Chapter 5:
Institutionalising the PRSP approach in Malawi

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References

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List of acronyms

ADB  African Development Bank
AFORD  Alliance for the Restoration of Democracy
CCA  Credit Ceiling Authority
CONGOMA  Council of Non-Government Organisations of Malawi
DSA  Daily Subsistence Allowance
EHP  Essential Health Package
EIB  European Investment Bank
EU  European Union
EURODAD  European Network on Debt and Development
GDP  Gross Domestic Product
GNP  Gross National Product
GoM  Government of Malawi
GTZ  German Technical Agency
HIPC  Highly Indebted Poor Countries
IDA  International Development Association
IDEA  (International) Institute for Democracy and Electoral Assistance
IFAD  International Fund for Agricultural Development
IFI  International Financial Institutions (World Bank and IMF)
IHS  Integrated Household Survey
IMF  International Monetary Fund
I-PRSP  Interim Poverty Reduction Strategy Paper
JAMA  Journalists Association of Malawi (JAMA)
MASAF  Malawi Social Action Fund
MASIP  Malawi Agriculture Sector Investment Programme
MBC  Malawi Broadcasting Corporation
MCP  Malawi Congress Party
MCCCI  Malawi Confederation of Chambers of Commerce and Industry
MEJN  Malawi Economic Justice Network
MoESC  Ministry of Education, Sport and Culture
MoFEP  Ministry of Finance and Economic Planning
MoHP  Ministry of Health and Population
MTEF  Medium Term Expenditure Framework
NEC  National Economic Council
NGO  Non-Governmental Organisations
NPV  Net Present Value
NSNS  National Safety Net Strategy
NSO  National Statistical Office
OPEC  Oil Producing and Exporting Countries
PAP  Poverty Alleviation Programme
PER  Public Expenditure Review
PIF  Policy Framework Paper
PIF  Policy and Investment Framework (Education Sector)
PMS  Poverty Monitoring System
PPE  Priority Poverty Expenditures
PPM  Poverty Profile and Monitoring (Thematic Working Group)
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
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<tbody>
<tr>
<td>PRGF</td>
<td>Poverty Reduction and Growth Facility (IMF Instrument)</td>
</tr>
<tr>
<td>PRSC</td>
<td>Poverty Reduction Support Credit (World Bank Instrument)</td>
</tr>
<tr>
<td>PRSP</td>
<td>Poverty Reduction Strategy Paper</td>
</tr>
<tr>
<td>PS</td>
<td>Principal Secretary</td>
</tr>
<tr>
<td>PTA</td>
<td>Preferential Trade Area</td>
</tr>
<tr>
<td>QUIM</td>
<td>Qualitative Impact Monitoring</td>
</tr>
<tr>
<td>RBM</td>
<td>Reserve Bank of Malawi</td>
</tr>
<tr>
<td>SIP</td>
<td>Sector Investment Programme</td>
</tr>
<tr>
<td>SPC</td>
<td>Secretary to the President and Cabinet</td>
</tr>
<tr>
<td>SWAp</td>
<td>Sector-Wide Approach</td>
</tr>
<tr>
<td>TC</td>
<td>Technical Committee (of the PRSP process)</td>
</tr>
<tr>
<td>TWC</td>
<td>Technical Working Committee (of the Poverty Monitoring System)</td>
</tr>
<tr>
<td>TWG</td>
<td>Thematic Working Group (sectoral committees for the PRSP)</td>
</tr>
<tr>
<td>UDF</td>
<td>United Democratic Front</td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Program</td>
</tr>
<tr>
<td>US</td>
<td>United States</td>
</tr>
</tbody>
</table>
Summary

- The process by which Malawi is preparing its Poverty Reduction Strategy Paper (PRSP) is, despite its logistical shortcomings, among the most participatory exercises in the country’s brief history of democratic policy-making. The inclusion of civil society organisations in the functioning of sectoral working groups allowed the process to move from simple consultation to more substantive participation. Moreover, the involvement of donors within these groups was constructive rather than intrusive, increasing the chances of subsequent ‘buy in’ to the priorities identified.

- However, as the PRSP was not yet complete at the time this report was written, the correspondence between the final document and the wide-ranging and participatory inputs that went into making it could not be assessed. There are several question marks about the design of the final stages of the PRSP document-creation process, and the strong possibility that it will suffer from a vague methodology for identifying priorities across sectors. This could well cause widespread resentment from the diverse array of stakeholders who had engaged over the preceding months in the sectoral working groups.

- There are also strong reasons to doubt that the strategies in the final PRSP will be implemented through a disciplined public expenditure process. Ongoing efforts to reform budgeting and budget execution – and the financial systems that underlie them – have met with little success in recent years. There are few grounds for expecting the PRSP approach – either its links to new forms of conditionality or the participatory process by which the PRSP itself was formulated – to improve this critical element of the implementation machinery. If anything, recent indications of government action (as opposed to statements) on this front make the picture look even less optimistic. An IMF assessment written in July 2001 strongly condemned the government’s fiscal indiscipline and demonstrated failure to fulfil earlier commitments, concluding that the receipt of additional HIPC funds could be in jeopardy. Moreover, the PRSP formulation process suffered from many (if not more) of the same technical shortcomings as Malawi’s system of budget planning, including a failure to effectively prioritise activities and a lack of realistic costing.

- A slightly more positive story can be seen in the impact of the PRSP formulation exercise on sectoral policy planning processes in health, agriculture and education. The high-profile nature of the PRSP has given a much-needed boost to the creation of SIPs in these areas. And the PRSP concept’s stress on promoting donor coordination has increased the chances (somewhat) that future interventions could conform to a modified SWAp framework in some sectors. This could, potentially, reduce duplication and the burden on government to respond to diverse donor pressures on what should constitute national priorities for public action to reduce poverty. Putting these priorities into action, however, will face the same financial-management constraints mentioned above.

- Longer-term impacts of the PRSP approach on issues of participation and governance are particularly difficult to gauge at this point. While the reaction
of Malawi’s civil society to the PRSP process has been encouraging – in that it has formed structures for engaging in both policy dialogue and coordinated protest on issues of substance and process – it is extremely unlikely that this will result in the emergence of domestic political leverage sufficient to hold government (or donors) accountable for commitments undertaken in the PRSP formulation process. Civil society remains extremely weak and fragmented, and government highly suspicious of the more vocal elements within its ranks.

- The connection between the PRSP process and governance issues in the formal arena – i.e., state accountability institutions – are similarly mixed. The PRSP provided a vehicle for a small group of parliamentarians to become involved in substantive questions of oversight, but the numbers committed and capable enough to engage in these sorts of processes over the longer term is tiny. Budgets for parliamentary committees remain miniscule. The resources for other state accountability institutions have increased, but their work is still very much constrained by political interference from agencies controlled by the executive. Fairly clear-cut cases of corruption have been put on hold because of executive intervention. The partisan behaviour of the speaker of Parliament (who hails from the ruling party) has further undermined confidence in legislative oversight as a tool of accountability. It is not clear how the creation of a PRSP would help to rectify these fairly fundamental problems. There is, moreover, little evidence of consistency between the PRSP’s focus on poverty reduction and other reforms to governance institutions, particularly Malawi’s slow-moving decentralisation process.

- Arrangements for monitoring the PRSP are likely to involve civil society in some sort of central role – either officially (in a partnership with government machinery) or unofficially (through a parallel process independent of the state-operated system for tracking progress on PRSP indicators). Given the current weakness of civil society, the latter option, though it requires more capacity than civil society currently possesses, will likely prove the more effective mechanisms over the long-term, given civil society’s need to develop independence from the state. Civil society groups would nevertheless continue to rely on substantial external assistance for a large proportion of the funds required to carry out such monitoring.

- In light of the likely political and institutional inadequacies of whatever arrangements for monitoring the implementation of priority PRSs, and the outcomes produced by them, donors will need to continue their own monitoring and financial oversight mechanisms over the medium term (at least the next 3-5 years).

- Individual donor governments should use their influence with the IFIs to institute a system of fully transparent conditionality that can be monitored in a participatory manner and strictly enforced. There is no good reason for any lending conditionality, HIPC ‘trigger’ or other form of donor-government agreement to remain hidden from public view, regardless of the sensitivities of recipient governments. Moreover, full financial auditing and impact monitoring should be carried out in partnership between government, donors and (local and international) civil society representatives (with the latter remaining
independent to pursue their own parallel efforts, if they deem this the most desirable option).

