



# **The Malawi Growth and Development Strategy**

## **Annual Review 2009**

**An assessment of annual achievements for the 2008/09 Government financial year**

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## List of Abbreviations

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ACB	Anti-corruption Bureau
ADB	African Development Bank
ADDs	Agricultural Development Divisions
ADPA	Agricultural Development Programme
AGOA	African Growth and Opportunity Act
BARREM	Barrier Removal for Renewable Energy
BASAs	Bilateral Air Services Agreements
BESTAP	Business Environment Strengthening and Technical Assistance Project
CAA	Civil Aviation Authorities
CABS	Common Approach to Budget Support
CIDA	Canadian International Agency
CIP	Capital Investment Plan
CMS	Central Medical Stores
CSOs	Civil Society Organizations
DAG	Department of Accountant General
DECs	Distance Education Centres
DHRM&D	Department of Human Resource Management and Development
DPs	Development Partners
DPP	Directorate of Public Prosecutions
EPA	Economic Partnership Agreement
EBA	Everything But Arms
ECD	Early Childhood Development
EHP	Essential Health Package
EMIS	Education Management Information System
FIMTAP	Financial Management, Transparency Accountability Project
FRIM	Forestry Research Institute of Malawi
GDP	Growth Domestic Product
GoM	Government of Malawi
GTZ	German Technical Cooperation
HADG	HIV and AIDS Development Partner Group
ICEIDA	Icelandic International Development Agency
ICET	Information Community and Education Technology
ICT	Information Communication Technology
IFMIS	Integrated Financial Management System
IHS	Integrated Household Survey
IMF	International Monetary Fund
IRD	Integrated Rural Development
ITN	Insecticide Treated Nets
IXP	Internet Exchange Point
JCPR	Joint Country Programme Review
JITAP	Joint Integrated Technical Assistance Programme
KIA	Kamuzu International Airport
LAMIS	Local Assembly Management Information System
LMAFDP	Lake Malawi Artisanal Fisheries Development Project
MAREP	Malawi Rural Electrification Programme
MBC	Malawi Broadcasting Cooperation
MDHS	Malawi Demographic Health Survey

MDGs	Millennium Development Goals
MEET	Malawi Environment Endowment Trust
MEPD	Ministry of Economic Planning and Development
NERA	Malawi Energy Regulation Authority
MERU	Monitoring & Evaluation Research Unit
MGDS	Malawi Growth Development Strategy
M&E	Monitoring and Evaluation
MIWD	Ministry of Irrigation and Water Development
MHRC	Malawi Human Rights Commission
MICS	Multiple Indicator Cluster Survey
MIRTDC	Malawi Industrial research and Technology Development Centre
MIS	Management Information System
MoAFS	Ministry of Agriculture and Food Security
MoEST	Ministry of Education Science and Technology
MoEVT	Ministry of Education and Vocational Training
MoF	Ministry of Finance
MoJ	Ministry of Justice
MoLGRD	Ministry of Local Government and Rural Development
MoWCD	Ministry of Women Child and Development
MTEF	Medium Term-Expenditure Framework
MOU	Memorandum of Understanding
MPRS	Malawi Poverty Reduction Strategy
NAC	National Aids Commission
NAF	National HIV and AIDS Framework
NAO	National Audit Office
NDTPF	National Development and Trade Policy Forum
NESP	National Education Sector Plan
NIS	National Integrity System
NLGFC	National Local Government Finance Committee
NPP	National Population Plan
NSO	National Statistical Office
ODPP	Office of the Director for Public Procurement
ODS	Ozone Depleting Substances
ORT	Other Recurrent Transactions
OPC	Office of the President and Cabinet
OPD	Out-patient Department
OPEC	Oil Producing and Exporting Countries
OVCs	Orphans and Vulnerable Children
OVOP	One Village One Product
PBAs	Project Based Approach
PCAR	Primary Curriculum and Assessment Reform
PER	Public Expenditure Review
PFEM	Public Finance and Economic Management
PIAD	Presidential Initiative on Aquaculture Development
PIF	Policy Investment Framework
PIUs	Project Implementation Units
PMCT	Prevention of Mother to Child Transmission
POW	Programme of Work
PRGF	Poverty Reduction and Growth Facility

PSIA	Poverty Social Impact Analysis
PSIP	Public Sector Investment Programme
SARPCCO	Southern African Regional Police Chiefs Cooperation Organisation
SDIG	Skills Development and Income Generation Project
SOFTDP	Small-scale Offshore Fishery Technology Development Project
SSEEP	Sustainable Social Economic Empowerment Programme
SWAP	Sector Wider Approach
TPW&H	Transport Public Works and Housing
TTCs	Teachers Training Colleges
TVM	Television Malawi
TWGs	Thematic Working Group
VCTs	Voluntarily Counselling and Testing
WB (ISP)	World Bank Infrastructure Services Project
WFP	World Food Programme



## Foreword

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This review on the implementation of the Malawi Growth and Development Strategy (MGDS) for the 2008/09 fiscal year is a third in a series of reviews that are conducted every year to take account of the achievements made following every annual budget. The government continues to focus the reviews within sectors so as to provide a forum for negotiation, policy dialogue, and agreement of plans and undertakings among government and its development partners at sector level. The participation of Civil Society Organisations (CSOs), Development Partners and private sector was meant to enhance the sharing of information for development of mutually agreed plans which were to be collectively monitored and assessed prior to the national review.

As we move forward to the formulation of the next national strategic plan, the MGDS II, lessons drawn from the previous reviews will help in informing the formulation of the upcoming national development strategy. I strongly believe that if government and all its stakeholders can jointly work towards achieving the outcomes of the MGDS, the country will easily be transformed from a predominantly importing nation to an exporting one.

The MGDS review for the 2008/09 financial year, just like the previous reviews, assessed performance of all government economic and social programmes in terms of how targets on core sector outputs and MGDS indicators were achieved. It should be understood that performance of all ministries are increasingly subject to scrutiny by members of the public, NGOs, development partners and parliament because of the demand for accountability by those providing resources and those who expect better delivery of services. My ministry therefore provide evidence-based performance and impact reporting annually to meet these public demands. The review therefore included assessment of the performance of the national budget and overall aid effectiveness in terms of aligning and harmonising development partner's procedures to government procedures. Furthermore, the review assessed the prevailing macroeconomic environment under which MGDS implementation is taking place.

I am happy to report that overall progress shows that many sectors have performed within average especially in the thematic areas with exception of a few and those in priority areas where the majority performed above average. The government continues to provide a stable political and economic environment which has resulted into high economic growth and low inflation among other favourable macroeconomic achievements.

I would like to thank all those who worked tirelessly and contributed to the success of this MGDS Annual Review. Special thanks should also go to all development partners who technically and financially contributed to the assessment of the 2008/09 MGDS implementation and successful completion of this work. Lastly, I would like to thank His Excellency the President, Ngwazi Dr. Bingu wa Mutharika, for his vision, direction and commitment to transform this country into a better Malawi.

Abbie Marambika Shawa, M.P  
**Minister of Development Planning and Cooperation**

## Executive Summary

This is the third review of the MGDS that has assessed the achievements so far made in the financial year 2008/09 by public institutions. The MGDS annual reviews provide government and her development partners an opportunity to review progress made on the implementation of sectoral plans with funding from the budget. Government continues to review progress based on the institutionalised sixteen Sector Working Groups (SWGs). However, the SWGs have not been fully operational and hence it has still not been possible to fully assess contribution from other non state actors.

Compared to the 2007/2008 review, this review shows that overall performance improved slightly in both priority and thematic areas as indicated in the table summaries below. There has been a mixture of results where performance of some sectors has slightly been improved while that of others has been maintained. On the other hand, some sectors have not performed well.

### A: Summary of performance: key priority areas

Priority Area	1 <i>Agriculture and Food Security (AFS)</i>	2 <i>Irrigation and Water Development (IWD)</i>	3 <i>Transport and infrastructure development (TID)</i>	4 <i>Energy Generation and Supply (EGS)</i>	5 <i>Integrated rural development (IRD)</i>	6 <i>Nutrition HIV&amp;AIDS, (NHA)</i>
<b>A. Results Performance</b>						
MGDS outcome Indicator Targets Achieved (%)	4/4 (100)	2/ 2 (100)	6/11 (55)	2/3(66)	-	7/7 (100)
Core Outputs Indicator Targets Achieved (%)	13/16 (81)	2/4 (50)	3/4 (75)	2/3 (66)	4/8 (50)	11/13 (85)
Development Projects Performance (%)	75	76	90	75	72	86
<b>Overall Performance</b>	<i>Above average</i>	<i>Above Average</i>	<i>Above average</i>	<i>Average</i>	<i>Average</i>	<i>Above average</i>
<b>B. Budget Performance (MK'000,000)</b>						
Budget (Approved)	41,675	15500	12,833	9669	2,091	21,800
Funding	35,676.7	14200	14,619	9635	2,126	16,400
Expenditure	32,601	13064	14,500	9667	2,113	12,900
<i>Budget funded (%)</i>	86	98	114	99.6	102	75.2
<i>Funding spent (%)</i>	91	92	99	99	99	78.6
<b>C. Harmonization (Paris Declaration Indicators on AID Effectiveness)</b>						
Satisfactory	6	7	3	-	3	7
Unsatisfactory	3	2	6	-	6	2

Note: Budgets Approved refers to Revised Approved estimates on Other Recurrent Transactions (ORT), plus Development part I and II. Bracketed figures are percentages.

### Sector Results Performance

Overall performance for all priority sectors was satisfactory with respect to achieving MGDS outcomes, core sector outputs and development projects output targets as shown in the table above. For instance, for the second time, Nutrition, HIV and Aids (NHA) scored the highest, followed by Agriculture and Food Security (AFS), while Transport and Infrastructure Development (TID), which was second in the last review, took the third position. Performance for Integrated Rural Development (IRD) is the least followed by Energy Generation and Supply (EGS) which is just within average. Good performance in the sectors of Agriculture and Food Security, Nutrition, HIV and Aids and Irrigation and Water Development could partly be

attributed to adequate funding levels. Similarly, progress on development projects has been good with all key priority areas registering an above average performance. This satisfactory performance in MGDS outcomes, core sector outputs and development projects could be attributed to improve funding.

### **Budget Performance**

The national approved budget for the year under review was K229.5 billion, reflecting a 30 percent increase over the 2007/08 budget, which was MK176.3 billion. All priority sectors had increased budgets compared to 2007/08 except for Integrated Rural Development and Nutrition, HIV and Aids. The highest funding on approved budget went to Transport and Infrastructure Development followed by Integrated Rural Development, which received 14 percent and 2 percent above their approved budgets respectively. The absorption capacity was also high in almost all priority areas except for Nutrition, HIV and Aids. This is blamed on late disbursements of funds to implementing agents.

The problem of tracking expenditure on specific outputs achieved remains the weakness in this analysis. This is because budget estimates are mostly costed based on process outputs rather than end product outputs. In addition, there is currently no provision to do this within IFMIS. This has resulted in many cases of mismatch between what was funded and the actual expenditure because of failure to attaching expenditures to outputs.

### **Aid Effectiveness**

Sectors rated performance of development partners on the basis of the extent to which the donor's procedures have been harmonised and aligned to government procedures as agreed in some selected parameters of the Paris Declaration on Aid effectiveness. Overall, the assessment on Aid effectiveness has been below average. This could be a reflection of data gaps since many sectors did not submit their Aid Effectiveness assessments. However the analysis has shown that most donors are not yet using government procurement systems, public finance and economic management systems. In addition, Aid is not predictable in most sectors. This could be the reason why despite large commitments, actual disbursements remain low and untimely.

## B: Summary of Performance: Thematic Areas

Thematic Area	1	2	3	4	5
	Sustainable Economic Growth	Social Protection and Disaster Risk Management (SP&DRM)	Social Development	Infrastructure Development	Improving Governance
<b>A. Results Performance</b>					
MGDS outcome Indicator Targets Achieved (%)	11/13(85)	4/4 (100)	24/42 (57)	4/9 (44)	37/49(76)
Core Outputs Indicator Targets Achieved (%)	41/56 (73)	8/10(80)	7/11 (64)	6/10 (60)	33/39 (85)
Development Projects Performance (%)	66	n/a	67	68	92
<b>Overall Performance</b>	<i>Above average</i>	<i>Above Average</i>	<i>Average</i>	<i>Average</i>	<i>Average</i>
<b>B. Budget Performance (MK' 000,000)</b>					
Budget (Approved)	10,578	750	51,725	458	31,078
Funding	8,916	620	43,416	731	28,019
Expenditure	8,640	610	42,474	731	28,019
<i>Budget funded (%)</i>	<i>84</i>	<i>83</i>	<i>84</i>	<i>159</i>	<i>90</i>
<i>Funding spent (%)</i>	<i>97</i>	<i>98</i>	<i>98</i>	<i>100</i>	<i>100</i>
<b>C. Harmonisation (Paris Declaration Indicator on AID Effectiveness)</b>					
Satisfactory	6	3	5	3	2
Unsatisfactory	3	6	4	6	7

Note: All values in brackets are percentages. Dash (-) denotes data not available and n/a implies no projects. Please refer to Annex 1 for more details on thematic area performance.

## Sector Results Performance

Overall performance for thematic areas was average except for themes of Sustainable Economic Growth and Social Protection and Disaster Risk Management which performed above average. Development projects also registered an average performance except for Improved Governance. Poor performance was mainly reported to have been attributed to untimely disbursement and lengthy procurement procedures.

## Budget Performance

Overall funding towards thematic areas was generally good. The lowest funded on the approved budget was Social Protection and Disaster Risk Management (83 percent) and the highest funded was Infrastructure Development (159 percent). Similarly, absorption capacity was also good in all areas (ranging from 97 percent to 100 percent).

## AID Effectiveness

The assessment on Aid Effectiveness shows that all thematic areas performed below average except for Sustainable Economic Growth. This could be a reflection of data gaps since many sectors did not submit their Aid Effectiveness assessments. However, the analysis on thematic areas just like in key priority areas shows that most donors are not yet using government procurement systems and public finance and economic management systems. This could be the cause for average project performance in almost all thematic areas emanating from cumbersome

procurement procedures and delayed disbursements as a result of donors not using government systems.

**A. Key findings and lessons**

- I. The overall organisation and operation of sector working groups (SWG) in carrying out reviews remains a challenge. Sectors do not carry out joint monitoring exercises and performance assessments prior to the MGDS review process. As a result of this, sectors do not have readily available data prior to the review process.
- II. Inconsistencies between output activities in the MGDS and those in the output based budget remains a problem. In some cases there is a mismatch between the outcomes and outputs and activities outlined in the MGDS matrix with those listed in the output based budget.
- III. Ministries and departments do not reprioritise their activities once their estimates are cut following budget ceilings. Consequently, funding which is lower than the original estimates is spread too thinly across many activities thereby negatively affecting achievements of planned sector outputs.
- IV. In general, there is lack of or inadequate capacity to undertake Monitoring and Evaluation (M&E) activities across all sectors and hence there is need for in service training.
- V. The previous recommendation that sectors should start providing ORT resources for the MGDS annual review process have not been implemented since MDPC still provided SWG with funds to prepare reports. On average, each sector requires about MK500, 000 - MK800, 000 to conduct a review.
- VI. Some sectors do not have baseline data, which in turn is affecting target setting in that targets are either overstated or understated. In some cases sectors are setting targets that are less ambitious for example, targets that are below baselines or below what was achieved the previous year.
- VII. There is no provision in the IFMIS to track expenditure for specific outputs in the budget, despite the fact that the budget is output based. Consequently it becomes difficult to assess quality of spending.

# **1: Introduction**

## **1.1 Purpose**

This report is the third annual review of the Malawi Growth and Development Strategy (MGDS) covering the 2008/09 financial year. The purpose of the MGDS annual reviews is to assess progress made towards achieving MGDS outcomes and to ascertain the extent to which lessons learned and key recommendations from the previous review have been carried out. The review also assesses the extent to which government institutions and its stakeholders have aligned their activities and budgets to the MGDS.

## **1.2 Methodology of the Annual Review**

The current review, just like the previous reviews focuses on the six key priority areas and the five broad themes within the MGDS. The five themes were divided into 16 Sector Working Groups (SWGs), based on the institutionalised Development Aid Strategy sector working groups, which were instituted by government to strengthen the implementation of the MGDS. These SWGs are comprised of all government institutions, the private sector, development partners and civil society organizations that contribute to the same goal. Hence the 2008/09 review process required the participation of all key stakeholders from Government, donors, and civil society organizations (CSOs). However, participation of other partners in some sectors was low.

In assessing the performance of each sector, initially actual achievements were compared with their annual targets. The performance of low level output indicators contributing to a common high level output were weighted based on equal weights. The weighted output performance was rated as 'not met', 'met' or 'exceeded', if below 80 percent, between 80 and 100 percent, and over 100 percent respectively. The lessons learned and constraints faced, and the follow-up on recommendations from last year's review were also documented for each sector.

## **1.3 Report Structure**

Chapter 1 provides the introduction highlighting the purpose, the socio-economic context, methodology and structure of report. Chapter two gives the economy wide outcomes. This shows the performance in macro-economic and fiscal indicators for 2008/09. The chapter also highlights progress Malawi is making towards achievement of the Millennium Development Goals (MDGs) targets.

Chapters 3 to 26 cover progress made within each of the MGDS broad themes and key priority areas. The following write-up is a consolidation of the various sector achievements on outcomes and budget performance intended to inform the next budget planning process and progress in aid effectiveness indicators within each sector. The extent of integration of crosscutting issues, which include: HIV/AIDS, Gender, Environment, Science & Technology and Statistics within each area are also examined.

The review under each priority area and theme consists of the following:

- i) The alignment of activity budgets to the MGDS and the comparison of budget performance on funding versus actual expenditures;

- ii) Aid harmonisation and alignment in the sector on procurement, use of public financial systems and implementation structures and donor aid flows, among other things;
- iii) Achievements on outputs and the extent to which they are likely to lead to the expected MGDS outcomes;
- iv) A review of follow-up made on the previous annual review recommendations; and,
- v) Finally, lessons learned and a set of policy recommendations.

Chapter 27 provides key budgetary issues. The chapter compares the proportions of annual budgets for recurrent and development to key priority areas against MGDS allocations. The chapter also assesses the overall performance of public expenditure, the funding gaps in the recurrent and development budgets, and to what extent donors have aligned and harmonized their systems to the sector budgets. This section also highlights the emerging issues from the review and recommendations for the budget reorientation.

Chapter 33 is the conclusion, showing what has been achieved through this exercise as well as follow-up actions taken on recommendations from the previous reviews. This section also outlines recommendations to improve achievements on MGDS targets. Recommendations also cover M&E issues across all the key priority areas and thematic areas.

## 2: Economy Wide Outcomes

The successful implementation of the MGDS depends on, *inter alia*, a favourable macroeconomic environment as a precondition for sustainable economic growth and wealth creation. A favourable macroeconomic environment entails, among others, sustained economic growth, low inflation and interest rates, flexible exchange rate system and a sound foreign reserve position.

### **GDP growth rate and Inflation Poverty Headcount**

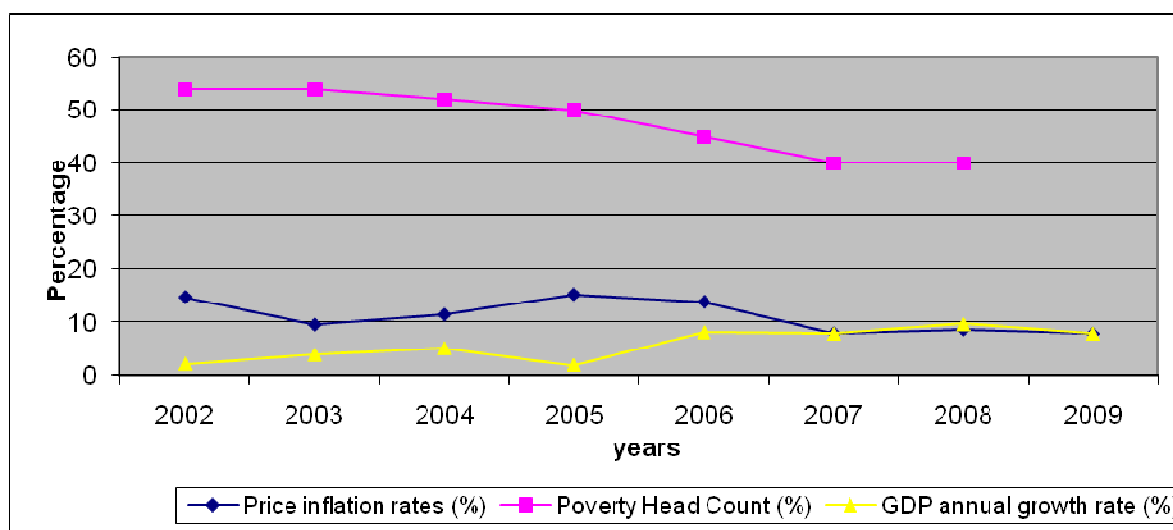
The economy continues to register tremendous growth and in 2008 the economy grew by 9.7 percent. This was an increase from a growth of 8.6 percent achieved in 2007. This was attributed to high production in the agricultural sector especially tobacco production which increased as a result of relatively good prices. In addition, other sectors such as mining and quarrying, manufacturing, wholesale and retail, information and communication, and water contributed to this sound performance. For 2009, the economy is projected to grow by 8 percent.

On inflation, the economy maintained a single digit of 8.7 percent which was an increase from 8 percent registered in 2007. The increase was largely attributed to the general increase in the fuel prices on the world market. The increase was attenuated because food prices did not significantly increase on the local markets as was the case on the international market. This was due to the food surplus that the country registered in 2008. The stability of the Kwacha against its major trading partners was the other reason that contained the inflation rate to manageable levels.

As shown in the Figure 1 below, the high economic growth, and reduced inflation levels have been followed by reduction in poverty levels. The number of people living below the poverty line has over the past years been declining from 52.4 percent (NSO: Integrated Household Survey (IHS), 2004) to 40 percent in 2008 (NSO: Welfare Monitoring Survey (WMS, 2008). The reduction in poverty has been attributed to a number of initiatives including the Input Subsidy Programme in the agricultural sector.

**Figure 1: Trends in GDP Growth rate, Poverty Headcount and Inflation Rate from 2002-2009**



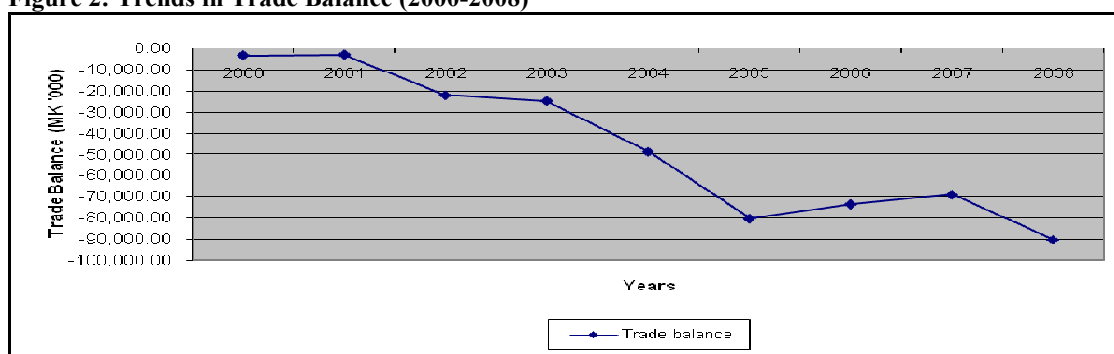


Source: Ministry of Development Planning and Cooperation

### Trade Balance

The country's trade balance worsened from MK69.3 billion in 2007 to MK90.5 billion in 2008. The trade deficits were attributed to high import costs of petroleum fuels and fertilizers. The total export value increased by 23 percent from MK117.7 billion in 2007 to MK144.7 billion in 2008, most of which is attributed to non-traditional exports. Import value, on the other hand increased by 25.7 percent from MK187 billion in 2007 to MK235.2 billion in 2008. The figure below shows the trends in trade balance from 2000 to 2008. As the figure shows, the trade balance was on a free fall from 2000 to 2005 but improved slightly in 2006 and 2007 but was projected to decline further in 2008. This implies that overall the country continues to import more than what it exports.

Figure 2: Trends in Trade Balance (2000-2008)



Source: Ministry of Development Planning and Cooperation

### Exchange Rate and Investment Ratio to GDP

Malawi continues to implement a managed float exchange rate system. In nominal terms, the exchange rate has remained relatively stable for the past three years. In 2006, Malawi Kwacha was trading at MK 138.09 to one United States dollar whereas in 2007 and 2008 it was trading at MK140. As of June 2009, the Kwacha was still trading at about MK140 to the US dollar. The stable exchange rate has come about due to low inflation and interest rates, among other reasons.

The ratio of (gross) investment to GDP increased from 22.9 percent in 2006 to 25.9 percent in 2007 but declined marginally to 24.5 percent in 2008. The overall improvement over the years from 2006, despite the slight decline in 2008 resulted from sound economic management and conducive environment for conducting business. It is projected that the investment ratio will decline slightly to 20.9 percent in 2009. Government's gross investment (as a ratio of GDP) in particular, increased from about 7.7 percent in 2006 to 14.3 percent in 2007 but declined to 9.2 percent in 2008. It is projected that this will decline further to about 7.3 percent in 2009. Private investment, on the other hand, declined from 14.4 percent in 2006 to 11.7 percent in 2007 and then increased to 15.5 percent in 2008. It is projected that this will decline to 13.6 percent in 2009.

### **Budget Performance**

The MGDS projected that the overall fiscal deficit for 2008/09 would be 1.1 percent of the GDP; however the actual deficit increased to 4.2 percent due to worsening terms of trade mainly resulting from increase in import prices of fuel and fertiliser. As shown in the table below, total revenue including grants as percentage of GDP increased from 30.2 percent in 2007/08 to 34.3 percent in 2008/09, which is less than the MGDS projected amount of 37.3 percent. Domestic revenue increased by 1.4 percent to 20.8 percent in 2008/09, which was slightly less than the 21.2 percent projected in the MGDS. Grants increased from 10.8 percent in 2007/08 to 13.5 percent in 2008/09, which was almost close to the 13.3 percent projected in the MGDS for 2008/09. The good performance in revenue and grants was attributed to sound macroeconomic performance which has led to an average economic growth of 7 percent for three successive years.

The total expenditure for 2008/09 was 38.5 percent of GDP which was almost the same as projected in the MGDS (38.4 percent). The total expenditure was an increase from 27.6 percent registered in 2007/08, which came about due to increase in expenditure on the fertilizer subsidy programme which rose by about 50 percent of the budgeted amount. Expenditure for the 2009 general elections and the population and housing census were other contributing factors. Though the development expenditure for 2008/09 was projected at 12 percent in MGDS, the actual expenditure was only 10.3 percent, which was a decline of about 3.5 percent from 2007/08.

### **Monetary Performance**

Money supply increased by MK34.8 billion to MK139.6 billion in 2008 compared to an increase of MK22.1 billion to MK104.9 billion in 2007. The increase in money supply was as a result of increases in narrow money and quasi money which increased by about 30.7 and 35.7 respectively. Currency outside banks and demand deposits rose by MK5.7 billion to MK25.3 billion, and MK10.9 billion to MK45.3 billion respectively. The increases reflect continued increase in economic activity.

Net credit to government made by the banks increased by MK62.7 billion to 83.9 billion compared to an increase of MK772.1 million in 2007/08. The increase was as a result of increases in monetary authority's holdings of treasury bills and holdings of local registered stocks from the recapitalisation of the central bank.

**Table 1: Performance of Selected Macroeconomic Indicators**

Variable	Baseline (2004/05)	2005/06	MGDS Target 2006/07	2006/07 Outturn	MGDS Target 2007/08	2007/08 outturn	MGDS Target 2008/09	2008/09
Inflation (%)	16.9	13.9	9.8	10.1	6.4	8.0	7.2	8.7
GDP growth (%)	2.3	7.9	5.6	7.4	6.0	8.6	6.0	9.7
Total revenue and grants (% of GDP)		31.7	39.7	31.2	38.5	30.2	37.3	34.3
Exchange Rate (MK/US\$)	118.4	136		139.91		140.0		141.0
Interest Rate (%)	27.9	27		22.5		15.0		15.0
Bank Rate (%)	25.3	25		20		15		15.0
Grants (% GDP)	14	18.9	15.3	13.6	14.3	10.8	13.3	13.5
Total Expenditures (% of GDP)	42.9	44.7	40.6	31.7	39.2	27.6	38.4	38.5
Current Expenditure (% GDP)	32.2	31.9	28.6	21.5	27.3	21.9	26.4	29.6
Capital Expenditure (% GDP)	10.4	12.8	12	11.5	11.9	13.8	12.0	10.3
Overall Balance	-4.1	-1.3	-0.9	-2.0	-0.7	2.7	-1.1	4.2

Source: Malawi Government: Ministry of Development Planning and Cooperation

### **Progress on the Millennium Development Goals**

The government is implementing the Millennium Development Goals (MDGs) through the MGDS. The 2009 MDGs Report indicated that the country is likely to achieve five of the eight MDGs. The five that are likely to be achieved are eradicating extreme poverty and hunger; reducing child mortality; combating HIV and AIDS, malaria and other diseases; ensuring environmental sustainability; and developing global partnership for development. The three that are unlikely to be achieved are universal primary education, promoting gender equality and women empowerment; and improving maternal health. These would only be achieved if substantial resources are channelled towards them and there are proper strategies and policies in place.

### 3: Agriculture and Food Security

Agriculture still remains the driver of economic development in Malawi because of its lion's share of GDP contribution (39 percent) and its multiplier effects across other industries. The overall goal for the sector is to improve food security and generate agricultural growth that contributes to economic growth through high productivity, diversification and achieving export-led growth through increased production of food and cash crops, while ensuring sustainable use of natural resources.

#### Policy alignment

In line with the MGDS, the agriculture sector through the ministry of agriculture integrated all prevailing sectoral and investment policies and programs into the Agricultural Sector Wide Approach (ASWAp). The ASWAp will be the umbrella for priority investments in the agricultural sector. The sector goals will be achieved through interventions in food security and risk management; agri-business and market development; sustainable land and water management; institutional strengthening and capacity building; and technology generation and dissemination.

#### Integration of Crosscutting Issues

The sector has integrated some of the crosscutting issues in all its programs and projects by mainstreaming gender and HIV/AIDS in the work place and farming communities, and by conserving the environment. The sector through the ministry of agriculture has developed a statistics data bank, which contains all agricultural statistics required by different users and is working on improving the dissemination of information through a communication strategy.

#### Expected MGDS Outcomes

The expected outcomes for the agricultural sector in the MGDS are to increase agriculture's contribution to economic growth, by increasing production for food security, agro-processing and manufacturing for both domestic and export markets as outlined in Text Box 1.

#### Text Box 1: Expected Outcomes for Agriculture and Food Security

- Increased value-added by rural farmers, greater commercialization and international competitiveness.
- increase agricultural productivity;
- Competitive agricultural products both, locally and internationally;
- reduced loss of agricultural products; adoption of improved agricultural technologies; promote gender, HIV and AIDS mainstreaming in agriculture programmes and projects;
- dietary diversity;
- strengthened institutional capacity for effective formulation and implementation of policies and programmes;
- improved provision of regulatory services;
- reduced animal-to-human disease transmission and promote activities that reduce land degradation
- Increased livestock production.
- Increased contribution of agro-processing to GDP.
- Increased food availability at affordable prices.

#### 3.1 MGDS Annual Indicator Performances

The sector maintained its remarkable progress in maintaining food security owing to input subsidy program and favourable weather conditions. Although the percent of food secure household exceeded the targeted output of 78 percent to 99 percent, the agriculture sector continues to understate the target which was at 74 percent in 2007/08 and 78 percent in 2008/09. Having already achieved 99.5 percent in the previous year, there was no point in setting the target at 78 percent. Unlike in the 2007/08 the sector exceeded its

targets in average maize yield per hectare and per capita cereal availability. This is attributed to cumulative benefits from the subsidy program and favourable weather conditions.

**Table 2: MGDS Annual Indicators-Agric. & Food Security**

Indicator	Baseline (2005)	2007/08 Actual	2008/09 Target	2008/09 Actual	Indicator Target Performance (%)	Indicator Performance Rating
% of food secure households	67	99.5	78	99	127	Exceeded
Per capita cereal availability (Kg)	170	231	270	285.7	106	Exceeded
Average Maize yields per hectare (kg)	809	1651	2500	2839	114	Exceeded
Per Capita meat availability (kg)	6	10.1	8	11.2	150	Exceeded

Source: Agriculture and Food Security SWG 2009

### Output Performance

The sector output performance was above average since out of the 16 outputs assessed for performance, only 3 did not meet targeted performance representing 81 percent achievement rate. There has been an increase in production of all crops except cotton, millet and sorghum which have registered a drop during the year under review. The country has registered a 1.3 million metric tons surplus on maize production. Exceptionally good performance for pre and post harvest losses reduction is attributed to the supply of 6000 litres of pesticides by FAO against the targeted 1000 litres. Poor performance was recorded in the agro-processing mainly due to problems encountered in procuring agro-processing equipment and identifying trainers in agro-processing.

**Table 3: Summary of Core Output performance-Agriculture and Food Security**

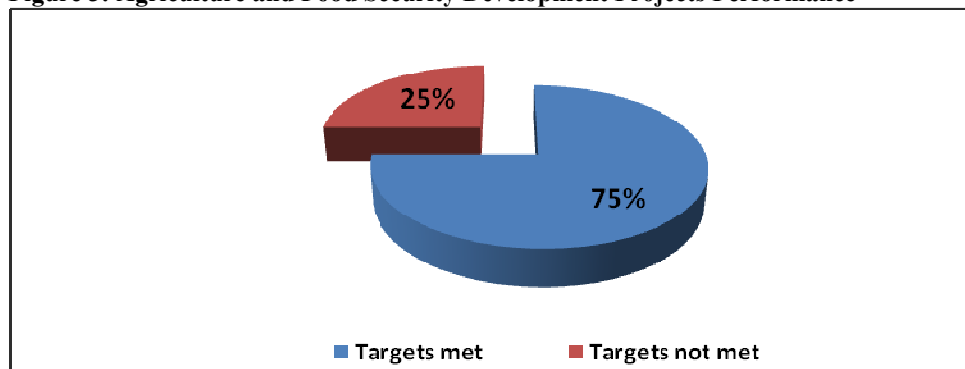
Core output Indicator	Weighted Performance (based on equal weight) (%)	Rating
1. Crops production increased	139	Exceeded
2. Production of livestock and its products increased	82	Met
3. Veterinary and public health services improved	95	Met
4. Provision of extension services to farmers increased	84	Met
5. Provision of Land management services to farmers increased	82	Met
6. Production and dissemination of agricultural technologies increased	94	Met
7. Pre and post harvest grain losses reduced	159	Exceeded
8. Irrigation farming improved	103	Exceeded
9. Marketing of agricultural produce improved	76	Not met
10. Agro-processing improved	1	Not met
11. Access and use of modern farming practices and inputs improved	97	Met
12. Food availability and accessibility increased	95	Met
13. Fish availability as a source of food and income sustained and enhanced	110	Exceeded
14. Production from aquaculture enhanced	66	Not met
15. Capacity of fisheries sector promoted	87	Met
16. Deep water fishing promoted	100	Met

Source: Agriculture and Food Security SWG 2009

### Development Projects Output Performance

The performance of development projects remained the same as in the 2007/08 fiscal year. Out of 24 projects, 18 projects managed to meet their targets by at least 80 percent and higher, representing 75 percent achievement. Inadequate and late disbursement of funds was cited as the main reason for not meeting targeted outputs. Generally delays in disbursement of projects funds paralyzed various development projects as a number of outputs needed procurement of inputs and other equipment. However, it remains doubtful whether this was based on fresh data or same data as was used in 2007/08.

**Figure 3: Agriculture and Food Security Development Projects Performance**



Source: SWG on Agriculture and Food Security 2009

### Budget Performance

Ministry of Agriculture and Food Security was allocated MK41.675 billion overall budget, which is 14 percent of the total national budget. Out of this, about MK34.4 billion was allocated to ORT which included input subsidy and about MK7.2 billion went to development budget. Overall funding amounted to MK35.677 billion, being 86 percent disbursement of approved budget. The sector spent MK32.601 billion, representing a 91 percent utilisation of funds funded. The review has established that most of the activities implemented were reflected in the output based budget for the year. It has been estimated that over 98 percent of activities implemented were those approved in the budget. Subsidy program issues continued to overshadow other programs with respect to operational attention.

The sector's assessment on allocation of funds revealed that all ORT programmes received less funding than what was approved, except for the Farm Input Subsidy Programme (FISP). FISP received K10 billion more than what was planned. This was partly attributed to sharp increase in fertilizer prices at the world markets, escalating transport costs due to rising oil prices, and expansion of the tonnage of input procured.

## Aid Effectiveness

The performance on aid effectiveness was generally satisfactory. However, as indicated in the Table 4 below, there are still problems in use of country procurement systems, common arrangements or procedures and avoiding parallel implementation structures. It is hoped that improvement will be registered when the Agriculture Sector Wide Approach (ASWAP) becomes operational.

