physically beautiful cities**—little significant work or investment has taken place and our work has been limited to grass cutting and the management of a tree nursery.

To date there are no significant recreational areas developed or maintained by the City. Some modest work is underway with two community parks (in Areas 18 and 49) and the creation *Eden Park* in Area 13. These 10 hectares, to be developed in the first third of the period covered in our master plan fall far short of our target of over 1,000 hectares by 2030.

Making Lilongwe beautiful again and providing our citizens with much-needed recreational areas will restore some of the lost confidence and civic pride that has beset our city.

Strategies

TABLE 10: 2010 TO 2030 MASTER PLAN PROPOSED LAND AREA RESERVED FOR GREENERY

TYPE	HA	%
Nature Sanctuary	137	0.3%
Parks and recreation	1,149	2.9%
Greenery / open space	6,840	17.4%
Agriculture	4,309	11.0%
Forestry	9,566	24.3%
Total	22,001	55.9%

NOTE: % is the total of all land in Lilongwe. Shaded areas mark priorities in the Strategic Plan

To protect the environment for future generations and to create a truly green city, we will implement the following four urgent strategies.

3.2.1 Strengthen the directorate by developing simple data tools and by managing the environment through projects and partnerships

A reorganized "Environment and Parks Directorate" and will be created, removing grass cutting, and mobilizing environmental management expertise. The nursery will support private sector supply chains and will no longer sell to individual customers; it will supply plant and agroforestry products used by the Directorate in its parks and environmental protection initiatives.

The Directorate will create an *Environment Working Group* mobilizing the participation and cooperation of civil society organizations. A key first step of this working group will be organizing a rapid environmental assessment of forests, rivers and wetlands and the development of tools to monitor the strategies below. With the working group, we will formulate 2 major environmental projects per year to raise external support and funding.

3.2.2 Create and maintain 100 hectares of new parks and recreational areas

We will develop a short implementation plan identifying areas where new parks and recreational areas will be established. Staff will be assigned full time to these initiatives. Over time, we will develop the following number of new parks:

TABLE 11: TARGETED # OF NEW PARKS TO ESTABLISH

ITEM	2020/ 1	2021/ 2	2022/ 3	2023/ 4	2024/ 5
Community parks (2 HA each)	2	3	4	5	6
Major parks (6 HA each)	0	2	2	2	3
Eden Park (6 HA)	1	--	--	--	--

3.2.3 Fully protect 200 hectares of wetlands and river areas (buffer zones)

We will create a Wetland Protection Division, with staff responsible for maintaining environmentally sound buffer zones along our 5 main rivers. Priority catchment areas will be determined in conjunction with the Lilongwe Water Board. In the course of this strategy we will protect 40 kilometres of river with a 50-meter buffer zone. Amongst others this will involve clearing agricultural activity, strengthening river banks and flood control, and planting trees to

prevent soil erosion. The cumulative planned hectares of buffer zone management are as follows:

TABLE 12: TARGETED # HECTARES TO MANAGE

RIVER	2020/ 1	2021/ 2	2022/ 3	2023/ 4	2024/ 5
Lilongwe	22	44	66	88	110
Ligadzi	5	10	15	20	25
Nankhaka	13	26	39	52	65
Camk-handwe	0	0	0	0	0
Nchesi	0	0	0	0	0
TOTAL					

Note: all figures are cumulative

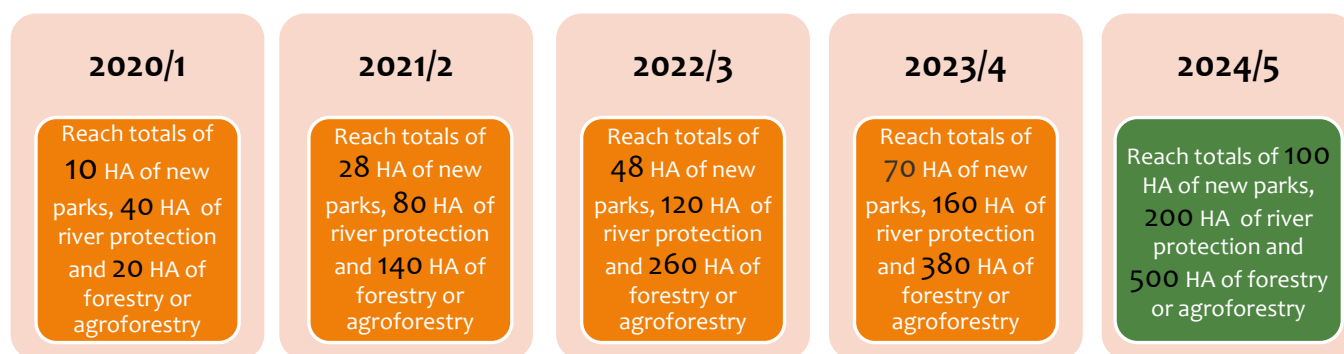
3.2.4 Re-establish 500 hectares of forestry and agroforestry cover

Lilongwe currently includes large patches of barren land, for example in areas 45 and 54.¹⁷ To create tree covering our approach will be to:

- Solicit project support from donors and civil society
- Use both a forestry approach (where the city plants trees in public areas) and an agroforestry approach, where citizens are facilitated to grow trees as an economic or soil protection measure

Targets and milestones

We will monitor results as follows.