- Monitoring programmes should be designed to allow monitors to trace, without gaps, the full range of activities from budgeting to treasury payouts, down the line to devolution of funds to schools and clinics, all the way to individual financial transactions undertaken by administrators at the local level (to check for corruption) and human development outcomes (as measured in key social development indicators).
1 Introduction

This document presents a status report on Malawi’s PRSP experience to date. It is part of a larger research project, including seven other country case studies, coordinated by the Overseas Development Institute (London) and financed by a groups of bilateral donors. The objective of the report is not to provide a critique of the content of Malawi’s PRSP to determine whether they are the most appropriate strategies for reducing poverty. Instead, the emphasis is on the process by which the PRSP has been developed, though issues of content enter the analysis to the extent that they reflect perceived biases and shortcomings in the way in which the PRSP concept has been communicated and put into practice. The report also analyses the potential for the PRSP approach generally to fulfil its promise.

Four closely inter-related objectives of the PRSP approach are central to this analysis – particularly efforts to achieve:

1. poverty-focussed policies and expenditure plans,
2. streamlined and more transparent IFI conditionalities,
3. more coordinated donor assistance, and
4. improved arrangements for ensuring implementation and monitoring.

As the PRSP itself had not been finalised by the time this report was being prepared (in early September 2001), the assessments are necessarily provisional.

The report is based on both interviews with key informants and an analysis of documents generated through the PRSP process, including: papers produced by Thematic Working Groups (TWGs), the sectoral and issue-based working groups constituted to provide input into the creation of the PRSP; reports of the Technical Committee overseeing the day-to-day administration of the process; PRSP-related documents provided by donor agencies; and reviews conducted by NGOs interested in influencing the PRSP process. Also critically important were a number of relatively current government documents, such as the Finance Minister’s Budget Speech for 2001/02, as well as earlier papers with a direct bearing on progress achieved in creating a policy environment focussed on the reduction of poverty – for instance, earlier government analyses of the causes and manifestations of poverty, the priority areas for public action, and the shortcomings of the Malawian Government’s efforts to date. The latter category included documents such as the review of the recent experience with the Medium Term Expenditure Framework (MTEF), joint government-donor reviews of ongoing Sector Investment Programmes, and assessments of the Poverty Monitoring System.

As with most countries, factors unique to Malawi’s economic and political trajectory, including the history of its relationship with external donors, have played a major role in shaping the PRSP process to date, and will continue to do so for some time. Section 2 of this report deals with the key features of the

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1 They are Benin, Ghana, Kenya, Mali, Mozambique, Tanzania, and Rwanda.
political and economic context that have a bearing on the prospects for the PRSP approach to yield the hoped-for benefits. **Section 3** examines the process by which the PRSP concept has been introduced in Malawi and the way in which the document itself has been formulated, bearing in mind that the PRSP is not yet complete, and that, even more importantly, there is no experience of trying to *implement* it, which clearly will be the real test. **Section 4** analyses the prospects for the PRSP process to institutionalise poverty reduction as a central focus of public action (particularly with respect to public-expenditure management and larger issues of governance), and for this to serve as the basis for better coordination between government and external donors. The issues of performance monitoring, and the informational requirements thereof, are dealt with in **Section 5**. **Section 6** summarises the implications of the Malawian case for the ‘ownership hypothesis’, a common analytical endeavour of the eight country studies that comprise this research project, and also sets forth recommendations relating to two areas of concern to donor activities and funding strategies: the PRSP-formulation process and reform of conditionality.

**Annex 1** details the list of persons interviewed for this report. These formal meetings were supplemented by attendance at two meetings of direct relevance to the themes of this report: (1) a 21 August 2001 workshop to discuss the findings of the Malawi Public Expenditure Review (which was conducted by the Government of Malawi with technical assistance from the World Bank), and (2) a 24-25 August 2001 Donor Roundtable on Malawi’s Decentralisation Process. Both the formal programmes of these meetings, and the informal discussions held on the sidelines with key participants, were extremely valuable in highlighting current thinking on these issues. Finally, further discussion (both in the UK and in Malawi) with people closely involved in various reform processes currently underway in Malawi added to the base of information on which assessments in this report have been made.
2 The country context

This section outlines salient features of the political, economic and policy context in which the PRSP process is unfolding. It is designed to highlight those elements that may influence the ability of the PRSP approach to reach its potential.

The political context

Malawi emerged from thirty years of one-party rule in 1994, when the country’s first multi-party elections were held. The United Democratic Front (UDF) won those elections and Mr Bakili Muluzi became Malawi’s first democratically elected president, pushing the Malawi Congress Party (MCP) into opposition. The other main political party, AFORD, emerged as a third force in parliamentary politics.

While at the level of formal constitutional structures, Malawi became a democratic system, liberal politics is only slowly taking root, and has received setbacks at various points since 1994. Malawi took a large step in the direction of democratic consolidation in 1999 when it held, on schedule, its second round of multiparty elections. President Muluzi was re-elected, though not without charges of vote-rigging and other electoral irregularities from opposition parties and independent observers. The catalogue of questionable practices involved the full range of electoral activities: the demarcation of constituencies, voter registration, the composition and role of the electoral commission, media coverage, the use of donor funds, and the announcement of the election results. This has made opposition rhetoric since 1999 perhaps more vitriolic than it might otherwise have been. And, in turn, the failure of the MCP to accept the legitimacy of the electoral verdict has arguably increased the sense of defensiveness on the part of the president and other senior members of the ruling UDF. This, along with deep and continuing divisions within the opposition MCP, has made constructive relations between government and opposition on issues of policy and governance extremely elusive.

Partisan conflict has been accentuated by regional divisions. Each of the main parties is associated with a support base in one of Malawi’s three regions – north, central and south. The results of the 1994 and 1999 parliamentary elections bear out this pattern. All 33 seats in the northern region were won by AFORD in 1994, and 28 of these 33 again in 1999. AFORD won just three seats outside the north in 1994, and only one in 1999. The MCP won 51 of the central region’s 68 seats in 1994. The figure in 1999 was 54, and in both elections it could carry just a handful of seats outside its base in the central region. The ruling UDF dominates the south, the most populous region, having won 71 of the 76 southern seats in 1994, and 76 of the 87 seats in the region (after re-districting) in 1999. Its electoral support in the central and northern regions is extremely thin.

While the regional divide is perhaps the main cleavage shaping the nature of the party system, it does not correspond (or rather corresponds very imperfectly) with tribal or linguistic divisions. This form of regionalism has been characterised as ‘atypical because it did not dovetail closely with ethnicity’. There have nevertheless been consistent complaints from opposition leaders that the government has distributed a disproportionate share of the benefits of development policy to the southern region, the ruling UDF’s political base. Efforts to devise a formula for the horizontal distribution of intergovernmental fiscal transfers, a key issue in Malawi’s extremely slow-moving decentralisation process, will continue to be influenced by the political context of regionalism.

An important institutional variable that has shaped the nature of political debate over policy issues is the cabinet system of government. Malawi’s constitution allows the president to choose ministers – as in the American system – from non-parliamentarians. This theoretically has the advantage of insulating ministers from the day-to-day pressures of patronage politics based on servicing electoral constituencies, and (again, in theory) could have served to neutralise complaints of partisan bias in government policy making and execution. In practice, neither potential benefit has been realised. With the exception of the Minister of Finance, who resigned his post as an economics professor in Canada to become Governor of the Reserve Bank of Malawi following the first multi-party elections in 1994 (becoming finance minister in 1999), and perhaps one or two other fairly non-partisan technocrats, the cabinet is seen as highly motivated by political loyalties.

The press – and the right to free expression – is without doubt less subject to government restrictions than it was under the period of one-party rule. Still, journalists and editors that criticise the actions and policies of the government continue to receive direct and indirect threats from government representatives. Cases of reporters being roughed up by security forces and groups of ruling-party supporters are not uncommon, though the newspaper coverage of such events is not altogether trustworthy because of highly partisan patterns of press ownership.

*The Nation* is owned and effectively operated by a government minister. Its main rival, in terms of circulation, the *Daily News*, is controlled by a member of the opposition MCP who recently entered into an informal alliance with the ruling party. The editor ran for parliament under the symbol of the ruling UDF. The state-run Malawi Broadcasting Corporation (MBC) is notoriously biased in favour of the government, and reportedly bans its reporters from conducting interviews with certain members of civil society known to be critical of government. Some private radio stations have taken on more controversial topics in phone-in

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4 For a recent example see *The Chronicle* (20 August 2001, p. 1), according to which the President’s Press Secretary issued a letter to Mr Chinyeke Tembo, Managing Editor of *The People’s Eye*, stating that ‘you will be held responsible for all the personal articles contained in *People’s Eye* Newspaper in which His Excellency the President Dr Bakili Muluzi is continuously being personally attacked for reasons best known to yourself and your sponsors’. This was one of the more low-key incidents of which the study team was made aware.
programmes, which provide an outlet for criticism if not fully informed and moderated debate.