**Table 4: Performance on Paris Declaration Indicators**

INDICATOR No. & DESCRIPTION	OVERALL INDICATOR PERFORMANCE	COMMENT
1. Operational Sector Guidelines	Satisfactory	The sector developed a strategy, Agricultural Sector Wide Approach (ASWAP), that supports priority activities in the agricultural sector in order to increase agricultural productivity to make Malawi a hunger free nation, enable people access nutritious foods and increase the contribution of agro-processing to economic growth.
3. Aid Flows Alignment to National Strategy (MGDS)	Satisfactory	There was some aid which was flowing into the sector from donors who were not listed in the output based budget
4. Coordinated Support for Capacity Building	Very Satisfactory	Every project funded by Donors in the Sector has a component which addresses capacity building in many of the forms described.
5a. Use of country Procurement Systems	Unsatisfactory	Donors to the Sector have procurement guidelines that are used in collaboration with the Procurement Act. In some cases donor allows the implementing agency to use the government procurement systems.
5b. Use of Country PFM Systems	Satisfactory	Projects from 5 donors followed government budgeting procedures. The challenge rises in areas of financial reporting and auditing where these projects followed systems as advised by the donors.
6. Avoiding Parallel Implementation Structures	Unsatisfactory	All the projects have parallel Implementation Units which have staff specifically recruited to implement activities at managerial level. Some projects implement activities using both government staff and recruited staff.
7. Predictability of Aid	Satisfactory	The donors' pledges were less than the actual support.
9. Use of Common Arrangements or Procedures	Unsatisfactory	Currently its only one donor who has come forward to support the implementation of the ADP-SP and others were awaiting a parliamentary approval of the project.
10a. Shared Analysis	Very satisfactory	The identification, preparation, appraisal, implementation as well as monitoring and evaluation of programmes involve both parties (government and donors).
10b. Joint Field Missions	Very satisfactory	These also involved both parties.
11. Results Based Frameworks	Satisfactory	

Source: SWG on Agriculture and Food Security 2009

### **3.2 Findings and Recommendation**

Most of the recommendations are similar to those made in the previous review since no action has been taken on the issues and they still remain outstanding. However, some fresh recommendations have been made as follows:

- The GoM should seek to work with development partners to seek ways of fast tracking the process of harmonising and aligning procedures and systems with respect to the Paris Declaration on Aid Effectiveness. The involvement of different agency headquarters may be necessary to change the current situation.
- Government should develop mechanism to assist capturing data on expenditure for non-state actors especially Non Governmental Organizations for investment going to the agriculture sector.
- The international definition of agriculture sector also includes fisheries, forestry, irrigation and all the resources spent on Agriculture Education and Training (e.g. resources going to Bunda College etc). Next time, it should be imperative that at least fisheries and irrigation become part of the agriculture sector. Government should consider redefining the agriculture sector.
- The agriculture sector working group and MoAFS should find a way of bringing together all stakeholders in the sector. There are many gaps in reporting as a number of non state actors (private sector, NGOs) do not submit their performance reports yet their contribution to the sector cannot be ignored.



## 4: Irrigation and Water Development

The goal for this sector is to ensure that water resources are well protected and managed to meet agricultural, domestic and industrial demands.

### Policy Alignment and Cross-Cutting Issues

The sector aligned its policies and strategies to the MGDS through the completion of its strategic plan in 2006 and the launch of the National Water Policy in 2007. Other sector policies aligned to the MGDS are the irrigation policy of 2000 and the National Sanitation Policy (2008). The strategic plan articulates the vision for the water and irrigation sector. Crosscutting issues have been integrated, for instance on HIV and AIDS; the sector is implementing risk mitigation measures such as awareness campaigns, VCTs, and prevention mechanisms. The sector also developed HIV and AIDS policies in some work places such as Southern Region Water Board and Blantyre Water Board. The sector also involved women in the design of its programmes and projects recognising the important role that women play in the development of the country. Further, various stakeholders implemented a number of key HIV and AIDS and Gender Mainstreaming awareness campaigns with the aim of training and sensitising beneficiaries in the districts and ensuring the representation of both gender in key positions in water resource management structures.

In addition, the sector also actively integrated environmental issues when implementing sector programmes/projects and followed principles of integrated water resources management (IWRM). Specific activities during the 2008/09 financial year included integrated catchment's management and community water resources management.

### Expected Outcomes

The medium-term expected outcomes for the sector, as stipulated in the MGDS are outlined in Text Box 2

#### 4.1 MGDS Indicator outcomes

As shown in Table 5 below, the performance on the percentage of population with access to safe portable water and percentage of population with access to improved sanitation exceeded their targets. For instance, the target for population with access to safe portable water for the year under review was 76 percent but actual performance of the indicator was 80 percent. Similarly, the performance on the population with access to improved sanitation was 94 percent against the target of 89 percent. In sum, the MGDS indicator outcomes performance were good for both outcomes and this gives hope that MDG goals on water and sanitation are likely to be achieved by 2015.

#### Text Box 2: MGDS Outcomes for Water & Irrigation

- i. Increased agricultural land under irrigation;
- ii. Reduced dependence on rain-fed agriculture;
- iii. Basic water requirements of every Malawian are met while the country's natural ecosystem is enhanced; and
- iv. Increased access to water within 500m distances.

**Table 5: MGDS Annual Indicator – Water, Irrigation & Sanitation**

Indicator	Baseline (2005)	2006/07 Actual	2007/08 Target	2007/08 Actual	2008/09 Target	2008/09 Actual	Indicator Performance Rating
% of population with access to safe portable water	73	74	75	76	76	80	Exceeded
% of population with access to improved sanitation	42	23		47	89	94	Exceeded

Source: Malawi integrated Cluster Survey Report, 2006

### Sector Output Performance

As shown in Table 6 below, the sector performance is rated as average. Two out of four core sector outputs targets were met while the other two failed. The outcomes that failed to be met are irrigation farming promoted and improved sustainable access to water supply and sanitation in rural areas.

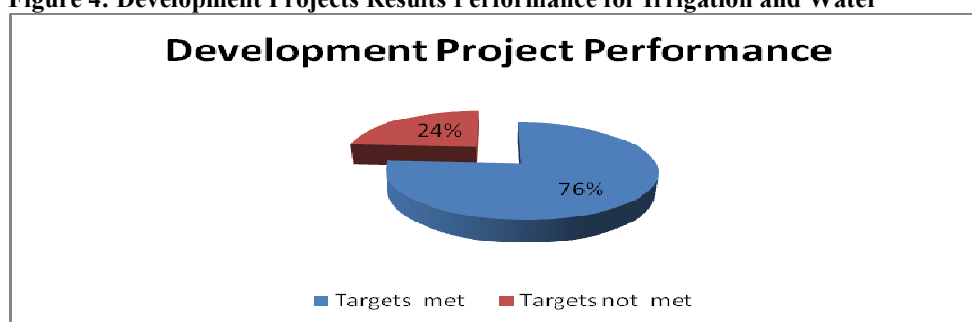
**Table 6: Core Sector Outputs for Irrigation and Water Development**

Core Sector Outputs	Indicator Weighted Performance (%)	Cumulative Performance
1. Irrigation farming promoted	76	Not Met
2. Improved quality of surface and groundwater and a system of pollution control	97.5	Met
3. Improved sustainable access to water supply and sanitation in urban, per-urban and market centres	96.6	Met
4. Improved sustainable access to water supply and sanitation in rural areas	50	Not Met

Source: Irrigation and Water Development Sector Working Group, 2009

### Development Project Performance

The sector as a whole had 27 projects that were implemented by both the government and nongovernmental organizations under the year of review. The government PSIP projects were 17 while nongovernmental organizations implemented 10 projects. The performance of the projects for the whole sector indicates that 78 percent (21 out of 27 projects) met or exceeded their targets and 22 percent of the projects did not meet their targets. See Figure 4 below. For the PSIP projects performance, 76 percent (13 out of 17 projects) met or exceeded their targets and 24 percent of the projects failed to meet their targets.

**Figure 4: Development Projects Results Performance for Irrigation and Water**

Source: Irrigation and Water Development Sector Working Group, 2009

### Budget performance

In the 2008/09 financial year, the irrigation and water development sector had a total approved budget of about MK975.81 million comprising of MK160.00 million on ORT and MK815.81 million for development under Part II. The sector received a total funding of MK1.29 billion (132 percent) from which MK1.11 billion (87 percent) was spent. The sector had an approved budget of MK6.6 billion on Part I, from which MK1.9 billion was funded and the whole amount was spent. However the sectors expenditure amounted to about MK14.2 billion because of extra resources received from water boards besides funding from government and development partners towards improving rural water supply and sanitation services. Water Boards and Non Governmental Organization (Total Land Care) had significant amounts of unused funds. This was mainly due to delays in procedures in procuring goods and services especially on the part of Water Boards and inadequate capacity amongst the NGOs.

### Aid Effectiveness

Aid effectiveness is rated satisfactory for the irrigation and water development sector. The Table 7 below explains why the sector is rated as such. However, performance of two indicators, use of country procurement systems and predictability of aid, was unsatisfactory.

**Table 7: Performance on Paris Declaration Indicators for Irrigation and Water**

	Indicator No. & Description	Overall Indicator Performance*	Comment
1	Operational Sector Strategy	Satisfactory	Sector strategy but no MOU or JFA in place. However, under the SWAp development process MOU and JFA are under consideration.
3	Aid Flows Alignment to National Strategy (MGDS)	Satisfactory	The projected amount in the budget books show an underestimate of the total contribution that development partners provide in the sector. One of the contributing factors was the non-inclusion of SADC/DANIDA, SADC/EU, SADC/SIDA, JICA and UNICEF under NWDP. The overall assessment is that the sector received more than what is actually channelled/recorded through MOF.
4	Coordinated Support for Capacity Building	Satisfactory	There is some notable progress towards capacity building. Key partners that offer technical cooperation include JICA, World Bank.
5a	Use of Country Procurement Systems	Unsatisfactory	Development partners still follow their own procurement systems when dealing with large amounts of money. The Malawi system is only engaged when relatively smaller amounts of money are involved.
5b	Use of Country PFM Systems	Satisfactory	All partners use country PFM systems as there is more harmonisation with the coming of the NWDP II, which is a programme based approach.
6	Number of Parallel Implementation Structures	Satisfactory	There are seven projects implementation units.
7	Predictability of Aid	Unsatisfactory	Some of the major development partners do not disclose their actual contribution towards activities being implemented in the sector (e.g. JICA, SADC/EU, SADC/DANIDA).

	Indicator No. & Description	Overall Indicator Performance*	Comment
9	Use of Common Arrangements or Procedures	Satisfactory	SWAp is now operational in the Water and Sanitation sector. Also the sector has a National Water Development Programme (NWDP) that comprises a consortium of development partners.
10a	Shared Analysis	Satisfactory	Development partners and GOM conduct joint reviews.
10b	Joint Field Missions	Satisfactory	Development partners and GOM conduct joint reviews.
11	Results Based Frameworks	Satisfactory	The sector has a Water and Environmental sanitation forum to discuss progress and undertakings in the sector. Under the NWDP II, an M&E framework exists and both Government and Donors are monitored and JSR is done satisfactorily.

Source: Irrigation and Water Development Sector Working Group, 2009

## 4.2 Findings and recommendations

### Findings

- There is lack of capacity on procurement procedures in all implementing agencies as this was a major constraint on the implementation of some programmes/projects;
- The sector also improved coordination in terms of forums that are conducted on a monthly basis between the Ministry of Irrigation and Water Development and development partners;
- During the 2007/08 financial year revenue collection in Water Boards has improved. However, some private companies and consumers do not honour their bills within the stipulated collection period.

### Recommendations

- Government and development partners should liaise in developing sector monitoring and evaluation framework and systems;
- Government should come up with a strategy of enforcing compliance to standards and use of guidelines on borehole construction;
- The Ministry of Irrigation and Water Development and relevant development partners should review the present 7 PIUs and explore the scope for better harmonisation;
- Government should make sure to improve liaison with other development partners so that all financial and progress reports are shared.

## 5: Transport and Infrastructure Development

The goal of the National Transport Policy of Malawi is to ensure the provision of a coordinated transport environment that fosters a safe and competitive operation of commercially viable, financially sustainable, and environmentally friendly transport services and enterprises. The Ministry of Transport and Public Infrastructure developed a five year strategic plan that will guide in the implementation of key policy actions in the sector. The sector recognises the importance transport plays in sustaining the economic growth the country has so far gained.

### Policy Alignment

The sector is guided by the following policies - the National Transport Policy of Malawi, Road Transport and Traffic Policy, Air Transport Policy, Rail Transport Policy, Maritime Transport Policy, National Rural Transport Policy and these strategic interventions are all aligned to MGDS. In addressing crosscutting issues, the sector adhered to Government policy of setting aside 2 percent of its annual budget on HIV and AIDS issues. Environment and gender issues are well enshrined in the policy document and in terms of science and technology, the Transport sector is very advanced in all modes.

### Expected Outcomes

The expected outcomes for the Transport Infrastructure Development as outlined in the MGDS are presented in Text Box 3.

### 5.1 MGDS Indicator Performance

The sector had 9 MGDS annual indicators as outlined in Table 8 below to measure progress towards the achievement of its outcomes. The sector registered positive performance in the year under review because most of the MGDS annual indicator performance targets had been met except for transport cost as a percentage of export/import. The 40 percent target on reducing transport costs was not achieved because Malawi is mostly a net importer as the ratio for imports to exports is 80:20 (by value on average). There has been no improvement on the factors that contribute to reduction on lead time on exports due to transport disaggregated by region, as a result lead time has remained constant since 2005. The targets for percentage of roads in good condition (for both paved and unpaved roads) were met. Most of the MGDS annual indicator targets for water transport sub-sector did not meet their targets.

#### Text Box 3: Expected Outcomes for Road Infrastructure Development

- i. Reduced lead times on exports.
- ii. Decreased cost of domestic trucking.
- iii. Lower costs of cross border and transit trade with neighbouring countries
- iv. Lower cost to reach domestic, regional and international markets
- v. Providing adequate network of roads based on appropriate standards through rehabilitating and upgrading the “all weather” roads to meet sub-regional agreed standards
- vi. Improved mobility and accessibility of the population to the key road corridors within and outside Malawi.

**Table 8: MGDS Annual Indicators-Transport and Public works**

Indicator		Baseline (2005)	2007/08 Actual	2008/09 Target	2008/09 Actual	Indicator Target Performance
Road Transport						
Percent of road net work in good condition	Good	24	33	30	33	Exceeded
	Fair	46	38	46	38	Met
	Poor	30	29	24	29	Exceeded
Transport cost as percentage of export/import bill		55	40	53	40	Not Met
Lead time on export due to transport	Region	7	7	7	7	Met
	Overseas	27	27	27	27	
Water Transport						
No of regulation reviewed & enforced		2	2	4	2	Not Met
No of Cadets being trained		12	24	32	20	Not Met
Zero downtime		5	4	0	2	Exceeded
All cargo handled (%)		100	100	100	100	Met
No of navigation aids operational		5	7	10	7	Not Met
No of vessels inspected, regulated & certified.		400	100	700	300	Not Met

Source: SWG on Transport

The performance was within average since 6 out of 11 MGDS indicators were met. Not much progress has been registered on reducing time spent on the road for exports. Transport costs as percentage of export and import bills remain high despite slight reduction. Though the percent of roads in good condition remains low at only 33 percent, the condition of the road network continues to be improved. In many cases the targets for 2008/09 were understated and therefore resulted in high achievement percentage. For example the percentage of good road network was already at 33 percent in 2007/08 yet the target was set at 30 percent.

### Output Performance

The sector performed above average since 3 out of the 4 core sector output targets were met, which represent a 75 percent achievement. The percentage of road accidents has reduced considerably by 110 percent of the target. For roads, the sector could use additional indicators to measure achievement for the year on specific roads such as kilometres of specific classes of roads that have been improved and reconstructed.

**Table 9: Core Sector Output Performance for transport**

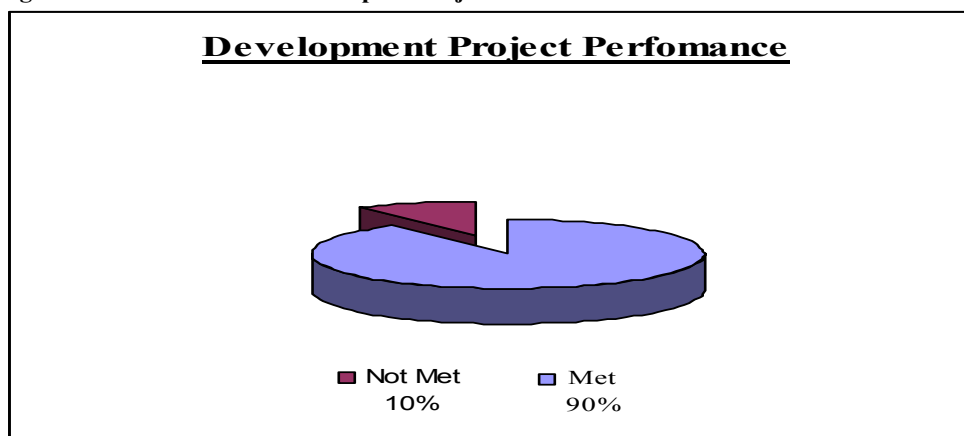
Core Sector Outputs	Weighted Performance	Rating
1. Adequate, reliable, cost effective water transport and traffic services	78	Not Met
2. Preliminary phase on Shire Zambezi Waterway Project Implemented	100	Met
3. Standards and regulations enforced (% reduction of accidents)	110	Exceeded
4. Road Network condition improved	100	Met

Source Transport &amp; ID SWG 2009

### Development Project Performance

The transport sector implemented a number of development projects. Out of 10 projects, 9 met their output targets, representing 90 percent achievement.

**Figure 5: Road and Water Transport Project Performance**



Source: SWG on Transport 2009

### Budget Performance

The Transport sector had an approved budget of MK 12,833 Million out of which MK 14,619 million was funded, which represent 114 percent funding on the approved budget. The sector had spent 99 percent, (MK 14,500 million) out of the funds received. Most activities for the sector were done according to plan with exception of a few activities done at the Headquarters, Road Traffic and Marine, which did not compromise implementation of planned activities.

### Aid Effectiveness

Development partners did not harmonise and align themselves to the local process and systems and this resulted in the sector performing unsatisfactorily on most Paris Declaration Indicators. Table 10 below shows that only 3 out of the 9 indicators were satisfactory.

**Table 10: Performance on the donor alignment indicators for Road and Water Transport**

	Indicator No. & Description	Overall Indicator Performance*	Comment
1.	Operational Sector Strategy	Very Satisfactory	Available.
3.	Aid Flows Alignment to National Strategy (MGDS)	Very Satisfactory	Aid flows through the national budget
4.	Coordinated Support for Capacity Building	Satisfactory	Provided technical support to the sector through the Institutional Support to Transport Bodies (ISTAB).
5a.	Use of Country Procurement Systems	Not Satisfactory	None of the donors use the Malawi Government procurement procedures for the disbursement of their aid.
5b.	Use of Country PFM Systems	Not Satisfactory	None of the donors used the Malawi Government budgeting, finance management, accounting and auditing systems.
6.	Number of Parallel Implementation Structures		

	Indicator No. & Description	Overall Indicator Performance*	Comment
7.	Predictability of Aid	Unsatisfactory	All the amounts pledged are paid albeit late. However, in some cases where loan agreements had to be re-negotiated, the amounts pledged were not at all disbursed.
9.	Use of Common Arrangements or Procedures	Not Satisfactory	The sector does not have any SWAp although ideas are there to form one as explained above. Consequently, there has been no donor Program Based Approach or funding in support of a SWAp.
10a.	Shared Analysis	Very Unsatisfactory	There was no shared analysis.
10b.	Joint Field Missions	Not Satisfactory	No joint mission or analytical works were carried out during the year under review
11.	Results Based Frameworks	Not Satisfactory	There is no framework of indicators and targets against which progress is measured and neither donors nor government is accountable.

Source: Transport & ID SWG 2009

## 5.2 Findings and Recommendations

- Some development projects in the PSIP that were under-funded or not funded at all resulted in very little or no progress at all. In addition, the sector used some inappropriate indicators that made it difficult to assess its overall performance.
- It is recognized that MGDS activities other than projects are based more or less on long term plans whereas Sector activities are based on short term (recurrent) programs. However, there is need to align sector activities with both the MGDS activities and the sector budget for easy tracking of progress and identification of funding gaps.
- There is need for Government to fund ongoing projects annually for timely implementation of programmes. Government needs to increase funds allocated to the National road Safety Council to improve civic education and road safety.



## 6: Energy Generation and Supply

The goal of the energy sector is to ensure sustainable generation, management and utilization of energy, mineral and forestry resources. Further, it seeks to strengthen national, regional, and international cooperation in energy, mineral, and forestry management and development. This is expected to accelerate the generation of sufficient amount of energy to meet the country's economic and social needs.

### Policy alignment and crosscutting issues

The Malawi Energy Policy is aligned to Malawi Growth and Development Strategy (MGDS) and so are other policies pursued in the sector. In order to integrate crosscutting issues, the sector was involved in HIV and AIDS activities such as candle lighting ceremonies and various training programmes on HIV and AIDS awareness and paid a humanitarian allowance to HIV infected officers every month. The sector involves both men and women in the operation and maintenance of energy projects. The sector also has policies aimed at mitigating environmental Degradation and promotes efficient utilisation of energy to reduce effects of climate change.

### MGDS Outcomes

The sector seeks to ensure that the country has accessible, reliable and sustainable energy supply, and that rural communities use alternative energy supplies while managing energy related environmental impacts. Detailed information is as outlined in Text Box 4.

#### Text Box 4: Expected Outcomes for Energy generation and supply

- Outages reduced (brown outs, black outs)
- Increased access from the current 6% to 10% by 2010
- Biomass-commercial energy mix target of 75%- 25% by 2010.

Some notable activities completed in the period under review include: rehabilitation of Tedzani I and II by ESCOM Limited which brought back 40 Megawatts into the system, implementation of MAREP Phase V and phase two of Village Electrification Project using Solar-Wind (Hybrid) Systems and promotion of four viable and market-ready technologies namely biomass briquettes, liquefied petroleum gas (LPG), paraffin and ethanol in the cities of Lilongwe, Blantyre, Zomba and Mzuzu.. The sector also conducted feasibility studies on viability to construct oil pipe line from Beira in Mozambique to Nsanje in Malawi and MAREP Phase VI.

### 6.1 MGDS Indicators performance

The sector performance based on MGDS annual indicators is above average since 2 out of 3 output indicators met their targets. There has been no progress on new trading centres connected to electricity. From the figures it is doubtful if new trading centres got connected. It must be noted however, that much as data from the sector is indicating that the percentage of population using solid fuel has declined from about 95 percent in 2005 to 77 percent in 2009, the Welfare Monitoring Survey (WMS) shows that over 90 percent of the country's population still use solid fuel.

**Table 11: MGDS Annual Indicator – Energy Generation and Supply**

Indicator	Baseline (2005)	2007/08 Target	2007/08 Actual	2008/09 Target	2008/09 Actual	Indicator Performance Rating
No. of new trading centres connected to electricity	45	27	40	-	-	
% of household access to electricity	4	7	7.8	8	8	Met
% of population using solid fuels	94.8	86	82	78	77	Exceeded

Source: Energy Generation and Supply SWG 2009.

### Output Performance

The sector had three core sector outputs, out of which two met their targets. Table 12 below shows that the sector managed to increase access to reliable and sustainable energy supply and promote use of alternative energy supply for power by rural communities in under-served areas. However the progress has been very little and that brown outs and black outs worsened. The sector has only managed to reduce the average load shedding hours from 4 to 2 because of the rehabilitation work at Tedzani I and Tedzani II which brought 40 Megawatts into the system.

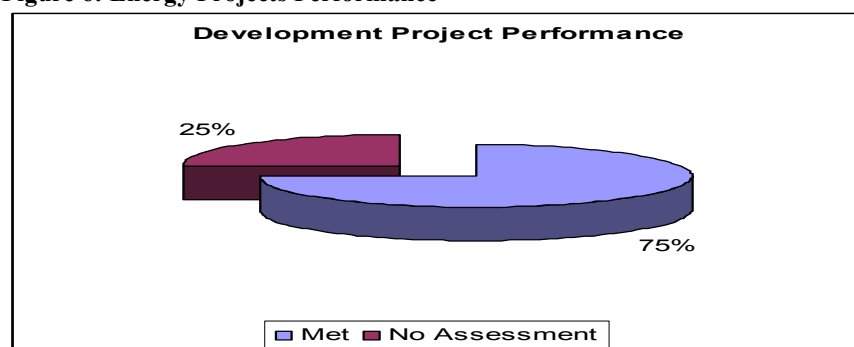
**Table 12: Summary of Core Sector output performance for Energy Generation Sector**

Core Sector Outputs	Weighted performance (Based on equal Wts) (%)	Rating
1. Increased access to reliable and sustainable energy supply	85.5	Met
2. Use of alternative energy supply for power by rural communities in underserved areas	87.5	Met
3. Reduction in levels of brown outs and black outs	50	Not Met

Source: Energy Generation and Supply SWG 2009

### Development projects performance

The sector had four projects namely Rural Electrification Programme (MAREP), Alternative Energy Sources (PAESP), Community Solar Installation and Oil pipeline and Storage Facilities. Out of four Projects, three projects met or exceeded their targets. The fourth project on installation of pipelines was not properly assessed because it did not have a relevant annual target. All these projects were included in the PSIP for 2008/2009 financial Year.

**Figure 6: Energy Projects Performance**

Source: SWG on Energy generation and Supply 2009

### **Budget Performance**

The Energy sub- sector as a whole had a total budget of MK9, 669 million with ESCOM included. Out this budget ORT was allocated for Energy was MK142.47 million and development budget under Part II received MK316.76 million. Out of the total budget, the sector was funded MK9, 635 million (99 percent) out of which MK9, 635 was spent (100 percent). The sector's approved budget on Part I for energy only was MK436.09 million from which MK383.43 million and MK320.50 million was funded and spent respectively.

All the activities implemented were only those that were planned. No funds were diverted from the planned activities to unplanned activities. However, due to inadequate funding, some of the planned activities were not implemented, namely the Malawi- Mozambique Interconnection, and the Tedzani I and II rehabilitation.

### **6.2 Recommendations**

- Complete rehabilitation of Tedzani I & II as quickly as possible
- Accelerate implementation of Kapichira II
- Install diesel-gen sets to supplement hydropower
- Implement Malawi-Mozambique Interconnection
- Enhancing connectivity to SAPP
- Develop other sources of power generation e.g. –hydropower (Lower Fufu site, Songwe River Basin, North Rukulu), Geothermal, Coal fired power plants, Co-generation, wind.
- ESCOM should increase Investment capital
- ESCOM should increase capacity to collect revenue.

## 7: Integrated Rural Development (IRD)

Broad based economic growth and development cannot be achieved if rural areas with potential for growth are sidelined. It is for this reason that the MGDS include Integrated Rural Development among its key priority areas. Through this, Government strives to promote Rural Growth Centres among other things. This is expected to resuscitate the rural economies and transform them into engines for economic growth that will contribute to sustainable growth that will not only result in redistribution of wealth to all citizens but will also mitigate the negative consequences of rural-urban migration.

### Policy Alignment and Crosscutting Issues

The sector has finalized the development of an Integrated Rural Development Strategy and a programme support document for Rural Growth Centre's. The sectors budget highlights crosscutting activities such as HIV and AIDS, ICT, and environment although very little progress has been made on increasing allocation to environment according to the IRD strategic framework. However the sector continues to maintain an allocation of 2 percent for HIV and AIDS in their budget in line with the statutory requirement.

### Expected Outcomes

It is expected that developing rural growth centres will create employment that will enhance incomes of rural communities and in turn reduce rural urban migration. IRD calls for coordinated efforts from a number of areas in particular, the provision of key infrastructure as a pre-requisite for development of rural growth centres and to improve accessibility of the rural masses to social amenities. Rural household income will be increased through increased rural infrastructure, increased productivity and marketing of agricultural products, increased provision of credit facilities among others. These will be achieved by strengthening the capacities of local planning institutions within local assembly structures and linking local institutions to the private sector, academic institutions, transporters, quality assurance institutions. The medium term outcome of the IRD are presented in the Text Box 5

#### Text Box 5: Expected Outcomes for Integrated Rural Development

- Reduced negative consequences of rural-urban migration.
- Enhanced re-distribution of wealth for all citizen

### 7.1 MGDS Indicators Performance

The assessment of progress made towards achievement of the IRD outcomes, is based on the performance of programmes directly under MLGRD and District Assemblies. However, it is worth noting that measure of performance for this sector is complemented by performance of other sectors that contributes significantly to the sector because of its linkages with them, which reflect growth in the rural economy such as: the income per capita and percentage of food secure households under the agricultural sector. Nevertheless, the sector did not collect data on the agreed set of MGDS outcome indicators.

### Output Performance

The performance of most outputs in this sector has been outstanding with an average range of 90 to 100 percent. However there has been slow progress especially in the performance of one core sector output namely, requisite infrastructure for rural and urban economic transformation with an average score of 50 percent. Inadequate funding remains the main problem to achieve this.

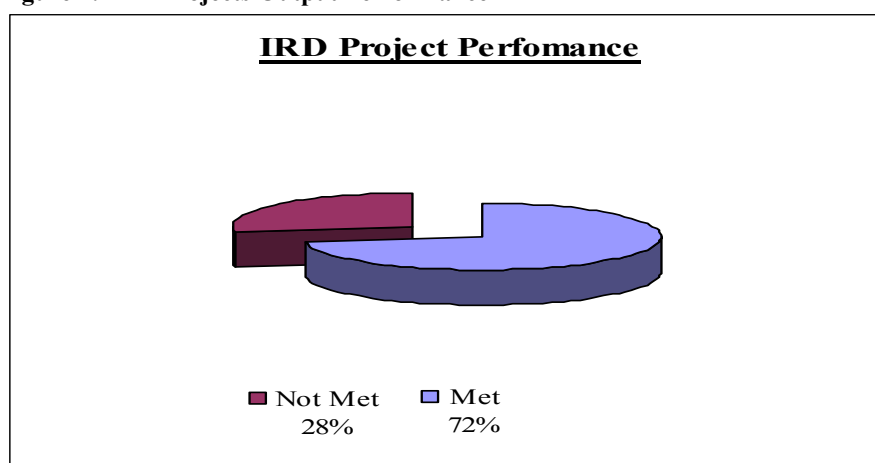
**Table 13: Weighted Output Performance**

Key Sector Output	Indicator Weighted Performance (%)	Rating
1. OVOP processing Units	73	Not Met
2. Products accredited by MBS	100	Met
3. Number of groups linked to private sector, academic institutions, transporters and quality assurance institutions.	50	Not Met
4. Cooperatives societies established	255	Exceeded
5. Requisite Infrastructure for Social Transformation Established (Rural Growth Centres)	50	Not Met
6. Rural road network improved	94	Met
7. Rural bridges improved	139	Met
8. District Development Plans (DDPs) Revised	57	Not Met

Source: SWG on IRD (2009)

### Development Project Performance

Out of the sector projects reported for the review, 72 percent of the projects met their targets while 28 percent did not meet their targets as shown in Figure 7 below. Rate of success for these projects ranged from 83 percent to about 725 percent. Two projects, namely the Rural Growth Development Programme and Markets Development Programme did not meet targets. The dismal performance under the Rural Growth Development Programme was due to low funding levels considering that the programme is capital intensive.

**Figure 7: IRD Projects Output Performance**

Source: SWG on IRD (2009)

### Budget Performance

IRD sector had a total approved budget of MK 1.008 billion, consisting of MK 450 million ORT (Personal emoluments not included) and MK558 million of development part II. This comprised budgets of ministry of local government and local government finance committee. Out of a total funding of MK 1.022 billion, MK1.045 billion was spent, being 101 percent funding and 102 percent utilisation of funds. Information from AMP shows that MK20.814 billion was committed for development part I. However, only about 9 percent (MK1.811 billion) was actual disbursement.

## Aid Effectiveness

As seen in the table below, most of the indicators on aid effectiveness were unsatisfactory. This underscores the problems so far reported in this sector review on the use of donor funds in development projects. Despite a lot of money being pledged for support under many projects, flow of funds was affected by procurement procedures and other funding procedures which were a deterrent to progress.

**Table 14: Summary of Performance on Paris Declaration Indicators for IRD:**

Indicator	Overall Indicator Performance*	Comment
1. Operational Sector Strategy	Unsatisfactory	The sector has just finalized an approved strategy (Integrated Rural Development Strategy) but not yet operational.
3. Aid Flows Alignment to National Strategy (MGDS)	Unsatisfactory	Not all the resources were factored in the National Budget.
4. Coordinated Support for Capacity Building	Very Satisfactory	All the donors for the sector especially IFAD and EU pooled their resources in a coordinated way for Capacity Building programme.
5a. Use of Country Procurement Systems	Very Unsatisfactory	Donors in this sector do not use GoM procurement systems.
5b. Use of Country PFM Systems	Unsatisfactory	None of the donors in this sector used the GOM Budgeting, Financing reporting and auditing procedures.
6. Number of Parallel Implementation Structures	Unsatisfactory	There are parallel PIU's within the sector.
7. Predictability of Aid	Satisfactory	The donors honoured the pledged aid. Significant percentage estimated at 80% of the pledged resources was honoured.
9. Use of Common Arrangements or Procedures	Unsatisfactory	Alignment to National Procedures does not exist.
10a. Shared Analysis	Very Satisfactory	The EU, IFAD, JICA and GOM did a joint analytical work.
10b. Joint Field Missions	Satisfactory	The sector implemented a Joint Field Mission especially with EU and IFAD.
11. Results Based Frameworks	Unsatisfactory	It is only EU with such a framework.

Source IRD SWG 2009

## 7.2 Recommendations

- There is need for adequate provision of financial resources to the projects that are fully supported by the Malawi Government (Part 2 Budget) such as the construction of Rural Growth Centres.
- Develop a central databank to update all the data sets from the implementing partners in order to enhance timely provision and analysis of information.
- Organize a sector's review workshop on all the projects implemented by the relevant players in the sector with a view to reviewing and reformulating the monitoring indicators with baselines and targets to resolve the data gaps.

- There is need to increase the ORT for the local assemblies to effectively monitor development initiatives at local level; assemblies cannot effectively appraise and monitor development programmes due to lack of administrative funding for some programmes such as those funded under the Constituency Development Fund.
- Most of the indicators for this sector do not have baseline data. As such there is need for serious initiative to capture base line information. MEPD should facilitate such initiative, which should also include training on M&E and planning in general.
- There is great improvement in the accessibility to rural areas, however, funding for labour intensive public works programmes does not take into account funding for structures such as curvets and bridges. Hence, there is a big gap between the planned road networks that is actually implemented vis-à-vis the complementing road structures.

## 8: Nutrition, HIV and Aids

Prevention and management of Nutrition Disorders, HIV and AIDS is one of the key priority areas in the Malawi Growth and Development Strategy because of the high prevalence of nutrition disorders such as stunting, underweight, wasting and micronutrient deficiency disorders mostly among children, pregnant and lactating women, and people living with HIV and AIDS and other vulnerable groups. The government also realises that the high levels of nutrition disorders and HIV & AIDS prevalent in the country, are likely to adversely affect the progress towards attaining sustainable economic growth and prosperity. Nutrition related non-communicable diseases are also becoming common in the country. The sector therefore in line with the MGDS aims at improving the nutritional status and support services for people living with and affected by HIV while at the same time ensuring nutritional wellbeing for all Malawians. It also aims to prevent further spread of HIV, and mitigate its impact on the socio-economic and psychosocial status of the general population and high risk groups.

### Policy Alignment to the MGDS

To achieve its goal, the sector has a number of strategic plans that are being implemented and they include the National Nutrition Policy and Strategic Plan (2007); the HIV and AIDS Policy 2003 (under review); the Malawi HIV and AIDS National Action Framework (NAF, 2005); and the Extended HIV and AIDS Action Framework (NAF, 2009); the guidelines on the use of 2% of ORT budget commitment towards HIV and AIDS workplace programme; the Nutrition, HIV and AIDS Business and communication plans of 2007 and 2008; the HIV and AIDS Mainstreaming Guidelines; the National HIV and AIDS Prevention Strategy; various Guidelines on Nutrition, Infant and Young Child Feeding. All these policies and programmes have been aligned to the MGDS.

### Integration of Crosscutting Issues

The national nutritional policy and strategic plan has clearly identified implementable actions by each stakeholder in accordance with relevant crosscutting issues to do with nutrition, HIV and AIDS. Stakeholder's institutional strategic plans have been structured in such a way that their outputs are addressing crosscutting issues. For example, in implementing condom distribution, gender is

#### **Text Box 6: Expected Outcomes for Nutrition, HIV and AIDS**

##### **A. HIV AND AIDS**

- (i) Behavioural change for those at risk.
- (ii) Expanded access to HIV Testing and counselling, prevention of mother to child transmission programme, condoms, STI treatment, blood safety, universal precautions.
- (iii) Equitable treatment for PLHIV and health impact mitigation (including ARVs, OIs, CHBC, palliative care, nutrition supplementation).
- (iv) Increased access to basic services and psychosocial protection interventions such as education, health, social protection and livelihoods, OVC support, legal protection, and mainstreaming of AIDS in macroeconomic and public expenditure frameworks.
- (v) Effective and efficient implementation of HIV and AIDS response across the public and private sectors.

