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## USEFULNESS OF PERFORMANCE CONTRACT ON PERFORMANCE TARGETS IN MALAWI'S PUBLIC SECTOR

Carol C. Khunga 

PhD Candidate in Public Administration and Management,  
University of Malawi, Chancellor College, Zomba, Malawi  
carolkhu908@gmail.com; phd-pa-08-21@unima.ac.mw

### Abstract

*The purpose of the study was to examine whether Performance Contract (PC) helps in the achievement of performance targets for improved service delivery in the Malawi's public sector. The study used a qualitative approach under the guidance of the New Public Management and Open System theories. Lilongwe Water Board (LWB) was purposively selected as the case study. In addition, Performance Enhancement Department (PED), Department of Statutory Corporations (DSCs) and Public Sector Reforms Management Department (PSRMD) were selected for triangulation purpose. A sample size of 36 respondents was purposively selected and data was collected through Key Informant Interviews (KIIs) and secondary sources. Thematic analysis was used to analyze the results and thereafter, data was transcribed and analyzed using data analysis software, ATLAS.ti, version 9. The results show that PC is useful in the achievement of the performance targets at LWB. However, this has been affected due to challenges such as: a lack of uncoordinated approach amongst the key stakeholders, a lack of synchronization of the NPM reforms with the public sector agenda and a lack of supportive policies. The study recommends for commitment amongst all stakeholders in the implementation stage, synchronization of the NPM reforms with the public sector agenda and the need for the Government of Malawi to develop supportive policies to help in the effective implementation of PC in Malawi's public sector. The study findings are contributing new knowledge and this is of great value in the improvement of service delivery in the Malawi's public sector.*

*Keywords: Performance contract, performance targets, public sector, service delivery, reforms, Malawi*



## INTRODUCTION

This study was conducted to examine whether Performance Contract (PC) as a reform tool helps in the achievement of the performance targets for improved service delivery in Malawi's public sector, a case study of Lilongwe Water Board (LWB). According to Bomett, (2015), PC is an agreement between the Government and a public institution where the intentions, obligations, and responsibilities are specified in a contract period. France was the first country to initiate PC as a reform tool, in the 1960s after the publication of the 'Nora Report' Obong'o (2009). The effect of PC has been very visible in France as it has helped to improve the performance of the public sector. Similarly, in Belgium, PC was introduced to control the public sector by ensuring quality service delivery and its science originated from France in the 1960s, according to research done by Bouckaert et al. (1999). Also, in the United Kingdom (UK), PC was introduced in 1998 as a Public Service Agreement (PSA) system with some outlined performance targets (Metawie & Gilman, 2005). In many countries PC has been implemented as a reform tool to improve service delivery in the public sector under the guidance of the New Public Management (NPM) model. Although the results have been mixed due to various reasons, France has been very outstanding in using PC as a reform tool for improving the public service delivery.

In Africa, many countries have been experiencing poor service delivery as indicated by Lufunyo (2013). As such, many African countries have implemented comprehensive Public Sector Reforms (PSRs) as a strategy to mitigate this challenge. These PSRs have been guided by the NPM model since the main aim is to improve the public service delivery, which is within the NPM paradigm. As an example, countries like Kenya, Ghana and Nigeria started implementing PC as a reform tool for improving the public sector, around 2005 (Kobia & Mohammed, 2006). Unlike in the Western countries, the implementation of PC has not been effective enough as evidenced by the continued poor service delivery.

In Malawi, PC was launched on 23<sup>rd</sup> November, 2020 under the Public Sector Reforms Management Department (GoM, 2021). This was after the Government of Malawi (GoM) initially launched Organizational Performance Agreement (OPA) reform tool in February, 2013 which was later rebranded to PC reform tool (GoM, 2016). PC was initiated as one of the reform tools for improved public service delivery. This was one of the continued applications of some of the elements of the NPM model, considering that PC was originally designed for the private sector as a management tool (Hope, 2002). Although PC is a reform tool that is used to monitor the performance of organizations, it is also a tool for monitoring the performance of individual managers. According to the Malawi Performance Management Handbook for the Civil Service (PMHCS, 2000), Malawi launched PC for

Managers in the year 2000. This encouraged contract - based employment for the public sector managers and the duration was three- years, renewable based on good performance (Tambulasi, 2010). This is in agreement with the Government's Reforms Agenda which is aimed at creating an efficient, effective and professional public service. The Reforms Agenda is one of the Malawi's most ambitious programmes, with a potential to be the game changer for development (Public Sector Reforms Report, 2019). The focus of this study was on the PC for public sector organizations and not for the individual managers because there has been an outcry from the citizenry about the poor performance and service delivery of public sector organizations, mainly the parastatals as indicated in the Annual Economic Report (2022). This is affirmed by Chikapa - Jamali et al. (2018), arguing that the local service delivery needs to be effective and efficient as it has failed for quite long. According to Malawi Annual Economic Report (2022), there are mixed views on the performance of parastatals as some have been performing better whilst others have been performing very poorly. It is against this background that the study sought to examine whether PC as a reform tool helps in the achievement of the performance targets to the improve service delivery at LWB. This area is of utmost importance to do research because every financial year, the public sector institutions enter into an agreement with the Government in the agreed targets, in order to improve the public service delivery. However, some institutions are still registering poor service delivery. This is in contrast to the NPM concept of citizenship, which asserts that the Government must serve citizens as its customers to achieve the customer satisfaction.