Coverage of poverty and related issues in the press is relatively frequent. During the period of the field research for this report the World Bank-GoM Public Expenditure Review (PER) meeting was covered in great detail. But much of this consisted of long direct quotations from the documents, with reports of this one-day meeting spread out over two weeks. This form of coverage suggests a lack of investigative energy on the part of journalists as much as a genuine commitment to analysing the relevant issues in any kind of depth.

One of the key issues currently influencing politics in Malawi is the possibility that President Muluzi may be interested in running for a third term when the next national elections are due in 2004. This would require a constitutional amendment, as under the current dispensation a two-term limit would prevent the president from contesting again. The Presidential Affairs minister has reportedly been active in behind-the-scenes lobbying for a constitutional amendment to repeal the two-term limit. Malawi’s two main church groups – by far the largest and most respected organisations in civil society – have both issued public letters pleading with the president to respect the current constitutional term-limit. There are differences of opinion within these groups on this issue, however.

In general, Malawi is progressing towards a more open, representative form of politics. The Report on “The State of Democracy in Malawi”, produced in 2000 by the Stockholm-based International Institute for Democracy and Electoral Assistance (IDEA), highlights the many areas in which governance reform is slowly improving the citizenship rights of Malawians and putting in place the institutional framework to make these legal entitlements more meaningful in practice. The expanded remit and capacity of the Human Rights Commission is just one example. Nevertheless, the tendency for government to over-react to expressions of democratic protest has remained something of a holdover from the previous political order. The IDEA document reported that ‘a general strike against VAT and inflation on essentials was declared illegal and the army brought onto the streets’.5 This is part of a larger pattern. In 1998, the International Confederation of Free Trade Unions accused the Malawian government of ‘banning mass meetings, strikes and marches’ as well as other practices through which ‘trade union officials were increasingly victimized’.6

Moreover, many of the government’s efforts to improve governance have clearly involved ulterior political motives. ‘Tough action’ on high-level official corruption has been directed mainly at political opponents of the ruling circle. A former transport minister, perceived as a rising challenger to the President, had corruption charges levelled against him, while other more loyal colleagues (who face similar degrees of prima facie evidence) have been left undisturbed. ‘Anti-defection’ laws (coupled with restrictions on the freedom of elected officials to participate in non-party groupings) further reinforce the image of a ruling clique preoccupied with choking off dissidence. Framed ostensibly to improve the

6 ICTFU, Annual Survey of Violations of Trade Union Rights, 1998.
‘democratic functioning of Parliament’, by ‘preventing party disloyalty and undermining the effectiveness of the electorate’s mandate’, these recent legal changes are clearly aimed at silencing discontent within the ruling party. They do not create a conducive climate for the free exchange of ideas or the impartial assessment of policy alternatives.

The economic context

Malawi is one of the poorest countries in the world – whether judged by GNP per capita, the UNDP’s Human Development Index and the human poverty index. According to the World Bank’s *World Development Report 2000*, Malawi’s GNP per capita for 1998 was US$200. This ranked Malawi as the ninth poorest country in the world. The UNDP’s *Human Development Report 2000* ranked Malawi twelfth and seventeenth in terms of its 1998 score on the Human Development Index and Human Poverty Index, respectively. Table 1 presents a range of socio-economic indicators.

Table 1: Selected Socio Economic Indicators: Malawi

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
<th>Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty incidence (%)</td>
<td>65.3</td>
<td>1997-98</td>
</tr>
<tr>
<td>Dependency ratio</td>
<td>0.89</td>
<td>“</td>
</tr>
<tr>
<td>Proportion of female-headed households (%)</td>
<td>25</td>
<td>“</td>
</tr>
<tr>
<td>Adult literacy rate (%)</td>
<td>58</td>
<td>“</td>
</tr>
<tr>
<td>Female</td>
<td>27</td>
<td>“</td>
</tr>
<tr>
<td>Male</td>
<td>66</td>
<td>“</td>
</tr>
<tr>
<td>Infant mortality rate (per 1,000)</td>
<td>104</td>
<td>2000</td>
</tr>
<tr>
<td>Child mortality (per 1,000)</td>
<td>189</td>
<td>“</td>
</tr>
<tr>
<td>Maternal mortality (per 100,000)</td>
<td>620</td>
<td>1992</td>
</tr>
<tr>
<td>Total fertility rate</td>
<td>6.3</td>
<td>2000</td>
</tr>
<tr>
<td>Malnutrition – proportion of stunted children (%)</td>
<td>49</td>
<td>2000</td>
</tr>
<tr>
<td>Proportion of income spent on food (%)</td>
<td>62</td>
<td>1997-98</td>
</tr>
<tr>
<td>Proportion of households with bed, table, chair and bicycle (%)</td>
<td>33</td>
<td>“</td>
</tr>
<tr>
<td>Proportion of households with radio (%)</td>
<td>10</td>
<td>“</td>
</tr>
</tbody>
</table>


During the 1990s agriculture constituted 33 percent of Malawi’s GDP. Three-fourths of this is produced by smallholder farmers, mostly for subsistence. Manufacturing and mining sectors contributed only 17 percent, on average, to GDP, and services just 27 percent.
Agricultural products constitute the bulk of Malawi’s exports, while the manufacturing sector contributes less than a fifth. In the period 1997-2000, agricultural crops accounted for 85 percent of the value of all exports, tobacco alone contributing 63 percent. Malawi’s exports barely cover current imports. For example, in 1998 exports covered just 93 percent of imports. The ratio of current account deficit to GDP averaged negative 6.9 percent in the period 1994-2000 and the debt-service ratio in 1998 was 18.2 percent, of which 6.1 percent was interest payments.

The economy’s narrow, undiversified base also limits revenue-generation capacity. As a result, locally generated revenue barely covers public expenditure (56.1 percent of public expenditure in the period 1994/95-1999/00) despite a high revenue-to-GDP ratio, which averaged 16 percent. Grants assist in narrowing the gap between expenditure and revenue (see figure).

However, it is foreign loans and domestic borrowing that close the gap fully. In fact, in difficult years when even external inflows are not enough – for instance, the democratic transition period of 1993/94 and 1994/95 – and when inflows are slower or simply low as in 1997/98, domestic borrowing helps to make up the difference (see Table 2 and accompanying figure).
Table 2: Shares of Various Sources of Finance for Public Expenditure

<table>
<thead>
<tr>
<th>Source</th>
<th>89/90</th>
<th>90/91</th>
<th>91/92</th>
<th>92/93</th>
<th>93/94</th>
<th>94/95</th>
<th>95/96</th>
<th>96/97</th>
<th>97/98</th>
<th>98/99</th>
<th>99/00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>73.9</td>
<td>76.0</td>
<td>74.0</td>
<td>65.8</td>
<td>48.1</td>
<td>38.3</td>
<td>56.8</td>
<td>65.5</td>
<td>64.0</td>
<td>66.3</td>
<td>63.1</td>
</tr>
<tr>
<td>Grants</td>
<td>15.6</td>
<td>8.2</td>
<td>13.0</td>
<td>11.0</td>
<td>8.7</td>
<td>26.0</td>
<td>25.4</td>
<td>19.5</td>
<td>15.8</td>
<td>24.6</td>
<td>29.9</td>
</tr>
<tr>
<td>Foreign Loans</td>
<td>9.9</td>
<td>19.3</td>
<td>12.7</td>
<td>18.9</td>
<td>18.3</td>
<td>17.9</td>
<td>6.5</td>
<td>15.5</td>
<td>8.4</td>
<td>32.4</td>
<td>13.0</td>
</tr>
<tr>
<td>Dom. Borrowing</td>
<td>0.6</td>
<td>-3.6</td>
<td>0.3</td>
<td>4.3</td>
<td>25.0</td>
<td>17.8</td>
<td>11.3</td>
<td>-0.4</td>
<td>11.7</td>
<td>-23.4</td>
<td>-6.0</td>
</tr>
<tr>
<td>All sources</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
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<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
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</tbody>
</table>

Source: National Economic Council, Economic Report, Various issues

Clearly, Malawi is very dependent on foreign aid, and it is becoming more so. The macroeconomic conditions that have entrenched themselves over the years – the high fiscal deficit, large external current account deficits and meagre official foreign-exchange reserves – require high levels of official transfers as well as soft loans.