##### **B. NUTRITION**

- 1) Effective utilisation of quality food and the biological utilisation of nutrients in the body.
  - a) Reduce the prevalence of stunting in children under five years
  - b) Reduce the prevalence of acute wasting in children under five years.
  - c) Reduce the prevalence of underweight in under five children.
  - d) Reduce the proportion of school age children with Vitamin A deficiency, anaemia and eliminate iodine deficiency.
  - e) Reduce the percentage of women of child bearing age with malnutrition
  - f) Provide universal school feeding programme by 2011.
- 2) Information is used in decision-making on policies, programme interventions are well coordinated.
  - a) Nutrition, HIV and AIDS information system in place.

##### **C. INTERACTION OF NUTRITION AND HIV AND AIDS.**

- 1) Increased knowledge of the interaction between nutrition, HIV and AIDS.
- 2) Improved and diversified dietary practices for people living with HIV and AIDS.



taken care of by making sure that both male and female condoms are distributed. In addition, Banja La Mtsogolo (BLM) is providing Information and Communication Technology (ICT) materials in Youth Drop-in Centres in all its clinics so that staff and clients are abreast with current information and other technicalities on sexual and reproductive health issues. Furthermore, Population Services International (PSI) promotes environmental protection by making sure that they provide disposal bins for used condoms.

### 8.1 MGDS Annual Indicators Progress<sup>1</sup>

The sector performed above average since MGDS indicators were either met or exceeded. The progress continues to be satisfactory since 2007/08 review.

**Table 15: Progress on MGDS Annual Indicators-Nutrition, HIV and AIDS**

MGDS Output/ Outcome Indicators	Baseline (2005)	2006/07 Actual	2007/08 Actual	2008/09 Target	2008/09 Actual	Target Achievement
HIV prevalence among pregnant women aged 15-24 years (%)	14.3	14.3	12.3	12.3	12.3	Met
HIV/AIDS Prevalence among 15-49 age group (%)	14	14.0	12.0	12.0	12.0	Met
% of people with advanced HIV and on ART who are still alive 12 months after start of ART	80	69	70	80	64	Met
% sexually active persons who have voluntarily tested for HIV						
-Men	15		29	45	39	Met
-Women	7		27	45	61	Exceeded
% of health facilities providing ANC and/or maternity services with at least the minimum package of PMTCT services in the past 12 months	7.0	38	80	100	95	Met
% of HIV+ pregnant women attending ANC receiving a complete course of ARV prophylaxis to reduce the risk of MTCT	7	73	78	50	75	Exceeded
# of people ever started on ART at the end of each year	35,000	99,535	165,187	200,000	169,965	Met

Source: SWG on Nutrition, HIV and AIDS 2009

### Core Sector Output Performance

For Nutrition, the Table 16 below shows that the sector performed above average as it met 5 out of its 6 core outputs, being 85 percent achievement. The performance is an improvement from 2007/09 when only 66 percent of the core sector outputs met their output target.

<sup>1</sup> Most indicators in the Nutrition Sector do not have annual indicators

**Table 16: Core Sector Output for Nutrition Sub-Sector**

Core Sector Outputs	Weighted Performance (%)	Rating
Improved service delivery to children under five years of age	60	Not Met
Reduced under five child severe acute malnutrition	145.1	Exceeded
Reduced moderate acute malnutrition	99.1	Met
Reduced micronutrient deficiency disorders	88.9	Met
Educational standards through improving nutritional status of school going children improved	100	Met
Reduced mortality to children above severe standards	100	Met

Source: SWG on Nutrition, HIV and AIDS 2009

As shown in the Table 17 below, the performance on HIV and AIDS was also satisfactory as it achieved 7 out of 8 core sector outputs. The core output on improved STI management was not met due to poor data collection mechanisms that would generate information to assess the indicators.

**Table 17: Core Sector Output Performance for HIV and AIDS sub-sector**

Core Sector Outputs	Weighted Performance (%)	Rating
Increased knowledge and capacity of vulnerable groups to practice abstinence, faithfulness and safe sex	125.6	Exceeded
Improved uptake of and equitable access to testing and counselling	137	Exceeded
Improved gender integration and harmful cultural modification	148.5	
Improved quality services for prevention of mother to child transmission (PMTCT) of HIV	111	Exceeded
The risk of HIV transmission prevented through blood products or invasive procedure	104	Exceeded
Improved STI management	20	Not Met
Expanded HIV and AIDS advocacy and social mobilisation	106	exceeded
Increased equitable access to ARVs and drugs for management of HIV related infections; including children under the age of 15 (target at least 10% of those receiving ART)	87.25	Met

Source: SWG on Nutrition, HIV and AIDS 2009

### Sector Budget Performance

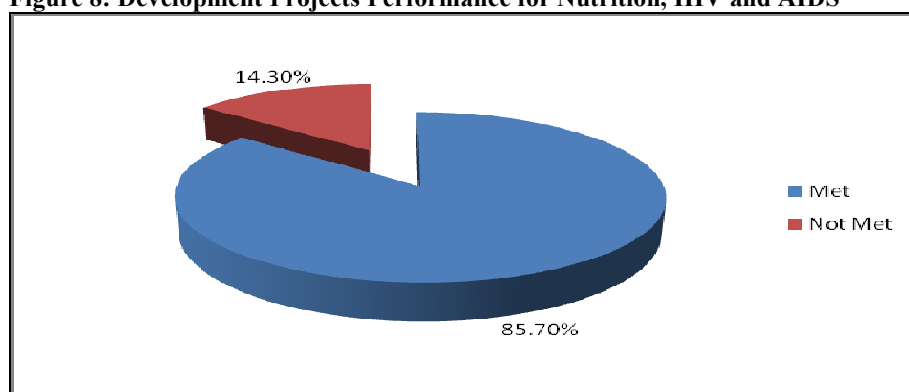
The Department of Nutrition, HIV and AIDS received support from its development partners towards the implementation of various programmes such the Micronutrient Survey in which Irish AID pumped in MK80 million. Significant amount of resources came from UNICEF, World Vision, FAO and WHO. The total budget for HIV and AIDS was K21.8 billion with available funding of K16.4 billion giving a funding gap of K5.3 billion. The actual expenditure was K12.9 billion (79 percent), with an under expenditure of K3.5 billion. About 47 percent of the players in the Nutrition, HIV and AIDS sector spent less than what they planned to spend and 6 percent spent more compared to what they planned to spend. Under absorption in the sector is attributed to cumbersome funding procedures. The sector as a whole implemented all the activities it intended to carry out without experiencing diversion of funds. Most stakeholders who submitted

annual review reports the previous year have not done so this year, which affected progress tracking especially performance of the sector.

### Development Project Performance

The sector reported on 7 projects which were implemented by NAC and other NGOs, 6 projects (85 percent) met or exceeded their output indicator targets.

**Figure 8: Development Projects Performance for Nutrition, HIV and AIDS**



Source: SWG on Nutrition, HIV and AIDS 2009

### AID Effectiveness

As shown in the Table 18 below, the sector performed well in terms of aid effectiveness indicators as only 1 of the 9 indicators were unsatisfactory. Key HIV and AIDS funding partners and the government pooled their financial resources into one basket to support the national HIV and AIDS Action Framework (NAF). In the spirit of alignment and harmonization, the Government of Malawi and its HIV and AIDS funding partners signed a Memorandum of Understanding (MOU); signatories to this MOU collectively supported the coordination of the national HIV and AIDS response and the facilitation of the delivery of key interventions in the HIV and AIDS action framework and integrated annual work plan (IAWP). Other funding partners, although they do not pool their resources, have committed to support the IAWP by earmarking their financial support towards specific budget lines and activities in the IAWP. The MOU sets out the responsibilities of the Government of Malawi and the Funding Partners in relation to the implementation of the NAF.

**Table 18: Paris Declaration Indicators for Nutrition, HIV and AIDS**

	Indicator No. & Description	Overall Indicator Performance*	Comment
1.	Operational Sector Strategy	Very Satisfactory	All donors support the HIV and AIDS Action Framework and the Nutrition Interventions
3.	Aid Flows Alignment to National Strategy (MGDS)	Very Satisfactory	All aid flows are aligned towards supporting interventions in the Action Framework and is reflected in the government budget
4.	Coordinated Support for Capacity Building	Satisfactory	Capacity building issues are being supported both in nutrition and HIV and AIDS.
5a.	Use of Country Procurement Systems	Satisfactory	
5b.	Use of Country PFM Systems	Satisfactory	Use both government and donor reporting procedures

	Indicator No. & Description	Overall Indicator Performance*	Comment
6.	Number of Parallel Implementation Structures	Satisfactory	Only one programme in the Department of Nutrition, Sharing the Future project has parallel implementation structures.
7.	Predictability of Aid	Satisfactory	Often disbursements are less than commitments. In the review period 78% of the commitments were disbursed.
9.	Use of Common Arrangements or Procedures	Unsatisfactory	Partly works with HIV and AIDS issues but less with nutrition issues.
10a.	Shared Analysis	Very Satisfactory	Joint Annual Reviews conducted annually with all donors participating and making unified decisions.
10b.	. Joint Field Missions	Very Satisfactory	Annual Joint Field Visits are organised.
11.	Results Based Frameworks	Very Satisfactory	All partners subscribe to the National HIV and AIDS M&E Plan and the Nutrition Reporting frameworks.

Source: SWG Nutrition, HIV and AIDS (2009)

### Constraints:

The following were some of the major challenges faced by the sector:

- Inadequate funds to fully implement all the activities
- Inadequate coverage of HIV and AIDS interventions for hard-to-reach and underserved areas;
- Limited integration of HIV and AIDS in sectoral programmes as well as inadequate gender mainstreaming.
- Inadequate Institutional and human capacity. Nutrition and HIV and AIDS are technical fields which need competent personnel
- Inadequate mainstreaming of Nutrition, HIV and AIDS in sectoral programmes
- Inadequate understanding of nutrition issues by the wider community.
- Inadequate structural capacity at all levels to implement the high impact nutrition HIV and AIDS interventions at household and district assembly levels.
- Inadequate human resource capacities especially trained nutrition and dietetics specialists and community workers
- Stakeholders have not been proactive in submitting reports voluntarily as a result they are overlooked when compiling sector reports. This, in turn, heavily compromises the integrity of MGDS review sector report.
- Lack of understanding on the linkage between nutrition and HIV

## **Lessons Learnt**

During the course of implementing Nutrition, HIV and AIDS interventions, it has been learnt that:

- Strengthening decentralisation facilitates district planning processes and ownership of services. Further, developing stronger linkages with communities will expand coverage in rural areas hence bringing services closer to the people.
- Building capacity of civil society to increase their effectiveness in the national response supports national effort to expand HIV and AIDS services at local levels and within communities.
- Strengthening participatory community monitoring and evaluation as part of the M&E system builds community oversight and deepen accountability.
- Overreliance on donor support is not sustainable

## **8.2 Recommendations**

In order to address the challenges outlined above, the following actions will be undertaken:

- Advocate for timely funding from development partners and strengthen compliance with funding requirements.
- Develop a local resource mobilization strategy.
- Advocate for coverage of interventions for hard-to-reach and underserved areas.
- Advocate for comprehensive District Development and Annual plans that fully integrate HIV and AIDS issues.
- Advocate for mainstreaming of gender into HIV and AIDS programmes.
- Strengthen capacity in HIV and AIDS programming at all levels including procurement and supply chain management of health products and condom programming.

## MGDS THEMATIC AREAS

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### THEME ONE: SUSTAINABLE ECONOMIC GROWTH

## 9: Trade and Private Sector Development

The sector seeks to promote, support and facilitate the development of industry, trade and private sector in both existing and potential growth sectors. This will increase the supply of value-added goods and services for domestic and international markets while sustaining competitive advantage. The sector's main objective is to transform the economy from a predominantly importing and consuming to a producing and exporting thereby contributing significantly towards sustainable economic growth.

### Policy Alignment and Crosscutting Issues

Integration of cross-cutting issues is also a priority by the sector. In the period under review, sensitization campaigns on the dangers of HIV at the workplace were conducted and members of staff were trained in behavioural change in order to reduce the spread of the pandemic. In terms of gender mainstreaming, capacity building activities were conducted aimed at empowering women.

### Expected Outcomes

The MGDS recognises the private sector as the engine for growth. In this regard, the expected outcomes for the sector as stipulated in the MGDS are as outlined in Text Box 7.

The sector implemented over 80 percent of its planned activities. Some of the activities that were geared towards promoting

local investors were: training of exporters and producers in marketing, packaging, pricing and quality control; facilitating participation of Small and Medium Enterprises (SMEs) in international trade fair; organising joint implementation committee meetings on the Malawi-Zimbabwe Memorandum of Understanding on SMEs; trained 100 mushroom producers, training rural entrepreneurs in bee keeping; promoting domestic and international investment; drafting the occupational safety and health news letter, carrying out campaigns against child labour aimed at sensitising the public on the dangers of child labour.

#### Text Box 7: Expected MGDS Outcomes for Trade and Private Sector Development

- 1) Increased business enterprises that contribute positively to economic growth and increase domestic market supply;
- 2) Increased foreign direct investment;
- 3) Improved private sector competitiveness;
- 4) Increased number of businesses accessing the international markets with products;
- 5) Increased productivity of rural communities/businesses and their contribution to economic growth;
- 6) Increased contribution of the manufacturing sector to economic growth;
- 7) Increased number of local firms producing goods that are competitive at regional and international markets;
- 8) Increased production output and value added by small, medium and large-scale businesses.

### 9.1 MGDS Indicator Performance

Table 19 below shows that the sector had made good progress (95 Percent) in the year under review with respect to contribution of Private Sector to Gross Domestic Product even though there has been no improvement over the achievement of 2007/08 financial year.

**Table 19: MGDS Annual Indicator Performance**

MGDS Output/ Outcome Indicators	Baseline (2005)	FY 2007/08 Target	FY 2007/08 Actual	FY 2008/09 Target	FY 2008/09 Actual	Level of Achievement	Met or Not Met
Private sector investment as a percentage of Gross Domestic Product (%)	1.7	1.6-	2.1	2.2	2.1-	95.4-	Met

Source: SWG on Trade and Private sector Development 2009

### Output performance

The sector was unable to achieve most of its output targets. Only 54 percent of the sector's outputs targets were met or exceeded. The sector failed to promote exports and produce investment promotion tools. The sector also failed to improve rural industrialisation and market access for Malawian products. Furthermore, the sector failed to enforce occupational safety and health Act and establish trade representatives in strategic markets. The poor performance on some sector outputs is attributed to inadequate personnel, low and delayed funding.

**Table 20: Summary of Sector Output Performance**

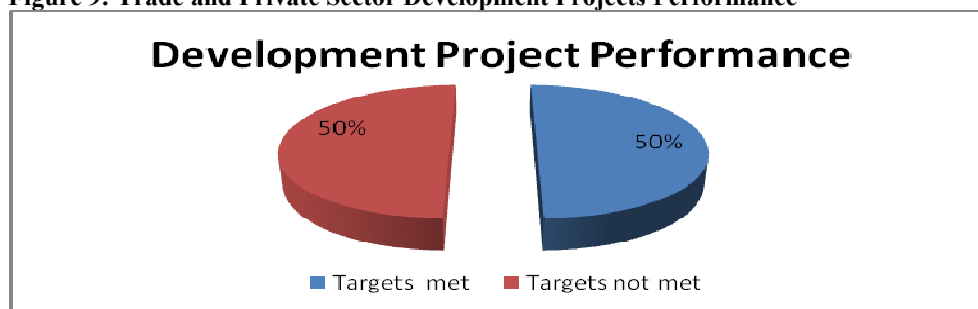
Core Sector Outputs	Performance (%)	Rating
Business enabling environment for the private sector improved	82.3	Met
Trade representation on strategic markets and capitals enhanced	50	Not met
Investment promoted and facilitated	103.5	Exceeded
Market access for Malawian products improved	72.8	Not met
Rural industrialisation improved	58	Not Met
Industrial development services improved	92	Met
Trade and business skills of exporters and producers improved	80	Met
Investment promotion tools produced	75	Not Met
Exports promoted	33	Not met
Vocational and technical skills testing and certification improved	80	Met
Occupational safety and health enforced Act enforced	69	Not Met
Vulnerability issues incorporated into labour laws	111	Exceeded
Labour law provisions enforced in the workplace	264	Exceeded

Source: SWG on Trade and Private sector Development 2009

### Development Projects Performance

Out of 8 projects implemented by the sector, only 4 (about 50 percent) were able to meet their output targets as illustrated in Figure 9 below. This was attributed to several factors, the most prominent being low funding. For Example the Rural Industrialisation project and the National Export Strategy (AGOA) project received only about 50 percent of their total budget. Similarly, the Cotton Development project got only about 55 percent of the total budget. As a result not all activities that were planned under the projects were implemented. Out of all these projects, BESTAP was the only project which was given adequate resources.

**Figure 9: Trade and Private Sector Development Projects Performance**



Source: SWG on Trade and Private sector Development 2009

### **Budget Performance**

The sector had a total approved budget of about MK344.00 million comprising of MK250.00 million for recurrent expenditures and MK94.00 million for development under Part II. Out of the total budget, MK293.2 million (85 percent) was funded. The sector expenditure amounted to MK274.69 million (94 percent). On Part I, the sector's approved budget was MK692.75 million out of which MK505.59 million was funded and the whole amount was spent.

The sector also captured funds from the following parastatals: Malawi Investment Promotion Agency (MIPA), Malawi Export Promotion Council (MEPC), Development of Enterprise for Malawians Trust (DEMAT), Small Enterprise Development of Malawi (SEDOM), Malawi Enterprise Development Institute (MEDI) and MBS. A total of MK 701.01 million was approved out of which MK629.21 million (about 90 percent) was funded. However, expenditure on parastatals for the sector was slightly higher than actual funding. The reason for this was that SEDOM and MEDI got extra funds in the course of the financial year.

### **Aid Effectiveness**

Some improvement has been registered in the administration of aid in the year under review, especially on aid alignment and coordinated support for capacity building. However, improvements need to be made with respect to timeliness in disbursement of funds and funding predictability. The sector was not certain as to when funds would be made available and this in turn affected planning.

Aid flows in the sector are aligned to the MGDS. Agencies are using different PFM procedures other than Government's in project implementation and that there are conflicting parallel implementation units. Added to this are delays in the approval of the programme due to long procedural requirements and complex institutional background. Furthermore, the sector does not have a single joint financing agreement based on sector wide approach/ strategy although plans are underway to improve the Integrated Framework (IF) as a mechanism for coordinating donors on addressing supply side constraints on trade development.



**Table 21: Performance of the Paris Declaration Indicators in relation to the Sector on Trade**

Indicator No. & Description	Overall Indicator Performance*	Comment
1. Operational Sector Strategy	Unsatisfactory	There is no sector strategy but stakeholders have individual strategies.
3. Aid Flows Alignment to National Strategy (MGDS)	Satisfactory	Aid focussing on improving private sector operations and growth.
4. Coordinated Support for Capacity Building	Very satisfactory	Development partners bring in technical personnel who work hand in hand with local staff.
5a. Use of Country Procurement Systems	Satisfactory	Stakeholders use government procurement procedures.
5b. Use of Country PFM Systems	Satisfactory	
6. Number of Parallel Implementation Structures		
7. Predictability of Aid	Unsatisfactory	Most of the times funding is not disbursed as planned.
9. Use of Common Arrangements or Procedures	Satisfactory	Integrated framework funded projects implemented across the sector.
10a. Shared Analysis	Satisfactory	The sector has common indicators in the MGDS where performance is assessed.
10b. Joint Field Missions	Unsatisfactory	Field missions are being carried out by separate entities and not as a sector.
11. Results Based Frameworks	Satisfactory	Programmes have clear outline of what is to be achieved.

Source: SWG on Trade and Private sector Development 2009

## 9.2 Recommendations

- There is need to improve monitoring and evaluation system in the sector to ensure that all stakeholders are providing quality information to effectively evaluate performance of the sector.
- There is need to establish a secretariat in the Trade, Industry and Private Sector Development, which should be charged with the responsibility of coordinating sector reviews.
- There is need to train sector members in data management, and monitoring and evaluation if they are to competently carry out performance monitoring.

## 10: Mining

The goal of the sector is to increase the contribution of the mining sector to GDP by at least 10 percent. Broadly, the sector coordinates, facilitates and promotes active participation of all stakeholders in sustainable development, utilization and management of mineral resources for socio-economic development and thereby contributing to poverty reduction.

### Policy alignment and crosscutting issues

In terms of status of implementation of policy actions, the first ever Mines and Minerals Policy (MMP) was submitted to Government in 2004 for approval to enable implementation of policy actions. Among others the MMP proposed the setting up of a quasi statutory corporation that will assist in accelerating and spearheading of mineral investment and development. However, the MMP was returned by Government to enable the sector to review the policy document in order to incorporate prevailing current developments in the minerals sector worldwide.

On cross-cutting issues, the sector had intensified its provision of social support to all members of staff who declared their HIV and AIDS status. In addition, all mining companies were encouraged to develop own HIV and AIDS policies covering awareness campaigns, and issuance of condoms and ARVs to workers. With regard to science and technology the sector was also actively involved in mining promotion by conducting research and training local Malawians in mineral processing (value addition). On gender, an association composed of Women Miners known as Malawi Women in Mining Association (MAWIMA) was actively involved in mining of industrial minerals and gemstones as well as value addition. Furthermore, issues dealing with mining and the environment were part and parcel of the sector's Medium Term Expected Outputs.

### Expected Outcomes

The major thrust in this sector is to actualize the inherent potential of the sector by raising the level of production in mining and increase value addition to the minerals through processing. The medium-term expected outcome for the sector, as stipulated in the MGDS is outlined in Text Box 8

#### Text Box 8: MGDS Outcome for Mines

Increased production output and value added by small, medium and large scale miners to supply industrial raw materials in the country (import substitution) and to embark on exportation of minerals

The sector saw the following activities being implemented under the year of review: coal mapping and drilling, gold drilling, remapping the geology of Mangochi, held meetings with the private sector and procurement of office equipment, enhanced capacity to compile, interpret and disseminate geological information to potential investors and the public in order to encourage public sector investment in detailed phases of mineral exploration, promotion of small scale miners, staff recruitment and selection, updated geological and mineral data, undertook environmental geology exercises of Dedza, monitored the earthquakes and maintained the earthquake monitoring equipment, and provided HIV/AIDS interventions to all affected members of staff.

### 10.1 MGDS Indicator performance

From Table 22, performance in the year under review shows that 3 out of 5 MGDS outcome indicators met their targets. However, much need to be done on exhibition centre coverage and

qualified staff to total ratio indicators because these two outcome indicators failed to meet their target.

**Table 22: Annual MGDS Indicator - Mining**

MGDS Output Outcome Indicators	Baseline (2005)	2006//07 Target	2006//07 Actual	2007/08 Target	2007/08 Actual	2008/09 Target	2008/09 Actual	Indicator Performance Rating
Exhibition centre coverage (%)	1		7	9	18	20	0	Not Met
Qualified staff-total staff ratio	0.05:1		0.08:1	0.09:1	0.10	0.11:1	0.06:1	Not Met
Small scale mines target coverage (%)	60		64	64	62	66	64	Met
Small and medium scale mines target coverage (%)	60		64	64	80	66	64	Met
Percent small scale mine with equipment	2		12	12	13	16	16	Met

Source: SWG on Mining 2009

### Output Performance

The sector had above average performance since 5 out of 6 core output indicators met their targets representing 83 percent achievement. The indicator on coal resources known is the one that failed to meet its target. This performance is an improvement over last 2007/08 when only 50 percent was achieved.

**Table 23: Summary of core sector weighted Output Performance**

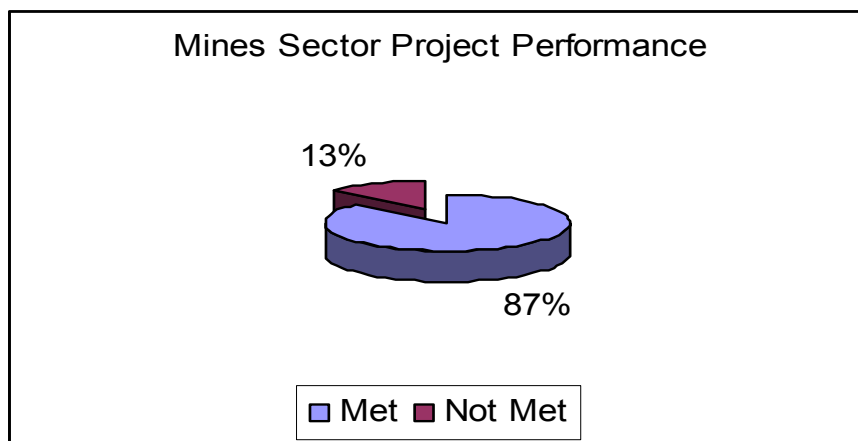
Core Sector Outputs	Weighted Performance (%)	Rating
1. Remapping the geology of Malawi	100	Met
2. Gold potential of the Kirk Range area known	121	Exceeded
3. Coal resources known	72	Not Met
4. Increased ability of the mineral sector to supply industrial mineral raw material in the country (import substitution)	138	Exceeded
5. Increased mineral production	100	Met
6. Facilitated attraction to mineral investment	132	Exceeded

Source: SWG on Mining 2009

### Development Projects Performance

The sector implemented five projects that include: Kayerekera Uranium Mining Monitoring Project, Remapping the Geology of Mangochi; Kirk Range Gold Drilling; Coal Exploration in Livingstonia; and Development of Appropriate Technology in Lime Making. Individually, all projects performance level was at least 86 percent. When we analyse the output performance for the sector, a picture emerges that shows that 87 percent output indicators met their target and only 13 indicators failed as shown in the Figure 10.

**Figure 10: Mines Sector Projects Performance**



Source: SWG on Mining 2009

### **Budget Performance**

The overall sector budget was pegged at MK282 million out of which MK180 million was funded thereby having a funding gap of MK 102 million representing a funding gap of 36 percent. This resulted in having some activities under ORT not done. There were no unused funds since the entire funded budget was absorbed.

### **Effectiveness**

All programmes and projects in the sector in the year under review were funded by the Malawi Government; this therefore renders irrelevant the discussion on aid effectiveness because no development partners supported any activities.

## **10.2 Recommendations**

- Malawi is witnessing increased investment in uranium, coal, base metals, petroleum exploration (enquiries) and heavy mineral sands for both medium and large scale projects by the private sector. Government should continue to accelerate the institutional strengthening of the Department of Mines and Geological Survey.
- In order to foster an enabling investment environment Government, should accelerate the completion and eventual launching of the Mines and Minerals Policy as well as the review of relevant Acts.
- Donors should be aggressively approached by Government to ensure that Mines and GSD Departments' development projects are supported.
- Government should continue to lobby with Donors, bilateral, multilateral partners and joint commission of cooperation for inclusion of mining sector as one important area of cooperation & exchange.
- An accelerated programme of specialised training should be instituted which would lead to increased efficiency and effectiveness of DOM and GSD's goals (e.g. scholarships and training opportunities to staff whose courses are not available at Malawian tertiary institutions).

- The setting up of a quasi statutory corporation as proposed in the Mineral Policy will assist in acceleration and spearheading of mineral investment and development. Government should accelerate Mineral Policy completion and launch.

# 11: Tourism

Tourism, Culture and Wildlife sector is a key economic sector with the capacity to create jobs, generate foreign exchange, conserve the environment and facilitate the promotion of both wildlife and cultural values of the nation. The mandate of the sector is to develop and promote tourism for economic development, conserve and manage protected areas and wildlife resources as a basis for tourism development. The sector is also mandated to preserve, conserve present and promote the country's cultural heritage for socio- economic development. The sector is committed to contribute positively to the overall growth and development of the country through its multiple links with other sectors especially the financial sector, trade and transport.

## Tourism Sub- Sector

### Policy Alignment

The tourism sub- sector has a strategic plan that has been aligned to the MGDS. This strategic plan has also integrated crosscutting issues like HIV and AIDS, environment, gender, disability issues, ICT and good governance. The sub sector has a number of stakeholders that contribute to the overall goal of the sector through implementation of their programmes as outlined in the MGDS. For example, development partners such as Commonwealth Secretariat (COMSEC) and Regional Tourism Organisation of Southern Africa (RETOSA) are involved in capacity building and policy review in collaboration with the sector. Key CSOs such as Mulanje Mountain Conservation Trust (MMCT) are involved in conservation and advocacy, whereas key private sector organisations such as MTA, TAAM, Airlines, accommodation and beverage units are directly involved in awareness, facilitation of visitors' travel and service provision. Further, the sector works hand in hand with other government departments such as NSO, Mzuzu University and Malawi Gaming Board.

### Expected Outcomes

The overall medium-term expected outcome for the sector as stipulated in the MGDS is to have the country established as a principal and leading eco-tourism destination in Africa. The MGDS expected outcomes for the tourism sub- sector are increased awareness and visibility of Malawi as a tourism destination both locally and internationally, diversify tourism resource base through identification of new tourism products and improved quality and delivery of services in all tourism enterprises and operations in conformity with the published standards and regulations through regular inspections, licensing and grading.

#### Text Box 9: Expected MGDS Outcomes for the Tourism sector

- Malawi established as a principal and leading eco-tourism destination in Africa
- An enabling, favourable and sustainable environment for the private sector to conduct tourism business created
- Tourism established to meet acceptable standards to compete regionally and internationally
- Malawi established as a tourist destination to achieve growth in high spending tourists

### 11.1 MGDS Indicator Annual Performance

The sub- sector performed above average with respect to achieving MGDS indicator targets. As shown in Table 24, the sub-sector's contribution to the GDP was at 6.2 percent in the year under

review as opposed to 5.2 percent in the 2007/08 financial year. This implies that the sub-sector is on track to achieve the set target of 8 percent contribution to GDP by 2011. It must be noted that the figure shown in the table does not include domestic tourism.

**Table 24: Progress on the MGDS Annual Indicator**

Indicator	Baseline (2005)	2007/08 Target	2007/08 Actual	2008/09 Target	2008/09 Actual	Indicator Target Performance	Indicator Performance Rating
Contribution of Tourism to GDP(%)	1.8	4.8	5.2	6.0	6.2	103.3	Exceeded

Source: SWG on Tourism, wildlife and culture 2009

### Output Performance

The sub- sector has also performed above average on its core sector output because it managed to exceed all sector output targets as shown in Table 25 below. This could be attributed to improved facilities in most of tourist attraction centres, which has made it possible for Malawi to be able to attract more tourists. Despite the fact that the analysis shows the sector had exceeded the set targets, the actual achievements for some outputs such as increasing awareness and visibility of Malawi as a tourism destination both locally and internationally as well as diversifying tourism resource base were lower in the year under review when compared to achievements made in the year 2007/08.

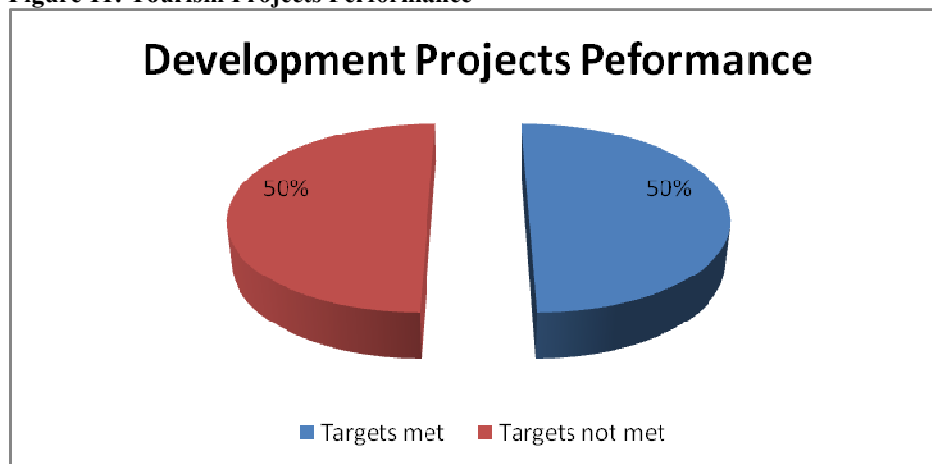
**Table 25: Core Sector Output Performance for Tourism**

Core Sector Outputs	Indicator Weighted Performance (%)	Rating
Increased tourism contribution to the GDP	142.5	Exceeded
Increased awareness and visibility of Malawi as a tourism destination both locally and internationally	125	Exceeded
A diversified tourism resource base	133	Exceeded
Improved delivery of services in all tourism enterprises and operations in conformity	115.5	Exceeded

Source: Tourism Sub- Sector 2009

## Development Projects Performance

Figure 11: Tourism Projects Performance



Source: SWG on Tourism, wildlife and culture

The sub- sector had 2 development projects which were funded in the period under review namely: the construction of the Mpale Cultural Tourism Village and the upgrading of access roads to selected resort areas. Both projects are in Mangochi District. The former was funded MK100 million and the latter MK187 million. However, the implementation of both projects delayed during the first quarter of the year due to capacity limitations on the part of the contractors. Of the two projects, only targets on upgrading of access roads to selected resort areas were met as shown in figure 13 above. The Mpale Cultural Tourism Village Project performed poorly because of re-allocation of funds from the cultural village project to upgrading of access roads project due to increased cost of the latter project.

## Budget Performance

The total approved budget for the Tourism, Culture and Wildlife Sector was MK904.36 million comprising of MK340 million and MK564.36 million for recurrent and development under Part II respectively. Out of the total budget, the sector was funded K806.29 million (89 percent) from which MK788.76 million (98 percent) was spent. On part I, the sector had an approved budget of MK36.16 million and was funded and spent the whole amount.

The tourism sub – sector had MK 118 million approved budget, out of which only about 92 percent (K 109 million) was actually funded to the sector. This funding gap affected the implementation of some of the planned activities which are in line with the international tourism calendar. As a result, such activities had to be carried forward to the next financial year. However, there was high absorption capacity because the sub-sector utilised 100 percent of the funds that were received. Regarding implementation of activities, the sub- sector implemented about 80 percent of their planned activities. Some of the activities that the tourism sub- sector failed to implement in the year under review due to low funding include: zoning and demarcation of sites for tourism development as identified in the strategic development plan and marketing research. The institutionalisation of the Warm Heart of Africa Award and establishment of a photo library was not carried out because of lack of guidelines on how it should be implemented and technical expert to guide the process respectively. Furthermore, the sub- sector implemented some of the activities which were not planned namely organisation of a float to welcome Malawi's representative to Big Brother Africa, and Cable News Network Television (CNN TV)



advert project. The sub- sector was compelled to organise afloat for Malawi's Big Brother representative because she emerged as a contender for the big prize. The CNN TV advert on the other hand was aimed at creating awareness about Malawi's potential as a tourism, trade and investment destination.

### **11.2 Recommendations**

- There is a need for a focused approach to link all sectoral activities to the MGDS.
- There is a need to have constant coordination and networking with both public and private stakeholders to ensure that everyone is playing their part.
- There is need to link the plans to the resource availability in the sectors. In addition, those given the responsibility to carry out activities should be supported with the means and resources.
- There is need to improve record keeping and implementation of activities according to plan as currently, the sector has poor record management and lacks proper mechanisms for tracking whether activities being implemented are in line with plans.
- There is need to properly cost activities in the sub- sector to avoid diverting funds from equally important activities thereby affecting service delivery.
- There is need to increase awareness in the sector of the linkage between the sectoral activities and the MGDS on one hand and the Ministry's strategic Plan on the other.

## 12: Culture

Culture is a key ingredient in the development and promotion of tourism in the country. The sector aims at creating, upholding and promoting the Malawian national identity, public morality, dignity and developing the nation through the study, conservation and preservation of tangible and intangible national heritage and classification of public entertainment for posterity, education, socio-economic growth and poverty alleviation. Taking into account the cultural background of a society is significant for the sustenance of any programme.

### Policy Alignment and Crosscutting Issues

The sector, in collaboration with other stakeholders such as NORAD, UNESCO, Centre for Indigenous Instrumental Music and Dance (CIMDA) and French Cultural Centre, are involved in the implementation of several programmes which have been included in the MGDS addendum. However, during the period under review, NORAD was the only development partner that funded the programme aimed at promotion and conservation of the National Cultural Heritage in Malawi.

Crosscutting issues of HIV and AIDS, environment, gender, disability issues, ICT and good governance have been addressed by the cultural sector strategic plan through its research, education and outreach programmes which come both directly under the department of culture and its main stakeholders. The cultural sector also promotes the use of cultural performances such as drama, music and poetry by other implementing sectors when addressing these cross-cutting issues.

### Expected Outcomes

The overall medium-term expected outcome for the sector as laid down in the MGDS addendum is for the country's cultural heritage to be preserved, conserved and promoted for socio-economic development and good governance. Details are as outlined in Text Box 10.