This study was guided by the NPM theoretical framework which is based on the ethos of the private sector management in improving the public service delivery. According to Hood (1999), the key to NPM is the implementation of market-based principles and policies in the management of the public sector. To complement the NPM theory, this study was also guided by the Open System theory. The NPM and Open System theoretical frameworks were chosen because they are very relevant to the justification of the research objectives in this study and these theories complement each other. Despite the aim to improve the service delivery, it is not clear whether the NPM reforms in Malawi have been effective as there is continued deteriorating and poor service delivery in the public sector. This is affirmed by the Annual Economic Report, (2022). Nevertheless, in other countries like Singapore, the NPM model has been successful (Ibrahim, 2012). In Malawi, the NPM model is inadequate to explain the public service delivery that's why the researcher brought in the Open System theory, to complement each other. According to Dzimbiri (2006), the NPM model is relevant to Malawi but there are some gaps that need to be addressed for it to be effective. The NPM model is inadequate to

explain the phenomenon because it focuses on the outcomes and ignores the implementation process. The implementation process is very crucial because it lays the foundation for successful reforms. NPM elements do not explain how the public sector can be made more efficient and accountable to improve service delivery in the public sector (Fox, 2014). There is need for a clear explanation on how the NPM model can improve the service delivery in the public sector. In addition, there is lack of synchronization of the NPM reforms with the public sector agenda.

## **STATEMENT OF THE PROBLEM**

The public sector in Malawi has been implementing PC to improve their service delivery as most of them are crucial for raising revenue to the Government. However, it is unclear whether PC helps to meet the performance targets and improve service delivery in the public sector organizations, as most of them have been registering poor performance and as a result, the citizenry have lost trust and confidence in the public service as indicated in the Annual Economic Report (Ministry of Finance, Economic Planning and Development, 2022).

In Africa, a number of studies have been carried out on PSRs and service delivery in general. However, there is limited research on PC and performance targets for improved service delivery in the public sector. Similarly, in Malawi, there are many studies on PSRs under the guidance of the NPM model but they have not researched on whether PC helps in the achievement of the performance targets to improve the service delivery. A study by Manyunya et al. (2020), assessed PC in the Malawi Civil Service. The research found that there is hope for success to the Civil Service performance on condition that there is commitment amongst all players in the implementation stage. The study for Manyunya et al. (2020), has shown that there are some challenges that are affecting the implementation of reform initiatives in Malawi, hence mixed results.

Despite efforts by the GoM to ensure improved service delivery in the public sector, there has been continued poor performance and service delivery. This is very worrisome because poor service delivery can make Malawi unable to achieve the Sustainable Development Goals (SDGs) and the Agenda 2063. Therefore, it is against this background that the study sought to examine whether PC as a reform tool helps in meeting the performance targets for improved service delivery. The findings from this study shall be of great significance in creating new knowledge to the existing literature and help the Government of Malawi in developing supportive policies, laws and regulations to mitigate the effects of poor service delivery.

## METHODOLOGY

In this study, a qualitative approach was used and it was guided by the NPM and Open System theories. LWB was purposively selected as the case study. In addition, Performance Enhancement Department, Department of Statutory Corporations and Public Sector Reforms Management Department were selected for triangulation purpose. This qualitative approach falls within the interpretive paradigm. The interpretive paradigm is based on the assumption that social reality is subjective to experiences of individuals (Creswell, 2014). It is based on the individual's own views, interpretations and experiences. The qualitative approach was used to examine whether PC helps to improve service delivery at LWB. According to Creswell (2014), the qualitative approach enabled exploration of views, perceptions and opinions and gaining of a comprehensive understanding on how PC can be used as a reform tool for improved service delivery in Malawi's parastatals. This study was cross - sectional because it took place within a limited time and it only used LWB as the case study. A case study design was used to help describe the phenomenon in detail, in context, and holistically. The term "case study" has multiple meanings as it can be used to describe a unit of analysis (e.g., a case study of a particular organization) or to describe a research method. According to Yin (2014), a case study is an empirical inquiry that investigates contemporary phenomenon within its real - life context, especially when the boundaries between phenomenon and context are not clearly evident. Similarly, Wildemuth (2009), defines a case study as a research study that is focused on a single case or set of cases.