2020/1

2021/2 to 2024/5

Milestone 1: Restructure the Parks and Environment Directorate

Milestone 2: Form an Environment Working Group

Milestone 3: Complete a rapid environmental assessment process as an input into the Annual Lilongwe State of the Environment Report

Milestone 4: Develop an implementation plan for creating parks

Milestone 5: Develop and implement 2 new environmental projects per year based on the State of the Environment Report

¹⁷ Our city master plan identified 1,542 hectares of barren land in these areas. It estimated the cost of rehabilitation to be \$US 700,000

Strategic Objective 3.3

COLLECT AND PROPERLY DISPOSE OF 70% OF ALL SOLID WASTE GENERATED

Introduction

Most households, especially in informal settlements, dispose of their waste in open spaces, on riverbanks, and along roadsides. Most waste is burned (creating greenhouse gases) or is dumped in open pits or spaces. Our 2017 baseline calculated that only 8.7% of all generated waste is collected; though, our current estimate is that about 120 tons/day, or 22% of the waste generated is collected. The rate is much less than most other major African cities. Waste collection problems confront the city at every step of the chain (Figure 11).

The solid waste dump site for Lilongwe City is not a proper landfill. It has the potential to cause environment and health problems. During rainy season leached waste is likely to infiltrate our ground water causing water and soil pollution. Heavy winds may also blow away waste, causing air pollution. The site is overwhelmed by scavengers, who are virtually unregulated and the site is not paved making it difficult for waste delivery vehicles to reach specific places during the rainy season.

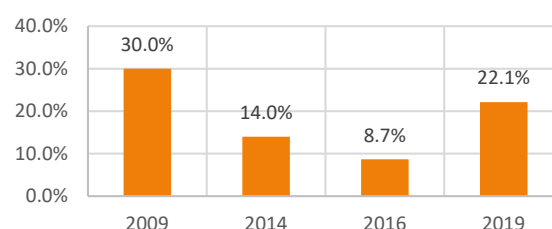
Strategies

Increased waste collection will require significant financial resources, either to invest in staff and equipment or equipment or to outsource collection. We will adopt the following five main strategies.

3.3.1 Create a conducive institutional environment including plans, projects, technical support and by-laws

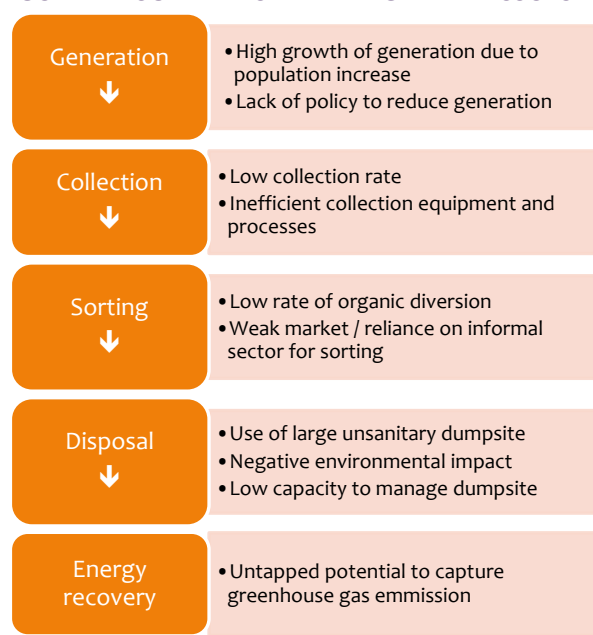
We will create a separate Division for Solid Waste Management as it is a prominent, priority function of our City. To truly undertake its functions, additional staff, vehicles, equipment and funding will be required. The city will identify technical partners to assist us to expand our services. This will be based on an implementable plan describing where and how

FIGURE 10: % OF SOLID WASTE THAT IS COLLECTED



NOTE: 2009, 2014, and 2016 data is from the 2017 Baseline. 2019 value assumes 120 tons collected per day (interviews).