Some of the notable activities that the sub-sector implemented include: construction and mounting statue of the country's first president late Dr. Hastings Kamuzu Banda, carrying out antipiracy campaigns to promote creativity among artists, and confiscation of pornographic material to promote Malawi's public morals. Further, the sub-sector participated in various cultural events including 2nd Pan African Cultural Festival in Algeria, thereby promoting Malawi's national identity on the international scene.

#### Text Box 10: Expected MGDS Outcomes for Culture Sector

- (i) Malawi's culture and public morals protected, preserved and promoted.
- (ii) Anthropological, prehistoric and ethnographical aspects of Malawi understood, appreciated and preserved.
- (iii) Record management practice improved and promoted.
- (iv) National history of Malawi understood, appreciated and preserved.
- (v) Malawi's major historical events frozen into physical structures.
- (vi) Legal instruments and policies at par with the national constitution and international conventions and protocols on culture to which Malawi is a signatory.

## Output Performance

The overall output performance of the sector during the period under review was satisfactory since achievements were made on 4 out of 5 (about 80 percent) of all the outputs as shown in Table 26 below. Failure to implement some of the sub- sector activities is attributed to diversion of funds from planned activities to unplanned activities. One such activity that got implemented though unplanned was the participation in the cultural event that took place in Algeria. As a result the sub- sector failed to conduct research on traditional musical instruments and publishing and distributing articles on Malawi's cultural arts. Some of the activities were also not implemented due to inadequate funds and personnel

**Table 26: Summary of Core Sector Output Performance for Culture sector**

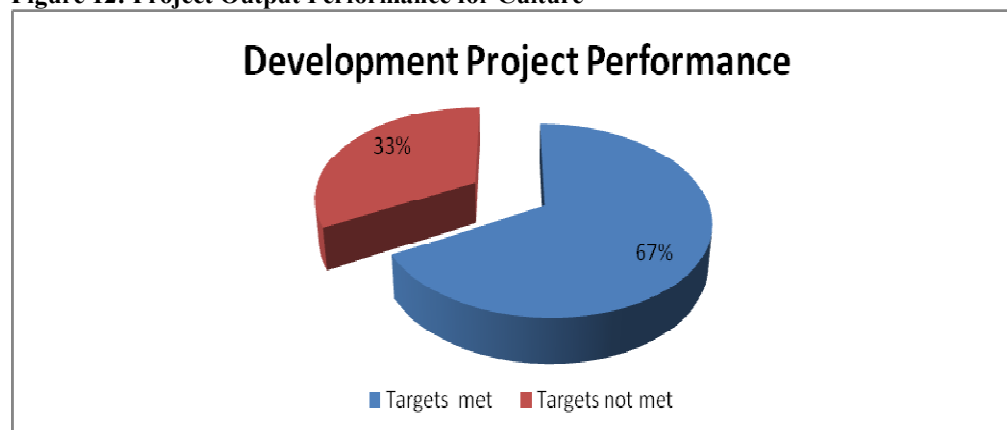
Core Sector Outputs	Indicator Weighted Performance (%)	Rating
National monuments and sites constructed and preserved	82.5	Met
Historic research and prehistoric excavations and conservation of artefacts conducted	86	Met
Sensitisation of the public about Malawi's heritage and cultural arts and their importance to national development carried out	53.3	Not Met
Malawi's cultural heritage and public morals preserved and protected	117.6	Exceeded
Record management practice improved	90	Met

Source: SWG on Tourism, wildlife and culture 2009

## Development Project Performance

The sub- sector implemented 3 projects during the year under review. Out of 3 projects 2 (about 67 percent) met their output target while one did not. The project that did not meet its target is Development of National Monuments and Construction of Cenotaph due to low funding.

**Figure 12: Project Output Performance for Culture**



Source: SWG on Tourism, wildlife and culture 2009

## Budget Performance

The total approved budget for the culture sub- sector from ORT and development amounted to MK128.2 million, out of which MK92.1million was for recurrent expenditure while MK36.1million for development. Of the approved budget, the sub- sector total funding amounted to MK126.1 million (98 percent). The funding gap of MK6.1 million was due to differences in financial years between the government and the Norwegian calendar from which the bulk of the

development budget came from. On the recurrent budget, the sub- sector got additional funds amounting to MK 4,009,390. It must also be noted that the sub- sector used all the funds in the period representing 100 percent absorption.

### Aid Effectiveness

The sector's performance on Aid Effectiveness was very satisfactory in the year under review. Out of the 12 Paris Declaration indicators, 9 were rated to have performed well except for a shared analysis by Government and donors, which was not undertaken during the period under review as illustrated in Table 27 below. In addition, aid flows' alignment to the MGDS was satisfactory as funds received from NORAD were earmarked for activities which are in line with the themes of the MGDS such as infrastructure development. Capacity building was also satisfactory as a number of officers were trained under the project. Donor disbursement was timely and satisfactory and used the country's public procurement procedures as well the country's PMF systems. The Department of Culture does not have parallel implementation units and as such it is the sole implementer of all the activities.

**Table 27: Summary of Performance on the Paris Declaration Indicators for Culture**

Selected Indicators	Overall Indicator Performance*	Comment
1. Operational Sector Strategy	Very satisfactory	There is a logical framework, and MOUs each operational over a 3 year period.
3. Aid Flows Alignment to National Strategy (MGDS)	Very satisfactory	Most of the funds disbursed were in line with the MGDS thematic areas, e.g. infrastructure development NORAD disbursed 100% of what was initially agreed.
4. Coordinated Support for Capacity Building	Very satisfactory	Several officers have been trained using NORAD funds.
5a. Use of Country Procurement Systems	Very satisfactory	Public Procurement Procedures were used in all procurement made in the year under review.
5b. Use of Country PFM Systems	Very satisfactory	
6. Number of Parallel Implementation Structures	Very satisfactory	Implementation is done by the Department of Culture.
7. Predictability of Aid	Very satisfactory	Most of the funds expected were disbursed accordingly.
9. Use of Common Arrangements or Procedures		
10a. Joint Field Missions	Very satisfactory	Government with World Intellectual Property Organisation (WIPO), African Regional Intellectual Property Organisation (ARIPO) and Jeunesse Musicales Internationale (JMI).
10b Shared Analysis.	Unsatisfactory	No shared analysis was undertaken.
11. Results Based Frameworks	Very satisfactory	It is in place such that both donor and Government were assessed on the indicators and the targets.

Source: SWG on Tourism, wildlife and culture 2009

## **12.2 Recommendations**

- The sub- sector should develop a strategic plan which is in line with particular themes of the MGDS.
- There is need for the sub- sector to set up a vibrant Planning Unit to assist in planning, budgeting, monitoring and evaluation of their programmes.
- The sector should also seek to set realistic output indicator targets in line with the available resources and capacity.
- The sector needs to conduct a quarterly evaluation exercise during the financial year so that it is able to determine the achievement level of targets set at the beginning of the financial year.
- There is need to undertake an awareness campaign in the sector for all officers and private sector organisations whose work contribute to the realization of the sectoral goals.
- There is need for the sector to develop a comprehensive M & E system in line with the national Monitoring Master plan.

## 13: Forestry Conservation and Management

The long term goal for the forestry conservation and management sector is to ensure sustainable development, management and utilization of forest resources for socio-economic development. This is against a backdrop of high deforestation rates and uncoordinated management of forestry resources, which was mainly due to lack of policy coherence in the sector.

### Policy Alignment and Crosscutting Issues

There has been improvement in the implementation of policy actions to achieve the expected MGDS Outcomes for the sector. The improvements relate to continued reforestation/replanting and rehabilitation programme in government industrial timber plantations; conservation and development of natural woodlands on customary estate and forest reserves; improvement of human resource capacity in the forestry sector; and enforcement of forestry law. All these policy actions were implemented in 2008/09 financial year to ensure sustainable development and management of forest resources in Malawi.

As regards integration of cross cutting issues, the sector's programmes and projects took gender issues into account by promoting the participation of women, men boys, girls and the physically challenged. In addition, research was also undertaken on various forest related issues such as seed (germplasm) improvement and domestication of indigenous fruits.

### Expected Outcomes

The medium-term expected outcomes for the forestry sector are as outlined in Text Box 11

Some key achievements and failures in the sector for the year under review include: research was conducted in all the four strategy areas. Further, for the number of tree species collected, the output was overachieved due to support from other partners. Similarly, the target for number of technicians trained was achieved as all 31 enrolled technicians graduated. However, the number of trees planted by communities and other stakeholders was less than the target due to erratic rains in some districts but trees planted were more than the baseline. In terms of hectareage for trees planted, the target was not met but the trend is in line with what has been planned. Furthermore, the number of hectares for planted trees receiving some management was less than the target. In terms of the area of industrial and poles plantation that is properly managed was also less than the desired. This entails deterioration of forest plantation management in Malawi. This output was not met due to limited operational funds and that all plantations require new vehicles, fire fighting equipment, protective clothing, rehabilitation of infrastructure (roads, houses, communication). The target for number of road blocks mounted to check illegally procured forest produce was not met due to inadequate financial resources as focus was on regional patrol teams.

#### Text Box 11: Expected MGDS Outcomes for Forestry Conservation and Management

- (i) Sustainable development, management and utilization of forestry resources ensured
  - a. Forest resources for the long term profitability of the sector and sustainability managed by the private sector.
  - b. Forest coverage as % of total land increased.
- (ii) Deforestation reversed.
- (iii) National, regional and international cooperation in forestry management and development strengthened
- (iv) Contribution of the forestry sector to sustainable economic growth accelerated.
- (v) Institutional capacity strengthened.

### 14.1 MGDS Indicator Performance

The annual MGDS indicator performance for the sector is forest area as percentage of total land. This annual indicator performance failed to be assessed as in previous financial years due to unavailability of data to do so. This is so because data collection on the indicator is done through carrying out a major survey that requires a lot of planning and adequate financial resources as well as special expertise and equipment all of which were also lacking in 2008/09 financial year.

**Table 28: Annual MGDS Indicator Performance: Forestry Conservation and Management**

Annual Indicator –	Baseline (2005)	2006/08 Actual	2008/09 Target	2008/09 Actual	Indicator Target Performance
Forest area as % of total land					

Source: SWG on Forest Conservation and Management 2009

### Output Performance

Out of three core sectors outputs only 2 met their targets representing a 66 percent achievement. There has been increased effort in improving extension services especially to increase awareness on the dangers of deforestation. Forest protection and reforestation measures were also enhanced through training of new technicians and stepped up research services. As shown in Table 29 below, the sector performance was below average. However more effort should be exerted towards reversing the deforestation which has reached a critical point in the country.

**Table 29: Summary of Core Sector Output Performance**

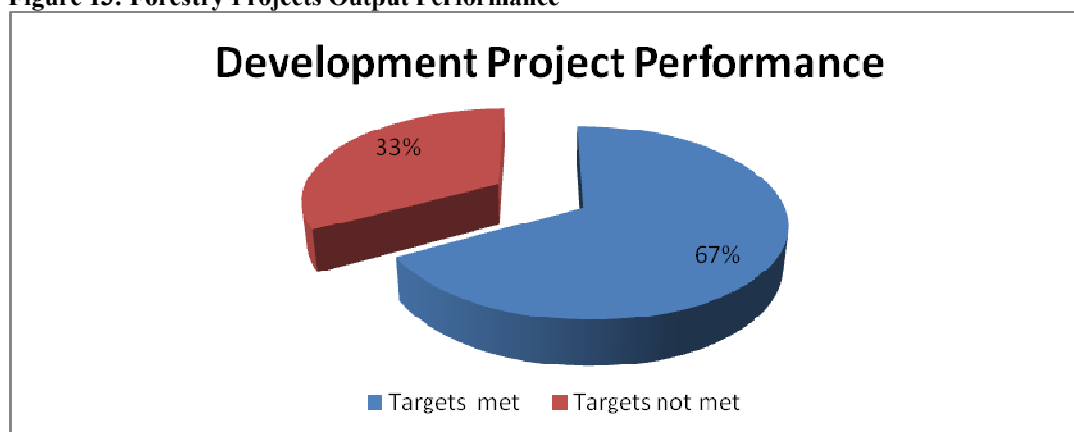
Key Sector Outputs	Weighted Performance (%)	Rating
1. Forest reserves and plantations developed, protected & conserved for water catchment and biodiversity	70	Not Met
2. Forestry extension services provided and legislation enforced	85	Met
3. Forestry research services improved and forest technicians trained	86	Met

Source: SWG on Forest Conservation and Management 2009

### Development Projects Performance

The sector implemented 3 projects in the 2008/ 09 financial year. Out of these, two projects (67 percent) met their output targets while one did not as presented in Figure 15 below.

**Figure 13: Forestry Projects Output Performance**



Source: SWG on Forestry Conservation and Management 2009

### **Budget Performance**

The sub- sector had a total approved budget of MK364.8 million comprising of MK199.5 million on recurrent expenditure and MK165.30 million on developments. The sub- sector was funded MK193.4 million (97 percent) on ORT and 100 percent on development. This implies that the sub- sector has a funding gap of MK6.1 million. This gap affected operations of the Forestry Research Institute of Malawi (FRIM), Malawi College of Forestry and Wildlife and some Regional Forestry Offices. The sub- sector had 100 percent absorption capacity and all funds that were channelled towards planned activities.

### **14.2 Recommendations**

- Plantations should be rehabilitated through replanting in bare and harvested areas in order to meet ever growing timber and fuel wood demand
- A system should be put in place on how other stakeholders in the sector can provide data on forestry activities.
- More resources should be availed to the department of forestry by the Ministry of Finance.



## 14: Environmental Protection

The goal for the sector is to promote sustainable utilization of environment and natural resources, and climate change mitigating measures in order to reduce its impact on socio and economic growth.

### Policy alignment and crosscutting issues

In collaboration with several stakeholders, the sector has implemented programmes that promote policies that are in line with the MGDS. The sector has integrated cross-cutting issues such as HIV and AIDS, gender, science & technology and statistics, by including them in the sector programmes. HIV and AIDS had been integrated in the Environmental Impact Assessment (EIA) approval process, and provision of resources for awareness and nutritional supplements. For Science and technology, this has been integrated in various policy and strategic programming such as Bio safety programmes.

### Expected Outcomes

The medium-term expected outcomes for the sector, as stipulated in the MGDS are outlined in Text Box 12

#### Text Box 12: MGDS Outcome for Environment Protection

- (i) .Compliance with Natural Resource laws increased.
- (ii) Ozone Depleting Substances on Climate Change Impact reduced.
- (iii) Expertise in environmental issues improved

In the year under review, all the sector output targets were met and others exceeded the targets. In the case of the phasing out of the Chlorofluorocarbons (CFCs) that are ozone depleting substances (ODS), 1.2 tonnes Ozone Depleting Potential (ODP) was far much higher than 1.1 ODP tonnes planned to be phased out in the year under review. This implies that the baseline of 3.6 tonnes CFCs for Malawi to phase out had been achieved. The weighted ranking was affected by reduced number of training sessions of custom officials who enforce the importation of alternative substances and equipment to ODS and service technicians responsible for proper servicing of existing ODS equipment.

The sector was also able to achieve targets on outputs such as environmental inspections, projects reviews for EIA, environment and natural resources management (ENRM) policies and legislation reviews and harmonization, undertaking environmental public awareness campaigns, development of web –page and data bases and staff training.

### 15.1 MGDS Indicator performance

Table 30 below shows that performance on phasing out Ozone Depleting Substances (ODSs) was met as the level of achievement was 91 percent. This is a remarkable progress in reducing the ODS and eventually phasing out when compared to the baseline.

**Table 30: Annual MGDS Indicator –Environmental Protection**

Indicator	Baseline (2005) (tonnes)	2008/09 Target (tonnes)	2008/09 Actual (tonnes)	Indicator Target Performance
Ozone Depleting Substances phased out	3.6	1.1	1.2	Met

Source: SWG on Environmental Protection 2009

## Output Performance

All the core sector output targets were met and/or exceeded in the period under review as highlighted in Table 31 below. However, it is worth noting that these outputs are actually activities and therefore do not adequately reflect the actual core sector outputs in relation to the sector goals above.

**Table 31: Summary of Core Sector Output Performance for Environment**

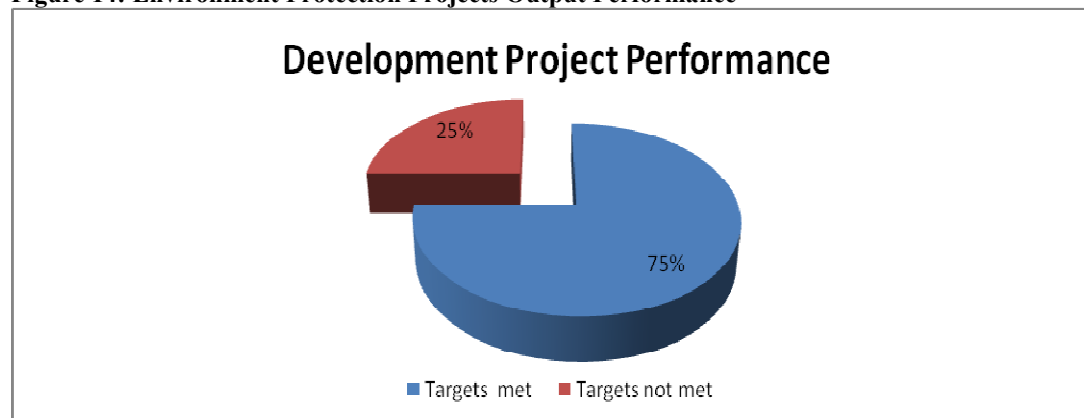
Key Sector Outputs	Weighted Performance (%)	Rating
1. Environmental Inspections conducted	100	Met
2. Development Projects reviewed for EIA	122	Exceeded
3. Members of staff trained	104	Exceeded
4. Environment and natural resources management (ENRM) Policies and legislation reviewed and harmonized	100	Met
5. Undertake public awareness campaign	150	Exceeded
6. Web-based database developed on policy and legislation	100	Met

Source: SWG on Environmental Protection

Based on the above findings on results performance, the overall performance for the sector is satisfactory since not only was the MGDS annual indicator of phasing out ozone depleting substance was met, but targets for the six outputs have been met as well.

## Development Project Performance

**Figure 14: Environment Protection Projects Output Performance**



Source: SWG on Environment Protection 2009

The sector had 4 projects out of which only three were implemented. One of project namely Environmental Micro projects was not funded. All the three projects performed well as they were able to achieve over 90 percent of their output targets. The sector managed to register remarkable achievements on their projects because it received adequate funds and all of it was channelled to planned activities.

## Budget Performance

The sub- sector had a total approved budget of MK290.20 million of which MK35.6million was for recurrent expenditure and MK254.6 for development. Of the approved budget only MK 25.1

million and MK31.9 million was funded for recurrent expenditures and development respectively. Both the government and development partners failed to meet their funding obligation and as a result the sub-sector had a funding gap of about 80 percent (MK233.10 million). This in turn negatively affected the implementation of the planned activities for the sub-sector. The sub-sector had 100 percent absorption capacity.

### Aid Effectiveness

Table 32 below outlines the sector performance on aid effectiveness that shows that 7 indicators were performed satisfactorily while 2 indicators were unsatisfactory. This calls for the stakeholders in the sector to have joint field missions, ensure predictability of aid and promote use of common arrangements or Procedures.

**Table 32: Performance of the Donor Alignment Indicators Environment Sector**

Indicator No. & Description	Overall Indicator Performance	Comment
1. Operational Sector Strategy	Very Satisfactory	EAD Strategic Plan of 2006 to 2011 is operational despite the institutional changes Government has been making.
3. Aid Flows Alignment to National Strategy (MGDS)	Very satisfactory	Donors disbursed funds as requested. However, the funds under Environmental Micro-projects were not disbursed from Treasury, despite being disbursed by the Donor. Out of MK216, 000,000 in the approved budget for Environmental Micro projects nothing was disbursed to the Department by Treasury.
4. Coordinated Support for Capacity Building	Very satisfactory	All the budgeted funds for technical cooperation for the project on Second National Communication under the UNFCCC were disbursed.
5a. Use of Country Procurement Systems	Very satisfactory	All aid which was disbursed followed GOM procurement procedures.
5b. Use of Country PFM Systems	Very satisfactory	All aid which was disbursed used GOM budgeting, financial reporting and auditing procedures.
6. Number of Parallel Implementation Structures	Very satisfactory	All projects were nationally executed.
7. Predictability of Aid	Unsatisfactory	Donors did not fulfil their funding commitments to the sector.
9. Use of Common Arrangements or Procedures	Unsatisfactory	Nothing.
10a. Shared Analysis	Satisfactory	There was at least one assessment done on Financial Accountability by UNDP.
10b. Joint Field Missions	Unsatisfactory	There were no joint missions undertaken.
11. Results Based Frameworks	Satisfactory	-Framework of indicators and targets exist for all projects; -Assessment is done for both government and donors. For donors, this is done through progress reports.

Source: SWG on Environmental Protection 2009

## **15.2 Recommendations**

- Government should increase funding to the sector.
- Government to approve the new structure of Environmental Affairs Department based on the functional review results.
- A common monitoring and evaluation framework should be prepared by the stakeholders including Ministry of Development Planning and Cooperation to be used in the sector.

## 15: Wildlife Management

The main goal for the wildlife sub- sector is to conserve and manage protected areas and wildlife, in order to provide for their sustainable use through equitable access to, and fair sharing of benefits to the present and the future generations.

### Policy Alignment and Crosscutting Issues

The sub- sector cuts across several MGDS themes through its policies and programmes, such as the conservation of water and development of ecotourism resources, which links to the theme of sustainable economic growth. Implementation of the benefit sharing schemes around protected areas and promotion of income generating activities links to the theme of social development among others.

The sub- sector has also articulated the integration of several cross cutting issues as a way of implementing the Malawi Wildlife Policy (2000) and the MGDS. On HIV and AIDS, its impact has affected vacancy rates in the department especially in the front line duties by almost half, which has contributed to high poaching incidents and other undesirable elements towards conservation of wildlife resources. Malawi's Wildlife Policy recognizes the need for communities, irrespective of sex, age, status, etc. to work together in order to achieve the wildlife conservation objective. Although gender issues are not openly spelt out in the current policy, the department strongly believes in the involvement of the entire community in its attempt to conserve wildlife resources in Malawi.

### Expected Outcomes

The medium-term expected outcomes for the sector, as stipulated in the MGDS are outlined in Text Box 13.

One of the key achievements for the sector in the year under review is the mass awareness outreach programmes, whose performance was 127 percent of the set target. This, coupled with increased training of law enforcement officers and inspection of protected area boundaries, will be important in leading to achievement of some of the MGDS outcomes such as strengthened collaborative management. This is important if the attainment of the sector goal of conserving and managing protected areas and wildlife, in order to provide for their sustainable use, is to be entrusted to communities that live around these protected areas.

#### Text Box 13: MGDS Outcomes for Wildlife Sector

- (i) Strengthened collaborative management
- (ii) Reduced human and animal conflict
- (iii) Strengthened trade and marketing of wildlife products
- (iv) Research and monitoring strengthened

### 16.1 MGDS Indicator Performance

An assessment on the attainment of the MGDS outcome shows that the sub- sector performance on its MGDS annual indicators has tremendously improved in the 2008/09 as shown in Table 33. The increase in key wildlife species is attributed to intensification of mass campaigns on the ills of poaching in communities whereas the increase in ecotourism income is as a result of improvements in the facilities found in protected areas.

**Table 33: MGDS Annual Indicator –Wildlife Management**

Indicator	Baseline (2005)	2007/08 Target	2007/08 Actual	2008/09 Target	2008/09 Actual	Indicator Target Performance	Rating
Percentage increase in key wildlife species in protected areas (%)	20,000 <sup>2</sup>	3	3	3	9	300	Exceeded
Total increase in ecotourism as measured by: a) Income (MK'000)	5000	No data	24,300	20,000	44,000	220	Exceeded

Source: SWG on Wildlife Sector 2009

### Output Performance

The Table 34 below shows an average performance output indicators (67 percent) either met or exceeded their targets. This is an improvement over last year's performance which was around 50 percent. However, the sector needs to revisit its list of core outputs because some are input indicators like procurement of drugs.

**Table 34: Summary of Core Sector Output Performance-Wildlife Management**

Key Sector Outputs	Weighted Performance (%)	Rating
1. Law enforcement enhanced	100	Met
2. Protected area boundaries inspected	100	Met
3. Electric fence around protected areas maintained	42	Not Met
4. Community eco-lodges, campsites & trails established	80	Met
5. Communities trained	100	Met
6. Drugs and other material procured	67	Not met
7. Resource use & revenue sharing schemes promoted & implemented	70	Not met
9. Mass awareness outreach programs	127	Exceeded
10. Wildlife monitoring surveys undertaken	125	Exceeded

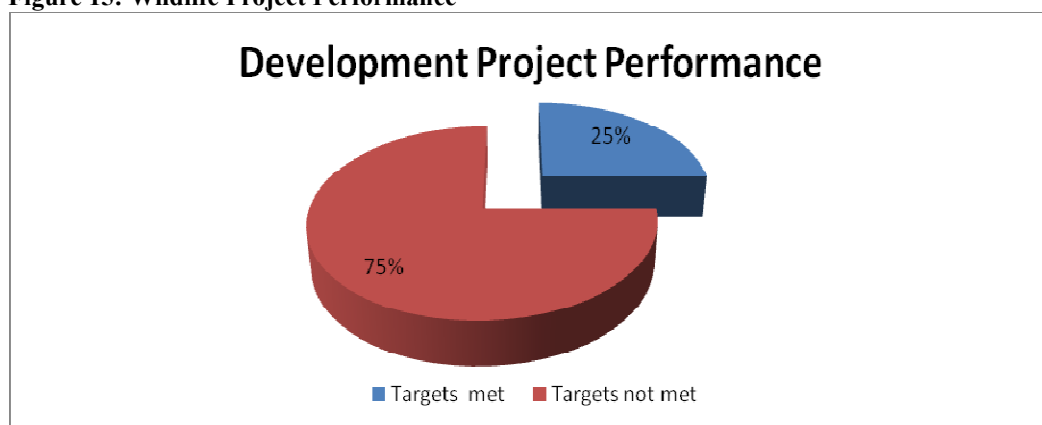
Source: SWG on Wildlife Sector 2009

### Development Projects Performance

The Wild- life sub- sector implemented 4 development projects in the year under review namely: Development of Eco- Tourism Infrastructure Facilities and Services in Protected Areas; Development of Infrastructure in Protected Areas, Restocking of National Parks and Wildlife Reserves and Electric Fencing of Protected Areas. All projects were financed by the government except Translocation of Elephants on Restocking Project where the International Fund for Animal welfare (IFAW) paid the consultant who supported the restocking of Majete Wildlife Reserve.

<sup>2</sup> Sub- sector's target is to increase wildlife species by 3% annually

**Figure 15: Wildlife Project Performance**



Source: SWG on Wildlife Sector 2009

The review findings show that only one out of 4 projects that the sub- sector had implemented in the year under review met its targets representing 25 percent. The poor performance of projects especially on infrastructure development is attributed to poor planning and lengthy procurement procedures.

### **Budget Performance**

The Wildlife sub- sector had an approved budget of MK128.67 million, out of which only about 91 percent (K 116 million) was actually disbursed to the sector. This meant that the Sub- sector had a funding gap of about MK12.7 million. It should be noted however, that despite the funding gap, implementation of activities in the sub- sector was not affected because some activities were financed from other sources. As such the sub- sector managed to implemented most of its planned activities. Some activities which the sector did not manage to implement are: establishment of community eco-lodges, campsites and crocodile farms, fence maintenance as well as conducting monitoring and evaluation of its activities. The sub- sector also utilised 100 percent of the funds it received reflecting a high absorption capacity.

### **16.2 Recommendations**

- Donor aid should be aligned to the sector strategic plan and thus the MGDS.
- DNPW should lead in the development and implementation of an information system to track progress towards sector and outcome targets.
- There is need to build capacity for M&E in the Department of National Parks and Wildlife and in all its administrative divisions.
- The sub- sector should consider establishing Cost Centres in administrative divisions of North, Central Upper and Lower Shire to help in absorption of funds because the current system of one cost centre is not very effective.

## 16: Land Management and Housing Development

The Land and Housing Sector is one of the most important sectors for the success of the MGDS. Almost all activities critical for social and economic growth, are land based and as such the importance of land need not be overemphasized. Similarly, housing is crucial for poverty reduction and economic growth through, among other things, employment generation and production of building materials. In addition, housing contributes to social development through improved living environments which in turn lead to improved health and productivity of the work force. The goal of the Land and Housing Sector is to efficiently and effectively manage land and housing in order to promote sustainable social and economic development. It is understood, however, that the various stakeholders in the sector have varying strategies which address specific aspects of the shared goal. Overall, the strategy will be to develop and implement land and housing programmes that ensure sustainable, equitable access and security of tenure.

### Integration of Crosscutting Issues

The Land and Housing sector also, recognizes the importance of mainstreaming cross cutting issues such as gender, environment, HIV/AIDS, science and technology in the planning and implementation of all activities in the sector. These are being monitored and evaluated accordingly.

### Expected MGDS outcomes

The medium-term expected outcomes for the sector, as stipulated in the MGDS are outlined in Text Box 14.

### The Land Sub-sector

As summarised in the Table 35, the land sub-sector output performance was above average as 3 out of 4 targets were either met or exceeded being 75 percent achievement rate. There has been continued lack of progress on improving access to land especially due to improper land management systems, which is exacerbated by poorly managed land information. The housing sub sector had two outputs that met targets out of three, being 66 percent achievement.

#### Text Box 14: MGDS Outcomes for Land and Housing:

##### A. Land

- (i) Equitable access to land for various uses including agricultural production and settlement.
- (ii) Enhanced land tenure security to Improved Livelihoods.
- (iii) Sustainable Land Use.

##### B. Housing

- a. Equitable access to adequate housing by all Malawians.
- b. Establish a conducive framework for housing delivery.



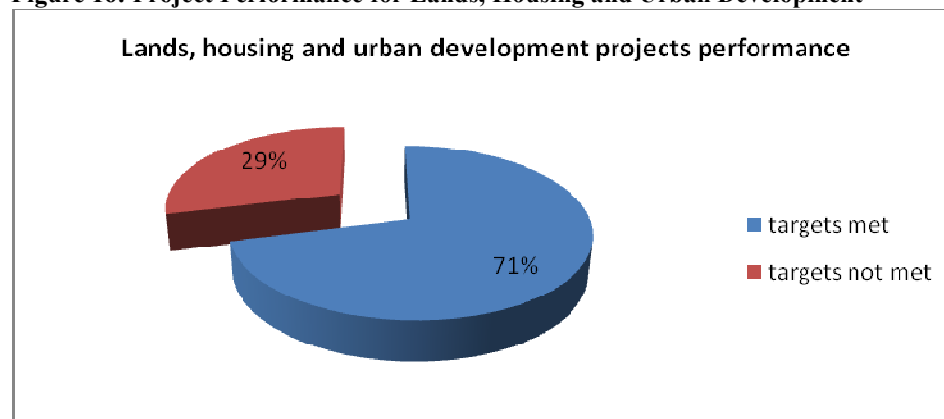
**Table 35: Summary of Core Output performance-Land, Housing and Urban Development**

Core output Indicator	Weighted Performance (%)	Rating
<b>Land sub-sector</b>		
1 Improved access to land for socio-economic Development	77	Not met
2 Improved security of land tenure as a catalyst for socio-economic development	107	exceeded
3 Enhanced sustainable use and management of land and land based resources	82	Met
4 Physically demarcated/ reaffirmed international boundaries for enhanced territorial integrity	93	Met
<b>Housing sub-sector</b>		
1. Policies harmonised and reviewed.	66	Not Met
2. Housing Developed	84	Met
3. Slums upgraded	87	Met

Source: SWG on Land, Housing and Urban Development 2009

### Performance of Development Projects

Lands, Housing and Urban Development sector implemented 14 projects during the 2008/09 financial year. Out of these projects, only 10 met their targets representing 71 percent achievement. Apart from inefficiencies, lack of funding remained major cause of failure especially in one project namely “Strengthening the Institutional Framework for Land Reform Programme”, which had highest funding gap of up to 52 percent. The other contributing factor was delays in disbursement of funds from the donors. Overall the funding levels for projects were generally good.

**Figure 16: Project Performance for Lands, Housing and Urban Development**

Source: SWG on Land, Housing and Urban Development 2009

### Sector Budget Performance

The Land and Housing sector had a total approved budget of MK5.493 billion out of which MK5.373 billion was funded. The funded amount represents 98 percent of the entire approved budget.. It is worth noting that the funding gap for ADL which was up to 9.5 percent was attributed to under collection of rentals on real estate. Expenditure for the sector was generally as planned at an absorption rate of 91 percent. The funding gap for Department of Housing is slightly higher due to logistical problems associated with construction projects.

Expenditure for the sector was 95 percent on planned activities. This partly explains why there is high realization of planned outputs. However, the minor deviations from the planned activities of the sector were inevitable due to the demand driven nature of the sector's activities and also need to respond to emerging priorities. Moreover, the ministry had assumed that a conducive legal framework would be in place in the course of budget implementation. But in the absence of this framework some activities were not legally implementable, hence the deviation. For example, resources earmarked for raising public awareness for the new land law were used for cleaning land records.

### Development Projects

With exception of one of the five development projects, funding was generally according to budget. The Strengthening of the Institutional Framework for Land Reform Programme had highest funding gap of 52 percent, this was due to delays in disbursement of funds from the donor. No other project in the sector experienced significant problems with regard to timeliness of disbursements.

In general the performance of development projects in the sector was moderately satisfactory. The overall performance of outputs has been rated not met estimated at 77 percent of planned targets (refer to Annex 3.2 for details). In a few cases, resources committed to planned project outputs yielded additional outputs, implying that the project was efficient. These are also highlighted in the same table.

### Aid Effectiveness

As in the previous review, overall aid effectiveness to the Land and Housing sector continues to be impressive. As shown in the Table 36 below, 78 percent of the indicators were at least satisfactory. This could be associated with the effectiveness MLRPIS, the implementation strategy for National land policy. However, there is need to ensure that management of aid should always follow Government Public Financial Management (PFM) procedures.

**Table 36: Summary of Performance on the Paris Declaration Indicators:**

Indicator No. & Description	Overall Indicator Performance	Comment
1. Operational Sector Strategy	Satisfactory	Land sub-sector is guided by the National Land Policy and its implementation strategy (MLRPIS).
3. Aid Flows Alignment to National Strategy (MGDS)	Very Satisfactory	
4. Coordinated Support for Capacity Building	Very Satisfactory	Capacity development plan is developed and implemented through CBRLDP with the assistance of EU and World Bank.
5a. Use of Country Procurement Systems	Unsatisfactory	Donors are using their own procurement systems.
5b. Use of Country PFM Systems	Unsatisfactory	Management of the aid did not follow Government Public Financial Management (PFM) procedures.
6. Number of Parallel Implementation Structures	Satisfactory	
7. Predictability of Aid	Unsatisfactory	Aid was not predictable.
9. Use of Common Arrangements or Procedures	Satisfactory	Though Sector Wide Approach (SWAP) has not yet been institutionalized, Land Reform Programme guides all land reform activities.

10a. Shared Analysis	Satisfactory	Some of the joint programme evaluations are jointly carried out.
10b. Joint Field Missions	Very Satisfactory	The sector had joint project (CBRLDP and BESTAP) supervision missions between the World Bank and Government
11. Results Based Frameworks	Satisfactory	There is a jointly agreed framework as outlined (MLRPIS).

Source: SWG on Land, Housing and Urban Development 2009

### Recommendations

- The role of Land and Housing sector in contributing to social and economic development of the country is still not adequately appreciated despite its direct and crucial contribution to all the nine priority areas of the MGDS. MGDS addenda for the sector were prepared and submitted to Ministry of Development Planning and Cooperation in 2008 for consideration despite. Unfortunately, the addenda were not adopted.
- As the result of this development, donor support for the sector has dwindled over the MGDS implementation years. Support from local resources has also dwindled relative to other sectors of the economy. This has in turn undermined the sector's contribution to national social and economic development.
- It is therefore recommended that MGDS be flexible document that learns from experiences of its implementation if it is to realize its objectives.

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## THEME TWO: SOCIAL PROTECTION AND DISASTER MANAGEMENT

### 17: Vulnerability and Risk Management

The main goal of this sector is to improve the socio-economic indicators of the most vulnerable and reduce the socio-economic impact of disasters. Achievement of economic growth and development by itself may not translate into the improvement in the quality of life of the most vulnerable. Government, therefore, has put in place social protection programs aimed at mitigating the impact that economic shocks on the vulnerable. In addition, measures to reduce the impact of disasters in disaster prone areas are also being promoted. Social protection and disaster management are thus necessary as they restore people's capacity to attain prosperity, create wealth and contribute to economic growth and development.

#### Policy Alignment

The sector does not have a shared strategic plan in place. However, there has been progress in the development of national policies like the Social Support Policy and the National Elderly Policy which are awaiting cabinet approval. These policies contain guidelines on the key strategies that will help improve the socio-economic indicators of the vulnerable groups and the elderly in Malawi. Similarly, the Disaster Risk Reduction (DRR) sub sector has developed the Operational Guidelines for Disaster Risk Management (DRM) in Malawi that articulates the role and responsibilities of various stakeholders in the sub-sector. A Disaster Risk Reduction Framework for Malawi is also being developed.