A sample size of 36 respondents was purposively selected and data was collected through Key Informant Interviews (KIIs) and secondary sources. The researcher interviewed Nineteen (19) respondents from LWB. This included the Controlling Officer (CEO), Directors of departments, Managers and Board of Directors. The justification for this sample was because these are the key leaders who are responsible for the effective implementation of PC in the parastatals. Specifically, the Board of Directors play a crucial role in the monitoring and evaluation of reforms implementation. This sample helped the researcher to collect data about the PC and service delivery by finding out whether PC helps to improve service delivery at LWB. Also, the sample included Five (5) Top Managers from the PSRMD, Four (4) Top Managers from the PED and Nine (8) Top Managers and other key employees from the DSCs. The sample size was guided by the data saturation limit. The sample was the right selection because these are the technical teams responsible for effective implementation of PSRs in the parastatals. According to Creswell (2016), data saturation is the point when the additional collected data contributes little or nothing new to the study. In relation to the sample size, the data saturation was guided by conducting additional interviews to verify the quality of data

saturation. When the researcher found no new themes, ideas or opinions that meant the sample size was enough and that the data had reached its saturation point.

Thematic analysis was used to analyze the results and thereafter, data was transcribed and analyzed using ATLAS.ti, version 9. In qualitative data, thematic analysis is a method of recognizing and organizing patterns in content and meaning (Willig, 2013). Similarly, Cohen et al. (2018) asserts that in thematic analysis, the data is closely examined in order to find themes and patterns that can be used to describe and explain the phenomenon. The thematic analysis helped to identify different categories for the various themes and close attention was paid to patterns of responses from the respondents and based on their categorizations, they were grouped and then labeled and interpreted accordingly. The study used valid and reliable measuring instruments for consistency. Since this study used well - constructed KII, there was high reliability and validity (Creswell, 2016). The researcher ensured that before embarking on data collection, the researcher sought authority and approval from the University of Malawi Research Ethics Committee (UNIMAREC). The researcher ensured that dignity and confidentiality of the participants was respected and that the respondents were fully informed about the study. In addition, an informed consent form describing the purpose and objectives of the research was obtained and a briefing session was conducted to inform the participants on the objectives of the research.

## **FINDINGS AND DISCUSSIONS**

Based on the main objective of the study, to examine whether PC helps LWB to meet the performance targets for improved service delivery, the researcher asked the LWB participants (Key Informants) the following key questions as indicated in the interview guide: (i) what do you know about Performance Contract?; (ii) is Performance Contract a useful reform tool for improved service delivery in your organization?; (iii) what are the performance targets for your organization?; (iv) what are the measures of the performance targets? and (v) has the Performance Contract helped your organization to meet the performance targets for improved service delivery?

In addition, to address the above specific objective, the following key questions were asked to the research participants (Key Informants) from the PSRMD, PED and DSCs as indicated in the interview guide: (i) what do you know about Performance Contract?; (ii) do you think Performance Contract is a useful reform tool for improved service delivery at LWB? and (iii) according to your records / knowledge, has the Performance Contract helped LWB to meet the performance targets for improved service delivery?

Within the guidance of the NPM and Open System theories, the questions were asked based on the research objectives. The study findings have been discussed based on responses from the Key informant Interviews that were conducted in the above-mentioned institutions. In addition, the global and national relevant literature on PC has also been reflected on, to help in the results discussion.

### Characteristics of Study Participants

Here, a brief profile of the study participants has been provided. This includes the number of participants that were interviewed at LWB, DSC, PED and PSRMD. This also includes the gender and job positions for the participants as shown in table 1.

Table 1: Characteristics of Study Participants

Characteristics	Participant category	Total number of participants
Organization	LWB	19
	DSC	8
	PED	4
	PSRMD	5
		<b>36</b>
Gender	Male	28
	Female	8
Position	Board members	2
	Top Managers	2
	Senior Managers	26
	Middle Managers	6

### Rationale for introducing Performance Contract in the public sector

In Malawi, the rationale for introducing PC in the public sector is to hold the Controlling Officers accountable for the delivery of organizational agreed targets (GoM, 2016). Since Organizational PC is an agreement between parties within the stipulated time frames, PC aims at reviewing and evaluating the performance targets as it clearly specifies the mutual performance and obligations between two parties. Based on the responses, it clearly shows that the study participants are very much aware of the justification for introducing PC in the public sector. The researcher has explained this in detail in the next paragraph where the study participants were asked to explain what they know about Organizational PC.

### Knowledge of Performance Contract in the Public Sector

Based on the responses, all the KIs expressed knowledge of the PC both at organizational and individual levels. Most of the KIs mentioned that PC is an agreement

between two parties, on agreed targets. One of the KIs (2023), said: “PC is a tool that was introduced by the Government of Malawi, with the aim of assessing progress in the MDAs.”

Although there are so many views about PC, the study participants shared a common view that PC involves two parties: the Government as the main shareholder and the responsible MDA. This is in agreement with Simiyu (2012), who defined PC as a performance agreement that is freely negotiated between a government acting as the owner of a public agency and the management of the agency. Within the PC agreement, there are specific deliverables that are to be achieved within a specified timeframe. The specific deliverables are the agreed targets that are measured to track progress in the MDAs.