Credit from multilateral donors dominates Malawi’s foreign debt portfolio, the World Bank’s IDA being the biggest creditor. For example, as of the end of December 1999, out of the total debt stock of US$2.6 billion, 84 percent was multilateral. The World Bank is, by far, Malawi’s largest creditor, accounting for as much as 73 percent of the multilateral debt. Japan is by far Malawi’s biggest bilateral creditor, holding roughly 85 percent of the country’s debt to the Paris Club of bilateral creditors and 11 percent of total debt. Commercial debt was only 2 percent of the total debt stock and this was mainly contracted with UK commercial creditors (see Table 3). Since the HIPC2 Initiative also covers debt contracted from multilateral donors, the structure of Malawi’s debt means that Malawi stands to gain from the Initiative.
Table 3: Malawi: Nominal and Net Present Value (NPV) of Public Debt (in millions of US dollars, at end-December 1999)

<table>
<thead>
<tr>
<th></th>
<th>Nominal per cent</th>
<th>NPV per cent</th>
<th>NPV after per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Public Debt</td>
<td>2608</td>
<td>100</td>
<td>1482</td>
</tr>
<tr>
<td>Multilateral creditors</td>
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Source: World Bank (2000), Report No. P 7423-MAI, Table 2 of Appendix

Previous poverty reducing efforts and plans

Prior to the PRSP, Malawi had no history of serious (prioritised, costed, outcome-oriented) poverty plans. However, it has never had a shortage of rhetoric about the fight against poverty. For example, one of the objectives of Malawi’s first major development planning document, entitled ‘Statement of Development Policies 1971 – 1980’, was to combat poverty, disease and ignorance. In almost all the public rallies he addressed, Hastings (Kamuzu) Banda, Malawi’s first President, declared his government’s determination to fight against these three
‘enemies’, as he used to call them. The policy document, however, bore no resemblance to a poverty-reducing plan. In fact, contemporary commentators argued that the policies adopted were not pro-poor. This objective was carried over into the next policy document, entitled ‘Statement of Development Policies 1987 – 1996’. Again, the President continued the talk but articulated no credible plan to combat poverty.

World Bank and IMF structural adjustment programs came to Malawi in the 1980s. These policies were enshrined in the Policy Framework Papers (PFPs), which were littered with ‘poverty reduction’ objectives. As with Government policy statements, neither the PFPs nor the specific policies embedded in the adjustment programmes contained concrete plans for reducing poverty. The policies advocated in the PFPs and adjustment operations may even have contributed to a worsening of poverty, though apologists for these programmes would argue that they would have produced results had they been fully and faithfully executed.

What was clear was that poverty was getting worse. After the World Bank’s 1990 World Development Report on Poverty, both the Malawian government of the time and its main aid donors stepped up their rhetoric on poverty and poverty reduction. There was some action as well. Donors using conditionalities started to insist that government spend more on human development and remove restrictions that worked against smallholder farmers. Policy discussions began to focus on the social dimensions of adjustment and the need for safety nets. However, no poverty plans were devised to operationalise the policy rhetoric. It was not until the change of government in 1994 that concrete steps began to be taken with the launch of the Poverty Alleviation Program (PAP).

As part of this initiative, the government established a number of Technical Working Committees (TWCs) to develop analysis and plans that would assist in the fight against poverty. It also established a Poverty Alleviation Programme Coordinating Unit within the Ministry of Economic Planning and Development (as it was then known). The unit is staffed with a minister responsible for PAP, a Principal Secretary, and (sometimes) a deputy secretary, as well as one or two administrative staff. Over time, the unit has oscillated between being an important locus of long-term planning and a ‘dumping ground’ for non-performing or out-of-favour ministers and civil servants. The Coordinating Unit’s role has never been defined precisely and its relationship with the mainstream National Economic Council (NEC) or the Poverty Monitoring System (PMS) is still unclear.

The Technical Working Committees did some preliminary work that was fed into the process of producing a policy framework for the PAP (not to be confused with the Bank/Fund Policy Framework Papers). After the framework was finalised in 1995, the committees were disbanded without producing concrete outputs or meaningful plans. The PAP Coordinating Unit, apart from facilitating the production of the Policy Framework for the PAP, did little or nothing despite always having a Minister of cabinet rank. The policy framework itself did not have concrete plans on how, how much or when poverty would be reduced. What the framework did was to identify groups that were thought to be poor and policies that were considered more pro-poor. No action plan was produced,
either at the time the policy framework was formulated or after it was adopted. Since then there has been no mention of the need to develop a poverty reduction plan.

Ironically, starting from 1996, the country went through a long-term perspective exercise that came up with the Malawi Vision 2020, which was drawn up after extensive public consultations. The Malawi Vision 2020 was launched by the government in 1998. Like the PAP, it was not followed by fundable action plans. Thus, neither the PAP nor the Malawi Vision 2020 has been operationalised.

With the introduction of the PRSP concept, a by-product of the HIPC Initiative, the policy framework of the PAP and the Malawi Vision 2020 are both now considered ‘source documents’. This, however, is mainly a face-saving gesture and no thematic working group has seriously used these two documents as inputs. The failure of the government to implement its very own, home-grown, Poverty Alleviation Programme or the even more high-profile Vision 2020 has left serious doubts as to whether the poverty-reducing plans within the PRSP stand much chance of being operationalised.
3 The PRSP in Malawi

This section examines the PRSP process in Malawi, including (a) the way in which the PRSP concept was introduced and (b) the way in which the actual formulation of the PRSP itself has, to date, been conducted. The reactions of a range of stakeholders to both the concept and the document-preparation process are assessed.

Perceptions of the PRSP concept: links to HIPC and other conditionalities

The PRSP concept is, at best, imperfectly understood, though when compared to the period during which the scoping exercise for this study was conducted (September 2000), huge improvements have been made. This headline statement requires further disaggregation for a more complete picture to emerge.

First, there is a good deal of variation between different stakeholders in terms of the degree of understanding of the general purpose of the PRSP. Government officials are, for the most part, more informed than civil society. Within government, officials in the Ministry of Finance and Economic Planning (MoFEP) have, unsurprisingly, been best briefed, while in the line ministries there is quite a bit of uncertainty as to what the PRSP ultimately will do – a consequence, to some degree, of the proliferation of poverty planning exercises in recent years. Within civil society, there is slowly emerging a core of reasonably well-informed people and organisations, capable of acting as interlocutors with both government and donors on the extent to which Malawi’s PRSP is conforming to the conceptual and operational approach outlined in the documentation produced by the Bank and the Fund. Access to documentation on the experiences of other PRSP country cases has assisted this learning process, and the use of internet-based resources such as the publications from EURODAD and the Kenyan and Zambian NGO networks were particularly cited in this connection.

Second, the extent of understanding varies considerably across three key issues associated with the PRSP concept:

1. its relation to HIPC debt relief,
2. its role in present and future IFI conditionality, and
3. its links to other ongoing processes such as SIPS, SWAPs and reforms to systems of public expenditure management.

How the Malawian PRSP is connected to the HIPC initiative is a source of fairly widespread confusion, though this appears to be on the decline, especially among senior officials. According to one informant in the MoFEP, it was not until recently that the President himself fully grasped that the PRSP was more than a method for deciding how to spend resources freed up through HIPC debt relief. Another common misconception – though much less so than even a few months ago – was that the preparation of the PRSP was simply a condition (some thought the only condition) for obtaining debt relief under the HIPC Initiative. But
slowly, the message that the PRSP will, ultimately, constitute something of a national development plan, from which annual budgets will (in theory) be derived, is clearly getting through. And civil society organisations are taking concrete actions to increase the chances that this linkage between planning and budgeting indeed takes place (more on this in Section 4.2). But there remains significant scepticism that the policy priorities outlined in the PRSP will be translated into reality.

The link to IFI conditionality is an area of even greater confusion. As stated above, the tendency to see the PRSP as just a document that must be submitted in order to qualify for HIPC funds is on the wane. But the route from the HIPC ‘decision point’ (the decision by the Bank and Fund that Malawi is eligible for debt relief, at which point limited relief is in fact granted) to the ‘completion point’ (when the annual debt-service savings become locked in for twenty years) is imperfectly understood. The concept of the ‘floating completion point’ (which means that the final decision on debt-reduction ‘lock in’ can be put off indefinitely until the Bank and Fund executive directors are satisfied that realistic poverty-reduction plans are in place) blurs the picture even further.