#### Expected Outcomes

The medium-term expected outcomes for the sector, as stipulated in the MGDS are outlined in Text Box 15.

#### MGDS Indicator Performance

As shown in the Table 37 below, 3 of the 4 indicators under the vulnerability sub-sector exceeded their annual targets. This strong performance was due to the successful implementation of the Agricultural Input Subsidy Programme that reached over 1.5 million beneficiaries; the Social Cash Transfer Programme that reached more beneficiaries and the MASAF Public Works Programme that from a target of 120, 000 beneficiaries reached approximately 130, 000 people in target areas. Disaster and risk management do not have annual indicators but these are currently being developed.

#### Text Box 15: Outcomes for Social Protection & Disaster Risk Management

- (i) Increased assets of the poor to enable them to meaningfully engage in sustainable growth and contribute to poverty reduction.
- (ii) Improved health and nutritional status of under five children, school age children, orphans, pregnant and lactating mothers, destitute families ,
- (iii) Increased income for the poor
- (iv) Reduced impact of disaster through improved disaster risk management.

**Table 37: Annual MGDS indicators for Vulnerability, Disaster and Risk Management**

INDICATOR	BASELINE (2005)	2007/08 ACTUAL	2008/09 TARGET	2008/09 ACTUAL	RATING
Proportion of disadvantaged receiving conditional and unconditional transfers (%)	4	3	7	32.95	Exceeded
Number of households reached by public works programme	-	-	120, 000	130, 000	Exceeded
Number of households reached by Targeted Input Programme (TIP)	-	-	1,500,000	1, 500, 000	Met
Number of households reached by Direct Transfers programmes (DTP)	-	5856	8 000.00	15 170.00	Exceeded

Source: SWG on Vulnerability, Disaster and Risk Management 2009

### Core Sector Output Performance

The sector generally performed above average. Out of the 10 core sector outputs assessed, 80 percent of the annual targets were met. This outstanding performance was mainly due to strides the sector has made in putting policies in place and expanding the social protection programmes in the country. The DRR sub-sector also has strengthened its efforts in promoting disaster mitigation measures such as reforestation and construction of dykes in disaster prone areas. Capacity building of disaster risk management structures (Civil Protection Committees) at local levels has also been strengthened. The Development of Operational Guidelines for Disaster Risk Management was an important achievement as this has enabled different stakeholders to understand their roles and responsibilities during preparedness, response and recovery to different hazards. This will also make it easier to move forward the agenda of integrating/mainstreaming disaster risk reduction in development programs and plans of all sectors. The sector has performed better this fiscal year mostly due to coordinated efforts by stakeholders to have policies in place and improved coverage of programs.

**Table 38: Core sector output performance for vulnerability, disaster and risk management**

Core sector outputs	Weighted Performance (%)	Remarks
1. Policies on Social Protection, Older People and Operational Guidelines for Disaster Risk Management in place	100	Met
2. Support to the most vulnerable with welfare transfers (food, clothes, blankets and Cash) for their upkeep	166.39	Exceeded
3. Increasing disposable income for the poor and vulnerable	83.4	Met
4. Basket funding modalities for the Social Cash Transfer Programme in place	0	Not met
5. Legal Framework for Social Protection Programmes developed	0	Not Met
6. Timely emergency relief assistance to affected people in disaster prone areas provided	91.8	Met
7. Mitigation measures in disaster prone areas implemented	100	Met
8. Institutions, mechanisms and capacities involved in disaster and risk management developed and strengthened	97	Met
9. Increased number of persons with disabilities accessing secondary education and equipped with vocational training	80.67	Met
10. Welfare of disabled persons improved	80.16	Met

Source: SWG on Vulnerability, Disaster and Risk Management 2009

## Sector Budget Performance

The overall budget for the sector was about MK750 million, and the funding gap was about MK130 million. Of all the institutions in the sector, the Ministry Responsible for Persons with Disabilities and the Elderly had the largest funding gap. From an approved budget of MK 405 million, the Ministry was under-funded by over MK77 million. Nonetheless, despite such a large funding gap, the Ministry had unused amounts totaling MK6 million mainly because of stalling of projects in Mulanje where the Ministry is constructing hostels. Other institutions in the sector experienced funding gaps mainly because donors disbursed less than what they pledged. In addition, some social protection activities such as establishing legal framework and devising basket funding modalities were put on hold because funds budgeted for this were allocated to other equally important activities.

## Aid Effectiveness

Just like in the 2007/08 financial year, the sector performed poorly on Aid Effectiveness indicators. Of the nine Paris Declaration indicators, only three were satisfactory and the rest were not. Indicators that performed poorly include;

**Table 39: Summary of Performance on the Paris Declaration Indicators**

Indicator No. & Description	Overall Indicator Performance*	Comment
1. Operational Sector Strategy	Satisfactory	The Sector does not have an operational strategy yet but there will be a Strategy and MOU/JFA at the end of this fiscal year (2009/10).
3. Aid Flows Alignment to National Strategy (MGDS)	Unsatisfactory	Most of the Aid is not channeled through the Government budget. But subsectors within the sector have formal financing agreements with donors.
4. Coordinated Support for Capacity Building	Very satisfactory	Donors have provided a lot of technical support through consultancies, trainings
5a. Use of Country Procurement Systems	Satisfactory	However, some donors use their own procurement procedures.
5b. Use of Country PFM Systems	Unsatisfactory	Donors in the sector require separate auditing, and financial reporting procedures.
6. Number of Parallel Implementation Structures	Satisfactory	The sector does not have parallel PIUs.
7. Predictability of Aid		
9. Use of Common Arrangements or Procedures	Unsatisfactory	
10a. Shared Analysis	Unsatisfactory	
10b. Joint Field Missions	Unsatisfactory	
11. Results Based Frameworks	Unsatisfactory	The sector is yet to develop a results based M&E system.

Source: SWG on Vulnerability, disaster and risk management 2009

## Policy Recommendations

- Ministry of Development Planning and Cooperation in consultation with the Department of Disaster Management Affairs needs to develop indicators on DRR;
- DoDMA should expedite the formulation of the DRR Policy;

- The SCTP need to be scaled up to reach more poor and vulnerable households and the mis-targeting cases experienced in the AISP need to be minimised to ensure more vulnerable people benefit from the programme; and
- The development of Social Support Programmes to operationalize the Social Support Policy needs to be quickened;

## THEME THREE: SOCIAL DEVELOPMENT

### 18: The Health and Population Sector

A healthy population is not only essential but also a prerequisite for economic growth and development. The long-term goal of the Health Sector is to improve health status of people at all levels in a sustainable manner whereas the goal of the Population sector is to increase the number of people with good living standards. The activities of the health sector revolve around the provision of the Essential Health Package (EHP) as part of the MGDS. On the other hand population programs cut across all sectors.

#### Expected MGDS Outcomes

The expected medium-term outcomes for the health sub-theme in the MGDS are given in the Text Box 16.

#### MGDS Indicator performance

Not all health indicators can be tracked on annual basis as shown in the Table 40 below since they are obtained through Malawi Demographic Health Survey (DHS) that is done once in 4-5 years or Multiple Indicators Surveys (MICS) every two years. Out of the 15 MGDS indicators that have been reported, only 7 met or exceeded their set annual targets. The achievement made in the long-term indicators such as the maternal mortality rate, infant mortality rate (IMR) are tracked over their baseline through the 2006 MICS<sup>3</sup>. As shown in the Table 40 below, all the long-term indicators show positive performance.

#### Text Box 16: Expected MGDS Outcomes for Health & Population

1. Increased availability, utilization and effectiveness of EHP and other services;
2. Reduced under-five mortality rates;
3. Improved maternal health;
4. Reduced incidence of malaria, TB and other major diseases;
5. Increased life expectancy at birth.

Table 40: MGDS Annual Indicators for Health and Population

Indicator	Baseline (2005)	Actual 2006/08	2008/09 Target	2008/09 Actual	Target Achievement
Life Expectancy at birth (years)	40	-	-	N/A	
Maternal Mortality Ratio (MMR)	984/100,000	-	-	807/100,000*	
Infant Mortality Rate (IMR)	76/1000	-	-	72/1,000*	
Under 5 Mortality rate	133/1000	-	-	122/1,000*	
Percentage of pregnant women who slept under insecticide treated net the previous night	14.7	-	-	25.6*	
Percentage of children <5 yrs who slept under insecticide treated net the previous night	14.8	-	-	24.7	
TB Cure rate (%)	74	73	77	92	Exceeded
Total Fertility Rate	6.0	6.3*		6.3*	

<sup>3</sup> An important assumption made here is that data collection methods used for getting the data in the MICS is similar and/or comparable to the main surveys through which the baseline data was collected.



Proportion of 1 year-old children immunized against measles (%)	82	79	82	89*	Exceeded
Proportion of births attended by skilled personnel (%)	38	41	45	53*	Exceeded
OPD service utilization per 1000 population	800/1000 population	1170	>1000/1000 Population	1237	Exceeded
Nurse/population ratio	1:4,000	1:3,653	1:3,400	1:3,062	Met
Doctor/population ratio	1:62,000	1: 44,453	1:42,000	1:53,662	Not met
Percent of national budget contribution to the health sector	11.1	13.5	12.6	16.2	Met
EHP coverage (% facilities able to deliver OPD. Immunisation, Family Planning and maternity services)	9	Not measured	40	74	Exceeded

Source: 2007/08 Health Sector Report

### Sector Output Performance

The Health Sector performed much better during the year under review than in 2006/07 and 2007/08 financial years in terms of the performance of the five outputs as analysed in Table 41 below. Out of these, three outputs (increased number of qualified health workers in health facilities, increased availability of health facilities and increased availability of drugs at health facilities) exceeded their cumulative weighted indicator targets. The increased availability of drugs and other medical supplies was barely met and improved funding for the sector was not met.

In terms of funding, the picture is different from that obtained in 2007/08 where the target on funding was exceeded whereas the target on availability of qualified personnel was just met. It is evident, however, that the desire to have continuous supply of medical supplies is barely met.

**Table 41: Core Output Indicators**

Key Sector Outputs	Weighted Performance	Rating
1. Increased number of qualified health workers in health facilities (Staffing norms obtained) (%)	157.38	Exceeded
2. Increased availability of drugs (Pharmaceuticals supply chain functioning properly) (%)	100	Met
3. Increased utilization and effectiveness of the Essential Health Package (EHP) (%)	120	Exceeded
4. Increased availability of quality EHP services (%)	68	Exceeded
5. Improved funding of the health sector	97	Not Met

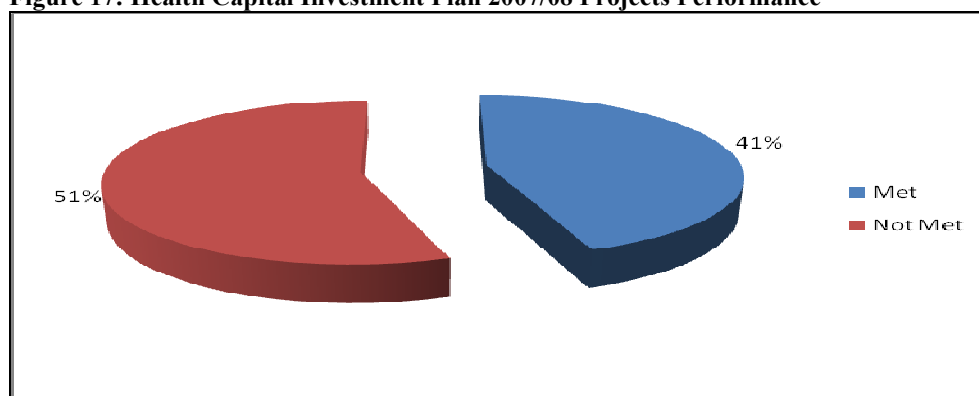
### Development Project Performance

The sector continues implementing several development projects under the Capital Investment Plan (CIP). However, overall performance was unsatisfactory with only 41 percent of the target met as shown in Figure 17. This is, however, a big improvement from the 16 percent registered in the 2007/08. Some remarkable achievements include: 100 percent completion of the Bwaila Maternity Wing and the construction of the Kamuzu Central Hospitals' Ethel Mutharika Maternity Wing and Orthopedic Centre. The Umoyo Housing Project where 95 percent of the 250 new houses were constructed and 80 percent of the 250 houses were rehabilitated. It was worth noting that this project was a worrisome case in the 07/08 when progress was slow.

Another big achievement was registered in the Health Sector Support Project (ADB IV) in which 78 percent of the 54 health facilities were rehabilitated and constructed to become Basic Emergency Obstetric Care (BEmOC) sites.

Other projects that were done during the period under review include construction of laboratories in seven districts across Malawi which is 57 percent complete, 35 percent complete in the Rehabilitation of the Zomba Central Hospital, the rehabilitation of the Balaka Hospital to a district hospital (75 percent complete) and preparatory works for the New Nkhata-Bay District Hospital which include drawings, EIA Report, Bill of Quantities and tendering is 100 percent complete. However, preparatory work for Dowa and Phalombe District Hospitals Mzuzu Central Hospital Sewer system are yet to start.

**Figure 17: Health Capital Investment Plan 2007/08 Projects Performance**



Data Source: 2008/2009 Annual Health Sector Report

### **Budget Performance**

The sector continues to implement the Health SWAp which is jointly financed by GoM and Cooperating Partners<sup>4</sup> who have been categorized into pool partners and discrete partners. The budget approved was MK33.1 Billion. This comprised MK14.39 (\$103.2 million) disbursement from pooled and discreet donors and MK 14.29 from GoM. The donor disbursement was 10 percent above the initial pledges after the World Bank disbursed US\$3 million from an initial US\$ 1 million for the Malaria Booster Project that ended in September 2001 and Global Fund's 54 percent increment over the initial US\$31.1m initial disbursement.

<sup>4</sup>Pool partners finance the majority of the program of work through a common deposit bank account and do not have to worry about tracking the identity of their funds once deposited in the pool. On the other hand, discrete partners finance specific items in the program of work and have individual accounts into which their funds supporting the program are deposited.

## Recurrent Budget Performance

The Health SWAp program is being implemented through the six pillars as indicated in Table 42. Total expenditure was MK31.26 billion, which is 94 percent of the year's budget. This covers recurrent expenditure, development expenditure and expenditure on unbudgeted discrete projects. Under the Human Resources pillar, PE expenditure was 119 percent of the budget mainly because Treasury funded PE in excess of the amount the approved budget. Expenditure on drugs, laboratory and other medical supplies was 134 percent. The increase is attributed to payment of arrears owed to the Central Medical Stores by some cost centres. Expenditure under the Essential Basic Medical Equipment pillar was only 74 percent of the budget. Under the Infrastructure pillar, expenditure was low at 44 percent. The two are lower than expected due to slow progress in the construction of health facilities.

Routine operations expenditure was 106.5% of budget for the year. Lastly, expenditure under the Support to central operations, Policy and Systems Development Pillar was 83 percent. This includes the MK1.8bn to UNICEF for malaria drugs and another MK1.8bn for Central Medical Stores purchases.

**Table 42: Summary analysis of expenditure by pillar**

Pillars	2008/09	Cumulative to 30 June 2009				
	Approved Budget (MK Millions)	Planned (MK Millions)	Actual (MK Millions)	Variance	Use of planned (%)	Use of budget (%)
1.0 Human Resources for Health	8,214	6,776	9,825	-3,049	145.0	119.6
2.0 Pharmaceuticals, Medical and Lab Supplies	4,885	4,885	6,532	-1,647	133.7	133.7
3.0 Essential Basic Medical Equipment	1,021	1,021	755	266	73.9	73.9
4.0 Infrastructure Development	7,196	7,196	3,138	4,057	43.6	43.6
5.0 Routine Operations (service level)	5,136	5,136	5,470	-334	106.5	106.5
6.0 Support to Institutions, Policy and Systems Development	6,645	6,645	5,538	1,107	83.3	83.3
<b>Total Use of Funds by POW PILLAR</b>	<b>33,097</b>	<b>31,659</b>	<b>31,259</b>	<b>400</b>	<b>98.7</b>	<b>94.4</b>

Data Source: Health Sector 2008/09 Annual Report

Table 43 below summarises pooled funding to the Health Sector's cost centres and levels (recurrent plus funding of pooled development projects). The funding is divided into PE, ORT excluding drugs, and Drugs<sup>5</sup>. The analysis is by Ministry Headquarters (HQ), Health Service Commission, CHAM Secretariat, Central Hospitals (CH) and District Health Offices (DHO).

## Overview of Development Budget

Just like in the previous review, the review noted that the expenditure on development budget has been slow in line with the achievements reported in the Table 43 below. And just like in the 2007/08, the implementation of pooled development and discretely-funded projects continued to slow down throughout the year as shown in the Table 43. Pooled funding was at 42 percent and expenditure was at 45 percent. On the other hand discreet funding was 81 percent and expenditure was 65 percent. The expenditure on staff houses and the other pooled development projects has been slow with only MK27 million of the MK1, 200 million budget spent in the

<sup>5</sup> Drugs relate to the drug funding from Treasury for purchases by cost centres, mostly from Central Medical Stores.

year. Funding and expenditure on discrete projects in the year was mostly on the unbudgeted NAC and UNICEF activities.

**Table 43: Pooled and Discrete Development Funding**

<b>Funding Item</b>	<b>Budget (MK Millions)</b>	<b>Actual (MK millions)</b>	<b>Use of budget (%)</b>
Pooled development funding	3,879	1,643	42.4
Discrete funding (as above)	2,992	2,437	81.4
Total funding	<b>6871</b>	<b>4,080</b>	59.4
<b>Expenditure</b>			
Pooled development projects	3,879	1,750	45.1
Discretely-funded projects	2,992	1,941	64.9
Total expenditure	<b>6,871</b>	<b>3,691</b>	53.7

Source: Health Sector 2008/09 Annual Report

### **Emerging Sector Budget Issues**

As noted above total funding and total expenditure during the year were only 59 percent and 54 percent respectively reflecting variances in pledges and actual disbursements. The emerging issues noted during the year under review are summarised below:

- GoM pooled funding to cost centres as at June 30, 2009 was cumulatively MK24.82 billion out of MK26.28 billion representing 94 percent of the budget. The GoM pooled development budget funding was MK1.59 billion out of MK3.83 billion representing just 42 percent. Therefore in total GoM underfunded the Health sector by MK0.72.
- Cumulative donor pooled funding was US\$103.2 million against cumulative pledge of US\$94.1 million representing an overfunding of 10 percent.
- On discrete funding, the Africa Development Fund (ADF) disbursed MK0.86 billion out of MK 1.9 billion representing 45 percent. OPEC (funding for Nkhata-Bay District Hospital) and Norway (funding for Zomba Central Hospital rehabilitation) did not make any disbursements;
- There were unbudgeted donor discreet funding from NAC (MK0.4 billion), UNICEF (MK0.3 billion), KfW (MK513.9 million) and GTZ (MK70.3 million);
- There is a possibility that some districts are spending the funding for drugs on non drug items as revealed by the analysis on expenditure by levels. The same analysis indicates that MoH headquarters was underfunded by 14 percent.

### **Aid Effectiveness**

Just like in the previous review, overall aid effectiveness to the sector continues to be impressive. As shown in the Table 44 below, 75 percent of the indicators were very satisfactory. The very satisfactory scoring mainly reflects the SWAp arrangements that exist in the Health Sector. However, there is need to fully develop the national procurement system for the sector and adhere to joint field visits by the donors among other issues.

**Table 44: Summary of Performance on the Paris Declaration Indicators:**

Indicator No. & Description	Overall Indicator Performance*	Comment
1. Operational Sector Strategy	Very Satisfactory	The Ministry of Health has the six-year Joint POW for the years 2004 to 2010.
3. Aid Flows Alignment to National Strategy (MGDS)	Very Satisfactory	
4. Coordinated Support for Capacity Building	Very Satisfactory	Capacity development plan is developed and implemented by GoM.
5a. Use of Country Procurement Systems	Not satisfactory	Oversight arrangements for procurement yet to be finalized
5b. Use of Country PFM Systems	Very Satisfactory	The Health Sector uses the MoH PFM system as stipulated in the SWAp MOU.
6. Number of Parallel Implementation Structures	Very Satisfactory	All work is overseen through governance structures namely Technical Working Groups.
7. Predictability of Aid	Very Satisfactory	Aid was predictable.
9. Use of Common Arrangements or Procedures	Very Satisfactory	SWAp arrangement exists for the sector.
10a. Shared Analysis	Very satisfactory	A single sector report is produced with active civil society participation.
10b. Joint Field Missions	Not Satisfactory	A number of discrete donors conduct individual field missions.
11. Results Based Frameworks	Very satisfactory	There is an jointly agreed SWAp ME&R framework.

### Constraints

The major challenge hampering the implementation of activities was lack of skilled personnel to implement policies and programs for the sector. Inadequate numbers of medical officers to fill the existing posts remains a challenge as a result of short supplies of the right skilled and experienced personnel especially medical officers. Though United Nations Volunteer (UNV) doctors have been recruited to reduce the problem, there is still need to recruit more medical personnel to address the problem.

Other structural problems in the health sector are embedded in the weakness of the health system in general. For instance, there are structural problems in policy and program development, implementation and monitoring and procurement. In case of policy and program development, there are a number of policies that are yet to be finalized which include; National Health Policy, New National Health Act, SWAp MOUs, the revised Service Level Agreement (SLA) costing and the PPP guidelines. However, even in cases where policies and programmes have been developed, implementation has been a problem. For instance, the sector is failing to fully implement the locum guidelines, the Capital Investment Plan, training of traditional birth attendants on their new roles, and creation of village health committees among others.

Poor planning is also affecting procurement as departments, programs and the districts delay in submitting procurement specifications for timely execution of the procurement plan. This results in stretching the already understaffed Procurement Unit at central and local levels leading to compromises in procedures and planned activities.

## **Lessons Learnt**

Some of the lessons learnt during the year under review are listed below.

- The design and implementation of the MGDS provides a rallying point for all health sector stakeholders with a common interest in uplifting the well being of the poor in Malawi, including the targeting and provision of the EHP to the poor;
- The signing of the SWAp MOU by the pool funding agents has a major boost on the prospects of mobilizing significant amount of resources to finance the sector's program of work. This has also increased the donor confidence and interest in joining the SWAp pool. A case in point is the joining of the Flanders Government into the SWAp in the 09/10 FY;
- The signing of the MOU between MoH and CHAM offers the great opportunity for the enhancement of collaborative efforts aimed at increasing access to the EHP to the poor. This constitutes the basis for objective resource allocation to non-government providers of health;

## **Policy Recommendations**

- Adherence to FMIP with particular emphasis on meeting audit timelines and on taking measures to ensure that improvement in FM performance remains on track.
- Strengthen capacity of health training institution through improved physical infrastructure, increased number of tutors, and maintained support towards payment of student fees.
- District hospital which are certified in Infection Prevention (IP) already to scale up to HCs before SWAp review (May 2010) and the 60 percent of district hospital not certified should be certified before May 2010;
- Government should subsidize Depo-provera to ensure universal access to FP to all mothers in Malawi
- An assessment team to be identified to assess the drug expenditure and services in districts and central hospitals so that it informs a formula to use when allocating drug budgets by Dec 2009;
- Align the Health MIS and Logistics MIS
- Identify additional sources for funding for ART drug supply in order to prevent further stock outages
- Increase the enrolment of children under ART (target of 13 percent)
- Integration of PMTCT into Maternal and Child Health (MCH) services and ART clinic

- Malawi should conduct a national TB Prevalence survey to establish a baseline and verify the declining TB case notification rate since 2004. The survey which is partly funded through Global Fund Round 7 has a substantial funding shortfall requiring additional resource mobilization by Government of Malawi
- Much as Malawi is moving towards achieving the WHO / Global target of 85 percent cure rate, districts with low TB cure rates should be investigated for their low performance.
- Mobilisation of funds for recruiting tutors from other countries, pay part-time tutors, contract and train experienced nursing and clinical instructors is underway. OPC was requested to clear the recruitment of tutors from other countries. MoH has identified funding from PEPFAR for this initiative.
- Finalisation of a career development strategies for all health workers and clinicians in particular have been finalized whereas that of nurse is being worked on;
- Introduction of a parallel/non-residential programs for professional health workers has not yet been done.

## 19: The Education Sector

Education is one of the sub-themes under theme number three (social development) of the MGDS, which is a catalyst for socio-economic development, industrial growth and an instrument for empowering the poor, weak and voiceless. In order to achieve this vision, the education sector aims at providing quality and relevant education to all Malawians. Such education is expected to among others; equip students with basic knowledge and skills to enable them function as competent and productive citizens; provide students with the academic basis for gainful employment in the informal, private and public sectors; and produce highly skilled professional in all fields of development.

### Integration of Crosscutting Issues

Crosscutting issues have largely been integrated in curricula at primary and secondary school levels. For example, issues of HIV/AIDS have been packaged into a subject area called Life Skills education in addition to initiatives taken by other service providers for the education sector. Environmental issues are taught in schools and gender issues have also been mainstreamed in education activities.

### Expected Outcomes

The medium-term expected outcomes for the sector as stipulated in the MGDs are as presented in Text Box 17.

### Achievements of the year

Some of the major achievements by the Ministry of Education Science and Technology were as follows:

- Training of 2,700 Primary School Teachers and 1,350 Secondary School Teachers
- Training of 750 Students in Vocational Skills.
- Teaching and Learning Materials purchased for 5,300 Primary Schools and 716 Secondary schools.
- 188 Kamuzu Academy Students benefiting from the National Bursary which were selected from Education District (a boy and a girl)

#### Text Box 17: Outcomes for the Education Sector

##### A. For Primary:

- 1) Improved Internal Efficiency:
  - a. Reduced absenteeism to 5% by 2012 at primary
  - b. Reduced dropout by 50% at primary
  - c. Increased net enrolment to 95% by 2012
- 2) Improved learning outcomes
  - a. Mastery levels (proficient reading and proficient writing skills at higher level)
- 3) Improve Girls retention in Primary Cycle:
  - a. Primary school completion rates for girls (41% in 2004),
  - b. Repetition rate for girls (18.8% in 2004)

##### B. For Secondary:

- 1) Improved Internal Efficiency
  - a. Reduced absenteeism by 50% by 2012 in secondary
  - b. Increased net enrolment from 30% to 50% by 2012 in secondary
  - c. Reduced dropout to 5% in secondary
- 2) Improved learning outcomes in secondary
  - a. Mastery levels (reading and writing skills at higher level)
- 3) Improve Girls retention in Secondary Cycle
  - a. Reduce girl dropout rate to 5%
  - b. Reduce repetition rate by 5%
  - c. Reduce girls absenteeism by 50%

##### C. For Tertiary:

- 1) Increased undergraduate enrolment by 40%
  - a. Increase post graduate enrolment ration to 10% of the undergraduate student population (in take 7,400 in 2005)
- 2) Increased by 5% female enrolment by 2010 (girl participation 31% in 2005)
- 3) Improved curriculum to respond to national needs



### MGDS Indicator performance

As shown in the Table 45 below, performance on the annual MGDS indicators for the sector was mixed. The primary school completion rates have been improving. This may be explained by the increasing number of schools benefiting from the school feeding programs in the education system. The gross and net enrolment rate indicators have also been met (above 100 percent) in the past school year. However, NER seem to have been overstated since pupils enrolled could not be more than those in a population. Fresh surveys need be done to verify the figures. The dropout indicator has also improved as it has declined from about 15 percent in 2006/07 to 5 percent in 2008/09 year. On the other hand, the primary school pupil/classroom ratio and the repetition rates were not met. This is due to the fact that the number of classrooms constructed was less than planned and the number of teachers that graduated was also less than planned. At secondary school level, progression to secondary school from primary was not met. The pupil-qualified teacher ratio was also not attained as well as the net enrolment rates.

**Table 45: Annual MGDS Indicators for the Education Sector**

Indicator	Baseline (2005)	FY 2006/07 Target	FY 2006/07 Actual	FY 2007/08 Target	FY 2007/08 Actual	Indicator performance
Literacy Rate (%)	63.9					
Female literacy Rate (%)	50.5					
Youth literacy rate (Age 15 to 24) (%)	74.9	80	82	83		
Completion rates in primary school (%)	26.8	46	69.4	46	53	exceed
Primary School Net enrolment rate by sex (%)						
Total	108	102	100	100	103	Met
Girls	108	101	101	99	104	Met
Boys	108	103	98	101	102	Met
Primary School Gross enrolment rate by sex (%)						
Total	132	110	116	105	119	Met
Girls	124	105	115	100	118	Met
Boys	128	115	117	105	121	Met
Primary School Dropout rate by sex (%)						
Total	22	20	14.11	18	5	Exceed
Girls	23	20	16.36	19	5	Exceed
Boys	21	20	12.1	17	5	Exceed
Primary school-Pupil/classroom ratio						
	1:85	1:65	1: 104	1:100	1:117	Not Met
Primary school Repetition rates (%)						
Total	17	15	18.0	12	19	Not Met
Girls	16	15	17.5	11	19	Not Met
Boys	17	15	18.5	13	20	Not Met

Indicator	Baseline (2005)	FY 2006/07 Target	FY 2006/07 Actual	FY 2007/08 Target	FY 2007/08 Actual	Indicator performance
Progression rate into secondary school (%)	35	55	43.5	60	40	Not Met
Pupil/ Qualified Teacher ratio	1:73	1:65	1:62	1:62	1:90	Not Met
Secondary school Net Enrolment Rate (%)						
Total	11	10	11.8	20	13.1	Not Met
Girls	10	11	11.3	22	12.9	Not Met
Boys	11	12	12.4	25	13.4	Not Met
Secondary School Gross Enrolment Rate (%)						
Total	17	15	18.5	25	20.3	Not Met
Girls	15	12	15.9	27	17.9	Not Met
Boys	20	20	21.3	30	22.7	Not Met

### Sector Budget Performance

The Education Sector received about MK10.478 billion out of which MK7.766 was actually funded representing 74 percent funding on approved budget. From this amount MK7.626 was spent, being 98 percent utilisation of funding. However, two institutions were underfunded and these include MANEB and Lilongwe University of Science and Technology. The education sector as a whole was underfunded with over MK1 billion.

Due to external sources of funding and balances carried forward from 2007/08, Ministry of Education, Science and Technology, including Malawi Examination Board (MANEB), Mzuzu University (MZUNI) and Association of Christian Education of Malawi (ACEM) had expenditures above the approved budget. On the other hand, lack of capacity/delays in disbursement of funds resulted in some institutions like Catholic University of Malawi and Lilongwe University of Science and Technology to remain with substantial unused funds at the end of the 2008/09 financial year.

The expenditures for the education sector (Government Development Funding) were in most cases in line with the planned activities. In few instances, some expenditure was made on unplanned activities. For instance, Government constructed ten girls' hostels instead of seven.

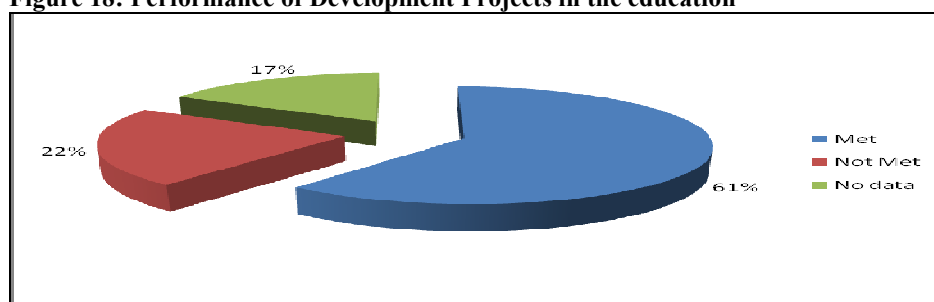
### Performance on Core Sector Outputs

The sector only reported on one core sector output as instead of two as was the case in the previous review. The cumulative weighted indicator for improved access to education performed better with a score of about 88 percent. This shows that the sector performed well with respect to increasing education access at both primary and secondary school levels.

## Development Projects Performance

During the 2008/09 financial year the sector implemented a number of development projects at different levels. As shown in the Figure 18 below, 66 percent of the development projects met their output targets. This is an improvement from 2007/08 when only 38 percent of the projects targets were met. The improvement in performance could be attributed to funding levels for the projects which had been in line with the budgets. However poor performance for some of the projects could be attributed to untimely disbursement of funds. Some projects also had funding gaps due to increases in prices of materials. Late passing of the national budget also affected the implementation of some activities.

**Figure 18: Performance of Development Projects in the education**



## Aid Effectiveness

Most of the aid effectiveness indicators for the sector continue to be unsatisfactory as only 4 out of the 9 indicators were satisfactory as shown in the Table 46 below. Those indicators that were satisfactory include; operational sector strategy, number of parallel implementation units, predictability of aid, and results based frameworks.

**Table 46: Performance on Paris Declaration Indicators:**

Indicator No. & Description	Overall Indicator Performance*	Comment
1. Operational Sector Strategy	Satisfactory	Sector Strategy NESP 2008 to 2017 in place. SWAp structures in place.
3. Aid Flows Alignment to National Strategy (MGDS)	No information	No information
4. Coordinated Support for Capacity Building	Unsatisfactory	
5a. Use of Country Procurement Systems	Unsatisfactory	Only CIDA, ADB and World Bank use government procurement system.
5b. Use of Country PFM Systems	Unsatisfactory	Only ADF use PFM.
6. Number of Parallel Implementation Structures	Satisfactory	Only PIU was mandated as an implementation structure.
7. Predictability of Aid	Satisfactory	Most pledges were honoured.
9. Use of Common Arrangements or Procedures	Unsatisfactory	Only PCAR benefits from common arrangements.
10a. Shared Analysis	Unsatisfactory	Most analyses were not shared analysis.
10b. Joint Field Missions	Unsatisfactory	Most missions were joint field missions.
11. Results Based Frameworks	Satisfactory	Annual Joint Sector Reviews.

## **Challenges**

The following are some of the challenges being faced by the sector:

- There is lack of adequate classrooms, classroom furniture, pit latrines and teachers' houses. These factors adversely affect the learning environment.
- The quality of education has also been compromised by low quality inputs into the system such as teachers, teaching and learning materials, infrastructural material and inspectional visits.
- Inadequate number of qualified teachers and lack of regularized school In-service Teacher Education and Training (INSETS) which would improve the professional development of the teachers, has had an immense effect on quality.
- Another challenge for the sector is to reform the curriculum such that it responds positively to the current needs of the individual learners and those of society at large. In addition, the sector needs to embrace and make available the use of Information Communication and Education Technology (ICET) as an important mechanism for the modern delivery of education.
- The Impact of HIV/AIDS on Education-HIV/AIDS is having an erosive effect on the performance and output of education systems. While there are no reliable statistics on the number of teachers dying, it is clear that the pandemic is having a devastating impact on the workforce through death and absenteeism.

## 20: Gender

The sector seeks to mainstream gender in the national development process in order to enhance equal participation of all gender groups for sustainable development. This is outlined in the sector's shared goals which are to reduce incidence of gender based violence, improve policy and legal environment for the protection of rights of women and other vulnerable groups, increase the number of women in politics, public and private sector decision making positions, and increase capacity of Ministry of Gender, Children and Community Development (MoGCCD), Civil Society Organizations (CSOs) and development partners to implement priority national and international gender equality objectives.

### Policy alignment and crosscutting issues

Implementation of the sector's activities is guided by National Gender Programme and the Ministry's Strategic Plan since the sector itself does not have its own strategic plan. The sector is also guided by a number of policies and acts most of which are aligned to the MGDS and include the following: National Gender Policy, National Response to Combat Gender Based Violence, Prevention of Domestic Violence Act (PDVA), Reproductive Health Policy, Decentralization Policy, HIV and AIDS Policy, and Revised Re-admission Policy for Teen Mothers. In the absence of a sector strategic plan (SSP), the sector's common aspirations and shared goals are best articulated through the Action Group on Gender (DAGG) Results Framework, which defines the sector, its goals and the expected outcomes.

As regards integration of cross-cutting issues, the sector has invested in efforts of mainstreaming HIV/AIDS in its programmes and activities including those implemented at the workplace. Most of the members of the sector have HIV and AIDS workplace programs and are also implementing outreach programs under the same. In addition, there is a drive towards integrating statistics as manifested in the development of various M&E systems by the sector members. Emphasis is on having systems that are utilization-oriented and can facilitate evidence-based decision making. The sector is also working in collaboration with the National Statistics Office (NSO) to develop a Malawi Gender Development Index (MGDI).

### Expected outcomes

The key expected medium outcomes for the sector is to mainstream gender in the national development process and improve socio-economic indicators for women and girls. The specific key outcomes are outlined in Text Box 18

#### 20.1 MGDS Indicator Performance

The sector has two performance indicators namely, percentage of women in decision making positions and Gender Development Index (GDI). Under the indicator of the percentage of women in decision-making positions, the analysis was made at two levels; female representation in decision-making positions in the civil service and women representation in parliament. Female representation in

#### Text Box 18: Expected MGDS Outcomes for Gender

- 1) Enhanced participation of women and men, girls and boys in decision-making and economic activities.
  - Increase proportion of seats held by women in parliament (from 15% in 2005) and in decision-making positions (from 12.9% in 2005)
- 2) Reduced gender inequalities as measured by access to services
  - Improve the Gender Development Index (GDI), which measures inequality between men and women from 0.374 in 2005
- 3) Strengthened institutional coordination of gender in all sectors

decision-making positions in the civil service has remained at 19.2 percent since 2007. No reason was given from the sector for shifting the acceptable indicator target from 30 percent to the new target of 21 percent for 2008/09. Thus the 91 percent achievement based on 21 percent gives a false impression that there has been improvement when progress stalled since 2007. The representation of women in parliament has increased by 8 percentage points from a baseline of 14 percent in 2005 to 22 percent in 2009. On the other hand, the Gender Development Index (GDI) was surpassed by 11 percentage points as shown in Table 47.