### **The Usefulness of Performance Contract as a reform tool for improved service delivery at Lilongwe Water Board**

Globally, PC has been regarded as a very useful tool for improving the service delivery in the public sector organizations. Similarly, in Malawi PC was introduced as a tool aimed at helping improve the public sector service delivery as part of the NPM reforms, which are oriented towards improving efficiency and effectiveness of the public sector. According to the study findings, all the KIs, indicated that PC is a useful tool for improving the service delivery at LWB because it helps in several ways, as listed below:

- i. Achievement of agreed performance targets
- ii. Acts as a monitoring tool
- iii. Achievement of annual organizational work plan
- iv. Delivery of organizational mandate and objectives
- v. Alignment with Government’s objectives and contribute to the national agenda
- vi. Identifying challenges and solutions for improved performance
- vii. Assessment of the vision and strategies in line with the Strategic Plan
- viii. Motivation to the employees
- ix. Measurement of performance
- x. Innovation
- xi. Commitment
- xii. Accountability
- xiii. Costs reduction
- xiv. Improvement of working environment
- xv. Quality services



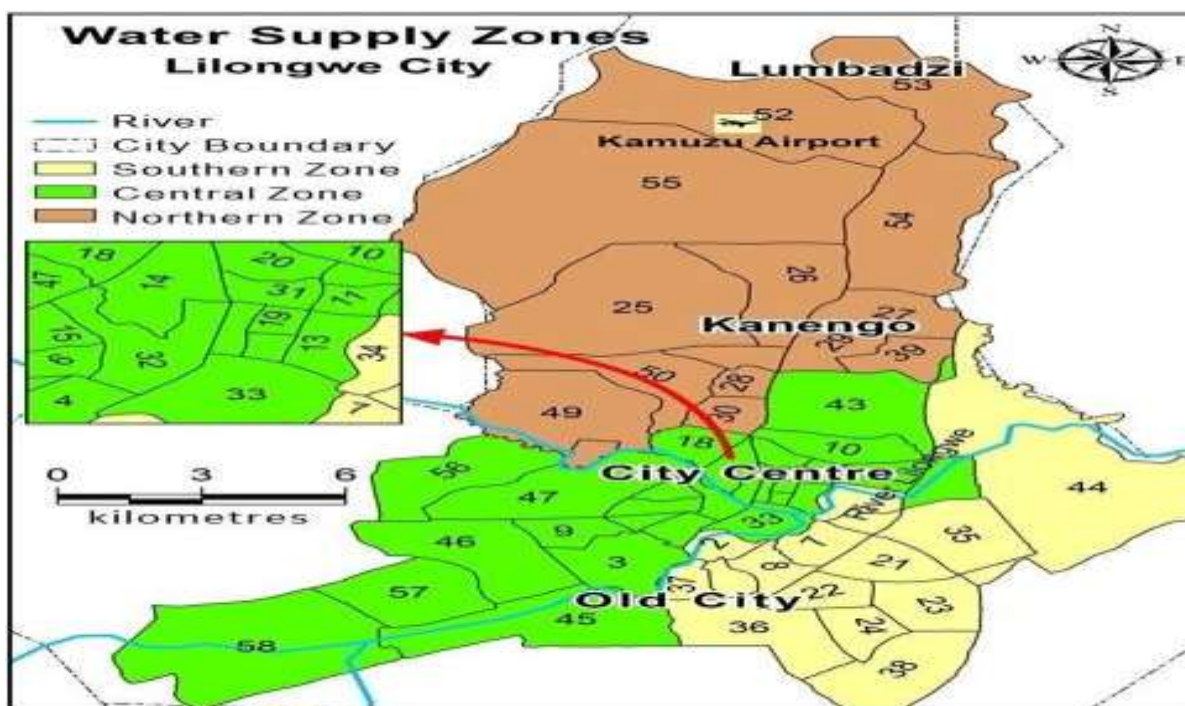
## The Performance Targets for Lilongwe Water Board

In simple terms, performance target is the desired level for a performance indicator. The organizational performance targets represent the commitment to achieve a certain level of performance over a specified period of time. Based on the first specific objective, the researcher asked the study participants about the performance targets for LWB. The participants that were interviewed on this were from LWB only as this was specifically meant for them. According to the KIs, LWB has had so many performance targets for the past years' PCs and it has managed to achieve most of the targets although with some challenges experienced. Based on the responses; some of the major performance targets for LWB as indicated in the PC for the past years have been explained below:

### i. Water supply Service coverage

According to the responses, water supply service coverage is one of the performance targets for LWB. As indicated in the LWB Strategic Plan (2020 - 2025), LWB targets to increase the water supply service coverage from 83% to 95% within the implementation timeframe of the Strategic Plan. LWB has 3 operational zones for the water supply service as shown below, in figure 1.