FIGURE 11: SOLID WASTE MANAGEMENT ISSUES



collection will take place and the required level of investment needed to meet our collection, sorting, and disposal targets. We will develop apps to better involve citizens and to monitor collection and we will strengthen our monitoring systems, particularly at the Area 38 dumpsite, where disposal takes place. Later on, we will investigate the feasibility of creating an independent Solid Waste Management Board akin to the Lilongwe Water Board. Such a board would require payment of user fees to fund operations.

3.3.2 Clarify financing mechanisms and accurately gauge costs of collection

Financing is the backbone of solid waste management (SWM). We currently lack sufficient data on how much it costs to collect and properly dispose of a ton of solid waste, though we currently estimate collection and delivery to the dumpsite costs between MK 3,000 and MK 5,300 per ton. To finance SWM, we will continue to rely upon the property tax, though this may be supported through some additional user fees and surcharges. We will avoid double taxation, wherever possible.

3.3.3 Outsource 50% of all solid waste collection, focusing on residential collection

We will expand public private partnerships to collect solid waste, outsourcing household collection while we serve larger clients, including commercial and industrial enterprises, markets, and waste generated from labour-based sanitation (street cleaning, drainage, sweeping). PPP contracts may either be a service contract (allocating geographical areas or clients or parts of a service for a contractor to cover) or a “free for all” whereby the private sector is paid for each ton delivered to the dumpsite, using vouchers. We expect 50% of the collected volume will be outsourced to the private sector.

3.3.4 Develop collection, sorting and recycling opportunities, to reduce costs and volumes

The transport cost and coverage of solid waste management services to the citizens of Lilongwe will be largely determined by coverage and by investments in bins, skips, collection points, networks, and waste sorting. Our strategy will begin by creating

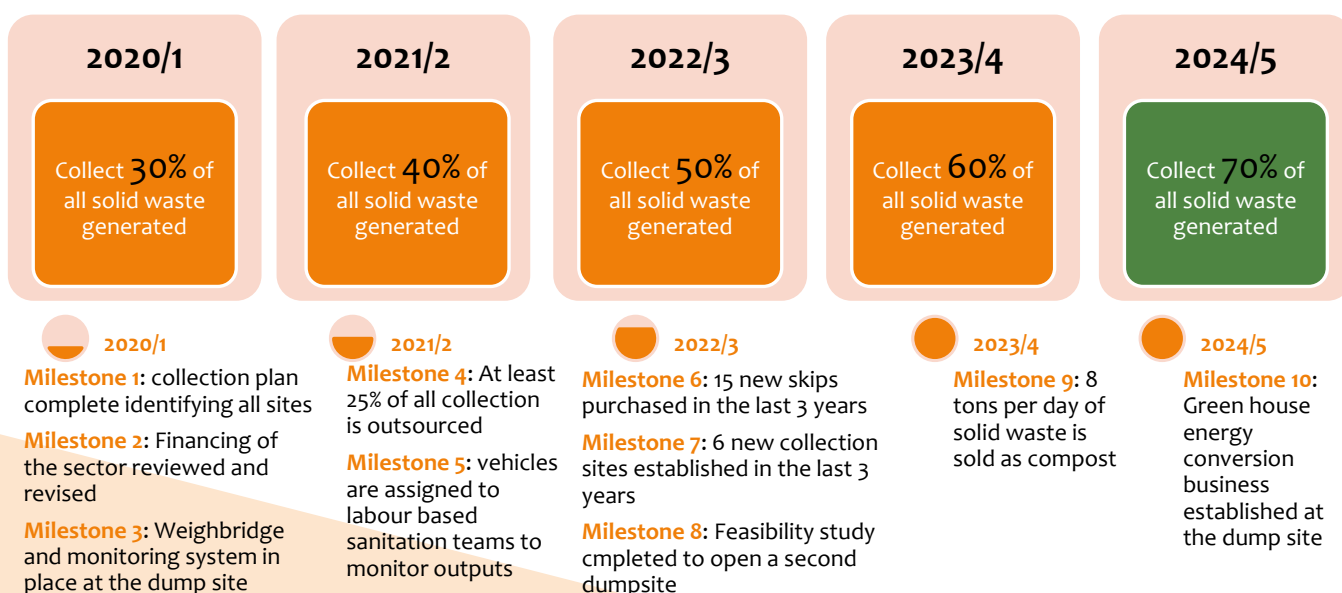
a map and plan for all intermediate collection points and networks. We will invest in at least 5 new skips per year, accounting for an additional 35 tons of solid waste collected per day. We will assign vehicles to the labour-based sanitation unit, to monitor their output and sanitation units will be assessed by the actual volume of waste they deliver to the dumpsite. Each year 2 new collection and sorting points will be established. We will increasingly support markets for compost, recycled and other sorted materials.