It must be said, however, that the GoM has stepped up efforts in recent weeks to clarify matters a bit. At an Economic Association of Malawi workshop, attended by a number of civil society organisations, presentations were made by officials from the MoFEP and the Reserve Bank of Malawi (RBM). It is now increasingly clear to the more articulate sectors of civil society – advocacy NGOs and the newly formed Malawi Economic Justice Network – that a successful year of PRSP implementation will be required for the HIPC debt relief to be ‘locked in’. But what constitutes a successful year is less obvious. Moreover, the link to future conditionality – i.e., what kinds of strings will be attached to future non-HIPC resources – has not been adequately explained by either the IFIs or the GoM. It is increasingly clear that this is at least partly because no decisions about this have yet been made.

The HIPC decision point document, prepared in late 2000 by the World Bank staff for endorsement by the executive directors, identifies a list of ‘triggers’, or conditions, that will have to be met by the Government of Malawi (GoM) in order for Malawi to reach the completion point. By the time of the field research for this report in August 2001, awareness that there were such things as triggers had become fairly widespread, though their precise content was not uniformly known. (The document itself was not distributed by either the IFIs or the GoM; bootleg copies made their way around government and NGO offices.) The very existence of triggers has raised concerns among members of civil society and even, in some cases, among government officials, as the idea of HIPC

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7 Leslie Mkandawire (RBM), ‘The Effects of HIPC Initiative on the Social Sector: Experiences with the Highly Indebted Poor Countries (HIPC) Initiative in Malawi’ (paper); and Patrick Kabambe (MoFEP), ‘HIPC Debt Relief: Implications for Public Expenditure Allocations’ (presentation), both delivered at the Economic Association of Malawi Workshop, Lilongwe, 3 August 2001.

8 The following discussion is based on IDA/R2000-234 (‘Malawi – Enhanced HIPC Debt Initiative: President’s Memorandum and Recommendation and Decision Point Document’), dated 8 December 2000 (for consideration at the Executive Directors’ Meeting of 21 December 2000). The Completion Point Triggers are summarised on Box 2, p 24.
conditionalities seemed to contradict the portrayal of the PRSP as an alternative to IFI-imposed conditionality. Most importantly, non-negotiable, and previously agreed, policy commitments appeared to pre-empt the PRSP formulation process itself.

Beyond this objection in principle, three specific triggers found in the HIPC Decision Point Document (things that will have to be achieved for debt relief to become irreversible at the time of the completion point) have been the subject of considerable consternation:

1. ‘Progress in the implementation of the National Safety Net Strategy’: The NSNS was at the time it was developed (during 1999-2000) a source of some controversy, particularly the extent to which it appeared to bear the heavy imprint of certain staff members of the World Bank. While it is appreciated by most observers that the PRSP process (which includes a Thematic Working Group on Safety Nets) was not intended to ‘reinvent the wheel’ – that is, it would ‘build upon existing policy documents’ – the inclusion of the existing NSNS as the basis for one of the triggers/conditionalities for HIPC completion appeared to pre-determine the outcome of the Thematic Working Group empowered to develop a section of the PRSP on Safety Nets. Stakeholders asked to participate in the PRSP’s Safety Net TWG wondered whether they had been invited merely to legitimate policy decisions that had already been taken.

2. Achieving performance indicators in HIV/AIDS and Education: Government officials referred to the triggers in these two areas as ‘a bit random’, in addition to (once again) seemingly pre-empting the PRSP formulation process. The requirement/trigger that ‘75% of all condom outlet points [have] condoms in stock at any given time’ struck one treasury official as arbitrary, and possibly even perverse: stockrooms brimming with condoms could as easily indicate that no one is using them. In education, there was some questioning of the requirement/trigger that there be a ‘yearly enrolment of 6000 students for teacher training and institution of in-service training for primary teachers (at least once each year)’. As Bank staff indicated when queried about this, this condition was drawn from the existing Policy and Investment Framework (PIF) for Education (the ‘living document’ on which the Education SIP is ultimately to be based). But, as both donors active in the sector and MoESC staff themselves complained, this figure not had yet been fully costed, nor capacity constraints in meeting it adequately assessed, as the process of developing the PIF had run into a number of problems and had been the subject of ongoing critique and debate.9 The feeling among informants that were critical of HIPC completion-point triggers in these sectors was that they were selected ‘in a rush’ to meet the decision-point deadline in late 2000, and were biased towards the sort of quantitative indicators that would appeal to the Boards of the IFIs.

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This has dented confidence in the belief that the PRSP represents a genuinely new form of national ownership.

3. ‘Submission of draft Land Law to parliament’: This trigger, which falls in the category of ‘macroeconomic and structural reforms’ in the HIPC decision-point document, is another that has come in for criticism – in this case, mainly from civil society, but also (reportedly) from officials in the ministry of Gender and Community Affairs. Again, the issue is one of pre-empting the nationally owned PRSP-formulation process: if the purpose of the PRSP is to identify a comprehensive national development strategy in which policies are focussed on poverty reduction, why should the promulgation of a prefabricated Land Law, which may or may not be focussed on poverty-reduction, be a condition of HIPC completion? Suspicions have been further heightened by the fact that land policy is conspicuous by its absence among the Thematic Working Groups established as part of the PRSP process. When asked about this omission, and whether it might be linked to the fact that the existing Land Law had been stipulated in the HIPC triggers, World Bank representatives (as well as a member of the Technical Committee, which is responsible for organising the PRSP Thematic Working Groups), stated that land policy was simply an area that was overlooked when establishing the TWGs. It was not, they stated, a deliberate omission. Either way, the impression remains that another (politically sensitive) policy domain, of direct relevance to the economic prospects of the poor, has been defined out of the consultative PRSP process – in effect, pre-determined by the existing land policy. This, unfortunately, reinforces the sense of suspicion that the PRSP process was designed to overcome.10

Making widespread comprehension of the relationship between IFI conditionality and the PRSP even more difficult has been the inclusion in the HIPC decision point document of a detailed breakdown of the ‘Indicative Use of HIPC Resources: 2000/01 – 2002/03’.11 Though the document repeatedly stresses that these are ‘potential’ uses for HIPC debt relief, the legacy of suspicion surrounding the nature of agreements between the IFIs and the GoM has created the impression that the distribution of HIPC debt-relief outlined in this document has been decided upon in advance of the PRSP formulation process. The HIPC funds were to begin flowing into the country in early 2001, but apparently only began to arrive in June due to logistical reasons. The fact that as of early September 2001 no government announcement had been made on how the debt relief savings would in fact be used has fuelled the rumour mill – a clear failure of communication.

Ironically, the belief among informants in all three stakeholder categories – government, civil society, and other donors – that the World Bank’s Decision Point document (through the Table on ‘Indicative Uses of HIPC Resources’) had

10 It should be noted, however, that one donor interviewed for this Report argued that the current land policy document is ‘quite solid’ and that there was no need to reopen the issue.
predetermined the allocation of HIPC savings has generated a new (mis)perception that is, in a sense, the mirror image of one of the earlier misperceptions. That is, if the distribution of HIPC resources was assigned in advance of the PRSP-formulation process, then far from the PRSP being exclusively about how to spend the debt relief funds, the PRSP process would be devoted to everything but how to spend the HIPC resources. On the other hand, the announcement by the Finance Minister that there would be a ‘supplementary budget’ in October 2001, which would draw on the PRSP (if it is finished by then) to determine where the HIPC funds accumulated to that point would be allocated, served to re-establish the notion in some people’s minds that the PRSP was purely about HIPC. This undermined much of the hard work that had gone into communicating the idea that the PRSP was about how to prioritise the entire annual national budget.

While some civil society groups are concerned that debt-relief resources have been pre-assigned to the categories identified in the Bank’s HIPC Decision Point document – running all the way through 2002/03 – others are concerned that they will not be spent according to this formula. (The table of ‘indicative uses’, despite misgivings about the Bank allegedly pre-empting the PRSP process, does indeed prioritise such clearly poverty-focussed expenditures as drugs, primary health care, nurses’ training, rural roads, teaching materials, borehole construction and maintenance, and agricultural extension.) This latter complaint stems from the belief that the first tranche of HIPC funds has largely been earmarked, without public notification let alone debate, to repayment of domestic borrowings incurred during FY 2000/01. Spending HIPC funds in this way would clearly appeal to the IMF, which is concerned with reducing inflationary pressures. Moreover, fiscal restraint is itself a HIPC conditionality, in that compliance with the Fund’s PRGF conditionalities is listed as one of the HIPC completion point triggers.

