



ORIGINAL

International Labour Office

EXTERNAL COLLABORATION CONTRACT

The International Labour Office(ILO) and the External Collaborator

Contractor: MALEMA Kalani Geone Fungameza Mbeye

Address: c/o District Labour Office
P.O. Box 55
Rumphu
Malawi

PO/Ver No: 40347252 / 0
Date of Birth: 05-APR-73
Nationality: MWI
Sex(M/F): M

Starting Date: 16-AUG-21
Completion Date: 24-SEP-21
Net Amount and currency: 5,250.00 USD
Tax Amount: 0.00 USD
Total Amount: 5,250.00 USD

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Signed on behalf of the Director-General of the ILO:

(I confirm that checklist has been reviewed)

Name and title: *Sukti Dasgupta*
DASGUPTA, Ms. Sukti
Branch Chief

Place and Date: Geneva, 13 August 2021

Signed by the External Collaborator:

MALEMA Kalani Geone Fungameza Mbeye
MALEMA Kalani Geone Fungameza Mbeye

Place and Date: *Visakhapatnam*
16th August, 2021

The external collaborator certifies:

- that adequate insurance coverage is held to provide compensation in the event of death, injury or illness which may occur during the period in which the obligations under this contract are executed and understands that the ILO accepts no liability for these risks.
- for former officials of the ILO, the ITCILO or of another UN organization, who are in receipt of a retirement benefit of the UNJSPF, that they have not earned more than the equivalent of 6 months of the net base salary at step 6 of the P.4 grade in the current year, for work contracts of any kind with agencies under the UN common system including the amount of the current contract.

Bank account number:
1006402336
Bank name and address:
NATIONAL BANK OF MALAWI
PO BOX 20
MZUZU

Hereby agree as follows:

1. The External Collaborator will perform for the ILO the work described in detail below (including project code, dates of travel, countries of travel, as necessary) in accordance with the specifications and within the time-limits set out:

Terms of Reference (ToR)

Assessment of Public Employment Services in Malawi

1. Background and rationale

1.1 Situation Analysis

Malawi is a small, least developed and densely populated country with an estimated GDP per capita (PPP) of \$820 in 2014 (World Bank: WDI).^{*} The landlocked country has for most of the past decade registered robust economic growth averaging around 7.5% between 2006 and 2010 (MGDSII, pp 7). After the economic shock of 2011/12, GDP recovered to 5.2% in 2013 and has remained above 5% level before dropping to 3% in 2015 due to adverse weather conditions that swept 63,000 hectares of crops leading to a 30% drop in crop yield production (IMF Article IV Consultations, December 2015).

The dependence of the Malawi economy on agriculture and rain fed agriculture makes it vulnerable to the vagaries of weather. This is exacerbated by a lack of product and export diversification where tobacco accounts for over 60% of total export revenues. Agriculture continues to dominate the sector contributions to GDP albeit on a downward trend at 29% in 2014 compared to 38% in 1994. It is thus not surprising that impressive records in terms of growth have not automatically translated into less poverty and more benefits for the poor. Employment creation has proven to be one of the most effective means to redistribute the benefits of growth and reduce poverty. With a high population growth rate of 2.8% and declining mortality rates, the increase in the population is enormous and almost 80% of the population is below the age of 30 with a median age of 17.1% (ILO, 2015; World Bank: WDI).

The labour market situation mirrors the economic and demographic landscape described above. Exacerbated by the absence of comprehensive social protection measures, the supply of labour has been consistently high—almost 90% of the working age population between 15-64 years are in the labour force of which 72% are in employment. Such high levels of employment to population ratio signify the compulsion to work, as people cannot afford to be openly unemployed in the absence of welfare support measures. The latest and only labour force survey of 2013 estimated unemployment rate at 20.4% using the broad definition (6.6% strict definition) and is highly urban and female dominated. The quality of employment is highly questionable when only 11% of the employed are in formal employment, implying informality levels of up to 89%. While there is an observed structural shift of employment away from agriculture (from a share of around 80% to 64%) mainly into services (28.5%) the structural change is most likely productivity-reducing as over half of services employment is in petty trading. On the other hand industry occupies a paltry 7.4% of total employment. Moreover, 65% of the employed are in low end occupations of agricultural and sales workers compared to only 3.5% professionals. Six in ten people are in vulnerable employment. It is no coincidence therefore that 51% of the population is poor and every fourth person in the population is ultra-poor (IHS3).

Compared to adults, the youth are in more precarious position in all aspects. A whopping 28% of the 15-24 year olds are openly unemployed (23% of the 15-34 age group) and 22% (17%) are neither in employment, education or training (NEETs) representing a time bomb as experience elsewhere has shown.