Figure 1: LWB Water Supply Zones



Source: [www.lwb.mw](http://www.lwb.mw), (2022)

As shown in figure 1, the map of Lilongwe city has been presented, showing the administrative zones of LWB as indicated in the Area numbers. Some of the services that are offered in the 3 zones are: customer services, bill customer services, bill Enquiry and payment, customer queries, new water application, faults and maintenance and other services ([www.lwb.mw](http://www.lwb.mw), 2022). As indicated in the map, LWB supplies water in three administrative zones namely: Northern Zone office, Central zone and Southern zone. In terms of water supply service coverage, the target for LWB is to supply water in all the areas in the above-mentioned zones.

## ii. Water Quality

Based on the responses, the other performance target for LWB is water quality. As indicated in the LWB Strategic Plan (2020 - 2025), the core mandate of LWB is to manage the source of raw water, abstract and treat the water in full compliance with the regulatory bodies such as the Malawi Bureau of Standards (MBS) and the World Health Organization (WHO). Through this mandate, LWB ensures that the water quality is in accordance with the international and Malawi standards. As shown below, in figures 2 and 3, these are pictures for the two main fixed water treatment plants (situated within the water works campus) and the mobile water treatment plant respectively

Figure 2: LWB Water Treatment plants



Source: [www.lwb.mw](http://www.lwb.mw), (2022)

Figure 3: LWB Mobile Water Treatment Plant



Source: [www.lwb.mw](http://www.lwb.mw), (2022)

As shown in figures 2 and 3, there are 6 stages of water treatment processes that are conducted in the water treatment plants to ensure water quality. According to [www.lwb.mw](http://www.lwb.mw) (2022), there is a monitoring process in all the stages in the laboratory through process control tests that are carried out every 3 hours. The Process Control Tests ensure optimization for chemical dosages and compliance with World Health Organization guidelines for drinking water quality. The LWB tries to provide quality water to its consumers as indicated by the Ministry of Forest and Natural Resources (2020), Drinking water quality audit report. According to the report, the water quality records were checked at the treatment plants besides independent tests which were carried out. Based on the results, it indicated that water supplied by LWB during the time of the exercise was free from Microbial contaminants, which means the water was of good quality. This is also confirmed by UNICEF report (2023), which shows the results of water quality testing conducted in Lilongwe City Cholera hot spot locations (Mtandire, Mtsiliza, Mwenera, Kauma, Senti, Area 25, Mgona, Area 36, Area 24, Area 23, Likuni, Chinsapo, Chinsapo 2). According to the results, the water quality testing from the LWB taps, tested detectable free residual chlorine, indicating good water quality. Similarly, according to the UNICEF report (2023), the results also indicated that 71% of stored drinking water (from the tap) was of good quality as it had detectable free chlorine residual. However, the report indicated that 20% of the stored drinking water (from the tap) tested positive for faecal contamination. From this result, it shows that LWB has a task to ensure that the water quality treatment and monitoring process is extended beyond the point of distribution to the point of consumption especially in the locations where issues of hygiene and sanitation is a challenge.

### **iii. Revenue collection**

Based on the study respondents, revenue collection is one of the performance targets for LWB. As indicated in the LWB Strategic Plan (2020 - 2025) the target of LWB is to increase revenue growth from water sales by 5 percent annually. In revenue collection, LWB relies on its clients who include the domestic, institutional, industrial as well as the commercial customers. According to the respondents, revenue collection is one of the most crucial performance targets for LWB because the achievement of this target helps to improve the financial performance. This is affirmed by the Ministry of Finance, Economic Planning and Development (2022) annual economic report, which indicated that LWB has been one of the well performing parastatals in the water sector in terms of revenue collection as its liquidity ratio has always been within the recommended benchmark of above 1.

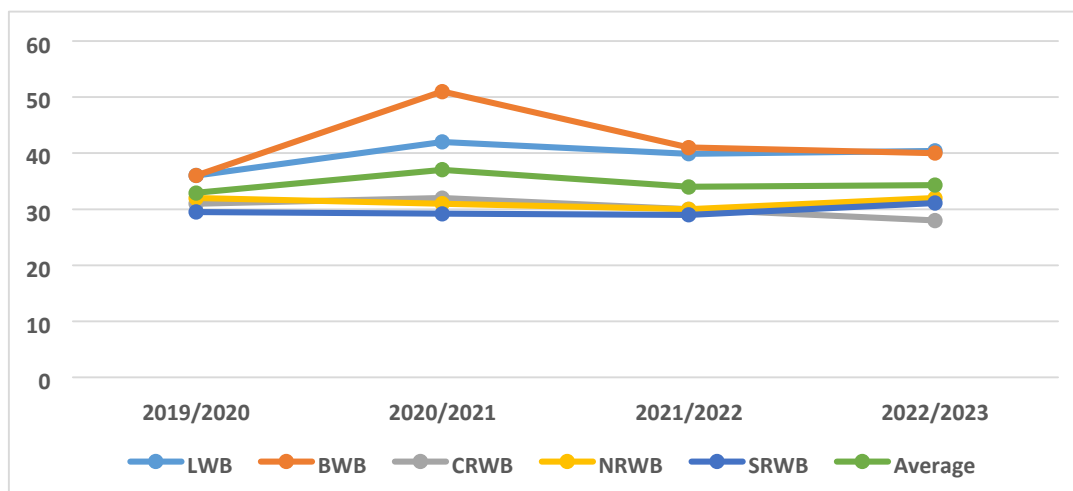
### **iv. Profitability**

According to the respondents, profitability is one of the performance targets for LWB. Although LWB is a State-owned service provider and not a profit-making organization, financial losses cannot make an organization grow. As such, LWB has been making sure that it increases its revenue collection to avoid making losses. This is in line with the LWB Strategic Plan (2020 - 2025), whose major focus is to provide direction of sustained growth and excellent service delivery. To ensure that LWB does not make financial losses, it has strived for customer satisfaction as advocated by the NPM model.