**Table 47: MGDS Annual Indicator – Gender**

Indicator	Baseline (2005)	Target 2006/07	2006/07 Actual	2007/08 Target	2007/08 Actual	2008/09 Target	2008/09 Actual	Indicator Target Performance
% of women in decision making positions in the civil service	15		19.2	30	19.2	21	19.2	91 Met
% of women in parliament	14				14		22 <sup>6</sup>	
% Gender Development Index (GDI)	0.374				0.432	0.600	0.666	111 Met

Source: SWG on Gender 2009

### Output Performance

The overall sector performance is within average on the basis of the core sector outputs as shown in the Table 48 below. Out of 4 sector outputs targets only 2 were met representing 50 percent achievement. Output on performance on women participation in decision making was poor mainly because the earlier assumption that political parties will field a significant number of female candidates did not hold.

**Table 48: Summary of Core Sector Outputs Performance**

Key Sector Outputs	Weighted Performance (%)	Rating
1 Clearly defined principles and guidelines on gender mainstreaming and strategies consolidated.	82.	Met
2. Institutional capacity of Ministry and other stakeholders enhanced.	84	Met
3. Women's rights upheld at all levels.	70	Not Met
4. Women participation in decision making increased.	59.4	Not Met

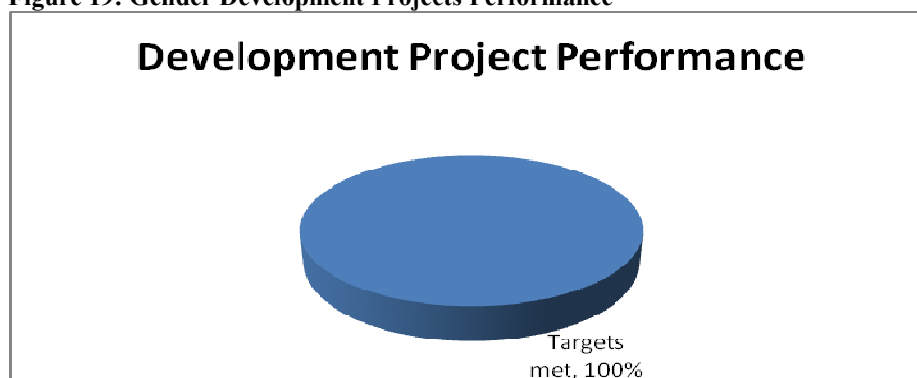
Source: SWG on Gender 2009

### Development Project Performance

The sector implemented three projects namely: Skills Development and Income Generation (SDIG), Sustainable Social Economic Empowerment Project (SSEEP) and Magomero College Refurbishment. The performance of projects was outstanding since over 80 percent of the output targets were achieved in all the three projects that the sector was implementing in the year under review. Figure 19 below summarises the sector's project performance.

<sup>6</sup> This indicator does not have intermediate targets because its dependent on general elections. The target for 2015 is 50%

**Figure 19: Gender Development Projects Performance**



Source: SWG on Gender 2009

### **Budget Performance**

The Ministry of Women and Community Development had a total approved budget of MK240.00 million comprising of MK120.00 million for recurrent expenditure and MK 120.00 million for development under Part II. Out of the total budget, the total funding amounted to MK180.54 million (75 percent) out of which MK228.99 million (127 percent) was spent. On Part I, the sector had an approved budget of MK1.15 billion out of which MK476.30 million was funded and about MK100.00 million was spent.

Besides government funds, the sector also received additional funds from the development partners namely: Danish Church Aid, Norway, UNFPA, CIDA, Germany Development Cooperation, and Flemish Government/ UNAIDS, UNDP and OXFAM. These funds were provided to the sector through Civil Society Organisations for the 50-50 campaign initiative, which was aimed at increasing women participation in politics.

### **Aid Effectiveness**

Overall, performance on aid effectiveness indicators was generally unsatisfactory for the sector as 60 percent of the indicator performance was unsatisfactory except for aid flow alignment to MGDS, aid predictability, shared analysis/joint missions and use of common procedures as outlined in Table 49 below. The sector does not have an Operational Sector Strategy (Strategic Plan) for the period covering 2006 to 2011.

Aid was predictable in the sector through NGOs and not through the national budget. The support for capacity building in this area was unsatisfactory as there is no plan developed. The result based framework for the sector is not yet finalized and it is anticipated that this is going to be finalized in the current financial year.

**Table 49: Summary of Performance on the Paris Declaration Indicators for Gender**

Indicator No. & Description	Overall Indicator Performance*	Comment
1. Operational Sector Strategy	Unsatisfactory	The sector does not yet have a Sector Strategy as it were.
3. Aid Flows Alignment to National Strategy (MGDS)	Satisfactory	Funds were made directly available to the Civil Society Organizations to support the MGDS.
4. Coordinated Support for Capacity Building	Unsatisfactory	No plan developed as a basis for coordinated support.
5a. Use of Country Procurement Systems	Satisfactory	Under the 50-50 program which was mainly funded by NORAD and UNDP, procurement was based on government

		procurement systems.
5b. Use of Country PFM Systems	Unsatisfactory	Most funds from sector's development partners were not included in the annual budget approved by country legislature and were therefore not necessarily subject to the established country budget execution procedures.
6. Number of Parallel Implementation Structures	Unsatisfactory	The sector had two PSIP projects during the year and one had a parallel PIU while the other was implemented through the mainstream government system. The former was funded by the ADB while the latter was under Part 2 funding.
7. Predictability of Aid	Satisfactory	Increased predictability especially via NGOs.
9. Use of Common Arrangements or Procedures	Unsatisfactory	The sector does not yet have a SWAP or Programme Based Approach. Efforts are however under way to establish a functioning SWG which might eventually lead to establishment of a SWAP.
10a. Shared Analysis	Satisfactory	There was one mission to the sector under the Skills Development and Income Generation Project from the ADB.
10b. Joint Field Missions	Satisfactory	There was one mission to the sector under the Skills Development and Income Generation Project from the ADB.
11. Results Based Frameworks	Unsatisfactory	The Sector has drafted its results Framework and it is anticipated that this is going to be finalized in the current financial year.

Source: SWG on Gender 2009

## 20.2 Recommendations

- Prioritize training of more Gender focal points focusing on district, town and city assemblies to ensure more effective mainstreaming of Gender into development plans, budgets and results frameworks
- Operationalize the institutional frameworks for the implementation of the National Gender Program
- Finalize the DAGG Results Framework to give the sector a clear formal direction with measurable performance milestones
- Disseminate guidelines to all sectors at all levels
- Based on the finalized DAGG results framework, develop a gender sector strategic plan (implementation plan)
- Lobby for an affirmative action to increase women in decision making positions



## **21: Technology and Research Development**

Information, Communication and Technology (ICT) and Research and Development are other important areas for the development of a Country. The goals of ICT, Science and Technology, Research and Development Sector are four-fold: to develop, disseminate and promote utilization of technologies in order to improve factor productivity and quality of goods and services; to ensure universal access to connectivity and affordable information and communication technologies; to improve service delivery in both public and private sector institutions through the application of IT; and to improve the dissemination of accurate, unbiased and timely information to the general public for informed decision making.

### **Policy alignment and crosscutting issues**

Through a number of policy actions, the ICT and R&D have continued to create an impact in line with the MGDS. The following are some of them; the development of a draft National Intellectual Property (IP) Policy; Bio-technology/bio-safety policy and ICT4D and Universal Access Policies. HIV and AIDS mainstreaming has also been incorporated into the strategies by implementing activities such as provision of nutrition supplements to infected staff, carrying out awareness campaigns and developing skills in counselling. The Research, Science and Technology sub-sector implements strategies aimed at promoting gender equity and equality. Efforts are being made to improve access by women to science and technology education at all levels and also facilitates employment of women in the same fields. Gender issues are also being addressed through the development of capacity of women and youth in implementing ICT initiatives. The sector has also taken an effort to address issues concerning the environment which include proper management, conservation, sustainable utilization and protection of natural resources, essential ecosystems and ecological processes.

### **Expected Outcomes**

The expected MGDS outcomes for both sub sectors are as outlined in Text Box 19.

A number of notable achievements were made in the sector during the year under review. These included but not limited to Research on Ethanol Driven Motor Vehicle project, capacity building in Science and Technology; collaboration of science and technology initiatives; provision of grants for small scale research projects, and institutional and human capacity building; strengthening of agricultural research to improve agricultural productivity; research and development of appropriate technologies for use in agro-processing; sensitization of people on ICT Policy and guidelines; modernization of record management system in the public sector; network in all Capital Hill buildings, 9 buildings at City centre and 1 at Department for Information Systems and Technology Management Services (DISTMS) headquarters were

#### **Text Box 19: Expected Outcomes for ICT, Research, Science & Technology**

##### **A) Information Communication Technology (ICT)**

- (i) Well developed IT infrastructure and improved e-governance
- (ii) Increased IT skills in both public and private sector institutions
- (iii) Increased tele-density
- (iv) Reduced cost of communication and increased access

##### **B) Research, Science & Technology:**

- (i) Well coordinated science and technology generation and dissemination
- (ii) Effective and efficient operation of the science and technology institution
- (iii) Increased uptake on productivity and enhancement of technologies
- (iv) Prioritized and focused research and development

established, 2 certified technicians in CISCO (i.e. network management systems) and Microsoft trained and an E-learning at Chancellor College was established and telemedicine centre at Kamuzu Central Hospital (Under Pan-Africa e-network Project).

### 21.1 MGDS Indicator performance

The ICT sub-sector had seven indicators; however data was only available on five indicators. Table 50 below provide information on progress made on selected MGDS annual indicators. It was difficult to assess performance because targets were not set. A Science Technology and Innovation (STI) survey which was the only hope to provide the much needed data failed to take place in 2008.

**Table 50: Annual MGDS Indicator – Technology and Research Development**

Indicator	Baseline (2005)	2006/07 Actual	2007/08 Target	2007/08 Actual	2008/09 Target	2008/09 Actual	Indicator Target performance
Tele density	2.7	4.78	7.9	8.15	-	12	
Mobile Density	2.08	4.13	6.53	6.99	2.08	11.16	
Fixed line Density	0.62	0.73	-	079	-	0.83	
Number of Internet Users	8,197	55,029	-	78,000	-	105,000	
Computer Density	-	-	-	-	-	-	
E-Government status	-	-	-	-	-	-	
No of new locally developed and patented technologies commercialized.	0	1	1	0	1	0	

Source: SWG on ICT 2009

### Output performance

The sector performed quite well despite traces of poor performance by some indicators and lack of available data on other indicators. The poor performance on the observed indicators was attributed to funding problems which led to failure in implementation of some planned activities. Despite this, cumulatively, most outputs performed above average and were in line with the desired trend as shown in Table 51 below.

**Table 51: Core Output performance**

Key Sector Outputs	Weighted Performance (%)	Rating
Developed & enhanced ICT industry	91	Met
A reliable, fast adaptive and robust national ICT infrastructure developed	88.	Met
Improved access to ICTs to all communities	100	Exceeded
Increased uptake in productivity & enhancement of technologies	67	Not met
Prioritized and focused research and development	90	Met
Well coordinate science and technology generation and dissemination	100	Met

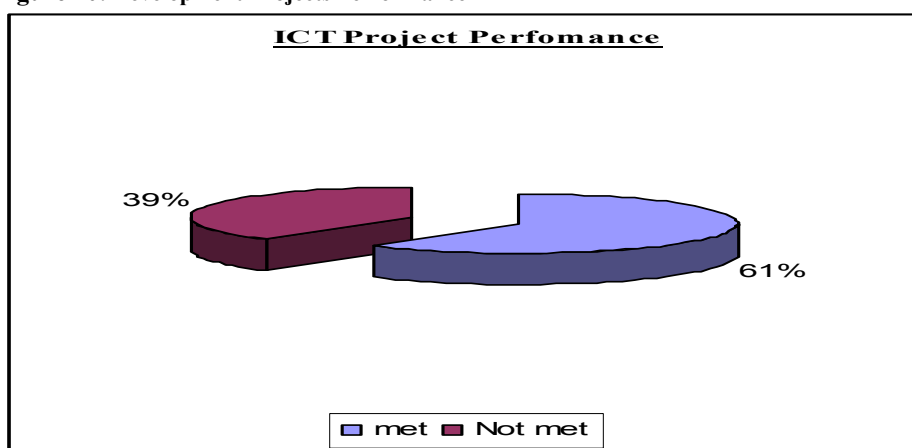
Source: SWG on ICT, R&D 2009

The ICT sector performed above average as five out of the six core indicators targets were met. There was good progress on the implementation of the development projects.

### Development Projects Performance

Out of the various projects implemented by the sector in the period under review, only 61 percent met the output targets. This under performance was as a result of inadequate funding during the financial year as both recurrent and the project activities were not funded on time and worse still the funding was not according to the approved cash flow. Thus, there was lack of synergy between the budget and the planned activities hence implementation was affected. Ineffective coordination amongst stakeholders in the sectors, and lack of an overall sector strategy to guide the implementation of various policies in the sectors also contributed dismal performance. Data gap persisted due failure to conduct a survey to establish the status of the indicators.

Figure 20: Development Projects Performance



Source: SWG on ICT, R&D 2009

### Budget Performance

The ICT and R&D sector planned to spend approximately K2 billion, however, the approved budget was MK327 Million and actual funding was MK342 Million. ORT totalled MK46.7 Million and the development funding was MK295 Million. The sector had spent MK604 Million representing 177 percent spending on the funds provided. Most planned activities in this sector were implemented despite four planned activities not being implemented due to inadequate funding.

### Aid Effectiveness

The sector as a whole performed unsatisfactorily on aid effectiveness since 6 out of 9 aid effectiveness indicators failed to meet targets. There is no specific sector strategy for Research, Science and Technology and ICT which is time-bound and associated with a defined programme of work to be undertaken in the sector. This implies that in the sector there is no donor coordination within donors themselves and the government.

**Table 52: Outlines Performance on Paris Declaration Indicators:**

<b>Indicator No. &amp; Description</b>	<b>Overall Indicator Performance*</b>	<b>Comment</b>
1. Operational Sector Strategy	Unsatisfactory	There is no Sector strategy.
3.Aid Flows Alignment to National Strategy (MGDS)	Very satisfactory	World Bank (WB) funded project through IDA.
4.Coordinated Support for Capacity Building	Very satisfactory	Technical support from Government of India.
5a. Use of Country Procurement Systems	Unsatisfactory	WB procurement procedures were applied.
5b. Use of Country PFM Systems	Unsatisfactory	WB financial management systems were applied.
6. Number of Parallel Implementation Structures	Unsatisfactory	Based at project office in Lilongwe (FIMTAP).
7. Predictability of Aid	Satisfactory	No comment.
9. Use of Common Arrangements or Procedures	Unsatisfactory	There was neither SWAP nor PBA.
10a. Shared Analysis	Unsatisfactory	There was one WB mission but not joint analysis.
10b. Joint Field Missions	Unsatisfactory	There was no joint analytical works.
11. Results Based Frameworks	Unsatisfactory	No frameworks.

Source: SWG on ICT, R&D 2009

## 21.2 Recommendations

- There is need to undertake survey to establish data for computer density, e-government status, radio and TV broadcasting status.
- ICT should be main-streamed in Ministries and Departments such that it is reported by individual stakeholders as is the case with HIV /AIDS or gender issues.
- Need for adequate and timely funding for projects by Government and Donors.
- There is need to develop an overall sector strategy

## 22: Air and Rail Transport

The main goal of the sub-sector is to provide and maintain a competitive self-sufficient civil aviation environment that ensures safety in accordance with national and international standards and enables the provision of services in a reliable and efficient manner, and that of the rail transport sub-sector is to provide a well-managed, viable and sustainable railway system that promotes accessibility and safe, affordable, and reliable movement of goods and people including those with disabilities.

### Policy alignment and crosscutting issues

At present the Air and Rail transport sector is guided by the following policies - the National Transport Policy of Malawi, Road Transport and Traffic Policy, Air Transport Policy, Rail Transport Policy, Maritime Transport Policy, National Rural Transport Policy and these Strategic interventions are all aligned to MGDS.

On crosscutting issues, the sub-sectors set aside 2 percent of their annual budget to issues to do with mainstreaming of HIV and AIDS. Other issues on environment and gender are well enshrined in the transport policy document and in terms of science and technology; the transport industry is very advanced in all modes. The challenge is to keep abreast with technological advancements and statistics.

### Expected Outcomes

The expected MGDS Outcomes for both air and rail transport sub-sectors are as indicated in Text Box 20.

Based on the achievements reported under the MGDS annual indicators, some core sector outputs and development budget performed above average towards achieving the MGDS outcomes while the rest did not.

### 22.1 Annual MGDS Indicator Performance

As can be observed in the Table 53 below, the sector registered poor performance because about 55 percent of the MGDS annual indicator targets have not been. Despite this some MGDS annual indicators met their targets for instance traffic growth rate (Passengers) and Traffic growth rate (freight).

#### Text Box 20: Expected Outcomes of Air and Rail Transport

##### Obtain Smooth carriage of cargo in one transport chain

##### A) Air Transport

- Attain and maintain a competitive, self-sufficient and sustainable civil aviation environment that ensures safety in accordance with national and international standards and enables the provision of services in a reliable and efficient manner.

##### B) Rail Transport

- Provision of Well-managed, viable and sustainable railway system that promotes accessibility and safe, affordable, reliable movement of goods and people including the disabled.

##### C) Multi Modal Transport

- Obtain Smooth carriage of cargo in one transport chain

**Table 53: Annual MGDS Indicator – Air and Rail Transport**

Indicator	Baseline (2005)	2007/08 Actual	2008/09 Target	2008/09 Actual	Indicator Target Performance
%of runways in good condition)	60	62	90	65	Not Met
% of equipment in good condition	50	45	85	55	Not Met
% of civil aviation services available/ provided	50	50	90	60	Not Met
% of implementation of ICAO standards	40	45	60	45	Not Met
Number of conventions adopted		3	3	3	Met
Traffic growth rate (passengers) (%)	7	6	7	7	Met
Traffic growth rate (freight) (%)	20	12	15	15	Met
Average duration of delay/flight and flight cancellations	10	15	8	10	Not Met
Average number of airlines per strategic route	2	2	2	2	Met

Source: SWG on Air and Rail Transport 2009

### Output Performance

Looking at the output performance both air and transport subsector had their own sector outputs. On the basis of the air transport sub-sector core outputs, the sector performed poorly. Out of the 2 sector outputs, one met its targets whilst another one on improving efficiency and competitiveness did not. This is mainly due to increase in flight delays and cancellations. The case was different where both sector outputs did not meet the targets.

**Table 54: Weighted Output Performance- Air and Rail Transport**

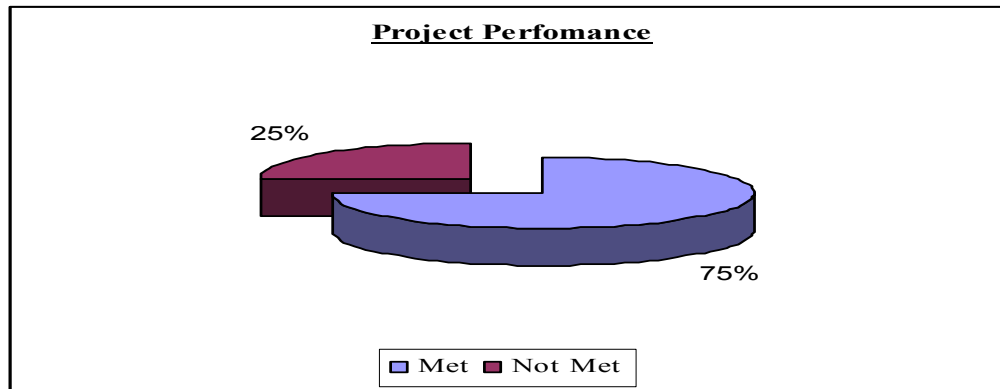
Key Sector Outputs for Air Transport	Weighted Performance (%)	Rating
1. Safe, efficient and reliable air transport infrastructure provided	8	Met
2. Efficiency and competitiveness of air transport improved	70	Not Met
Key Sector Outputs for Rail Transport		
1. Safe, efficient and reliable air transport infrastructure provided	60	Not Met
2. Efficiency and competitiveness of air transport improved	65	Not Met

Source: SWG on Air and Rail Transport 2009

Based on the review findings on results performance, the sector overall performance is unsatisfactory because not only did the annual MGDS indicators fail meet their targets, but also performance on development projects was poor. The sector outputs performance was below average; this was explained as being due to increase in flight delays and cancellations. Generally, the sector has done poorly than in 2008/09.

## Development Projects Performance

Figure 21: Air and Rail Transport Projects Performance



Out of the eight projects in the Public Sector Investment Plan (PSIP), the Department of Civil Aviation received funding for only six projects, which had all its targets met, representing 75 percent of the total projects. Apart from the other two, the other project that lagged behind was the KIA runway rehabilitation programme, this was due to the heavy delay as physical works could not commence due to underfunding.

### Budget Performance

A total budget of MK131, 852,353 was approved for the aviation sub-sector in the year under review. Out of this, MK127, 285,567 was disbursed to the sector; being 96 percent funding on approved budget and almost all the funded amount was spent, being 100 percent spending. Air transport sub-sector did not experience any diversion of funds during the year. Expenditures were made on the basis of the planned activities. Most of the activities that were planned were implemented.

## 22.2 Recommendations

- It is suggested that consideration for prioritization should take into account revenue generation capability for a sector or sub-sector since excess revenue are good for economic/social development.
- Also under Theme four “Infrastructure Development” one of the expected outcomes should be that “By 2011 civil aviation infrastructure to meet 95% of the ICAO standards (requirements). Need to show targets for 2008/09/10/11.
- Under Key Actions for Sub Theme: Air and Rail Transport – for safe, efficient and reliable infrastructure, include additional key activities as follows: - Review the Aviation Act, regulations and related procedures; strengthened Human resource capacity.

## **23: Economic Governance**

The goal of good economic governance is to ensure that human and financial resources are utilised efficiently and effectively to achieve economic stability and, sustainable economic growth and development. Prudent and sound macroeconomic and fiscal management are critical to the achievement of a favourable environment for a vibrant private sector-led growth and development as well as poverty reduction. Key instruments for achieving this include; a robust, efficient and corruption free procurement system, rigorous accounting principles and systems, sound and independent audit systems, effective financial resource mobilization mechanisms, prudent budgeting and financial reporting systems. In addition, effective public policy formulation, implementation and efficiency in the public sector management are vital for effective delivery and provision of public goods and services.

### **Policy Alignment and Crosscutting Issues**

For the economic governance sector, apart from aligning sector strategic plans to the MGDS, key policy instruments that are also aligned to (or emanated from) the MGDS are: the Public Financial Management Act (PFMA), the Public Audit Act (PAA) and the Public Procurement Act (PPA). The sector also used the MGDS in developing the Exogenous Shocks Facility (ESF), a programme with IMF. This programme was successfully implemented in the course of the year and comes to an end in November 2009.

Four implementation instruments were vital in the economic governance. These included; the Public Financial and Economic Management (PFEM); the Integrated Financial Management Information System (IFMIS); the Debt and Aid Policy (DAP) and the Human Resource Management and Information System (HRMIS). Through the PFEM process, the sector provided oversight to governing resource mobilization and utilization so that the systems, procedures and processes are operating efficiently and effectively. Improvements in IFMIS further strengthened government expenditure control and audit systems. The DAP, on the other hand, guided on debt and aid mobilization; while the HRMIS improved the efficiency and delivery of public services.

### **Major Achievements in 2008/09**

In the area of public policy formulation, a number of initiatives were implemented. These included: extensive awareness campaigns of the MGDS to local and traditional leaders; wide consultations with business and members of the general public on the budget framework; extensive dissemination through public media and other resources on government programmes and policies; provision of IT orientation and support services to local assembly offices; capacity building on policy formulation; provision of support to community information centres; wide circulation of the State of Nations Address which outlined implementation of Government policies and programs for 2008/09 FY and Plans for 2009/10 FY; monitored some of the Government key priority projects; gathered, processed and disseminated publications, documentaries and news briefs on Government policies and programmes; conducted grassroots, middle and top level consultations on implementation of Government policies and programs; and successfully conducted the 2009 General Elections.



The public sector also made numerous achievements in an effort to improve performance and service delivery of the public sector. These included: training of public servants in long term programmes with the University of Malawi and abroad; revision of salaries in the 2008/09 financial year; launch of the Civil Service Performance Management System; alignment of Strategic Plans for Ministries and Government Departments to MGDS; and implementation of a computerized human resource management and information system.

### 23.1 MGDS Indicator Performance

Despite the global economic meltdown, Malawi continued to register strong and impressive economic growth rates well above the 6.0 percent target of the MGDS. In 2008, the economy grew by 9.7 percent, a percentage point higher than the previous year due to bumper harvests and better tobacco prices. With respect to inflation, the country maintained a single digit inflation regime as required by the MGDS expected outcomes. In 2008, annual inflation averaged 8.7 percent rising by about 0.7 percentage points from the preceding year. This was largely on account of general increase in commodity prices during first and second quarters of the financial year. Food prices did not increase at the local level albeit the bumper grain harvest in 2007/08 growing season. Similarly, on exchange rate, a stable local currency against all major foreign currencies of the world was maintained. For a third consecutive year running now, exchange rate was stable at MK140/US\$1. Efforts were also made to ensure that the local currency is fully determined by market conditions of currency demand and supply.

On fiscal performance, with regard to domestic debt stock and fiscal deficit, performance was rather less impressive during the year under review as compared to the previous year. Fiscal deficit for December 2008 was 4.2 percent against a target of 3.3 percent and domestic debt as percent of GDP was 15.5 percent against a target of 14.1 percent. The year was characterised by high petroleum and fertiliser prices. Increases in fertilizer prices at the beginning of the financial year and general rise in expenditures due to the general elections were two of the major reasons for Government's over-expenditures. Budget lines for the fertiliser subsidy program and the General Elections each accounted for 50 percent of the over-expenditures in 2008/09. It is hoped that, with falling global fertilizer prices and a General Election already undertaken, the country will duly remain on course to meet the fiscal indicators for 2009/10 fiscal year. In particular, it is expected that fiscal deficit and domestic debt increases will subside and begin to fall by the end of the fiscal year.

**Table 55: Annual MGDS Indicators – Economic Governance<sup>7</sup>**

Indicators	Baseline (2005)	2007 Actual	2008 Target	2008 Actual	Indicator Target Performance (%)	Indicator performance Rating
GDP annual growth rate (%)	2.3	8.6	6	9.7	161	Exceeded
Income per capita (US\$)	231	284	284	312.5	110	Exceeded
Inflation rate (%)	15.5	7.9	< 10	8.7	100	Met
Exchange Rate (MK/USD)	118.4	140	140	140	100	Met
Domestic debt as % of GDP <sup>8</sup>	19.8	14.1	≤14.1	15.5	84	Not Met

<sup>7</sup>Economic growth and macro-economic figures are reported on a calendar year basis as opposed to the GoM fiscal year used for reporting on all the other MGDS indicators

Indicators	Baseline (2005)	2007 Actual	2008 Target	2008 Actual	Indicator Target Performance (%)	Indicator performance Rating
Fiscal deficit as % of GDP <sup>9</sup>	3.5	3.3	≤3.3	4.2	64	Not Met
Bank rate (%) <sup>10</sup>	27	15	≤15	15	100	Met
Political Will and Mindset (Fulfilment of Plans)	Qualitative	Met	Met	Met	Met	Met
Public sector institutions implementing medium term pay policy (%)	43	64	80	85	106	Exceeded

Source: SWG on Economic Governance

## Output Performance

Table 56 shows the levels of success and achievements of the economic governance sub sectors in 2008/09 fiscal year. As can be deduced, overall, the level of success in most of the expected outputs was good. Out of a total of 18 output indicators, the sector performed exceedingly well on 14 indicators. In line with the strong economic performance in 2008/09 financial year, all output indicators under this sub sector were achieved above expectations. The same also applied to public sector management and public policy formulation sub sectors. However, in line with the fiscal pressures and failure to meet the fiscal targets, the fiscal management sub sector achieved only 6 out of the 10 output indicators. The sub sector failed to meet the targets on improved budget implementation, automation of bank and accounting systems, automation of salary payments and rolling out of IFMIS to all district assemblies. The rising fertilizer prices and expenditures on the general elections explained part of the reasons for the failure of fully implementing the budget as per the budget. Furthermore, inadequate availability of resources for the IFMIS and automation of payment systems delayed achievements of output in these areas. It is expected that these improvement are to be made in the 2009/10.

**Table 56: Summary of Weighted Output Performance for Economic Governance**

Key Sector Outputs	Weighted Performance (%)	Rating
<b>MACROECONOMIC MANAGEMENT</b>		
Improved macroeconomic environment	100	Met
Improved knowledge by the public on the state of the economy	100	Met
Improved capacity	120	Exceeded
<b>FISCAL MANAGEMENT</b>		
Improved implementation of the budget	55	Not Met
Effective debt and aid management	100	Met
Policy direction on internal audit provided	100	Met
Effective revenue policies developed	100	Met
Controls and accounting systems in place	106	Exceeded
Annual appropriation accounts for 2006/07 produced	100	Met
Automation of bank and accounting systems	70	Not Met
Provision of pay services	100	Met

<sup>8</sup> For this indicator the opposite direction is desirable such that an achievement lower than the target reflects good progress

<sup>9</sup> For this indicator the opposite direction is desirable such that an achievement lower than the target reflects good progress

<sup>10</sup> The target is to further adjust the bank rate downwards

Key Sector Outputs	Weighted Performance (%)	Rating
Automated payment of salaries and pensions	60	Not Met
IFMIS rolled out	71	Not Met
<b>PUBLIC SECTOR MANAGEMENT</b>		
Administrative and support services provided	200	Exceeded
Productive Civil Service	112.5	Exceeded
HIV and AIDS mainstreamed	125	Exceeded
Human resource management services provided	100	Met
Policy guidance on remuneration of the Public Service provided	100	Met

Source: SWG on Economic Governance

Based on the above results and discussions, the performance of the economic governance sector has been graded as above average considering that most of the MGDS annual indicators were either met or exceeded as 14 out of 18 sector outputs were on target or above target.

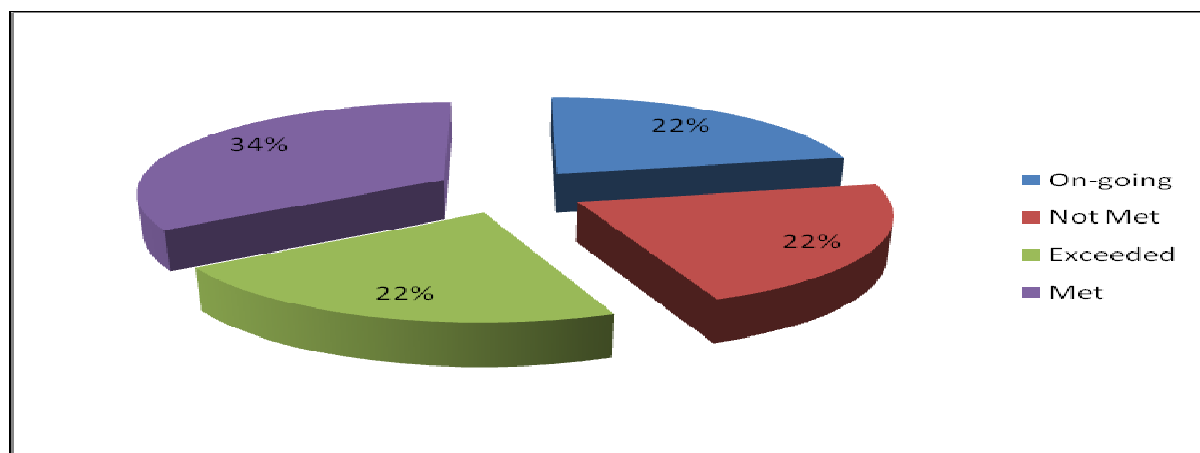
### Performance of Development Projects

In 2008/09, the economic governance sector implemented a total of nine projects, some of which are on-going. These projects included; Statistics Norway (SN) Institutional Corporation (NORAD Capacity Building) Project; the New Budgeting System Project; the Human Resource Management Information Systems (HRMIS) Project; Construction of Laboratory and Classroom Blocks at the Malawi College of Accountancy Project; Accounting Systems Review Project; Construction of Treasury Cashier Buildings Project, Institutional Development Project and the UNDP Capacity Development Project.

In terms of progress, the New Budgeting System Project and UNDP Capacity Development Project performed extremely well surpassing their set targets. The MEPD-SN Institutional Corporation (NORAD Capacity Building) Project, Malawi College of Accountancy (MCA) Construction of Laboratory and Classroom Blocks and Accounting Systems Review Project also performed well as they met all their targets. The Pensions Reform Project and Construction of Treasury Cashier Buildings Project are on course as construction and the reforms under these projects have commenced and are underway. These projects are on-going such that it was difficult to ascertain progress made or level of performance as having met the target or not but it must be noted that substantial progress is being made in both of these projects.

Regardless of these achievements, two projects, namely, the HRMIS and the Institutional Development Projects failed to meet their targets. Irregular and late disbursement of funds was one of the major reasons for the failure to meet the targets. However, although the HRMIS did not meet its target, significant progress was made in the course of the financial year especially in the areas of containing the wage bill fluctuations; improving human resource records management; reductions in salary related acts of fraud; and appointments or recruitments are no longer being done where there are no posts or authorized establishments.

**Figure 22: Projects Output Performance - Economic Governance**



Source: SWG on Economic Governance 2009

### **Budget Performance**

The total approved budget for the Economic Governance Sector in 2008/09 was MK21.3 billion of which MK14.3 billion was recurrent budget (ORT) and MK6.98 billion was Development budget. The sector received total funding of MK20.8 billion which was 98 percent of its approved budget. The sector received 100 percent of its approved development budget while for ORT, the sector received MK13.8 billion which was MK500 million less than its approved budget. Sub-sector funding analysis showed that institutions in the Fiscal Management sub sector received MK316 million more than their funding. The Accountant General's Department received MK260 million more than their approved budget while Ministry of Finance also received MK68 million more. Institutions involved with macroeconomic management received all their funding according to the approved budget while institutions involved with Public Policy Formulation and Public Sector Management received less funding than their approved budgets. The OPC received MK433 million less than their approved budget while the National Assembly received MK306 million less. The funding shortfall to Ministry of Information was MK38 million while to the Department of Human Resource Management and Development (DHRMD) was MK2.25 million less.

In terms of expenditures, out of MK20.812 billion funding, the sector used MK20.806 billion. This meant that only about MK6 million was not used by the sector of which MK3.4 million remained unused by Ministry of Finance, MK2 million by the OPC and MK600,000 by the Accountant General's Department. The analysis of planned expenditures against actual expenditures indicated that although details of the approved budgets are both at program and activity level, details of funding are only easily depicted at program level as expenditure has not been disaggregated by activity. It was therefore difficult, if not impossible, to accurately determine funding against expenditures of specific activities. Notwithstanding this, the activities were implemented as planned by all the sub sectors of the Economic Governance Sector.

The analysis of funding to development projects revealed that although all the resources were supplied to the economic governance sectors' projects, timing and flow of these resources was an issue. It was reported that disbursement of these resources was in some instances late while in other circumstances was irregular. These circumstance undermined effective implementation of these projects.

**Outstanding Issues on the Budget are:**

- Reporting format of IFMIS should be aligned to the output based budget format.
- Bank and accounting systems should be automated to ease and speed up processing of financial transactions;
- IFMIS should be rolled out to all the local authorities to improve cash control and it should also include the development budget Part 1;
- Donors should adopt the IFMIS to process transactions for donor funded projects for timely disbursement of funds as this affects achievement of project results;
- Delayed disbursement of funds by donors had a negative impact on the sector's ability to achieve the targeted outputs.

**Aid Effectiveness**

Performance on aid effectiveness was satisfactory for 7 out of 9 indicators as illustrated in Table 57 below. Government continued to get a healthy aid flow particularly for the Economic governance sector. Increased dialogue, consultation and commitment by Development Partners towards use of national systems as well as existing strategies which is in line with the Paris Declaration have assisted in improving aid management. However, there still remains room for improvement especially in provision of aid flow projections, maintenance of complete updated disbursement data and development of an all encompassing Sector Development Strategy.