3.3.5 Professionally manage the dump site and seek a PPP for energy conversion

Our monitoring system will be implemented at the dump site, with different officials rotated there to record vehicle numbers, times, tons delivered, vouchers, etc. How much waste is delivered for disposal is our most important performance measure. We will install a weighbridge and institute proper accounting of the delivery of solid waste. We will appoint a dumpsite manager to directly oversee and “professionalize” the area. Roads within the site will be improved and proper shelters developed. We will actively pursue investors, through a PPP arrangement, to establish a bio waste-to-energy generation and recycling plant at the dumpsite. We will also complete a feasibility study for creating a new landfill site

Targets and milestones

We aim to increase our daily collection from the current level of 120 tons/day (22% of the waste generated) to 453 tons per day in 2024/5 (70% of all waste generated).



Strategic Objective 3.4

MAKE ROADS SAFER, CLEANER AND LESS CONGESTED

Introduction

Lilongwe city has 590 kilometres of road. It is a major transport hub where national roads interchange from the north, south, east and west. Most roads were constructed in the 1970s and are no longer adequate for the substantial increase in traffic. The Malawi Roads Authority is responsible for the management of main, secondary and district roads, while the LCC is responsible for urban and community roads. Numerous problems confront the transport sector (Figure 12), including congestion, insufficient maintenance and repair, and poor public transport.

Strategies

At about \$US 700,000 to develop a single kilometer of tarmac road, our entire budget can only tarmac 8 kilometers of road per year. At this cost, fully implementing our master plan is not feasible, and we must instead prioritize a few strategic, manageable, transport improvements. We will focus on street lighting, public transport and traffic management, more efficient street cleaning, and minor road repair.

3.4.1 Strengthen the City's capacity and management of the transport sector

Restructuring will place all transport related activities under a single directorate, encouraging a more integrated approach. We will transfer sewerage to the Lilongwe Water Board and establish an Engineering Unit to provide technical support to all directorates. We will actively lobby the Ministry of Transport and Public Works on behalf of our residents by: (i) periodically measuring congestion and travel times; (ii) identifying **priority transport bottlenecks** and their resultant losses in time and vehicle maintenance; and (iii) advocating for specific projects and cost sharing. We will develop apps and a roads inventory database describing the repair history of each road, the number of potholes and conditions of each section (with photographs). We

FIGURE 12: ISSUES IN THE TRANSPORT SECTOR



Congestion, especially along the M1 and in the center of the city



Insufficient funding for development, maintenance and upgrading of the road infrastructure;



A lack of investment has led to the poor quality of roads; most roads are littered with potholes;



Poor quality and inadequate maintenance have contributed to a high incidence of road accidents;



Lack of or inadequate storm water drainage leading to flooding and deterioration of the network;



Mini-buses are poorly regulated, over-supplied and unsafe; routes not adhered to



Restrictions on heavy duty vehicles are poorly enforced; lack of dry port storage



Illegal development in road reserves; development of informal routes throughout the city



Insufficient sidewalks, pedestrian walkways, parking spaces, bus stations, and bus bays



Insufficient street lighting; vandalism of street lights



Roads are cleaned by hand, at a major expense to the LCC

will improve dialogue with Minibus Associations to mutually solve parking and congestion issues.

3.4.2 Repair existing lights and install 40 new kilometres of solar powered LED lights, ensuring at 75 kilometres of road are adequately lit

Improved street lighting will reduce accidents and improve public safety. We will shift to solar powered lights. A recent study in Uganda showed solar can reduce installation costs by at least 25% and maintenance costs by up to 60%. Once installed there is virtually no operational expense. The average cost of installation is about \$US 1,600 per pole and 40

poles are needed per kilometre.¹⁸ We will reach our target of 75 kms (20% of the network) as follows:

TABLE 13: CUMULATIVE KILOMETERS (KM) OF ROAD WITH FULLY FUNCTIONAL STREET LIGHTS

ITEM	2020/1	2021/2	2022/3	2023/4	2024/5
Solar	2	7	12	22	40
Traditional	5	10	15	25	35

NOTE: we may also switch from traditional to solar in some cases

3.4.3 Reduce congestion through improved traffic management and public transport

Our roads are extremely congested and traffic is poorly managed. With the traffic police, we will develop, monitor, and enforce restrictions on the travel of heavy-duty vehicles. Microbus routes will be revised and strictly enforced. We will outsource parking management and upgrade at least 5 bus terminals, including 1 international terminal (through build-own-transfer).¹⁹ We will investigate the feasibility of using only larger buses to ply major routes, as is done in Dar es Salaam.