### **v. Non-revenue water**

Based on the study participants, one of the performance targets for LWB is Non - Revenue Water (NRW). Issue of NRW is a very serious one because LWB including other Water Boards have been affected in their revenue collection due to unbilled water. LWB continues to experience NRW at different levels and this is attributed to factors such as vandalism of water supply plants, unauthorized water use, physical leakages in the distribution system due to pipe breakages which result from construction works and other project activities, aging and variations in pressure, and inaccuracies in meter readings or billing (LWB report, 2022). As indicated below, figure 4 shows a graph of NRW levels in the five Water Boards of Malawi.

Figure 4: Percentage of Non - Revenue Water levels in Water Boards



Source: Water Boards Report (2022), cited in Annual Economic Report, (2022)

As shown in figure 4, the levels of NRW for each Water Board, for four years (2019-2023), have been illustrated. According to the Ministry of Finance, Economic Planning and Development (2022) annual economic report, the international recommendation maximum level of the NRW is 25 percent. This means that a decrease in the percentage of NRW implies that there is an improvement in the utility efficiency. Based on figure 4, none of the Water Boards have met the recommended international standard of below 25 percent. As one of the reform areas in the PC, LWB is working towards reducing NRW to meet the international recommended level. This is indicated in the LWB Strategic Plan (2020 - 2025), where NRW has been indicated as one of the overarching goals for LWB, targeting at reducing NRW from 40% to 28% through the establishment of effective DMA management practices, improved water loss measurement, and build staff capacity and customer awareness on NRW management.

## vi. Customer Satisfaction

According to the KIs, customer satisfaction is one of the performance targets for LWB. In order to satisfy the customers, one of the core values for LWB is commitment to the effective and efficient delivery of quality and appropriate water and sanitation services to its customers (LWB Strategic Plan, 2020 - 2025). Based on this core value, LWB has been creating more customer engagement opportunities to help them access the facilities that are offered by LWB. According to [www.lwb.mw](http://www.lwb.mw) (2022), some of the opportunities that have been offered to the LWB customers include the following:

- a. Call - Centre. This is situated within Madzi House in Area 3 off Likuni Road. The call - centre operates 24/7 to meet the customer needs

b. Customer Service Charter. This signifies the commitment of LWB to improve service delivery and meet the customers' expectations.

As indicated in the LWB Strategic Plan (2020 - 2025), to satisfy the customers, LWB is well committed to ensuring that its customers receive water of acceptable quality. This helps to ensure customer satisfaction.

### vii. Customer Base

According to the KIs, another performance target for LWB is customer base. In this target, LWB aims at increasing the number of its customers for its services. As indicated below, table 2 shows the population of LWB customers.

Table 2: Population served by LWB

Population served 2021/22	Population served 2022/23	Increase in Population	Percentage Increase
983, 219	1,051,185	67,966	6.9

Source: LWB report (2022/23), cited in Annual Economic Report (2023)

As shown above, in table 2, LWB has managed to increase its customer base by an increase of 6.9 percent. However, LWB needs to work on increasing more of its customer base to meet the growing population demand in the City of Lilongwe as indicated in the Integrated Household Survey (2019/2020).

### viii. Response to Customer Queries

The study respondents mentioned that 'response to customer queries' is one of the performance targets for LWB. From the responses, LWB targets to respond to all the customer queries promptly when reported. According to [www.lwb.mw](http://www.lwb.mw) (2022), LWB has a state-of-art Call-Centre which is equipped with a feedback mechanism and customer complaints monitoring system. This enables LWB to assess its performance and effectively respond to customer complaints within the specified standards. Through the LWB call - centre, customers call 253 for free and they are encouraged to report any water quality problem that they may notice thereby, helping LWB to ensure that all customer queries are sorted out as soon as possible.

### ix. Environmental Consultations

According to some of the study respondents, one of the performance targets for LWB is environmental consultations. In order to provide quality water in accordance with the international and Malawi standards, environmental consultations help LWB to effectively

develop and implement climate change adaptation measures. As indicated in the LWB Strategic Plan (2020 - 2025), one of the key issues for LWB is environmental challenges due to heavy catchment degradation and Climate change, resulting in dwindling of water resources. As such, environmental consultations are very important in enhancing community engagement and disaster preparedness mechanisms during water supply shortage. LWB has been engaging and supporting the community around Malingunde catchment area to protect the dam through management activities outside the buffer zone (www.lwb.mw, 2022). LWB has also been engaging some technical experts as part of the environmental consultations. According to a KI (2023);

“LWB has been engaging the Government of Malawi, the Lilongwe University of Agriculture and Natural Resources (LUANAR) and some Non - Governmental Organizations.”