**Table 57: Performance of the Paris Declaration Indicators in Economic Governance**

Indicator No. & Description	Overall Indicator Performance	Comment
1. Operational Sector Strategy	Unsatisfactory	There is however a need to produce a consolidated copy otherwise there are ministry specific strategies mainly in draft form.
3. Aid Flows Alignment to National Strategy (MGDS)	Satisfactory	No comment
4. Coordinated Support for Capacity Building	Satisfactory	This area is well supported
5a. Use of Country Procurement Systems	Unsatisfactory	Though there is commitment to move towards National systems Development Partners insist on having modifications or use own systems
5b. Use of Country PFM Systems	Unsatisfactory	No comment
6. Number of Parallel Implementation Structures	Unsatisfactory	Lack of complete data to determine the actual numbers
7. Predictability of Aid	Satisfactory	But general indication are that triggers for disbursements are at times changed within implementation period
9. Use of Common Arrangements or Procedures	Satisfactory	The collaboration with Development Partners is satisfactory
10a. Shared Analysis	Unsatisfactory	Increased sharing of findings between development Partners and government
10b. Joint Field Missions	Unsatisfactory	As in "a" above
11. Results Based Frameworks	Very Satisfactory	Several exercise were undertaken in 2007/08 based on agreed frameworks

Source: SWG on Economic Governance 2009

### **23. 2 Challenges**

The sector and the economy as a whole encountered several challenges which constrained effective implementation of MGDS activities as outlined below:

- There are some activities of the sector that are still not closely linked to the MGDS outcomes;
- There is a poor link between the activities stipulated in the Output Based Budget with the inputs (budget line items);
- PFEM Action Plan is poorly implemented;
- Some MGDS indicators remain only partially defined, making it hard to hold government accountable on service delivery;
- MGDS has not yet permeated all levels of the Central Government and line Ministries. There is a need to continue with the alignment process to ensure that all major government policies link back to the goals of the MGDS. The annual budget planning cycle is an opportunity to ensure this happens.
- Under asset management, the accounting and recording systems of government assets was not fully implemented. Under staffing for those dealing with Asset Management; and Procedures for recording and accounting for Government Assets are major reasons for this. Other factors include; budgetary constraints, lack of highly skilled human resource and inadequate materials, equipment and systems; and lack of data.

### **Recommendations**

The major policy recommendations for economic governance sector that emanate from this review are as follows:

- All ministries should have the MGDS as a reference document for their outputs and performance indicators to ease the review process;
- Department of Accountant General (DAG) should roll out IFMIS to all district assemblies and IFMIS should include development budget part 1. DAG should also consider activating all modules (procurement, active planner budgeting, cash management etc);
- The Office of the Director of Public Procurement (ODPP) and the Budget Division of the Ministry of Finance should strengthen the linkage between procurement planning and the budgeting process;
- Ministry of Development Planning and Cooperation (MDPC) should redefine some governance indicators and focus areas in the MGDS annexes for effective progress review; the Ministry of Finance should ensure that all activities stipulated in the Output Based Budget are linked with the inputs;
- The budgeting, funding and expenditure templates should be harmonized so that budgets are easily related to funding and expenditure mechanisms. The MoF together with the DAG should lead the implementation of this activity.

## 24: Democratic Governance

Democratic governance consists of several sub-sectors some of which include the following main areas: The fight against corruption, Justice and Rule of Law, Office of the Ombudsman, Security and Human Rights.

### 24.1 CONTROL OF CORRUPTION

The main goal is to free the country from corruption in order to create an enabling environment for business for both the public and private sector. The Anti-Corruption Bureau (ACB), an autonomous government institution was established and mandated under section 4 of the Corrupt Practices Act No. 18 of 1995 to control corruption through investigation, prosecution and preventive means which include educational programs.

#### Crosscutting Issues by the Sector

The ACB complies with government policies on gender issues, HIV/AIDS and environment. Apart from offering equal employment to both male and females, 28 percent of its senior managers and 38 percent of its middle managers are women. The anti corruption activities involving the youth are implemented through collaborative work with MANEB on checking examination malpractices and formation of anti-corruption clubs in all universities and constituent colleges and in some secondary schools. The sector has a 2% provision on its budget to support HIV/AIDS interventions. It also has an on-going project with National Aids Commission (NAC) which has activities targeting staff members and their relations. The sector has continued to actively been involved in environmental issues through Law Enforcement by investigating cases touching on environment

#### Expected Outcomes

The expected outcome for the sector is as outlined in the Text Box 21.

#### 24.1.1 MGDS Outcome Indicator Performance

Overall the performance has been above average considering that 12 out of 14 indicators met targets with 86 percent achievement. Most of the indicator achievement exceeded set target by 64 percent.

#### Text Box 21: Medium-term outcomes for Democratic Governance:

- (i) Corruption and fraud will be reduced
- (ii) Local Assemblies in full control of development planning and implementation
- (iii) More responsive, efficient and effective judicial authority
- (iv) Reduced crime levels
- (v) Increased domestic and foreign investment

Table 58: Progress on MGDS Annual Indicators

MGDS Output/ Outcome Indicators	Baseline (2005)	2007/08 Actual	2008/09 Target	2008/09 Actual	Performance level (%)	Rating
Number of Anti Corruption Clubs supported	5	10	23	29	126	Exceeded
Number of public sensitization rallies conducted	15	33	30	33	110	Exceeded
Number of IEC materials produced and distributed		37,720	54,600	70,100	128	Exceeded

<b>MGDS Output/ Outcome Indicators</b>	<b>Baseline (2005)</b>	<b>2007/08 Actual</b>	<b>2008/09 Target</b>	<b>2008/09 Actual</b>	<b>Performance level (%)</b>	<b>Rating</b>
Percentage of people aware of reporting procedures of corruption and its work of the sector. (%)	15	16	30	35	116	Exceeded
Number of Corruption Prevention Policies developed	-	1	6	7	116	Exceeded
Number of inquiries conducted	10	13	10	29	290	Exceeded
% of recommendations implemented	50	60	70	72	102	Exceeded
Number of Investigations completed	255	285	360	480	133	Exceeded
Percentage of completed cases leading to prosecution	38	39	40	28	70	Not Met
Number of cases taken to court	82	68	100	112	112	Exceeded
Number of prosecution cases completed	22	16	25	20	80	Met
Number of convictions based on cases	15	10	18	9	50	Not
Percentage of completed cases leading conviction	68	63	72	65	90	Met
Reduced number of cases which had stayed longer than 2 years	27	15	10	9	90	Met

Note: The sector does not have data for increased percentage of people aware of reporting procedures of corruption and the work of the sector for the period under review because there no research was conducted this year to assess

### Core Sector Output Performance

The ACB implemented a number of activities under ORT in accordance with its strategic plan which contributed to the achievement of the MGDS goal on improved good governance. The overall achievement was 140 percent, which is 39 percent higher than that of 2007/08. In the law enforcement programmes which include investigations and prosecution of suspected corruption cases, the ACB achieved its targets by 102 percent which is about 19.4 percent higher compared to 2007/08 achievement. However there are still problems to retain prosecutors to take cases to court resulting into few cases taken to court and concluded. On average the sector managed to exceed the target by about 33 percent due to better management, increased capacity, adequate and timely funding amongst others.

**Table 59: Sector Output Performance**

<b>Core Sector outputs</b>	<b>Baseline 2005</b>	<b>Output Indicator Target (08/09)</b>	<b>Output Indicator Actual (08/09)</b>	<b>Weighted Performance %</b>	<b>Rating</b>
No. of Corruption Prevention Policies in place	150	150	182	121	Exceeded
No. of presentations and anti-corruption rallies/sensitization rallies conducted		54600	70,000	128	Exceeded
No. of institutional inquiries/audits completed	11	16	29	181	Exceeded
Number of investigations concluded	255	360	480	133	Exceeded
Number of completed prosecutions	22	25	20	87	Met
Number of cases completed timely	22	10	9	111	Exceeded

Source: SW on Democratic Governance 2009



**Budget Performance**

The sector planned a number of activities aimed at reducing corruption in Malawi in the year. The ACB had total approved budget of MK 329 million out of which MK 180.8 million was ORT and MK 149.6 million was development. Overall ACB got most of the funding from development part II budget. There was no allocation on development from the government budget. The funding was exceptionally good since the entire approved budget was funded. There were negligible unspent funds.

**Expenditures on Planned vs. Unplanned activities**

ACB can only plan on existing cases. However there are always provisional funds earmarked for unforeseen activities depending on calls for investigations and prosecutions. In the year under review both planned (existing) and unplanned (unforeseen) activities were implemented. Some unplanned activities included: rallies, workshops and briefings that were demanded by different institutions. The number of cases prosecuted was slightly below what was planned because the sector had few internal lawyers and was tied with some high profile cases.

**Aid Effectiveness**

The Development Partners that provided support to the sector both financial and technical during the year under review included DFID, Norway and European Union. There were no ratings on aid effectiveness from the sector.

**24.1.2 Recommendations**

- Government should continue providing adequate resources to the sector to enhance an effective fight against corruption.
- Government should enforce the implementation of the National Anti-Corruption Strategy by making sure that all public institutions include corruption prevention programs in their plans and budgets. This will ensure participation of public sector in the fight against corruption and assist to improve service delivery.
- There is need for Ministry of Economic Planning and Development in conjunction with Ministry of Finance to sensitize public institutions on MGDS as a national development strategy that should be used as a planning tool to enhance the achievement of the MGDS Goals.

**Follow-up on recommendations from previous review**

During the previous review the sector proposed the need for Ministries of Finance and Justice to facilitate the fast tracking system of corruption cases in order to reduce the number of court cases that have stayed in the court system for over two (2) years, however, this has not been done and the sector urges Government to implement this recommendation.

## 24.2 JUSTICE AND RULE OF LAW

This sub-sector's mandate is to promote the rule of law, justice and democracy, transparency and accountability. The sub-sector is guided by a strategic plan, which has been revised to provide sound legal advice to Government; timely prosecute criminal offences; prepare legislation and drafting of legal instruments; provide legal aid to the public who cannot afford private legal representation; provide a conducive legal framework for registration and regulation of charities and business organizations; and to provide efficient administration of deceased estates amongst other key deliverables.

### Expected Results

The expected results for the justice and rule of law sub-sector are outlined in the Text Box 22:

### Integration of Crosscutting Issues

The sector conducted sensitization campaigns on HIV/AIDS awareness for both senior and junior officers. In addition to food items, the Ministry also handed out monetary assistance to its members of staff infected and affected by the pandemic for purposes of purchasing drugs and other utilities. Gender balance has been embraced as evidenced by many senior positions which are held by women. In addition, many projects under the sub-sector are coordinated by women officers. The Ministry, through the Directorate of Public Prosecutions is intensifying collaboration with other Ministries and Departments to investigate and prosecute timely cases under the Environmental Management Act (Cap. 60:02). The purpose of this collaboration is to assist in the fight against environmental degradation. Under the same, new laws are being made and old ones amended for protection and sustainability of the environment.

#### Text Box 22: Expected MGDS Outcomes for Justice and Rule of Law

- A more responsive and effective judicial authority with sustained administration of justice provided.
- Increased public confidence in the judicial system.
- Improved ability of the private sector to obtain equitable and fair settlement of disputes in reasonable time and cost

### 24.2.1 MGDS Indicator Performance

The MGDS indicator performance especially for the access to justice indicator has had no data since 2006/07 review. It seems there has never been any effort to collect data for this sector. However the indicator on prosecution rates performed above average.

Table 60: MGDS Annual Indicators for rule of Law

Outcome Indicator	Baselines	Target	Actual	Level of Achievement (%)
Access to Justice ( No of courts/police stations per 100,000 people)				
Prosecution rates		3090	3789	82

Source: Democratic Governance Sector 2009

### Core Sector Output Performance

The overall output performance for the justice sub-sector is above average whereby all the output targets were either met or exceeded. The achievement was above 100 percent in most cases except for prosecution of civil cases. Outlier performance of 876 percent on prosecution of criminal and homicide cases could be attributed to understatement of output target which was pegged at 90. Probably the output target was not revised when funding for the period was increased.

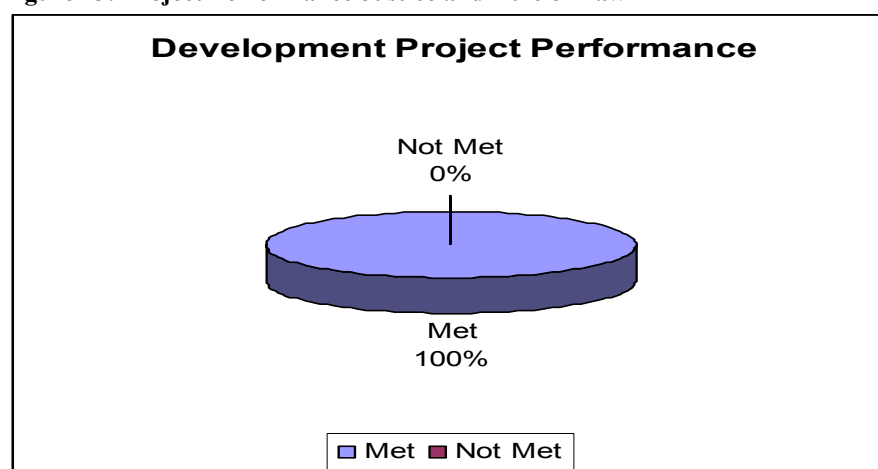
**Table 61: Core Sector Output Performance**

Core sector output	Baselines	Output Indicator Target 2008/09	Output Indicator Actual 2008/09	Weighted Performance (%)	Rating
No. of criminal and homicide cases prosecuted	-	90	789	876	Exceeded
No. of civil cases prosecuted	-	3000	3000	100	Met
Number of deceased estates administered	-	3500	5000	143	Met
Number of registrations (business etc)	-	30,000	35,676	119	Met

Source: Democratic Governance Sector 2009

### Development Projects Performance

Three projects were implemented, namely Rule of Law funded by EU, Safety, Security and Access to Justice (SSAJ) funded by DFID, and Access to Justice funded by UNDP. Though the funding levels were not satisfactory for the Access to Justice Project, all projects performed well. However Access to Justice project was affected by inadequate funding from UNDP since only MK22, 510,608.40 funding was provided from UNDP out of MK682 million.

**Figure 23: Project Performance Justice and Rule of Law**

Source: Democratic Governance Sector 2009

### Budget Performance

The total approved budget for Justice and Rule of Law amounted to MK1.553 billion of which MK1.056 billion was actually funded representing 68 percent funding. The actual spending totalled MK989 million, which is 98 percent expenditure on available resources. Information from Aid Management Platform (AMP) shows that the democratic governance sector received MK6.403 billion of development budget part I following donor commitment of MK3.408 billion. Apart from the foregoing, the general outlook on the funding levels indicates that there were no major funding gaps experienced, however large funding gaps appear on funds from UNDP, where only MK22.5m was funded out of MK682 million that was pledged, leaving a funding gap of about MK660million. Major CSO contributes about MK83 million to the total sector budget.

Furthermore, all expenditures were in line with the Planned Expenditures and there were negligible unused funds. On the same, all the expenditures made by the Ministry were in relation to the planned activities except on the prosecution of high profile cases by the Directorate of Public Prosecutions whose funding was made available in the revised budget and therefore did not affect implementation of planned activities.

### Aid Effectiveness

The major problems included: protracted process of procurement for equipment, late disbursement of funds that led to loss of 9 months in implementation, and unavailability of funds for activities agreed upon in Annual work plan by the ministry and development partners.

**Table 62: Performance Paris Declaration Indicators:**

Indicator No. & Description	Overall Indicator Performance*	Comment
1. Operational Sector Strategy	Very satisfactory	No data Provided.
3. Aid Flows Alignment to National Strategy (MGDS)	Very satisfactory	No data Provided.
4. Coordinated Support for Capacity Building	Very satisfactory	Efforts are being made to have coordinated support through the Sector Working Group (SWG) proposed by the government. Aid to be provided through Ministry of finance and managed by the Ministry in the process building the capacity of the Ministry.
5a. Use of Country Procurement Systems	Unsatisfactory	In spite of the Paris Declaration the Development partners still use their own procurement systems which protract the procurement process in the process delaying implementation of the programs.
5b. Use of Country PFM Systems	No information	
6. Number of Parallel Implementation Structures	Unsatisfactory	Out of the three development partners providing support only one has its own parallel implementation structures. This impinges on capacity building of the ministry to manage programs.
7. Predictability of Aid	Unsatisfactory	In the year under review some of the planned activities that were agreed upon by the ministry and Development partners in the Annual work plan were not implemented because funds were available even though the work plan was signed by both the Ministry and Donors.
9. Use of Common Arrangements or Procedures	Unsatisfactory	Each of the three development partners has their own procurement, monitoring & evaluation, and reporting procedures.
10a. Shared Analysis	Unsatisfactory	No data Provided.
10b. Joint Field Missions	Unsatisfactory	No data Provided.
11. Results Based Frameworks	Unsatisfactory	No data Provided.

Source: Democratic Governance Sector 2009

#### **24.2.2 Policy Recommendations:**

- It is challenging for the Ministry to assess the progress without baseline indicators hence the need to conduct a baseline survey that will produce indicators to assess the performance. The Ministry recommends that a baseline survey be conducted.
- Institutions in the sector are not well coordinated which affects implementation of interventions and the service delivery of justice by Institutions that are mandated to deliver justice. The Ministry recommends that there should be a coordinated justice sector.
- The Development partners should abide to the Paris Declaration by using existing government systems.
- The government should increase funding to Institutions in the justice sector for effective delivery of justice for all Malawians.

## 24.3 NATIONAL SECURITY

The sector mainly consists of the Ministry of Internal Affairs and Public Security with its departments namely the police, immigration and Prisons. Its main goal is to ensure safety and security for all persons through the protection of life and property; to maintain safe, humane custody and rehabilitation of offenders; and to provide sound migration management and achieve timely issuance of relevant documents to eligible persons for national security for the enhancement of sustainable national development and poverty reduction. The Ministry is also mainstreaming HIV/AIDS and Gender issues at the work place. All activities in the departments are aligned towards maintaining law and order through timely apprehension and prosecution of offenders, housing, detaining and rehabilitating persons committed to prisons, regulation of border traffic, and processing and issuing work permits, resident permits, visas, travel documents and Malawian citizenship with enhanced security features.

### 24.3.1 MGDS Indicator Performance

Performance on MGDS indicators has not been satisfactory considering that only 50 percent of the output indicators targets were met. However, performance on key indicators such as crime detection recorded a significant score of 93 percent.

**Table 63: Progress on MGDS Annual Indicators**

MGDS Output/ Outcome Indicators	Baseline (2005)	Target	2008/09 Actual	Level of achievement %	Rating
Crime detection rate (PER 100,000)	676	666	711	93	Met
Police/Population Ratio	1: 1,384	1:1,209	1:1,324	91	Met
Number of traffic road accidents	7,199		2,426		Met
Warder/prisoner Ratio	1:16	1:11	1:12	91	Met
Number of Prisoner death per month for every 10,000 prisoners	45	15	17	87	Met
% Travel documents applications processed within 20 days	50	90	70	78	Not Met
% Citizenship applications processed within 30 days	40	90	70	78	Not Met
% Reduction in cases of forgery of citizenship certificates	40	90	60	67	Not Met
% Immigration permits applications processed and issued within 20 days	50	90	60	67	Not Met
% Repatriated and deported illegal immigrants within 14 days of arrest	50	90	65	72	Not Met

Source: Sub sector National Security 2009

### Core Sector Performance

The performance of the security sub-sector was within average considering that 3 out of 5 output indicators targets were met., representing 60 percent performance achievement. There is a slight improvement in performance compared to 2007/08 probably due to increased funding levels that helped in recruitment of additional police personnel. This translated into considerable reduction in crime rate.

**Table 64: Core sector Performance**

Core Sector outputs	Baseline 2005	Indicator Target (08/09)	Indicator Actual (08/09)	Level of Achievement (%)	Rating
Crime rate reduced (per 100,000)	676	666	711	93	Met
Reduced prisoner death rate (per 10,000)	45	15	17	88	Met
Police Population Ratio	1:1384	1:1209	1:1324	91	Met
Percentage of travel documents applications processed and issued within 20 days	50	90	70	78	Not Met
Percentage of illegal immigrants deported within 14 days	50	90	65	72	Not Met

Source: Sub sector National Security 2009

### Budget Performance

The overall approved budget for the sector was MK2.439 billion out of which MK2.105 billion was ORT and MK334 billion was for development. The total funding and Expenditure was MK 3.289 million, and MK4.592 billion representing about 35 percent over-funding and about 40 percent over-expenditure respectively. The Ministry experienced problems in implementing some of its core activities because of low budgetary allocations. The Ministry planned to undertake activities worth over MK90million yet only MK45.5 million was actually allocated and spent due to unrealistic budget ceiling by Treasury.

Review of policies and acts for all the departments was affected because small amounts of funds were thinly allocated to the activities. Consequently it proved difficult to implement some of the planned activities.

The Malawi police Service approved budget of K1.47 billion was revised to MK2.025 billion. The Department was therefore over funded by K555 million. The Malawi Prison services had a funding gap of MK23 million hence planned activities were not completed because funding did not come according to plan. The institution's absorption capacity was 100%.

The Immigration Department approved budget was K358.4 million which was revised to K374.4 million. The Department was over funded by K16 million. The extra funding was used to procure 2 motor vehicles to enhance border patrols and sweeping operations. The department budgeted for 100,000 passport books but only procured 20,000 to be used during the transition period to the new passport issuing system which was expected to be fully operational by end November, 2009.

### Planned Expenditure Vs Unplanned Expenditure

The ministry tried to implement only those activities that were planned. However, unplanned activities were implemented instead of the planned because of creation of Deputy Minister's and PSII offices in the course of the year. This resulted into more resources being channelled towards policy direction and provision of office services. The Malawi Police service achieved most of its output targets. It managed to recruit and train 573 new police officers, 73 officers above the target of 500.

Under the Malawi Prison services, trend of performance on the last two years could indeed lead to achieving the set targets. However, there is need for more resources to still improve and

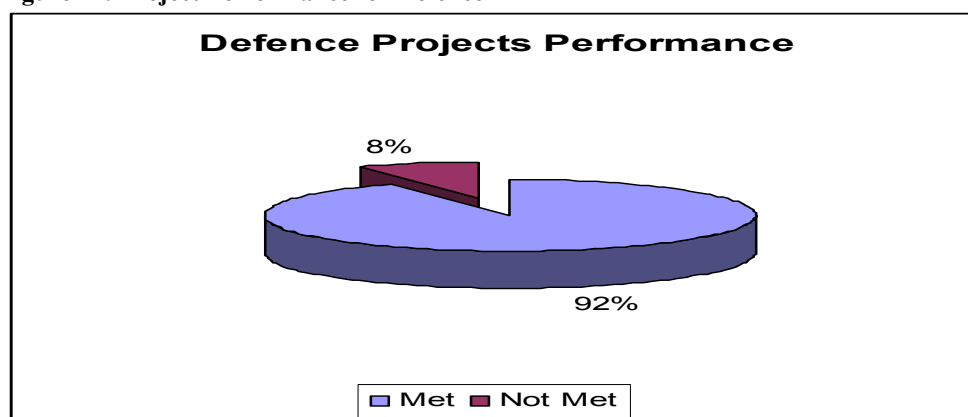
sustain the outputs. The set targets are provided by law and also by international charters hence it is a requirement that enough resources are made available to achieve the set targets.

The Immigration Department achieved most of its planned activities. They managed to recruit and train 93 Immigration officers. In a drive to reduce forgery of travel documents, the department is in the process of enhancing security features of travel documents, visas and permits through computerization project and installation of the new passport issuing system which will come with a passport with enhanced security features. On service delivery improvement, the Department has developed the Anti-corruption Policy, Service Charter and Public Awareness Strategy Paper.

### Development Projects Performance

The Ministry implemented construction and rehabilitation of police houses, Computerization of border entry and exit points, community policing and water metering project. In all the projects the Ministry achieved the targets except in water metering where the Ministry failed to achieve its target because the service provider could not supply the meters in time and Treasury only funded 50 percent of the funds allocated.

Figure 24: Project Performance for Defence



Source: Sub sector National Security 2009

Despite some constraints the Ministry managed to achieve above average performance in all the 13 projects except for one project on computerization of border entry and exit points that failed to take off because consultant could not finalize need assessment exercise. This represents about 92 percent achievement. Overall the pace of project implementation was affected by level of funding which was done on monthly basis.

Construction and rehabilitation of prisons and offices has reduced congestion in our prisons. Similarly, increased construction and rehabilitation of police offices and houses as well as involvement of other stakeholders in providing healthcare facilities in prisons has seen improved health status of prisoners and reduced death rate in prisons.

Formation of more community policing forums resulted in the involvement of communities in security issues leading to the reduction of crime rate at community level. Regular sweeping exercise of illegal immigrants had led to arrests and deportation of the same.

### Constraints

The major constraints in the implementation of the projects were;



- Astronomical increase in number of prisoners negatively affected reduction in death rates due to pressure on food and living space.
- Insufficient funding: the allocation that the prisons get annually is always not enough to effectively carry out the planned activities.
- Long procurement procedures
- Transportation of materials due to unavailability of a reliable lorry
- Inadequate funds due to low ceilings
- Due to insufficient capacity to carry out Monitoring and Evaluation activities, there may be some data gaps on Output Indicators including the MGDS indicators.

### **24.3.2 Recommendations**

#### **Follow-up on previous MGDS Review Recommendations**

- Treasury should consult departments when coming up with budget ceilings
- Treasury should be funding Ministries/departments according to their planned cash flows,
- Some indicators have targets that need revising in order to make them more realistic in achievements of results
- The year under review revealed that Immigration strategies were not included in the original MGDS. This is the main reason why it has been difficult for the department to provide all the necessary information. It is therefore recommended that the strategies for the said department be included under MGDS key indicators
- There is need to provide adequate motor vehicles to improve on the level of operations in the departments

## 24.4 HUMAN RIGHTS

The office of the Ombudsman professionally, independently, impartially and fairly investigates and resolves cases of alleged injustices and provides remedy; safeguards and promotes good governance, respect for rule of law and human rights through civic education. The main strategy the office uses is a rights-based approach to development.

The Democracy Consolidation Program was designed to facilitate realisation of the right to development by vulnerable groups by empowering them to demand good governance and fulfilment of human rights from duty bearers at various levels of society. The Programme is one of the implementation tools of theme five of the Malawi Growth and Development Strategy. It is implemented with funding from UNDP and the Governments of Norway and Malawi.

The Malawi Human Rights Commission is one of the Governance Institutions that was created by the Constitution of Malawi primarily to protect and investigate the violations of human rights in the country. The main goal under human rights is to ensure that people in Malawi know, understand and freely exercise their human rights and authorities in Malawi are held accountable when those rights are violated.

### 24.4.1 Annual MGDS Indicator Performance

**Table 65: Annual MGDS Indicator Performance**

<b>MGDS Output/ Outcome Indicators</b>	<b>Baseline (2005)</b>	<b>2007/08 Target</b>	<b>2007/08 Actual</b>	<b>2008/09 Target</b>	<b>2008/09 Actual</b>
Number of reported human rights violation cases effectively resolved	1,000	1,500	1,358	1,500	1,231
Average time taken to process human rights complaints reported	1 months	3 months	-	3 months	-
% of population that is aware about their basic human rights	-	-	-	-	-

Progress on MGDS indicators is generally poor considering that out of the 3 key indicators, only one on the “number of human rights violation cases effectively resolved” had data and failed to meet its target of 1500 cases by achieving only 1,231 cases, which is less than what was achieved in 2007/08.

**Table 66: Core Sector Outputs Performance.**

<b>Outputs</b>	<b>Weighted Performance (%)</b>	<b>Rating</b>
Awareness of Human Rights promoted	50	Not Met
Protection of Human Rights enhanced	60	Not Met
Awareness and practice of human rights and responsibilities enhanced	84	Met

The overall performance of the human rights sub-sector was not satisfactory mainly because many interventions on promoting awareness of human rights did not meet their output target due to some extent absence of Commissioners. There was no progress reported on the population demanding fair working conditions and on population demanding better services from the government. While on the investigations, more cases were investigated and resolved over and above the target.

### Budget Performance

The overall approved budget for the sector was MK 451 million out of which MK62 million was for development part II mainly from Ombudsman and MK389 million was ORT. Total funding was MK454 million representing over 99 percent funding. Overall spending was MK425.3, which is 98 percent expenditure. However the sector report did not indicate development outputs performance despite having some funding on development part II. There were no serious funding gaps on ORT funds. About MK2 million over-funding was recorded on human rights and under-funding of MK1.2 million on Ombudsman.

### Planned Vs Unplanned Activities

The sub-sector did not implement any unplanned activities; however those that could possibly be implemented did not get implemented and got postponed to next fiscal year.

### Aid Effectiveness

In the year under review, The Democracy Consolidation Programme received financial resources as well as technical support from UNDP and the Governments of Norway and Malawi. There is no doubt that the support from the development partners greatly contributed to the success of the Programme. However, some challenges were encountered during the review period such as uncertainty of total available funds during the start up months of the programme. This uncertainty necessitated revision of the work plan in line with available resources and created some degree of indecision to the programme. Besides, there was delayed procurement of programme equipment which had a negative impact on delivery.

**Table 67: Outlines Performance on Paris Declaration Indicators**

Indicator No. & Description	Overall Indicator Performance*	Comment
1. Operational Sector Strategy	Satisfactory	No comment
3. Aid Flows Alignment to National Strategy (MGDS)	Very Satisfactory	No supporting details provided
4. Coordinated Support for Capacity Building	Not satisfactory	There is scope for improvement in this areas
5a. Use of Country Procurement Systems	Unsatisfactory	Considerable delays in procurement
5b. Use of Country PFM Systems	Satisfactory	No supporting details provided
6. Number of Parallel Implementation Structures	Satisfactory	No supporting details provided
7. Predictability of Aid	Unsatisfactory	Only a few donors have participated in the basket funding arrangement supported by UNDP
9. Use of Common Arrangements or Procedures	Unsatisfactory	Differences in donor policies hindering proper coordination
10a. Shared Analysis	Satisfactory	No supporting details provided
10b. Joint Field Missions	Unsatisfactory	No supporting details provided
11. Results Based Frameworks	Satisfactory	More focus is on results

### Constraints

- Institutional set up of the Commission is constrained to address thematic issues of human rights;
- The centralized offices of the Commission is a challenge for the majority of Malawians from rural areas to access the services of the Commission;
- Inadequate trained personnel to competently handle specialized areas of human rights promotion and protection such as investigative hearings, alternative dispute resolutions, human rights based education and training methodology, among other areas;

- There is shortage of office space and the current offices are not fit for human rights institution;
- The Commission has inadequate motor vehicles and office furniture. Transport problem result in some programmes running behind schedule and the Commission incurring high motor vehicle maintenance costs;
- Perpetual low annual funding from Government affected the operation and implementation of the activities of the Commission in such that some activities were not fully carried out;
- Unpredictable development partners aid flow retards programme implementation;
- Lack of strong political will to ensure adequate support to human rights institutions.
- There was reporting gap on expenditure output on ORT due lack monitoring instruments. While on sector output and MGDS indicators, there was no baseline survey that determined the rate of awareness and it also requires a survey to determine the rate of achievement each year,
- The General Elections scheduled for 19<sup>th</sup> May, 2009 were a major challenge since the country was politically charged. This resulted in communities being too sensitive to any interventions which were perceived to be supportive or against any political party or candidate.
- Lack of quantitative data on actual target and in a few cases baseline data was a major constraint in the implementation of the review analysis. The baseline survey for Civic Education in Malawi (2006) provided baseline data on the output monitoring indicators. However, actual targets for the review period required conducting a major survey which could not be done during the first year of DCPIII.

#### **24.4.2 Lessons Learnt:**

- The Rights based approach to service delivery is effective in improving the well-being of vulnerable citizens
- There is need for proper coordination and information sharing among various players in the democratic governance sector
- The major positive lesson learnt is that the sector institutions were able to share notes on achievements that have the same goals
- Harmonisation and Coordination: There is need to strengthen harmonization and coordination of the implementation of human rights activities. This will also improve in data collection
- Resources: The sector needs an increased funding by Government and have predictable donor funding in order to improve service delivery and to optimally function as a governance institution.
- Capacity Building: The Commission needs to build capacity of its human resource through recruitment and training. Training for both long term and short training in human rights
- MGDS and Human Rights: As it is appreciated that human rights is cross cutting issue, the MGDS needs to adequately cover human rights including improving its indicators.

#### **Recommendations**

The Government needs to take a more leading role in terms of funding the sector as opposed to the donors seemingly taking the lead. Donors end up dictating the terms within the sector.

- There is need for more coordination within the sector to improve on data capture and harmonization of activities.
- There is need to strengthen the rights-based approach to development within the sector

## 25 PUBLIC ADMINISTRATION

Public Administration comprises the Presidency, State Residences, National Assembly, Office of the President and Cabinet, Human Resource Management and Development, Public Service Commission, Office of the Vice President, Ministry of Foreign Affairs and Electoral Commission. The mission of the Ministry of Foreign Affairs as part of the Public Administration Sector is to formulate, interpret and implement a Malawi foreign policy that promotes the country's interests abroad with emphasis on development diplomacy. The Office of the President and Cabinet (OPC) is responsible for the overall administration and management of the Public Service. It provides strategic leadership by providing advice in policy and administrative decisions on national and sector issues. OPC plays a superintending and coordinating role over the performance of the Public Service, thereby promoting the dynamic character and direction of the Public Service to ensure result oriented management and accountability system. The effective implementation of the MGDS requires a highly motivated, results oriented and productive civil service to achieve improved performance and service delivery which would be achieved through human resource management and development in order to have a highly motivated, results oriented and productive civil service.

### 25.1 Annual MGDS Indicator Performance

**Table 68: Annual MGDS Indicators**

Indicator	Baseline (2005)	Actual (2007)	Target (2008)	Actual (2008)	Indicator Target Performance	Rating
Public sector institutions implementing medium term pay policy (%)	43	64	80	85	106	Exceeded

Source: Public Administration SWG 2009

#### MGDS Indicator Performance

The sole responsibility for ensuring that the MGDS is implemented rests with the Department of Human Resource Management and Development (DHRMD) which undertakes capacity building programs in the public sector to improve service delivery, wage policy reforms in the civil service to raise incentives and institutional reforms in order to control size and cost of the public sector. At 106 percent achievement, the DHRMD exceeded its target for the annual MGDS indicator as shown in the table 68 above.

#### Core Sector Output Performance

The sector performance on core output indicators was above average since out of the 11 core sector outputs, 8 either met or exceeded intended targets, which is 73 percent achievement. Most of the planned outputs and activities were implemented which raised the level of achievement from last year's performance even higher in achieving the sector outcomes. Development partners supported the sector in the following areas: World Bank (FIMTAP) in Performance Management Program, Capacity Building Program, Personnel Audit, Human Resource Management Information System (HRMIS) and Strategic Planning; and UNDP in Capacity Building Program and NAC in HIV and Aids Mainstreaming.

**Table 69: Core Sector Output Indicator**

Core Sector Output Indicator	Weighted Performance (%)	Rating
Trade, Foreign Direct Investment (FDI) and Tourism promoted	109	Exceeded
Good governance promoted	91	Met

Improved service Delivery through Vacancies filled	108	Exceeded
Improved Human capacity through Personnel trained	50	Not Met
Policy briefing conducted	50	Not Met
Recruitment, and Performance management facilitated	132	Exceeded
Management and Coordination of Public Sector Reforms strengthened	67	Not Met
Civil Service management and policy coordination strengthened	100	Met
Civil service administrative and support services provided	87	Met
Human resource management Enhanced	106	Exceeded
Policy guidance on remuneration of the Public Service provided	100	Met

Source: Public Administration SWG 2009

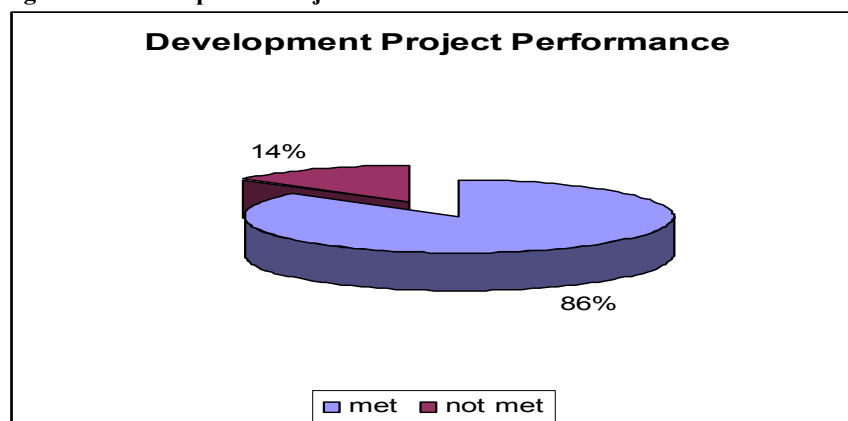
### Sector Budget Performance

The overall sector approved budget amounted to MK6.647 billion out of which the actual funding amounted to MK6458. This is 97 percent funding on approved budget. From the total funding received almost all the money was spent. Ministry of Foreign Affairs and Civil Service Commission as part of the Public administration sector was funded MK 4,435 million instead of the approved MK4, 329 million. This over funding comes as a result of implementing some unbudgeted program involving important international meetings. In addition the OPC and its departments, including Department of Statutory Corporation, the National Registration Bureau, the Department of Poverty and Disaster Management and the former Presidency had total approved of MK 2,224 million, out of which a funding of MK 1,929 million was received, being 86 percent funding on approved budget. ORT funding amounted to MK 1,899 million while MK 29 million was for development. Out of the funding received, the OPC spent MK 1,928 million, being 99 percent of the funding. DHRMD had an approved budget of MK 94 million and the whole amount was funded and spent. The Department received some funding from the World Bank under the Financial Management, Transparency and Accountability Project (FIMTAP) to finance the implementation of the Human Resource Management Information System (HRMIS).