The ‘folding in’ of the Fund’s PRGF conditionalities within the HIPC Completion Point triggers highlights another source of worry for some stakeholders, particularly in the donor community: How inviolable will the PRSP be as the centrepiece of national policy when the IFIs continue to possess the leverage contained in other lending instruments? While less of a concern than it had been at the time of the scoping exercise for this study (in Sept 2000), it remained a significant theme in the perceptions of all three stakeholder categories. Civil society, for instance, is concerned at the lack of clarity on how the monitoring indicators identified for the PRSP will be used in whatever Bank Poverty Reduction Support Credit (PRSC) arrangement ultimately emerges. And Treasury officials worry that a future adjustment operation (the most recent, single-tranche, FRDP III came and went in the first part of 2001) will impose additional conditionality burdens.

At the same time, for those who wonder whether there will be sufficient incentive for the government to remain committed to the PRSP priorities after the HIPC savings are locked in – that is, after the first year of successfully implementing the PRSP and adhering to the other HIPC triggers – the fact that IFI conditionality will continue to exist in one form or another is, in fact, a source of some comfort. For those of this view, the primary concern is that HIPC funds should be used to create additional expenditure on poverty priorities – that is, above and beyond
what was being spent in these areas prior to the introduction of HIPC relief. Bank staff stated that the first annual review of the implementation of Malawi’s PRSP – i.e., the review that would determine whether Malawi had passed its completion point tests and locked in debt relief – would examine not only the accounting for HIPC funds themselves, but also the overall levels of expenditure on anti-poverty priorities. This aspect of the PRSP review was not formally stated in the Decision Point document. It would be based on ‘an informed judgement call’ by the Bank review team. The discretion this afforded IFI staff was a source of concern to some observers, especially those who worried that it could be used to undermine commitment to PRSP objectives that did not conform to Bank/Fund priorities.

Perhaps the most substantiated fears about the future of the PRSP – shared by at least some in each of the three stakeholder categories – concerned the Bank-funded Malawi Social Action Fund (MASAF), reportedly a favourite of President Muluzi. This programme, which among other things supports (mainly) infrastructure-related community development projects at the local level, has been criticised as highly politicised – meaning that the selection of projects is allegedly skewed towards localities that support the ruling party. In addition to concerns about partisan implementation and outright corruption (and more importantly from the perspective of the PRSP), officials in line ministries fear that poverty-reduction priorities identified in the PRSP will, in practice, get squeezed out of future budgets because of the tendency for MASAF projects to have unplanned-for recurrent cost implications. These limit the pool of resources available for other discretionary spending, which may be of more direct relevance to the poor. A Bank Operations and Evaluation Division assessment of MASAF II should be released in a few months, and a separate evaluation (to be conducted, in part, by researchers from the Institute of Development Studies at the University of Sussex) is due to get underway before the end of 2001. That Phase III of MASAF is being negotiated before these evaluations have been submitted is raising further suspicions about the Bank’s (and the Government’s) commitment to ensuring that MASAF is both functioning well and geared towards the poverty priorities identified in the PRSP.

The PRSP formulation process

The development of Malawi’s PRSP got off to a slow start in the latter part of 2000, hamstrung initially by the extremely unconsultative nature of the process by which the country’s I-PRSP was developed. The Phase I report for this study had identified many of the shortcomings of the I-PRSP process, including its almost complete exclusion of civil society (and indeed bilateral donors as well, who had complained bitterly about excessive Bank intervention), turf battles between the

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12 According to press coverage, the President himself was reported to have made fairly direct statements in public meetings, warning local people that they would stand little chance of gaining access to MASAF funds if they supported opposition parties.

13 The PRSP Consultation workshop held in Dowa District revealed complaints from members of the district assembly ‘that some MASAF projects claimed to have been undertaken in November 2000 in the MASAF report were never undertaken’. Malawi Poverty Reduction Strategy Paper (PRSP) Preparation Process: District Consultations Report, 14 March 2001, p. 10.
National Economic Council and the MoFEP, and the reliance on previous Policy Framework Papers, which had been fairly crudely assembled into an I-PRSP under the direction of a small group of officials working with World Bank staff members. Some of the worst fears expressed at that time by excluded stakeholders – for instance, that the full-scale PRSP process would be as closed an exercise – have not come to pass. On the other hand, the worry that HIPC Completion Point triggers would be derived from the Bank-orchestrated I-PRSP, and that on this basis they would be publicly justified by the Bank as Malawian-owned and therefore a reasonable constraint on the development of the full PRSP, have turned out to be reasonably well-founded.

**Institutional architecture**

Against this backdrop, it was always going to be difficult for the IFIs and the GoM to sell the PRSP process as a new form of participatory development planning. When the government began the PRSP preparatory process in September and October 2000, it ran into resistance from civil society almost immediately. The organisational architecture for developing the PRSP was perceived as government-dominated, and unnecessarily concentrated in the MoFEP and NEC (despite the continued turf wars between them). Indeed, the consultation process was designed originally as a series of one-day workshops, to which various ‘sectors’ of civil society would be invited so that they could voice their views.

The PRSP Technical Committee (TC), whose job it would be to oversee the creation of the document, was to be chaired by a senior member of the National Economic Council, once Malawi’s key planning agency. The Technical Committee was to report to the National Steering Committee – a committee of Principal Secretaries from a broad array of ministries – with the post of Coordinator being held by the Principal Secretary (Economic Affairs) in the MoFEP.\(^{14}\) The role of the National Coordinator was to act as a link between the Technical Committee and the National Steering Committee, which was empowered to make recommendations to the PRSP Ministerial Committee that would table the report before Cabinet.

PRSP Thematic Working Groups (TWGs), formed to draft sectoral and issue-based components for the PRSP, were launched on 18 January 2001. The TWGs included representatives from civil society and donors (but only after a major campaign for inclusion by civil society – about which more later). Some TWGs included Members of Parliament from relevant parliamentary committees.

The number of TWGs has varied over the course of the process – with, for instance, Technical and Vocational Education branching off from the Education TWG to form one of its own – an indication of both management problems and a somewhat reassuring degree of flexibility and responsiveness on the part of the Technical Committee. The list of groups as of the 15\(^{th}\) of August 2001, when a meeting was held in Lilongwe, included:

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\(^{14}\) The PS (Economic Affairs) is subordinate, in MoFEP, to the Secretary to the Treasury, the Controlling Officer for the Ministry as a whole.
1. Growth and Diversification, which consisted of sub-groups on Credit, Public Expenditure Management, and Taxation,
2. Industry
3. Infrastructure
4. Science and Technology
5. Poverty Profile and Monitoring
6. Macroeconomic Stability
7. Agriculture
8. Nutrition
9. Health
10. Education
11. Vocational Training
12. Safety Nets
13. HIV/AIDS
14. Governance
15. Security and Justice
16. Environment and Natural Resources
17. Decentralisation.

Each of these groups was assigned both a chairperson and a ‘facilitator’ from the TC, who was responsible for keeping the process on track, ensuring equitable participation and maintaining the focus on prioritisation.

Despite some complaints from various TWG members (from all three stakeholder constituencies) about the documentation with which they were supplied by the TC, when compared to the original concept notes prepared by the MoFEP in September 2000, the background documents distributed to TWGs in January 2001 – along with sector-specific Terms of Reference – contained a much clearer statement of the key objectives of the PRSP approach. In particular, a sharpening of the focus on implementation is evident. Where the first page of the September 2000 concept notes emphasised that ‘the PRSP will be updated on a rolling basis’, the January 2001 document replaced this with the statement that ‘the key feature of the PRSP will be that it will be an implementable, prioritised plan of action’. The diagram outlining the linkage between the PRSP and SIPS, the MTEF and the annual budget was supplemented by a box indicating the place of implementation and monitoring, and highlighting their connection to the annual PRSP progress review. The statement of ‘What will be the content of the PRSP?’ was expanded to include a central role for monitoring. The section on ‘Who will use the PRSP?’ was refined from a focus mainly on donors to emphasise that ‘the PRSP will be the framework for all Government interventions’. Finally, the revised version included a clear overview of the means by which implementation would be ensured: ‘The implementation of the Strategy depends on four main elements: broad ownership, realism, the institutional framework and monitoring’.

District consultations

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16 The revised version, distributed as part of the Terms of Reference for the TWGs, was entitled, ‘Poverty Reduction Strategy Paper: Questions and Answers’ (mimeo), January 2001.
The arrangements for the district consultations were planned by the PRSP Technical Committee, with input from the National Steering Committee (that is, the committee of Principal Secretaries). Coverage of Malawi’s 31 districts was divided among three teams. Each of these teams consisted of four persons. One of the three teams contained only members of the Technical Committee. One team included a government representative from one of the TWGs, in addition to three TC members. The third team had, in addition to the two TC members, two members of TWGs, one of which was a representative of civil society – the only one included in any of the district teams. Some members of local civil society were themselves involved in the district consultations, having been invited, but in general the workshops were dominated by local officials (district councillors, the police, district health officers) and Traditional Authorities, as well as what the Technical Committee’s Report on the process termed ‘other influential people within the districts’. It was not a ‘consultations with the poor’ sort of arrangement. This was not necessarily a shortcoming.