This has helped to bring in expertise in the implementation of environmental projects around the Malingunde catchment area.

#### **x. Supply of Potable Water to Customers**

Based on the responses, supply of potable water to the customers is one of the performance targets for LWB. This is also reflected in the motto for LWB, “**Potable water all the time for all.**” According to www.lwb.mw (2022), potable water is the water that human beings can safely drink and use without posing any health risk. As such, potable water is the water that has been properly filtered and treated, free from all harmful bacteria and contaminants. According to one of the KIs (2023), he said:

“LWB has a well-equipped laboratory where there is several water analyzers for routine water analysis such as pH meter, turbidity meters etc.”

Similarly, another KI (2023), said:

“At LWB, all the new mains and reservoirs undergo sterilization before they are used to transport and store water for consumption. This is done to ensure potable water”

Also, another KI (2023) said:

“LWB carries out periodic flushing of water mains to remove any accumulated debris that emanate from pipe bursts and water storage tanks are cleaned once in every two years.

This helps to produce potable water for all.”

According to the responses from the KIs, LWB targets to supply potable water to all its valued customers as part of the fulfilment of its mandate in provision of water and sanitation services to the residents of Lilongwe City.

### xi. New Water Connections

According to the responses, LWB has 'new water connections' as one of its performance targets. The aim of this target is to reach out to as many customers as possible. As shown below, in table 3, LWB aims at increasing its number of customers within 30 minutes of walking distance through the new water connections.

Table 3: LWB Population of Customers within 30 Minutes of Walking Distance

2019/20	2020/21	2021/22	2022/23
88%	88.1%	86.4%	89.8%

Source: LWB report (2022), cited in Annual Economic Report (2023)

As indicated in table 3, on average the population that accesses LWB water within a 30 minutes walking distance from a water source has been increasing over the years. LWB registered an increase in population within the 30 minutes of access to improved water sources pegged at 89.8 percent in 2022/ 23 financial year as compared to 88 % in 2029/2020 financial year. However, as indicated in the Annual Economic Report (2023), the population increase for LWB has been minimal as compared to NRWB and SRWB, who registered the highest rate at 100 percent and 95 percent respectively. This means that LWB need to increase its number of new water connections as one of its targets, by ensuring that there is systematic planning which ensures that water kiosks are constructed within a spacing of a radius of not more than 30 minutes' walk distance. Nevertheless, according to one of the KIs (2023), LWB embarked on applications for new water connections within the zonal offices. The KI (2023), said:

“LWB has upgraded its system for new water connections so that the customers can also apply online.”

Based on what the KI said, LWB can greatly increase its population of customers within 30 minutes of walking distance through the new water connections.

### xii. Mobilize Resources for Investment Plan

According to the study participants, two of the KIs (2023), mentioned that LWB has a performance target of mobilising resources for investment plan. Mobilising resources is very fundamental in the implementation and delivery of projects, as part of the investment plan at LWB. One of the KIs (2023), said:

“LWB established its Infrastructure Investment Plan for 2016 - 2026 in order to rectify the increasing gap between water demand and supply.”



According to the Republic of Malawi Ground Water Project survey report (2017), the LWB investment plan is categorized as follows:

- a. Short - term plan. This takes 1-2 years to have an impact on the beneficiaries
- b. Middle - term plan. This takes 3-5 years to have an impact.
- c. Long - term plan. This plan takes 6-10 years.

As such, to implement the investment plans LWB has a very important task of outlining the costs and mobilizing resources from the available sources of funding.

### **xiii. Achievements of Planned Projects**

Based on the study respondents, LWB has 'achievement of planned projects,' as a performance target. Some KIs (2023), said that LWB has been implementing several projects, of which some of them have already been achieved, some are yet to be achieved and some are on - going. According to a KI (2023), one of the notable planned projects that have been achieved by LWB, is the **Lumbadzi Ground Water Project**. LWB invested MK1.5 billion for the Lumbadzi Ground Water Project which has augmented the water production capacity with additional 1.2 million litres per day (1.2% of total demand of the city), and this serves 12,000 people who are living at Lumbadzi (www.lwb.mw, 2022). This project has been very helpful to the people of Lumbadzi as it has increased the water supply in the location.

### **xiv. Implement some Strategies in Line with the New Technologies**

According to the responses from some KIs, the other performance target for LWB is to implement some strategies in line with new technologies. As indicated in the LWB Strategic Plan (2020 - 2025), LWB has been using PESTEL (Political, Economic, Social, Technological, Environmental and Legal) and SWOT (Strengths, Weaknesses, Opportunities and Threats) as analysis tools for implementing some strategies.