### Development Project Performance

On development project performance, only Ministry of Foreign Affairs submitted data on the project of procuring Chanceries, Official Residences and Staff Houses in all the Diplomatic Missions abroad. The objective of these projects is to reduce costs for rent that the Ministry currently pays.

Figure 25: Development Project Performance



Source: Public Administration SWG 2009

The public administration had a number of development projects to implement. Out of the seven projects the sector planned to implement, six met their targets representing 86 percent achievement. One project failed to meet its target due to delay in procurement of materials.

### **Challenges**

Ministry of Foreign Affairs implemented many unplanned activities especially related to commitments for the presidency such as extraordinary summits which are difficult to plan.

- Another major problem was insufficient funds to implement some activities in full. The budget ceilings for the Ministry are too low to cater for all activities the Ministry planned to implement in the 2008/09 financial year. In such cases, the Ministry is forced to scale-down on the planned activities or even remove some activities from implementation plan.
- The Ministry also faced serious shortages of office space. At the moment, single office rooms are occupied by more than two officers. This is causing a lot of problems to the extent that it is difficult to fill critical vacant positions. It should be noted that due to high vacancy levels, most officers are forced to work overtime in order to finish assignments in good time.

### **Recommendations**

- Ministry of Housing should provide enough office space to Ministry of Foreign Affairs. There is critical shortage of office space.
- Treasury should increase budget ceilings for both Ministry of Foreign Affairs and Civil Service Commission in the 2010/11 financial year so that activities are fully implemented
- It has been observed that monthly funds are not disbursed on time, it is therefore, recommended that funding should be given at the beginning of every month for proper planning and implementation of activities. In addition, funding should adhere to a proposed cash flow which is submitted at the beginning of each financial year. It has been observed that funding is reduced when the financial year is coming to an end without giving proper reasons.
- Critical vacancies should be immediately filled to improve service delivery in the public service

## OVERVIEW AND CONCLUSION

### 27: Key Budgetary Issues

#### 27.1 Budget Alignment to the MGDS

The review continued to compare allocations in the 2008/09 budget with the original allocation made in the MGDS as one way of tracking alignment between the two. In the formulation of the MGDS, it was planned that the allocation of resources amongst the key priority areas will be shared according to predetermined proportions in order to achieve expected outcomes by the year 2011. The Tables below show the comparisons starting from 2007/08 budget.

**Table 70: Approved budgets Vs Funding and Expenditure for key priority areas (2007/08 Vs 2008/09)**

Key Priority Area	Approved Budget (K'Mn)	Funding (K' Mn)	Budget funded % 2007/08	Budget funded % 2008/09	Expenditure (K' Mn)	Funding spent % 2007/08	Funding spent % 2008/09
Agriculture & FS	41,675	35,676	108	86	32,601	100	91
Irrigation & WD	15,500	14,200	97	92	13,064	100	92
Transport & Infrast Dev	12,833	14,619	100	114	14,500	97	99
Energy Generation & Supply	9669	9635	38	99.6	9667	99	100.3
Integrated Rural Dev	2,091	2,126	97	102	2,113	98	99
HIV&AIDS, Nutrition	21,800	16,400	101	75	12,900	100	79

**Table 71: Overall Budget proportions and ranking**

Key Priority Area	MGDS share (%)	Actual share 2007/08 (%)	Actual share 2008/09 (%)	MGDS Ranking	Actual Ranking 2007/08	Actual Ranking 2008/09
Agriculture & FS	12.8	29.4	40	2	2	1
Irrigation & WD	8.7	3.4	15	5	5	3
Transport & Infrast Dev	53.7	3.9	12	1	4	4



Energy Generation & Supply	3.6	4.6	9	6	3	5
Integrated Rural Dev	10.1	0.9	2	4	6	6
HIV&AIDS, Nutrition	11.1	57.7	21	3	1	2

**Table 72: Development Budget Proportions and Ranking 2008/09**

Key Priority Area	MGDS share (%)	Allocation share (%) 2007/08	Allocation share (%) 08/09	MGDS Ranking	Actual Ranking (2007/08)	Actual Ranking (2008/09)
Agriculture & FS	12.8	24.29	20.39	2	5	3
Irrigation & WD	8.7	13.85	21.23	5	3	2
Transport & Infrast Dev	53.7	3.41	35.79	1	1	1
Energy Generation & Supply	3.6	3.96	8.71	6	6	5
Integrated Rural Dev	10.1	4.12	4.7	4	4	6
HIV&AIDS, Nutrition	11.1	50.37	9.17	3	2	4

## **Main Findings:**

### **Overall Budget Alignment (Table 71)**

1. The overall budget shares remained misaligned to the MGDS shares in 2008/09. The two sectors of AFS and IWD, which were the only properly aligned in 2007/08, got misaligned by receiving more funding.
2. Energy Generation and Supply continues to have one of the lowest allocations on development budget as they slightly improved from the least (rank 6) in 2007/08 to 5 in 2008/09. It remains questionable why this important sector was originally ranked the least amongst priority sectors considering its importance as an input in other sectors.

### **Development Budget Alignment (Table 72)**

1. Only Transport and Infrastructure Development continues to be properly aligned to the MGDS in 2008/09 since 2007/08.

Apart from the total approved budgetary shares, shares on development budgets were calculated to see how development budget has been aligned to the MGDS as compared with the total budget.

Analysis of the development budget ranking on 2008/09 and the 2007/08 budget as compared to the MGDS shows that there has been continued development budget support to infrastructure

development and the highest allocations were provided just as was envisaged in the MGDS. Overall the development budget was still misaligned.

The analyses further reveal that agriculture and HIV and Aids budgets are mostly ORT (ORT plus subsidy for agriculture). While Irrigation and water development ranks the highest on development funding with respect to the MGDS ranking. The two tables above show that budget allocations are not yet properly aligned to the MGDS. The main observation still remains that these big discrepancies from the arrangement in the early years do raise questions for the budgetary process on whether it will help or is intended to achieve MGDS outcomes. To achieve the ideal outcome, allocations in the later years of the MGDS have to make up the misalignment of the early years.

## 27.2 Expenditure Issues

There was an increase in development spending as a proportion of total government expenditure on some key priority areas in the year under review. As shown in Table 73, development expenditure on agriculture and food security increased from 4 percent in 2007/2008 financial year to 10 percent in 2008/2009 financial year due to input subsidy spending. The remarkable increase in development spending is also noticed in both Irrigation and Water Development and Integrated Rural Development sub sectors with spending increasing from 82 percent to 93 percent and 53 percent to 90 percent respectively.

**Table 73: Expenditure on development activities**

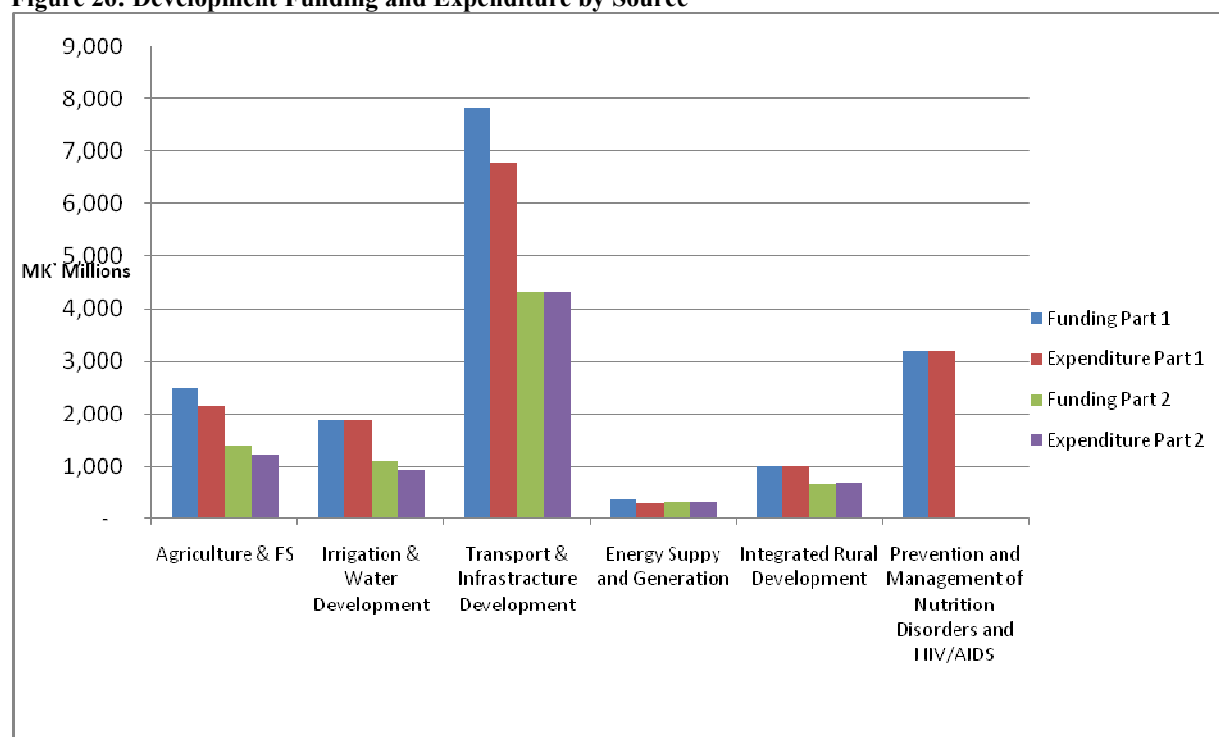
Sector	Expenditure on Development Activities as % of total Expenditure (Government Funding only)		
	2006/07 FY	2007/08 FY	2008/2009FY
<b>A. Key Priority Areas</b>			
Agriculture and Food Security	5	4	10
Irrigation and Water Development	74	82	93
Transport Infrastructure Development	68	46	77
Integrated Rural Development	50	53	90
Prevention and Management of Nutrition Disorders, and HIV and AIDS	0	89	15
<b>B. Thematic</b>			
<b>1. Sustainable Economic Growth</b>			
Trade & Private Sector Development	1	9	72
Natural Resources	19	24	82
Lands & Housing	7	7	80
<b>2. Social Development</b>			
Health and Population	0.86	1	22
Education	3	4	36
Gender	4	16	80
<b>3. Infrastructure Development</b>			
ICT	8		24
Research Science and Technology	18		15
<b>4. Improved Governance</b>			
Economic Governance	2	16	32
Democratic Governance	8	15	62

On the contrary, Prevention and Management of Nutrition Disorders, HIV and AIDS registered some decline on development spending as a proportion of government funding in the year under review. In general, development spending on thematic areas shows a remarkable increase in all thematic areas compared to 2007/2008 financial year.

Figure 26 below shows comparison of government and donor funding for development projects in the six key priority areas. In 4 out of 6 priority areas, donors contributed more to development expenditure than government. However, government contributed more to development expenditure in the Energy Generation and Supply priority area compared to donor contribution. In addition, it is observed that donors alone contributed towards development expenditure for the Prevention and Management of Nutrition Disorders and HIV and AIDS.

According to Figure 26 below, overall funding to development projects was increased to all sectors. Transport and Infrastructure Development got lion's shares for both part I and part II development funding followed by Irrigation and Water Development and Agriculture and Food Security which came second and third respectively. Energy Generation and supply has had its development funding mostly from its own revenue and government funding. The only funds for development were through the Ministry of Energy and Mining on solar power project. Integrated Rural Development continues to be one of the least funded on development budget, contrary to the vision of developing rural areas to curb the ever increasing levels of rural-urban migration and achieve equitable distribution of development. Despite receiving one of the largest funding on development, Agriculture and food security and Irrigation and water Development did not utilise much of the resources at their disposal. However as already mentioned, success on development projects were affected not only due to insufficiency of funds but largely its disbursement schedules and timeliness.

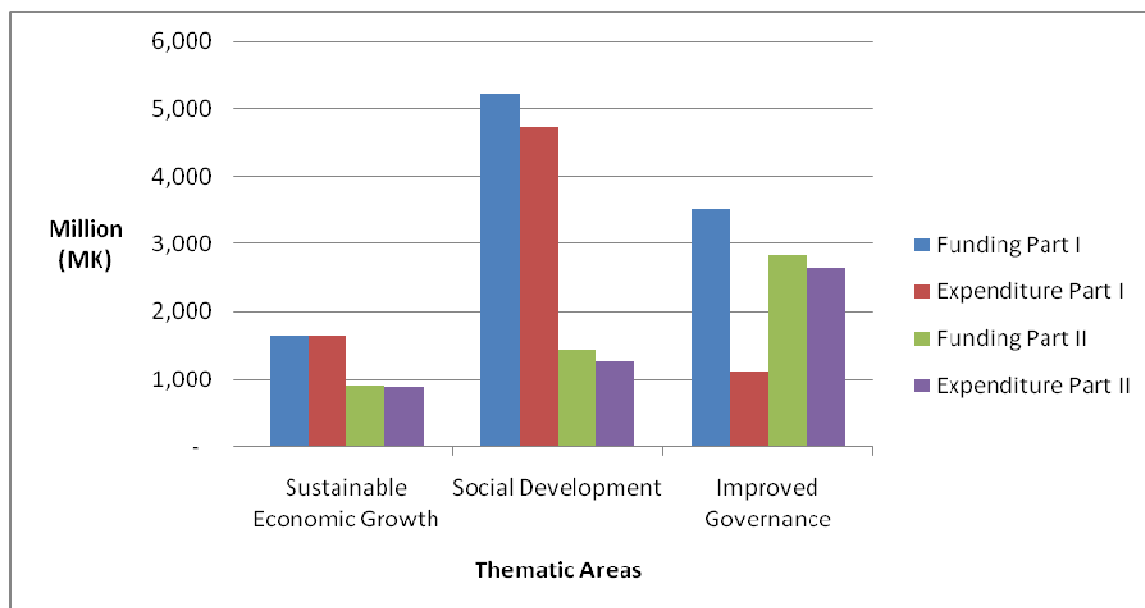
**Figure 26: Development Funding and Expenditure by Source**



Source: MDPC 2009

Note: Part I is donor funds while part II is government funds

**Figure 27: Development Funding and Expenditure on Thematic Areas**



Source: MDPC 2009

## **28: Conclusion**

The 2008/09 annual review findings show that overall performance on key priority and thematic areas was satisfactory. This could be attributed to improved funding in the year under review. However, the review has revealed that there are still many outstanding issues that need to be addressed, if sectors are to achieve their planned MGDS outcomes and core sector outputs. Some of these issues include: budget allocation shares that continue to be misaligned to the MGDS and data inadequacy and unpreparedness of sectors to submit quality data. These are some of the major setbacks that persistently elude the review process. Furthermore, late disbursement of funds from Treasury and Cooperating partners as well as funding to sectors to carry out preliminary sectoral level reviews prior to annual MGDS review remains a problem. Aid continues to be ineffective as there has been little progress on donor adherence to the Paris Declaration principles on aid effectiveness.

The government will continue to carry out these reviews on the basis of Sector Working Group since this creates an opportunity for dialogue between the government, Civil Society Organisations (CSOs), the Private sector and development partners for better planning, budgeting and implementation of agreed sectoral plans. However this review could not be conducted with full participation of sector members because of weak coordination within the sectors themselves. Consequently many sectors were not fully operational at the time the reviews were conducted. It is therefore the hope of the government to continue operationalising the SWGs in readiness for the next review.

As a way forward, the MDPC will embark on dialogue with all sectors on one to one basis to review sectoral results frameworks in order to reduce data gaps and inconsistencies. Key issues of planning in ministries and departments also need to be addressed through training before the start of the next review. MDPC, MoF and OPC will lead a team of experienced government officials in all ministries and departments in reviewing sectoral results frameworks to make sure that key outputs are spelled out in sectoral estimates before submission into the budget. MDPC will also jointly carry out post review verification exercise to verify achievement of some key outputs in selected ministries and departments.

# ANNEXES

## Annex 1: Summary of Performance: Other Thematic Areas

Thematic Area	Results Performance (achieved)				Budget Performance (MK' 000)					Aid Effectiveness	
	MGDS Indicator targets	Core outputs indicator targets	Dvt. Projects (%)	Overall	Budget Approved	Actual funding	Expenditure	% budget funded	% funding spent	Satisfactory	Unsatisfactory
<b>Theme 1: Sustainable Economic Growth</b>											
Trade & PSD	1/1 (100)	7/13 (54)	50	Avg	1,730	1,304	1,288	75	98	5	4
Mining	3/5 (75)	5/6 (83)	87	Above Avg	282	180	180	64	100	n/a	n/a
Tourism	1/1 (100)	4/4(100)	50	Above Avg	118	109	109	92	100	n/a	n/a
Culture	-	4/5 (80)	67	Avg	92	96	96	104	100	7	2
Energy	2/3 (66)	2/3 (66)	75	Avg	240	217	217	90	100	-	-
Environment	1/1 (100)	6/6(100)	75	Above Avg	74	57	57	78	100	7	2
Forestry	-	2/3 (66)	67	Avg	365	359	359	98	100	-	-
Wildlife	2/2(100)	6/9(66)	25	Avg	129	116	116	90	100	-	-
Lands & housing	-	5/7 (71)	100	Avg	7,548	6,478	6,048	86	93	6	3
<b>Theme 2: Social Protection and Disaster Risk Management (SP&amp;DRM)</b>											
SP&DRM	4/4 (100)	8/10(80)	N/A	Above Avg						3	6
<b>Theme 3: Social Development</b>											
Health	7/14(47)	4/5 (80)	41	Avg	39,855	34,993	34,176	88	98	7	2
Education	15/25 (60)	1/2 (50)	61	Avg	10,478	7,766	7626	74	98	4	5
Gender	2/2 (100)	2/4(50)	100	Above Avg	1,392	657	672	47	102	3	6
<b>Theme 4: Infrastructure Development</b>											
ICT, Research, Science & Technology	-	5/6(83)	61	Avg	327	342	604	104	177	3	6
Air & Rail Transport	4/9 (44)	1/4 (25)	75	Below Avg	131	127	127	97	100	-	-
<b>Theme 5: Improving Governance</b>											
Economic Governance	7/9(77)	14/18(77)	56	Avg	26,306	21,748	21,684	82	99	7	2
Democratic Governance											
ACB	12/14 (86)	6/6 (100)	N/A	Above Avg	329	329	329	100	100	-	-

Justice & rule of law	1/2 (50)	4/4 (100)	-	Avg	1,553	1,056	989	68	94	2	7
Security	5/10(50)	3/5(75)	92	Avg	2439.3	3289	4592	135	140	-	-
Human Rights	12/14 (86)	6/6 (100)	-	Avg	451	454	425.3	79	98	-	-

Note: All values in brackets are percentages. Dvt stands for Development. Avg is average. PSD is Private Sector Development. Dash (-) denotes data not available. N/A denotes that the sector did not undertake projects activities during the period under review.

## Annex 2: Annual MGDS Review Timeline

	July	August	September	October	November	December	January
Preparation of Review Instrument or Tool kit	■ ■ ■ ■						
SWG Heads briefing		■ ■ ■					
Production of draft SWG reports		■ ■ ■ ■ ■ ■ ■ ■					
Consolidation of SWG reports by MEPD			■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■		
PSs and Donors briefing on review findings					■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■	
Incorporation of comments from PSs and Donor briefings and production of final MGDS review synthesis report							■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■



# ANNEXES

Last Updated from  
the 2008/09 MGDS  
Annual Review

## Annex 3: MGDS Annual Indicator Baselines & Targets

	Existing MGDS Indicator	Month Data Available	Baseline – 2005	2006 Actual	2007 Target	2007 Actual	2008 Target	2008 Actual	2009 Target	2009 Actual	2010 Target	2010 Actual	2011 Target	2011 Actual
Poverty Impact														
1	Poverty Headcount (%)		52.4	45		40		40						
2	Extreme Poverty Headcount (%)		22	17		15		15						
Education Impact Indicators														
3	Adult literacy rate (%)		63.9	66		70		70					85	
4	Female literacy rate (%)		50.5	56		60		60					85	
5	Youth literacy rate (Age 15 to 24) (%)		74.9	78		82		82					95	
Theme I: Sustainable Economic Growth														
1.1 Economic Growth														
6	GDP (Annual) growth rates (%)	March & October	2.3	6	5.6	8.6	6	8.7	6		6		6.0	
7	Income per capita (US\$)		231	248	284	265	284	284					249	
1.2 Private Sector Development														

	Existing MGDS Indicator	Month Data Available	Baseline – 2005	2006 Actual	2007 Target	2007 Actual	2008 Target	2008 Actual	2009 Target	2009 Actual	2010 Target	2010 Actual	2011 Target	2011 Actual
8	Private sector investment as a % of GDP	March	1.7		1.6	1.5	1.6	2.1	2.2	2.1				
<b>1.3 Food Security</b>														
9	% of food secure households	June	67	70	74	97	78	99.5	85	99	93		100	
10	Per capita cereal availability (Kg)	June	170	270	270	270	270	231	270	285.7	270		270	
11	Average maize yields per hectare (Kg)	June	809	2000	1800	2000	2500	1651	2600	2839	2800		3000	
12	Per capita meat availability (Kg)	June	6	6.8	7.7	8.0	8.7	10.1	9.8	11.2	11.1		12.5	
<b>1.4 Natural Resource Management/Environment Protection</b>														
13	Forest Area as % of total land		27.2										30	
14	Aquaculture: Total amount of fish produced (MT)		950		1500	1200	2000	2200					5,000	
15	Total fish landing (MT)		55,000		56000	52000	58000	65,000					60,000	
16	Total mass reduction in the use of ozone depleting substances (ODS) (ODP tonnes)		32.72		8.50	3.60	2.0	2.3					5	
17	Percentage increase in key wildlife species in protected areas		- 50		3		3		3		3		80	
18	Total Increase in ecotourism as measured by: a) Income b) No. of Tourists		MK5 million										MK50 million	
<b>Theme II: Social Protection</b>														
<b>2.1 Protect Vulnerable Population</b>														

	Existing MGDS Indicator	Month Data Available	Baseline – 2005	2006 Actual	2007 Target	2007 Actual	2008 Target	2008 Actual	2009 Target	2009 Actual	2010 Target	2010 Actual	2011 Target	2011 Actual
19	Proportion of disadvantaged receiving conditional & unconditional transfers (%)		4		7		7	3	7	32.95			10	
20	Percent of hhs reached per Programme													
	(a) PWP													
	(b) TIP													
	(c) TNP													
	(d) DTP							5856	8,000	120,000 1,500,000 15,170				
21	Percentage of beneficiaries graduated out per Programme:		a)											
	(a) PWP		b)											
	(b) TIP		c)											
	(c) TNP		d)											
	(d) DTP													
<b>Theme III: Social Development</b>														
<b>3.1 Health</b>														
22	Life Expectancy at birth (Years)		40				42						45	
23	Maternal Mortality Ratio (MMR)		984/100,000			984/100,000		807/100,000	710/100,000	807/100,000			560/100,000	
24	Infant Mortality Rate (IMR)		76/1000			69/1000		72/1,000	57	72/1,000			48/1000	
25	Under 5 mortality rate		133/1000			118/1000		122/1,000	93/1000	122/1,000			76/1000	
26	Percentage of pregnant women who slept under insect site treated net the previous night (%)		14.7					25.6	47	25.6			60	
27	Percentage of children <5 yrs who slept under insecticide treated net the previous night (%)		14.8			82.2		24.7	47	24.7			60	

	Existing MGDS Indicator	Month Data Available	Baseline – 2005	2006 Actual	2007 Target	2007 Actual	2008 Target	2008 Actual	2009 Target	2009 Actual	2010 Target	2010 Actual	2011 Target	2011 Actual
28	TB Cure rate (%)	September	74		76	77	77	79	78	83	79		80	
29	Total Fertility Rate (%)		6.0			6.3		6.3		6.3			5.7	
30	Proportion of 1 year-old children immunized against measles (%)	September	82		83	85.2	84	84	85	89	87		90	
31	Proportion of births attended by skilled personnel (%)	September	38		42	53.6	48	45	55	53	67		75	
32	OPD service utilization per 1000 population		800/1000 population		850/1000 population	918/1000 population	>1000/1000 population	1170/1000 Population	>1000/1000 population	1237	>1000/1000 population		>1000/1000 population	
33	Nurse/population ratio		1:4,000		1:3,500	1:3653	1:3,400	1:3,062	1:3,300	1:3,062	1:3,100		1:2,800	
34	Doctor/population ratio		1:62,000		1:60,000		1:58,000	1:53,662	1:56,000	1:53,662	1:52,000		1:31,000	
35	Percent of national budget contribution to the health sector (%)		11.1		11.5	8.7	12.0	13.5	13.0	16.2	14.0		15	
36	EHP coverage (%)		9		15		40	74	25	74			40	

### 3.2 Nutrition

37	Prevalence of under 5 Child Malnutrition (%) -Stunted -Wasted -underweight		48% 5% 22%	45.9% 3.3% 19.4%									34% 4% 15%	
38	Micronutrient deficiency (Iron, Vitamin A and Iodine)													
39	Prevalence of Adult Malnutrition disaggregated by gender a) male b) male		a) Female b) Male											

	Existing MGDS Indicator	Month Data Available	Baseline – 2005	2006 Actual	2007 Target	2007 Actual	2008 Target	2008 Actual	2009 Target	2009 Actual	2010 Target	2010 Actual	2011 Target	2011 Actual
40	Dietary related non communicable diseases (BP, diabetes, arthritis, gout etc)													
<b>3.3 HIV &amp; AIDS</b>														
41	HIV prevalence among pregnant women aged 15-24 years (%)		14.3	16.9	14.3	14.3	14.3	12.3	12.0	12.3			12	
42	HIV/AIDS Prevalence among 15-49 age group (%)		14	14.0	14.0	14.0	13.5	12.0	14.7	12.0			14.7	
43	% of people with advanced HIV and on ART who are still alive 12 months after start of ART		85	79	80	69	80	70	85	64			85	
44	% of infants born to HIV positive mothers who are infected		21	18	30		30	29	18				18	
45	% sexually active persons who have voluntary tested for HIV -Women -Men		15 13	7 15	30		30	27	50 50	39 61			50 50	
46	% of health facilities providing ANC and/or maternity services with at least the minimum package of PMCTC services in the past 12 months		7	35	35	38	100	80	100	95				
47	% of HIV+ pregnant women receiving a complete course of ARV prophylaxis to reduce the risk of MTCT		6.9	8	22	73	35	78	80	75			80	
48	# of people who are alive and on ART at the end of each year		30,000		110,000	99,535	155,000	184,405	208,000	169,965			208,000	

	Existing MGDS Indicator	Month Data Available	Baseline – 2005	2006 Actual	2007 Target	2007 Actual	2008 Target	2008 Actual	2009 Target	2009 Actual	2010 Target	2010 Actual	2011 Target	2011 Actual
<b>3.4 Gender</b>														
49	Prevalence of orphans (%)		14.7	12.6				15		15			13	
50	Women in Decision Making Positions (%)		15			19.2	30	19.2	21	19.2				
51	Gender Development index		0.374					0.432	0.600	0.666				
<b>3.5 Education</b>														
<b>3.5.1 Primary Education</b>														
52	Primary School Gross enrolment rate (by gender) (%) a) Total b) Girls c) Boys		132		110	116	105	119					90	
			124		105	115	100	118						
			128		115	117	105	121						
53	Primary School Net enrolment rate (by gender) a) Total b) Girls c) Boys		108%		102	100	100	103					95%	
			108%		101	101	99	104						
			108%		103	98	101	102						
54	Completion rates in primary school		28%		46	69.4	46	53					48%	
55	Primary School pupils/Qualified Teacher Ratio		1: 85			1:84								
56	Primary school Classroom/pupil ratio		1:85			1:107	1:100	1:117					1:70	
57	Primary school Repetition rates a) Total b) Girls c) Boys	November (Current yr)	17%			18.01%	12	19					8%	
			16%				11	19						
			17%				13	20						

	Existing MGDS Indicator	Month Data Available	Baseline – 2005	2006 Actual	2007 Target	2007 Actual	2008 Target	2008 Actual	2009 Target	2009 Actual	2010 Target	2010 Actual	2011 Target	2011 Actual
58	Primary School Dropout rate (by gender) a) Total b) Girls c) Boys	October (Previous Yr data)	22% 23% 21%			14.3%  	18 19 17	5 5 5					12%  	
<b>3.5.2 Secondary Education</b>														
59	Secondary School Gross Enrolment Rate a) Total b) Girls c) Boys	c)	17% 15% 20%			20%  	25 27 30	20.3 17.9 22.7					60%  	
60	Secondary school Net Enrolment Rate a) Total b) Girls c) Boys		11% 10% 11%			12.5%  	20 22 25	13.1 12.9 13.4					50%  	
61	Secondary school pupils/Qualified Teacher ratio		1:73				1:62	1:90					1:50	
62	Transition rate from Primary into secondary school		29%			40%	60	40					70%	
<b>Theme IV: Infrastructure</b>														
<b>4.1 Energy</b>														
63	Number of new trading centres connected to electricity (cumulative)		45		58	96	27	40	27	40			148	
64	% of households with access to electricity (%)		6		7	7.5	7	7.8	8	8			10	
65	Proportion of population using solid fuels (%)		94.8	98.8	93.0	92.5	86	82	78	76.5			84.5	
<b>4.2 Water &amp; Sanitation</b>														
66	Percent of population with access to safe		66	74.2	75	71	77	76	78	80	79		80	

	Existing MGDS Indicator	Month Data Available	Baseline – 2005	2006 Actual	2007 Target	2007 Actual	2008 Target	2008 Actual	2009 Target	2009 Actual	2010 Target	2010 Actual	2011 Target	2011 Actual
	potable water (%)													
67	Percent of population with access to improved sanitation (%)		83	88.2	89	61	91	47	93	94	94		95	
<b>4.3 Transport</b>														
68	Percent of road network in good condition (%) (a) IRI - <4 for paved roads (b) IRI - <7 for unpaved roads		29		80 30	54 18							71	
69	Transport cost as a percentage of export/import Bill (%)		55		40	53	53	40	53	40			12	
70	Lead time on exports due to transport (a) Region (b) Overseas		7 27	7 27	7 27	7 27	7 27	7 27	7 27	7 27			1	
<b>4.4 Telecommunications/ICT</b>														
71	Teledensity (%)		2.7		4.78	15		1.62		12				
72	Mobile Density (%)		2.08		4.21	11.5		10	2.08	11.16				
<b>4.5 Information, Communication Technology (ICT)</b>														
73	Number of Internet users		8,197		55,029	100,000			-	105,000				
74	Computer Density													
75	E-Government status												100%	
<b>4.6 Research, Science &amp; Technology (Originally omitted sub-theme proposed for Inclusion by the Thematic Group)</b>														
	Percent of new locally developed and patented technologies commercialized.													
<b>Theme V</b>														
<b>5.1 Macro-economic Stability</b>														
76	Inflation Rate (%)		15.4		8.5	8.0	7.5	7.9	7.5	8.7			5.0	



	Existing MGDS Indicator	Month Data Available	Baseline – 2005	2006 Actual	2007 Target	2007 Actual	2008 Target	2008 Actual	2009 Target	2009 Actual	2010 Target	2010 Actual	2011 Target	2011 Actual
77	Domestic debt stock as % of GDP (%)		19.8		12.6	12.1	≤14.1	15.5	8.2				10	
78	Fiscal deficit as a percent of GDP (%)		3.5		2.0	1.6	≤3.3	4.2					1.0	
79	Bank Lending rate (%)		27				17.5	15		15.0			< 10	
<b>5.2 Public Sector Management</b>														
80	% of government departments and assemblies with major audit queries													
81	Percent of donor funds disbursed through the budget (%)	August	90										100	
82	% of assemblies with major financial management findings													
83	Open Budget Index (%)			41									100	
84	Percent implementation of Government's Medium Term Pay Policy					64	80	85						
85	Percent of Ministries with functional M&E systems (%)		-										100	
<b>5.3 Corruption</b>														
86	% of corruption cases effectively prosecuted (%)		75	38	47	55	40	29	25	20				
87	Average time taken to complete prosecution of a corruption case (Months)		22	22	24	15								
88	Corruption Perception Index			2.7	3	3.5								
<b>5.4 Decentralization</b>														
89	Number of sectors fully devolved		7		10	7							100	

	Existing MGDS Indicator	Month Data Available	Baseline – 2005	2006 Actual	2007 Target	2007 Actual	2008 Target	2008 Actual	2009 Target	2009 Actual	2010 Target	2010 Actual	2011 Target	2011 Actual
90	Number of districts with approved District Development Plans in place		40		40									
91	Number of Motions or Bills passed in parliament on Private members days.  Alternative: Number of Public Policies changed consistent with CSO Advocacy			50%	100%	50%								
<b>5.5 Justice/Rule of Law</b>														
92	Number of institutions of justice per 100,000 population disaggregated by type: a) Courts b) Police Posts		203 1.2	123										
93	% access to justice by citizens													
94	Prosecution rates													
<b>5.6 Security</b>														
95	Crime Detection Rate (%)		676/1000 00		666/1000 00		666/100, 000	704/100, 000	666	711	28		32	
96	Police/population ratio		1:1384		1:1382		1:1209	1:1,322	1:1209	1:1324	1:1092		1:1034	
97	Warden/prisoners ratio		1:16				1:13	1:11	1:11	1:12			1:5	
<b>5.7 Human Rights</b>														
98	Number of Reported human rights violation cases effectively resolved		67		3000	900								
99	Average time taken to process human rights complaints reported					3months								

	Existing MGDS Indicator	Month Data Available	Baseline – 2005	2006 Actual	2007 Target	2007 Actual	2008 Target	2008 Actual	2009 Target	2009 Actual	2010 Target	2010 Actual	2011 Target	2011 Actual
100	% of the population that is aware about their basic human rights.													

## Annex 4: Progress in MDGs Indicators

MDG Goal Indicator	Baseline Value/Year	2007/08	Progress over baseline
<b>Goal 1: Eradicate Extreme &amp; Hunger</b>			
1. Prevalence of underweight children under 5 years of age	28% (1992)	14%	14% Improvement
2. Proportion of the population below minimum level of dietary energy consumption	23.6% (2000)	15%	8.6% Improvement
<b>Goal 2: Achieve Universal Primary Education</b>			
1. Net enrolment ratio in primary education	58% (1992)	75%	17% Improvement
2. Completion rate	64% (1992)	75%	
3. Literacy of 15-24 year olds	0.82 (2000)	0.86	4.9% Improvement
<b>Goal 3: Promote Gender Equality and Empower Women</b>			
1. Ratio of girls to boys in : ➤ Primary (P) ➤ Secondary (S) ➤ Tertiary education (T)	P- 0.87(1992) S- 0.50 (1992)	0.99 0.76	13.8% Improvement 52% Improvement
2. Ratio of literate women to men, 15-24 years old	0.82(2000)	0.93	13.4% Improvement
3. Share of women in wage employment in the non-agricultural sector	13.1%(2000)	15%	1.9% Improvement
4. Proportion of seats held by women in national parliament	5.6% (1994)	14% (2004)	8.4% Improvement
<b>Goal 4: Reduce Child Mortality</b>			
1. Under-five mortality rate	234 (1992)	112	50% Improvement
<b>Goal 5: Improve Maternal Health</b>			
1. Maternal mortality ratio(MMR)	620 (1992)	984 (2006) 807 (2007)	59% Worse off 30.2% Worse off
<b>Goal 6: Combat HIV/AIDS, Malaria &amp; other Diseases</b>			
1. HIV prevalence among 15-24 year old pregnant women	17.4% (1994)	12% (2007)	5.4% Improvement
2. Condom use			
3. Death rate	10%(1990)	16%(2005)	6% Worse off
4. % of children sleeping under insecticide-treated bed nets			
5. Proportion of cases detected and cured under the national DOTS Programme of the WHO	66%(1990)	79%(2007)	13% Improvement
<b>Goal 7: Ensure Environmental Sustainability</b>			
1. Forest cover	41%(1990)	36%(2005)	5% Worse off
2. Biological Diversity			
3. Energy use (Solid Fuel)	97.9% (2000)	98.7%(2006)	0.8% Improvement
4. Carbon dioxide emissions			
5. Proportion of population with access to an improved water source	47% (1992)	75% (2006)	28% Improvement

<b>Goal 8: Develop a Global Partnership for Development</b>			
1. Youth employment (Unemployment rate)	1% (1998)	9.4% (2007)	8.4% Worse off
2. Access to new technologies(cell phones, personal computers & Internet use rates)	Cell Phone 0.36% (2000)	7.72%(2007)	7.36% Improvement
	Internet 0.051%(2002)	0.082%(2008)	0.31% Improvement