

**Ref. No. DEVD14/12/10**

**13<sup>th</sup> August, 2019**

**FROM:** SECRETARY TO THE TREASURY, P.O. BOX 30049, MINISTRY OF FINANCE, ECONOMIC PLANNING AND DEVELOPMENT, LILONGWE 3.

**TO :** ALL CONTROLLING OFFICERS AND HEADS OF DEPARTMENTS

**:** ALL CHIEF EXECUTIVE OFFICERS FOR GOVERNMENT PARASTATALS.

**Copy:** CHIEF SECRETARY TO THE GOVERNMENT, OFFICE OF THE PRESIDENT AND CABINET, P.O. BOX 301, LILONGWE 3.

**FY2020/21 PUBLIC SECTOR INVESTMENT PROGRAMME (PSIP) CIRCULAR**

**No.1**

I write to advise that, in accordance with the Public Sector Investment Programme (PSIP) calendar, the Ministry of Finance, Economic Planning and Development, through the Department of Economic Planning and Development (EP&D) has commenced the formulation of the 2020/21-2024/25 PSIP. In this regard, I request all Government Ministries, Departments and Agencies (MDAs) to submit proposals new and ongoing projects as per required standards.

We expect that all project submissions will be in line with the third Malawi Growth and Development Strategy (MGDS III) as the overarching development strategy. Since the selection and approval of new and ongoing projects will be based on their


alignment towards achieving the goals outlined in the MGDSIII and their value for money.

### **Determination of a Budget Baseline for FY2020/21-2023/24 Medium-term Expenditure Framework (MTEF)**

The development budget baseline scenario will define the bare minimum resource requirement from GoM internally generated resources, referred to as Part II resources. In determining this level of annual investment, in a medium-term perspective, MoFEPD will be undertaking a budget consolidation exercise to identify the medium-term cost requirement for ongoing projects with contractual commitments. A template titled "ongoing projects under implementation" (OPI) has been designed to collect the required project data and aid in updating key financial information relating to ongoing projects. The primary purpose of this template is to capture commitments relating to contractual agreements, arrears and also counterpart funding for donor funded projects.

Consolidation and analysis of this information about the ongoing projects, by this Ministry, will lead to a determination of the baseline resource requirement for the projects as part of the medium-term expenditure framework (MTEF).

MDAs are also reminded that according to Circular Ref.No.ST/1 Procedures for Project Extension dated 10<sup>th</sup> July 2019, extension of projects shall not be allowed except in special circumstances. All those projects whose implementation and closure require time extension may do so at no cost and are advised to express the need



for time extension using the usual Project Extension Request Forms. For all projects completing before July 2020, the MDA are expected to submit preliminary Project Completion Reports using specially designed templates.

### **Pre-Screening Mechanism for New and Pipeline projects for entry into the PSIP database**

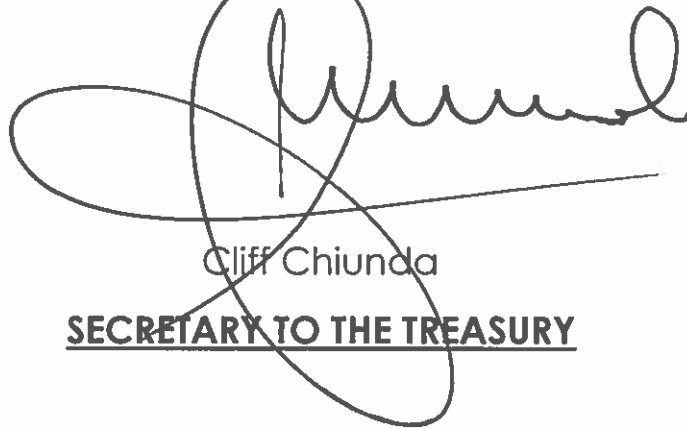
As a way of optimising the use of resources, the Government will continue to prioritize the completion of on-going projects, whilst limiting the inclusion of new projects. Furthermore, the MoFEPD has established a pre-screening phase for entry of new projects into the PSIP database. A new project proposal (NPP) template structured around 21 parameters has been designed for the PSIP to either pass, defer or fail a new project proposal submitted by an MDA. Assessment of new projects by the PSIP will lead to one of the three outcomes:

- i. Projects that "pass" will be eligible for entry into the PSIP database,
- ii. Projects that are "deferred" will be returned to the MDA for further work
- iii. Projects that "fail" will be rejected.

As such, we request that new and pipelined projects should be resubmitted using the New Project Proposal (NPP). The PSIP will, following a 'pass' rating on a project, advise the proposing MDA to submit the details of the project using the PSIP database data collection template for New projects.

Please note that we will receive the completed OPI and NPP templates and quarterly progress reports no later than 6<sup>th</sup> September 2019. To access the templates, MDAs are advised to download them from the PSIP database [www.psip.malawi.gov.mw](http://www.psip.malawi.gov.mw) via GWAN or internet or contact their respective desk officers (**attached list**).

If you require further clarification, please do not hesitate to contact the Deputy Director of Development Planning on 01-788888 or email [psipsubmissions@gmail.com](mailto:psipsubmissions@gmail.com).



Cliff Chiunda  
**SECRETARY TO THE TREASURY**

## LIST OF DESK OFFICER'S ALLOCATION FOR 2020/21 FY

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	Information and ICT
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	Subvented NICE
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