As part of the fieldwork for this report, the authors visited two districts where consultations had been held. Those participants interviewed by us were in general reasonably satisfied with the way in which the consultations in their districts had been conducted. (There may well have been civil society representatives from these districts who should have been invited, but were not, but time constraints made tracking down such people impossible.)

The major concern expressed by those interviewed was that there had been no follow up by the PRSP Technical Committee. Though the TC stated that they had circulated the report on the outcome of the district workshops to Chief Executives of the District Assemblies, the Chief Executive of Balaka claimed not to have received one, nor had his Director of Administration. The district officials interviewed in Dedza had not seen a copy of the report either, and they keenly reviewed the copy carried by the authors of this report.

The list of names for each District Consultation, found in the Annexe of the report, did not include their positions or organisational affiliations. Inquiries in Balaka and Dedza – which involved identifying the affiliation of each name listed in the Report – revealed that the vast majority of participants were district officials, elected representatives of the Town and District Assemblies, and Traditional Authorities (or Chiefs). A good number of the participants were clerks, drivers, messengers, cleaners and other employees. Their inclusion on the lists was less an effort to involve non-elite members of local society in discussions of district poverty priorities – since their designation as ‘participants’ was apparently something of a misnomer – than it was a way of ensuring that lists were as full as possible and that they received the perk of a Daily Subsistence Allowance (DSA) for attending.

Civil society representation was minimal, consisting in each case of two or three NGOs. District CEOs were responsible for determining the list of invitees. Stronger guidance from the TC – which funded and facilitated the consultations –

could have resulted in a more representative cross-section of participants. Nevertheless, an NGO representative in Balaka (one of only four invited to the meeting, and just one of two to attend) felt that the process of prioritisation was helpful in focussing attention on the key constraints on poverty reduction. He also stated that issues raised in the consultations were taken up later in the District Executive Committee, a useful forum provided within Malawi’s Local Government structure to improve coordination between elected representatives, district officials and key non-governmental stakeholders.

One concern raised by officials involved in the Dedza consultation exercise was that the record of the meetings in the District Consultations Report did not fully reflect the nature of discussions. In particular, the strong emphasis in the discussions on the need for the government to promote agricultural cooperatives (mainly for marketing, but also for the supply of subsidised inputs) did not figure in either the brief text summary of the districts consultations nor in the priority rankings developed for each district. This may well have been a result of the overstretched capacity of the TC, but it left the perception that central government and IFI officials might have had an alternative agenda.

**Thematic Working Groups: operation and outputs**

The first drafts of reports from some, though not all, of the TWGs were submitted to the TC in February 2001. Others were late. A few did not submit never submitted a report for the first round of drafts. Some TWGs appear not to have met at all, or very rarely, with irregular attendance reported in almost all groups. A few groups appear to have been highly dysfunctional – in particular the Macroeconomic Stability group, which met very rarely and made little progress on drafting a useful document. This was problematic because its failure to produce the required outputs constrained other groups that were relying on this information for costing and other activities. Ultimately the TC responded by forming a ‘Macro Taskforce’, which brought together representatives from each of the groups. It was charged with creating ‘coordinated overall poverty reduction targets, macroeconomic framework (real and monetary) and targets, and an overall resource envelope’.

The isolation of groups from one another was a common complaint among stakeholders. On the other hand, no group was prohibited from contacting members from other groups, nor were chairpersons of each group unaware of the other chairs. A failure of initiative on the part of stakeholders themselves, then, is at least as much a part of the problem as poor ‘coordination’ from the Technical Committee. Despite this shortcoming, there were opportunities for TWGs to learn of progress in other groups. Indeed, a major component of the PRSP process was a workshop held from 7-15 May 2001 in the town of Salima to comment on the draft TWG reports. These drafts ‘varied significantly in quality and comprehensiveness, with many groups clearly confused as to their objective and

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purpose’. According to the workshop report, its purpose was to outline ‘the tasks that need to be completed by the TWGs:

1. Incorporate comments from the other TWGs and stakeholders
2. Incorporate comments from the Technical Committee
3. Incorporate findings of the District Consultations
4. (In many cases) Enhance ownership by seeking and incorporating comments from other stakeholders
5. Complete the action plan.
6. Clearly prioritise the activities proposed
7. Estimate the cost of the activities proposed
8. Edit the document so that it reflects a common format, presentation and style.

Each TWG presented its draft to a panel made up of the Technical Committee, members of TWGs dealing with related or cross-cutting issues, and experts in each of the fields. General observations relevant to most of the drafts, as well as specific comments for each paper (sometimes on a page-by-page basis), were prepared by the Technical Committee, and distributed in the form of a Report on the ‘Salima Meeting’. The document indicates a good deal of thought going into the detailed and highly relevant comments from the Panels. These were not mere eyewash either, in some cases showing substantial determination to highlight controversial issues. Comments on the Poverty Profile and Poverty Monitoring TWG included the observation that ‘There is no discussion of the political aspects of poverty monitoring etc. …. there is need to discuss the role of the Minister of Poverty Alleviation Programmes’. On the other hand, the nature of some of the comments directed to other TWGs seems to indicate that a number of the ‘drafts’ under discussion were of extremely low quality.

The Salima Meeting was criticised by some stakeholders as poorly facilitated, though most found it highly useful. The biggest complaint came from (some) donors, who felt that the length and expense of the meeting, held in a relatively upmarket lake-front leisure venue, represented all that was wrong with the process – unconnected to the reality of the lives of the poor. One donor and a number of NGO representatives said that this was symptomatic of the process as a whole, ‘where no meeting takes place without everyone being paid their DSA’ (Daily Subsistence Allowance, or ‘sitting fee’). The reluctance (or outright refusal) of officials and others to take action in the absence of such payments is, however, something that long predates the PRSP, and the hope that somehow this exercise would lead to a change in this aspect of the ‘DSA culture’ was probably pretty unrealistic to begin with. According to one story doing the rounds, this did not stop one particularly aggrieved bilateral donor from contacting the Financial Times, which ran a story on the ‘beach-side’ poverty meeting in Salima, which was of no assistance to the process in terms of public relations.

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20 Ibid.
**Interim action and review**

An important milestone in the PRSP process was the creation of a ‘PRSP Findings to Date’ Document, designed to provide input into the 2000/01 national budget. As the full PRSP would not be ready for the budget cycle, it was nevertheless felt that some of the interim findings should be used as guiding principles. The ‘Findings to Date’ document was discussed in a workshop, and in fact became significantly revised as a result of the discussions. The incorporation of the thrust of this document in the Budget itself is an issue of some debate in Malawi – for more on this, see Section 4.2 – but the fact that it was mentioned at all in the Finance Minister’s Budget Speech to Parliament is one indication that the idea of the PRSP as an operational document meant for practical application was taking root.

In terms of improving the process by which the PRSP documents were being formulated, three observations were reported by the Technical Committee (in an admirable display of self-criticism) at the 29 May 2001 Findings to Date workshop:

- ‘The Technical Committee needs to improve communication channels.
- The Technical Committee is lacking in administrative capacity, as reflected in poor distribution of documentation and late invitations to meetings.
- Clear deadlines need to be set for the process to avoid it becoming indefinite.’

All three comments were constant *leit motifs* in the interviews with stakeholders. They were, however, tepid in comparison to the sorts of criticisms levelled by one civil-society-initiated review of the PRSP process, which was the subject of a report issued a month earlier (April 2001), the very existence of which was another good sign insofar as it indicated that the PRSP process had become high-profile enough actually to spur such a thoughtful and coordinated response. The findings of that report were ‘based on reviews of the relevant literature, together with 43 semi-structured interviews…with representatives from working groups, district assemblies, CSO’s in Zambia and Uganda together with other key stakeholders’.

Another display of self-criticism by the Technical Committee was contained in an August 2001 review of the process submitted to the Finance Minister and the Minister for Poverty Alleviation. This document highlighted the TC’s own problems of coordination, admitting that ‘interest in the PRSP Process has been reduced and the quality of debate damaged by the poor flow of information’. It also admitted that ‘the media have not been used effectively’ adding that

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‘newspapers continue to consistently misreport PRSP events and there has been limited radio coverage’.