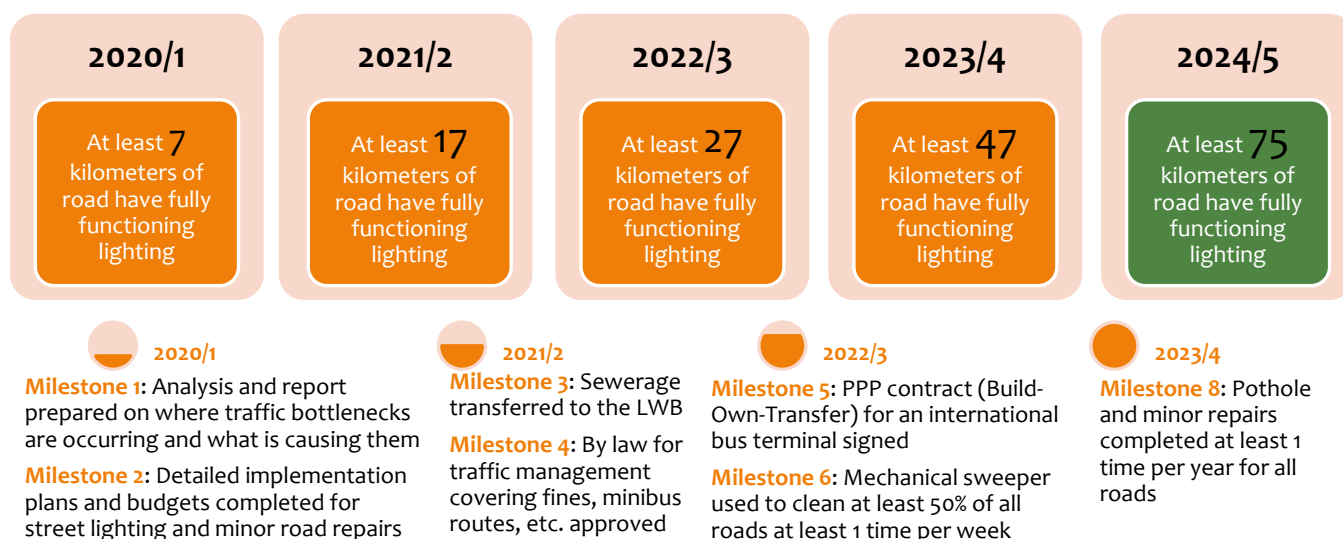
3.4.4 Use mechanical street sweepers to clean at least 50% of all roads

We rely on manual street sweepers. Data from India estimate a labourer can clean 300 metres per day.

With 371 kilometres of road, each street is currently swept every 11 workdays. Smaller automotive sweepers operate at about 3 km/hour, larger ones at 8 km/hour. Nevertheless, a small machine at 3 km/hr can cover the same distance as roughly 80 manual sweepers. Using a mechanical sweeper can save about 30% on current costs which can be reinvested into further development of the sector.

3.4.5 Establish a pothole and minor repair unit repairing all 371 kilometres of road at least one time per year

Routine maintenance will be carefully scheduled, and closely monitored. It will be done at an early stage of deterioration to limit the extent of road damage. We will focus on drainage and minor surface repairs (potholes, ruts, and cracks). It is estimated that it costs roughly \$500-\$750 to maintain a kilometre of road,²⁰ equivalent to about MK 140 Million per year. Since sub-contracting such repairs is complicated, we will create our own repair unit. We will work together with the Malawi Roads Authority on technical and financial issues.



¹⁸ Gillard, R., et. al, 2019. "Sustainable urban infrastructure for all: lessons on solar powered street lights from Kampala and Jinja, Uganda."

¹⁹ See the Roadmap, page 78 (transport PPPs); page 79 (BOT for infrastructure development); and page 83 (action plan for PPP).

²⁰ Sally Burningham and Natalya Stankevich, 2005. "Why road maintenance is important and how to get it done." World Bank Transport Notes.

Strategic Objective 3.5

MITIGATE COVID 19, STRENGTHEN PUBLIC HEALTH, AND TRIPLE MCH VISITS

Introduction

The Council plays a key role in promoting the public health of our residents. Many public health activities are described throughout this plan.

PUBLIC HEALTH FUNCTIONS

Street cleaning
Market cleaning
Grass Cutting
Cemetery Management
Public Toilets
Pest Control
Provision of Maternal and Children Health care
Health education and communication, including communicable disease
Solid Waste management
Sewerage
Inspection and regulation, such as food handling, water and sanitation, etc.