These tools have helped LWB to strategically analyze its operating environment and work on its weaknesses to improve its services. For example, according to a KI, one of the strategies that has been implemented in line with the new technology is the installation of prepaid meters. This strategy has helped LWB to improve its collection efficiency of the water sales.

### **xvi. Infrastructural development**

According to the study respondents, infrastructural development is another performance target for LWB. As indicated in the LWB Strategic Plan (2020 - 2025), some of the infrastructural developments for LWB are as follows:

- a. Water Distribution Network Rehabilitation, Expansion and NRW reduction. This has helped LWB to increase its access to improved water services and safely managed sanitation services in the City of Lilongwe (KI, 2023).
- b. Commercial Re-creation facilities at Kamuzu Dam II
- c. Pipeline extensions

The implementation and achievement of this target helps LWB to improve its services and achieve its mission.

### The Measures / Key Performance Indicators for the Performance Targets at Lilongwe Water Board

According to the responses from the KIs, the measures/ key performance indicators for the performance targets of LWB have been explained in table 4.

Table 4: Measures/ Key Performance Indicators for the Performance Targets at LWB

Target	Measures / Key performance Indicator
1 Water supply Service coverage	i. Increase in percentage or Kms covered, ii. Number of hours for water supply
2 Water Quality	Certification by the Malawi Bureau of standards to check the standards locally
3 Revenue collection	Revenue growth in percentage
4 Profitability	Percentage increase in profits
5 Non-revenue water	Percentage reduction in non - revenue water
6 Customer satisfaction	Increase in numbers and percentage
7 Customer base	Increase in Kms and percentage
8 Response to customer queries	Timely response to customer queries and reduced number of queries.
9 Environmental consultations	Improved environment surrounding the LWB catchment area.
10 Supply of potable water to customers	i. Percentage of population that is accessing the potable water. ii. Percentage increase in portable water supply iii. Number of hours i.e., 24 hrs / day. Currently LWB is at 21 hrs per day (KI, 2023).
11 New water connections	i. Increase in number of customers for new water connections.
12 Mobilize resources for investment plan	Increase in number and percentage
13 Achievements of planned projects	Increase in number and percentage
14 Implement some strategies in line with the new technologies	Increase in output
15 Infrastructural development	Increase in number and percentage

Source: Key Informants, (2023)

## **Whether Performance Contract has helped Lilongwe Water Board to meet the Performance Targets for Improved Service Delivery**

Based on the responses, almost all of the KIs mentioned that PC has been very helpful because it has helped LWB to meet its performance targets and improve its service delivery. According to a KIs (2023);

“PC has helped LWB to improve customer satisfaction from 17% to 70%.”

In terms of potable water, the KI further said that PC has helped the heads of departments at LWB, to be more focused and develop strategies to achieve the targets that have been agreed with the Government. PC has helped the managers to be committed in their work and perform. The KIs also said that PC has helped LWB to meet the performance targets because of reforms, LWB has gone into various innovations thereby improving the service delivery. In addition, another KI mentioned that PC helps in checking and tracking of progress. As such, it has helped LWB to know if it has achieved the targets and be in line with the agenda 2063. Although most of the KIs said that PC is a useful tool in meeting the performance targets at LWB, one of the KIs said that he was not sure if PC is a useful tool at LWB because he didn't know if the performance targets were achieved because of PC. LWB has registered many success stories. i.e., coming up with prepaid metering and other innovative ways of serving the underprivileged i.e., using the water kiosks. This has improved a lot in terms of service delivery. From the responses, it shows that PC is a very useful tool at LWB because it has helped in the achievement of the performance targets.

### **CONCLUSION**

In this article, the study findings have shown that PC is a very useful tool that helps in the achievement of the performance targets at LWB. This is in agreement with the findings of the study conducted by Manyunya et al. (2020), who found that PC is a useful tool in improving the service delivery in Malawi's public sector. This is also affirmed by Khunga et al., (2023) whose study found that PC helps LWB to meet the performance targets. However, the performance targets have not been fully achieved because some of the targets have not been well linked to the organizational budgets and there has been lack of uncoordinated approach amongst the key stakeholders and the policies have not been supportive.

### **RECOMMENDATIONS**

Based on the study findings, the researcher makes the following recommendations:

- a. The Government of Malawi should develop supportive policies to help in the effective implementation of PC in the public sector.

- b. There should be commitment amongst all the key stakeholders in the PC implementation stage.
- c. There is a need to increase public awareness on reforms and ensure that the key stakeholders undergo training to improve their role in the implementation of PC in the public sector.
- d. There is need for synchronization of the NPM reforms with the public sector agenda.
- e. There is need for continuous training and provision of resources to facilitate the implementation of PC in the public sector.
- f. Since this study only focused on one parastatal, due to limited time and resources, a further study is recommended. There is a need to sample more parastatals in order to obtain a broader understanding of performance contract and performance targets in Malawi's public sector.
- g. A quantitative methodological approach should also be used. This shall help in the provision of reliable and generalizable results.

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