^{*} <http://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD>

1.2 Past and current efforts

Government has over the years recognised the precarious economic and labour market position and has put in place a number of economic, social and labour market policies. These have included the enterprise development programmes, one village one product (OVOP), the youth enterprise development fund to the tune of Malawi Kwacha 5 billion a decade ago, the universal cash transfer programme, to mention but a few. In the absence of an objective impact evaluation of these initiatives it is difficult to determine their effectiveness apart from the fact

that the overall social and economic indicators they were supposed to address have not shown any significant improvements or even worsened.

One of the key challenges has been the tendency to pursue policies in a piecemeal fashion, without situating them in a comprehensive and overall economic and social policy framework that would peddle the country on a capability driven factor accumulation and productivity enhancing structural transformation. For example, the Malawi Growth and Development Strategy, while it represents a forward looking development plan, it does not take into account human capital development policies that would enable its realisation. Moreover, in some of the promising youth employment initiatives, their efficacy was partly compromised by political patronage.

Government has also, with technical assistance from the ILO, developed a comprehensive employment policy, the National Employment and Labour Policy, which is going through the government approval system. The policy provides a framework for policy coherence and institutional coordination which has so far been lacking and promises great potential if implemented with the involvement of all key stakeholders.

More recently however, the government has placed emphasis on skills development and entrepreneurship through reforms in technical and vocational training which saw the establishment of the TEVET Authority and since two years ago the drive to establish community technical colleges to develop technical skills at the local level and build social capabilities from the grassroots. In pursuit of this policy objective, government has requested ILO for technical assistance to build capacity for development and implementation of this policy initiative. The ILO has been supporting the government and social partners in the implementation of the Skills for Trade and Export Development (STED) focusing on value chains in horticulture and oil seeds. A new skills project is expected to start soon to build on the work started.

To be effective, skills development initiatives need to be complemented and linked to skills utilisation systems, including employment services. Employment services are more than ever vital given government's commitment to skills development. In a market of information asymmetries and other market failures, employment services represent the missing link as part of broader active labour market policies that are empirically known to improve the efficiency and effectiveness of labour market matching of supply and demand.

Poor and highly underdeveloped Public Employment Services (PES) in addition to a weak overall labour market information system militate against an effective analysis of the labour market and development of appropriate and evidence based employment and labour market policies to bolster effective and sustainable transition of the labour force from unemployment and underemployment to sustainable and productive employment.

1.3 PES in Malawi

Public employment services in Malawi have a long history, having existed as part of the Ministry of Labour's labour administration system where the job centres are in most cases co-located with labour offices at regional and district levels. Job centre staff are all round officers responsible for other functions such as dispute settlement, labour inspections and labour relations. While employment services in Malawi and in the region as a whole have tended to be weak, especially after the adoption and implementation of structural adjustment programmes in the 80s and 90s, Malawi's employment services have seen a rapid deterioration after the 1990s and have continued that trend especially amid the proliferation of private recruitment firms and online boards. The regional employment centres have virtually stopped offering services except referrals of domestic and daily workers to employers and the function has in some cases been relegated to unskilled members of support staff with little or no ability to professionally handle clients.

In all the major cities – Blantyre, Lilongwe and Mzuzu- the premises for employment centres have been closed, relocated to much smaller spaces or are simply dysfunctional. Depending on the interest of the District Labour Officers, some districts are still active, (such as Salima, Mchinji, Kasungu, Mulanje), despite the very difficult circumstances they work in.

Nonetheless, public employment services can play a critical role in facilitating the implementation of the government's one million jobs agenda. Employment services do not create employment in themselves. However, they contribute to unemployment reduction and employment creation by facilitating the matching of demand and supply of labour, improving the employability of jobseekers and facilitating employment creation by enterprises – including self-employment and entrepreneurship development.

The government recognises the role PES can play and has committed to establishing job centres in strategic

cities and towns to facilitate matching of jobseekers and vacancies. In the 2020/21 budget proposal, job centres will first be established in the three major regional city hubs: Blantyre, Lilongwe and Mzuzu.

In order to enable government and its partners make informed decisions regarding the way forward, this consultancy aims at undertaking a quick but comprehensive review of the state of employment services in the country – covering both public and private employment services providers and how these can be linked in a strategy aimed at supporting the development and utilisation of skills in Malawi.