First, we will restructure our cleansing division, placing all labour based initiatives (street cleaning, grass cutting, drainage cleaning) under a separate single directorate (strategic objective #2.4). Second, we will outsource market management and the provision of public toilets—taking a policy, standards, and regulatory approach (strategic objective #2.3). Third, Solid waste management will play a more prominent role (strategic objective #3.3). Fourth, we will strengthen inspections and regulation—making processes

more transparent and less bureaucratic (strategic objective #3.1). With this in mind, this strategic objective focusses on: (i) the COVID-19 pandemic; (ii) water and food safety; and (iii) maternal and child health (MCH)

Strategies

3.5.1 Promote social distancing and create awareness to contain and mitigate COVID-19

All directorates will need to become COVID-19 directorates, reprioritizing their initiatives, and reassigning staff and resources. The overall strategy is not to “lock-down” all social and economic activity, but to instead to sensibly mitigate risk, to encourage hygiene and the wearing of masks, and to

promote voluntary social distancing through improved awareness. Possible initiatives include:

- Public information campaigns including where infections have taken place
- Closing or regulating bars and nightclubs
- Restricting mass gatherings
- Requiring the wearing of masks and temperature checks at the work place, markets, and commercial establishments
- Disinfecting public areas and transport vehicles
- Limiting passengers on minibuses
- Supporting surveillance and testing measures
- Supporting local businesses to produce masks, sanitizers and other protective equipment
- Managing spaces (public, banks, commercial establishments, work places) through low tech physical markings (“nudging.” see Figure 13)

FIGURE 13: LOW TECH SOCIAL DISTANCING



Many of these initiatives can greatly reduce contact while having a minimal negative effect on the economy. This can keep the transmission rate (R_t) at around or below 1, and with early warning systems in place can prevent uncontrolled, exponential spread of

the virus. We will develop a complete response plan balancing regulation, communication, hygiene, surveillance, and assistance in social distancing in potentially crowded areas.

3.5.2 Strengthen public health and triple laboratory testing of water, food, and industrial waste

Lilongwe faces annual threats in terms of cholera, malaria, and other communicable disease. Together with the Lilongwe Water Board, and in line with our focus on wetlands and river management (strategic objective #3.2) we will expand our water, food, and industrial sampling capacity, tripling the number of laboratory tests completed by 2024/5. We will revise, improve, and re-engineer our food handling inspection and testing in 2021/2 and our industrial health inspection processes in 2022/3. Finally, we will work with civil society to implement innovative, dynamic health communication initiatives, directed towards behavioural change.

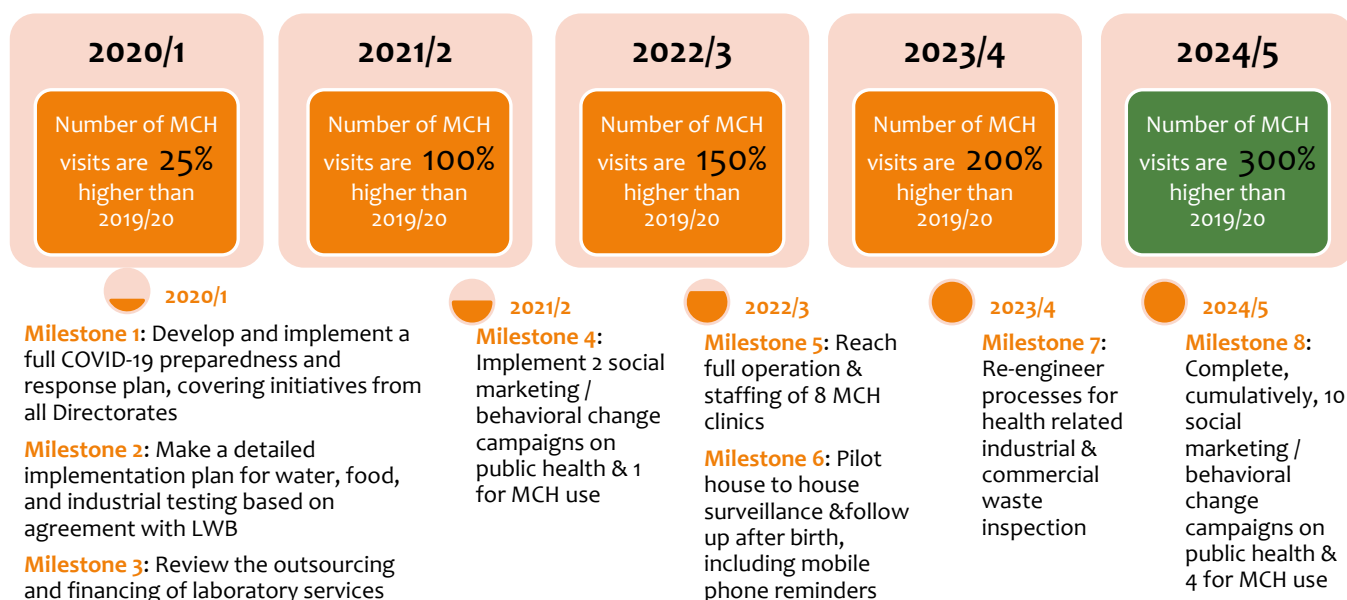
3.5.3 Provide full MCH services at 8 clinics, tripling the number of visits by 2024/5