2. Objectives

2.1 Assessment Objectives

The overall objective of this review is to undertake a rapid but comprehensive assessment of the PES in Malawi with a view to developing, through national consensus, a concrete action plan for revitalising the PES into a fully-fledged and functional institution, through a phased approach, in the medium to long term. The immediate objectives are:

- (a) Provide an updated status of the PES in Malawi, the role it plays and the potential role it can play, especially in line with the Government's 1 million jobs agenda, Vision 2063 and the first 10 Year Implementation Plan;
- (b) Develop a practical phased action plan for the development of PES and the necessary institutional reforms needed;
- (c) Provide recommendations, based on the regional and international experience on how to roll out employment services in Malawi, beginning with the job centre in Blantyre; and
- (d) Contribute to capacity building within the Ministry of Labour and its affiliated institutions, social partners and other stakeholders.

3. Scope of work

The scope of the review involves the following deliverables: i) A comprehensive report on the structure, organization and service delivery of the Malawi PES including a synthesis of an assessment of its performance and key recommendations; and ii) the preparation of an Action Plan, through a participatory approach, based on the key findings of the assessment.

The comprehensive report will provide information on the legal framework of the PES, its functions and organization, as well as on human and financial resources. The assessment will in addition focus on the following aspects among others:

- (a) PES policy and strategy: vision and mission of the organization, objectives, legal framework, main reform drivers, relationships with Private Employment Agencies (PREAs), monitoring and evaluation system;
- (b) Organizational structure and functions: central and local structure, including job centres; functional relations between main departments and related field services; major functions (job broking, LMI, labour market programmes and unemployment benefits administration, as well as other regulatory activities);
- (c) Programmes, service organization and workflow: administration, monitoring and evaluation of labour market programmes; distribution of PES functions among staff (registration, vocational guidance, job placement services and eligibility criteria for ALMPs and unemployment benefit); sequencing and targeting of services; tiering, client segmentation and profiling approaches;
- (d) Management of resource: adequacy of staff (levels and qualifications), recruitment procedures, competencies, training, and human resource development approaches; infrastructure and logistics arrangements; financial resources, budget and funding.
- (e) Link to policies: the existing and potential link to skills development policies and initiatives, youth development policies and programmes, etc.

The assessment will also pay particular attention to the issues of gender, youth and disability in the demand and supply of PES as well as to the aspects relating to the role of the PES in the provision of services to workers in the informal economy and, if relevant, in the management of migration. In addition, the assessment will review the current role of social dialogue and tripartism in employment services and will make specific recommendations for improvement in all the areas highlighted.

Particular attention will be paid in the review to the development and role played by PrEAs** and other non-public employment service providers with respect to services provided, the policy and legal framework applicable to them, opportunities and challenges they face as well as potential opportunities for collaboration in provision of employment services with PES. ***

** Private Employment Agencies in this regard are defined to include all non-public service providers supplying any of the four core employment service functions: matching services and counselling, labour market information, administration of labour market programmes and provision of employment related social assistance programmes.

*** This is in view of the realisation through various studies in the developing world - for example the World Bank (MENA region) and American Development Bank (in Latin America) – that perhaps the only feasible way to go round the weak financial capacities in government to finance employment services and labour market programmes effectively is to partner with non-public service providers from the early stages as soon as basic capacity and system have been built in PES.

4. Deliverables/Expect Outputs

The consultancy will deliver the following key outputs:

- i) An inception report detailing the consultant's understanding of the ToRs, the methodology and draft annotated outline of the assessment report;
- ii) A comprehensive report of between 15,000 to 20,000 words, Times New Roman font 12, on the structure, organization and service delivery of the Malawi PES and employment services in general including an assessment of its performance and key recommendations for improving and modernising the system. The report will also provide key recommendations on how to deliver employment services at the local level, in particular the rolling out of job centres as per the government plan;
- iii) A 10 -12 pages synthesis report of the assessment findings and recommendations for policy makers; and
- iv) A rough resource mobilization plan to strengthen employment services and ALMP delivery in Malawi.

The following schedule for deliverables will be adopted:

- i. Inception Report: to be submitted within one week from the signature of the contract;
- ii. Draft Assessment Report: to be submitted within three weeks of signing the contract covering all issues under the scope of work including the structure, organization and service delivery of the PES with synthesis of an assessment of its performance and key recommendations based on the key findings of the assessment which will feed into the National Employment and Labour Policy implementation.
- iii. Final Assessment Report and Recommendations: to be submitted within five weeks of signing the contract incorporating inputs/comments from Government, ILO and Social Partners. The final comprehensive report will be validated by social partners and national stakeholders and will be published jointly by Government and the ILO. An example of the structure of the report is appended in Annex 3.

5. Modus Operandi

The international consultant will work under the technical guidance of the ILO's Head of Labour Market Services for Transitions Unit based in Geneva with support of the Employment Specialists based in ILO's Decent Work Team in Pretoria. The Country Office in Lusaka will provide overall Programming and Administrative support. The Ministry of Labour will provide overall guidance, leadership, direction and ownership in the review and development of the action plan. It is envisaged that a technical team, comprising at least one official will be assigned to manage this process.