Our MCH clinics are understaffed and are not providing a full range of essential services to our

community. They should be monitoring the growth of children; immunizing under-fives; providing nutrition and antenatal services;²¹ and supporting family planning. In Lilongwe, it was estimated that only 50% of all pregnant women completed at least 4 antenatal visits, that only 11% visited during their first trimester, that only 76% of deliveries were conducted by a skilled attendant, and that 34% of women did not receiving any postnatal check-up. These problems were worse for poor and uneducated women.²² To address these issues, we will: (i) expand and upgrade staffing at all MCH clinics, ensuring there is at least 1 clinical officer and 1 trained nurse at every clinic; (ii) identify partners to support the expansion of services; (iii) strengthen our data collection and management; (iv) pilot house to house surveillance and follow up after birth; and (v) invest in MCH community mobilization and communication, especially targeted at youth.

Targets and milestones

Our targets are as follows.



²¹ Including prevention of mother to child transmission and paediatric AIDS.

²² Kazanga I, Munthali AC, McVeigh J, Mannan H, MacLachlan M. Predictors of Utilisation of Skilled Maternal Healthcare in

Lilongwe District, Malawi. Int J Health Policy Management. 2019;8(12):700-710. Published 2019 Dec 1.

doi:10.15171/ijhpm.2019.67. Figures are indicative only; they probably cover both Lilongwe City and Lilongwe Rural District.

Strategic Objective 3.6

ASSIST 25,000 POOR HOUSEHOLDS WITH HOUSING AND LAND FORMALIZATION

Introduction

Lilongwe City has a land area of 39,345 hectares, of which agricultural land comprises 55%. Because of high migration rates, housing is inadequate and informal settlements have grown rapidly. Many residents in these areas live in sub-standard conditions without adequate basic services such as water, sanitation, or refuse collection. Addressing these issues is challenging for the City as the *Land Act* (2000) establishes the central government as the owner of most land (the Ministry of Lands, Housing and Urban Development; the Malawi Housing Corporation; and Airports Development Limited). For us to work with local developers and expand low-income housing, we will need, in most cases, to acquire or mobilize land from these agencies.

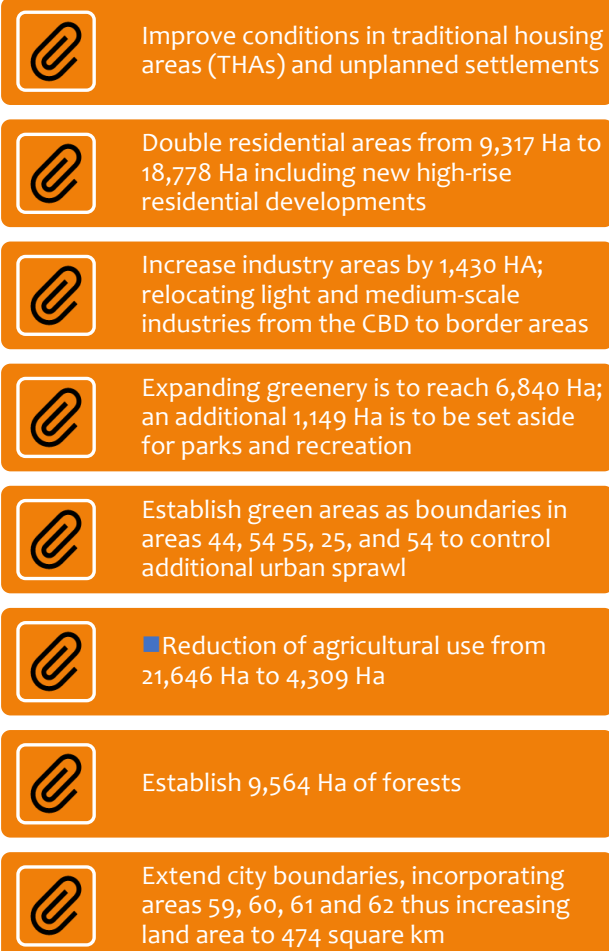
The city has an *Urban Structure Plan* (2013, Figure 14) regulating land use, but enforcement has proven difficult. We face challenges of non-compliance with zoning and building regulations, illegal occupation, and encroachment. Studies by JICA in 2010, revealed that approximately \$US 21 Million per year will be required to properly develop roads, water and other infrastructure. Such resources are well beyond our current means. Therefore:

- Our town plans are not consistent with our resource envelope and we have been unable to significantly implement them
- We will therefore need to prioritize and greatly narrow down the scope of our town planning initiatives

Strategies

Strategic objective #3.2 defines our approach to improving the environment (parks, rivers, and forests). Our **focus is therefore to manage urban sprawl by expanding housing, regularizing titles**

FIGURE 14: INITIATIVES IN THE URBAN STRUCTURE PLAN (2013)



and developing high-profile integrated planning projects. We will implement 4 main strategies in close cooperation with the Ministry of Lands.