The consultant will work closely with a team of technical officials identified by Government. Consultations with private employment services may also be undertaken remotely where possible, with a view to determining a more innovative way of building up an employment service model that builds on both public and private service providers through partnerships that are adapted to local situations. If this is not possible, the consultant will use existing

information and remote contacts to gather the necessary information.

7. Budget, timing and duration

Duration and Completion: The duration of the assignment is of 15 working days spaced over a period of five weeks. The assignment is expected to be completed by 24th September 2021 at the latest, after which the contract will expire.

Consultancy fees: The ILO will pay the consultant for up to 15 working days at a daily rate of USD350, translating to \$5,250.

8. Skills and expertise required

(i) Advanced university degree with demonstrated expertise in social sciences and recognition in the field of active labour market policies and employment services including in developing countries;

(ii) Experience in advocacy, programme and policy design and management, legislation review, training, and human resource management, including demonstrated work with diverse stakeholders such as governments, the private sector, employers' associations, trade unions, non-government organizations, and UN and other inter-governmental organizations;

(iii) Practical experience and demonstrated knowledge in Public Employment Services and strategies for their modernisation;

(iv) Demonstrated experience in Institutional and organizational capacity building; and

(v) Excellent interpersonal and communication skills and experience in working with a wide range of individuals in government, private sector and civil society.

2. This work will be completed and delivered not later than 24-SEP-21 on which date this contract shall expire.

3. On completion of the work to the satisfaction of the Director-General, the ILO will pay to the External Collaborator the amount of: USD 5,250.00 (Five Thousand Two Hundred Fifty) which shall be the sole remuneration and include provision for any incidental expenses such as stenographic expenses, etc. The External Collaborator shall not in any circumstances be entitled to any payments other than those expressly provided for above.

4. Payment will be made as follows:

Payment Schedule

(a) US\$5250 upon submission and acceptance by the ILO of the final report.

5. The External Collaborator will submit invoice(s) for payment, in accordance with the payment schedule of the contract. The invoice(s) must make reference to the services delivered, and quote the **Purchase Order/Contract Number**. Invoices are to be addressed to:

Bureau International du Travail
PAIE
Route des Morillons 4
CH-1211 Geneva 22
Suisse

For all payments made to the external collaborator, bank charges are shared between the parties (i.e. the ILO bears charges levied by its bank and the beneficiary bears the charges levied by its own bank).

6. **The Standard Clauses reproduced on the next page are part of the present contract.**

Additional stipulations and remarks:

STANDARD CLAUSES

Status of External Collaborator

7. The present contract is made on the understanding that the External Collaborator is an independent contractor, is not considered to be an official or employee of the ILO and is not subject to the ILO Staff Regulations or Rules Governing Conditions of Service of Short-Term Officials. The External Collaborator is not entitled to recover from the ILO any income tax payable in respect of the fee provided under this contract and shall be solely liable for the payment of any national income tax due in respect of the emoluments payable under this contract.

8. While carrying out his/her obligations under this contract the External Collaborator shall act at all times in a manner befitting his/her relationship with the ILO and shall not engage in any activity that is incompatible therewith. He/She shall not, while performing the work contracted for or at any time thereafter, utilize in any manner prejudicial to or incompatible with the interests of the Organization any information of a restricted or confidential nature which may come to his/her knowledge in connection with the performance of his/her contractual obligations.

9. All rights, including title, copyright and patent rights, in any work produced by the External Collaborator by virtue of this contract shall be vested in the ILO, which alone shall hold all rights of use.

10. If the External Collaborator is required in the performance of his/her obligations under this contract to travel away from his/her normal place of residence, he/she may, upon request, be provided with a letter certifying that he/she is an "expert on mission" travelling on the business of the ILO.

Insurances

11. The ILO accepts no liability in the event of death, injury or illness of the External Collaborator. The External Collaborator attests that he/she is adequately covered by insurance for these risks. In no circumstances shall the External Collaborator be covered by any ILO insurance and it is his/her responsibility to take out, at his/her own expense, any personal insurance policies he/she may consider necessary, including a civil liability insurance policy.

Unsatisfactory or incomplete work.

12. In the event that the work provided for in this contract is unsatisfactory or fails to conform to the conditions set out above, the ILO reserves the right, as appropriate, to interrupt it, to request that it be corrected or modified, or to refuse to accept it. In such cases payment may be made in consideration of the work performed to the satisfaction of the Director-General.

Disputes

13. Any dispute arising out of the application or interpretation of this contract shall be referred to the Administrative Tribunal of the ILO in accordance with the provisions of paragraph 4 of Article II of the Statute of the Tribunal.