3.6.1: With the private sector, create housing developments to serve 15,000 poor households

2010 was the last year the City established a housing estate, though there is currently a waiting list of 4,000

persons.²³ Because some land is available for housing so we will: (i) set aside sufficient funds for compensation; (ii) improve our cooperation with the Ministry of Lands and MHC; and (iii) work with property developers to expand our housing stock. In later years, we will seek investors to create high rise residential developments.

3.6.2 Design and implement an informal settlements regularization program

Customary land tenure is not officially recognised in cities and settlements. Because of this, a strategy of regularization (formalization) can critically protect property rights of our residents. Though expensive, some costs of regularization can be recouped by increased property tax revenues.²⁴ We will:

- Form partnerships with the Ministry of Lands to develop and implement a land formalization program in our traditional housing areas and informal settlements
- Contribute to the cost (financial and in-kind) to formalize land titles for up to 10,000 households

3.6.3 Create green boundaries in 5 areas and incorporate areas 59 to 62 as part of the city

Maintaining the physical beauty of Lilongwe is a priority of ours. To do so we will:

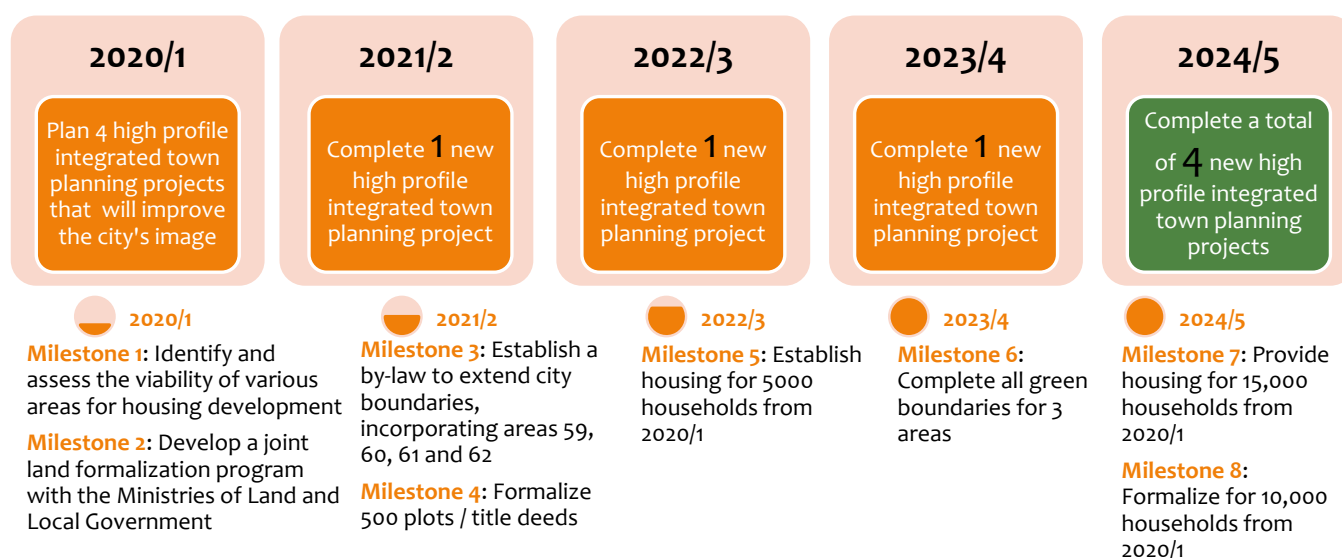
- Establish green boundaries in areas 44, 54, 55, 25, and 54 to control additional urban sprawl
- Extend city boundaries, incorporating areas 59, 60, 61 and 62 thus increasing land area to 474 square km

3.6.4 Implement one major, integrated town planning transformational project each year

Instead of being overwhelmed by the scope of our town planning problems, we will develop, each year a high-profile transformation of a small area of Lilongwe. We will create success one project at a time. For example, in 2021/2 we plan to completely overhaul the town hall area, beautifying the river area, its pathways, its lighting, its access, its informal sellers, and its business area. Areas will be multi-purpose and each transformation will cover all relevant directorates and sectors: health, private sector development, roads, pollution, and forestry. Annual projects will be selected to create a positive image of the city and will be implemented in close partnership with the private sector.

Targets and milestones

We aim to provide 15,000 households with improved housing and regularize 10,000 plots in THAs and informal settlements. Our targets are as follows..



²³ Demand is probably much higher.

²⁴ Formalization may significantly increase property values.