The TC’s report, however, is also adamant that it alone cannot be held responsible for the manifest shortcomings in the process, assigning some of this (both explicitly and implicitly) on the TWG chairpersons, and more importantly on the two ‘higher’ decision-making tiers: the PRSP National Steering Committee (consisting of Principal Secretaries), and the PRSP Ministerial Committee. ‘Blame for the current impasse has been passed between the Technical Committee and the National Steering Committee’, says the TC’s report. ‘The uncertainty has seriously affected the work of the Technical Committee, and has contributed to the delays and inefficiencies observed in the process.’ According to the TC’s report, the other main proximate cause for the problems with the process was a lack of staff: ‘Despite assurances that certain members would be appointed to work full time on the PRSP and released from other duties, this has not transpired – the Technical Committee members have retained their normal workload with PRSP activities in addition’.

According to the TC’s report, the ultimate source of the PRSP process’s difficulties – that is, the cause of the problems outlined above – was the lack of ‘Official and Political Commitment’, meaning that the two upper tiers (senior civil servants and members of the cabinet) were not treating the PRSP as an urgent priority. Part of this, according to the TC’s report, was a result of ‘widespread misunderstanding of the process’. The importance of this issue to assessing whether the PRSP itself is likely ever to be implemented warrants quoting from the report at length:

> many senior officials and politicians see PRSP only as the key to increased resources through HIPC, rather than as a means of improving policy and public expenditure planning and management. Thus several Ministries are being encouraged to expand their programmes rather than rationalising them, and *commitment to the fundamental reforms implied by the implementation of the PRSP is absent in many cases* ... the PRSP has not become a priority within the Ministry of Finance let alone the Line Ministries ... without demand for the PRSP from the Ministers and senior officials in each ministry, the PRSP will always be seen as a side issue."

Thus, we can see that the TC’s criticisms were, in fact, directly more at ministers and the top echelons of the civil service than towards itself. This is, in fact, a pretty fair assessment. The lack of support and commitment at the highest political levels goes a long way in explaining what some donor informants have called a ‘lack of urgency’ among many officials in line ministries. Most of all, it does not bode well for future implementation.

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26 Ibid.  
27 Ibid, p. 3 (emphasis added).
The PRSP endgame

Perhaps the most worrying aspect of the PRSP formulation process concerns the arrangements for finalising the document. The final TWG reports have been slow to come in, with some groups (for instance, the decentralisation TWG) apparently making little progress at all. The TC has begun to refer to these TWG documents as ‘background papers’, implying that they will have less direct bearing on the final PRSP than might originally have been expected. Moreover, as the costing exercises for the individual sectoral TWGs have been inadequate to date – with poor turnout from TWGs at a costing workshop organised by the MoFEP – the raw material available to the PRSP drafting committee (a subset of the TC) will be rather less refined that was hoped for at the outset.

In addition, there has been almost no serious thought given to what is being called ‘overall prioritisation’ – that is, ranking the key priorities across sectors. This is an absolutely critical element in the process of formulating a national poverty reduction strategy, and it seems likely that it will be done under pressure of time and by a relatively small group. One of the few documents produced thus far to guide overall prioritisation is the ‘PRSP District Consultations – Indicative Ranking’, which members of the TC admit is so filled with methodological problems as to be almost arbitrary. That this recognition is stated openly on the document itself (‘This list is for discussion purposes only – it does not represent a robust summary of national priorities’) is of little comfort in the absence of anything more substantial that could take its place.28

Following the costing, overall prioritisation and drafting processes – which are likely to take all of September and October – the PRSP itself will then be presented to a ‘National Symposium’, the function of which is to ‘endorse’ the PRSP. This raises concerns that there will not be sufficient time or inclination for comments raised at the symposium to be incorporated into subsequent drafts. The links to other key institutions in these final stages of the process are also rather worrying. The schedule makes mention of a “briefing of Parliament” – a somewhat unfortunate form of words, which conveys a cursory passing of information rather than a full debate of the PRSP’s final shape. The main concern of civil society groups that have been involved in the process is that the work that has been undertaken thus far will be undermined by a hasty completion process, and that the resulting dissatisfaction with the final product will in turn seriously harm efforts to impart a sense of national ‘ownership’ (see Section 6.1 for further discussion on this point).

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28 The Notes at the bottom of the document are even more self-flagellating, stating that ‘the imputed points [for each identified ‘priority’] are not directly comparable since different prioritisation methodologies were used in different Districts...The participants of the District Workshops were not representative of the population. Women and the poor were underrepresented’. To this might be added the fact that the priorities were an inconsistent mix of pre-fabricated option presented by the Technical Committee itself and some created by the District consultation participants themselves. In addition, they are a mix of ends and means, with little attention paid to the perceived linkages among them.
4 The potential for institutionalisation

This section of the Report analyses the extent to which the PRSP process in Malawi is likely to result in the establishment of new institutional relationships capable of supporting the objective of poverty reduction. It consists of two parts. Part One assesses the potential for the PRSP process and reforms to policy planning and public expenditure to become mutually reinforcing – that is, for the PRSP process to contribute to improvements in the system of poverty-focussed planning, budgeting and expenditure management, and for these improvements to create an environment in which the PRSP itself can be implemented. Part Two examines the potential for the PRSP process to institutionalise new relations among the main actors that influence the ability of governance to contribute to poverty reduction.

The PRSP and ongoing policy reform

Though reforms to systems for sectoral policy planning are intimately bound up with the fate of the general system of public expenditure management (including the functioning of financial controls), for the sake of analytical convenience they are treated separately in the next two sections of this report.

Public expenditure reform

Malawi, like many other countries, has in recent years undergone a series of overlapping reform efforts designed to improve the effectiveness of expenditure management. They have sought to rationalise the entire cycle of expenditure-related activities – the identification of priorities, the costing of activities, the allocation of resources, and the creation of systems for effective implementation and review. Two key ingredients have been efforts to develop Sector Investment Programmes (SIPs) and to institute the elements of a Medium Term Expenditure Framework (MTEF). Both initiatives have been underway since the mid-1990s. Each has been subjected to continuous refinement and review.

The attempt to institute an MTEF in Malawi – that is, to use an MTEF as a tool for managing the entire budgeting process – is widely viewed as having failed to meet its objectives. This was the conclusion of each of the two major reviews of the MTEF process conducted to date – the most recent submitted in late 2000. Activity-based budgeting has been only partly practised, and even then has been undermined by other flaws in the budget process. The result has been the reassertion of line-item budgeting. While there are many ways to assess progress in what is inevitably a learning process, one review (while careful to highlight some of the achievements of the Malawian experience with MTEF) gave the clear impression of unsatisfactory performance. The key MTEF stage of setting ceilings was ‘an area where the MTEF has not really functioned’. Moreover, ‘the integration of the Recurrent and Development budgets has not

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been achieved'\textsuperscript{30} The Government of Malawi’s own MTEF review, produced with assistance from Oxford Policy Management (a UK-based private consultancy firm), was similarly self-critical, but with (again) a gloss emphasising the government’s determination to redouble its efforts at fixing the main problems\textsuperscript{31}

The most important of these shortcomings, in terms of its potential impact on PRSP implementation, is that patterns of actual expenditure often bear little resemblance to the budget itself. Virement between expenditure categories is a frequent occurrence. Expenditure ceilings are violated with impunity, and on a regular basis, by line ministries and other government agencies. This is by now very well known throughout government and non-governmental circles. As one donor put it, ‘that the budget is largely a work of fiction is now an accepted reality’.

As these problems have persisted, proposals to rectify them have become increasingly radical. Reforms that delve deep into the institutional substructure of financial management have been proposed in Malawi’s recent Public Expenditure Review\textsuperscript{32}. These include performance contracts for senior civil servants that would link personal emoluments to their ability to adhere to proper financial-management practices. Another World Bank proposal is to expand the role of the Malawi Public Service Commission, as a way of insulating senior officials from political pressures exerted by powerful forces in the ruling party and cabinet. Government officials, including the Finance Minister, have openly embraced the need for such changes (though not always agreeing with the details of specific World Bank proposals) and have agreed to implement some of them as part of Bank and Fund lending arrangements. But will the political incentives and distribution of decision-making authority within government make this possible?

This is, indeed, the central question, as a key concern of this study is whether the PRSP approach is likely to contribute to such efforts. There can be, in a strict sense, no categorical answer to this question, for two main reasons. First, the fact that the PRSP approach is composed of a range of implicit and explicit elements, some of which exist in theory but not necessarily in practice, means that some of these elements may be supportive of public expenditure reform, while others are not. The response thus requires disaggregation.

Second, explanations for the causes of Malawi’s persistent public expenditure management problems – that is, the reasons why it has proved so unsusceptible to reform – vary widely. Thus, the likely effect of the PRSP approach – that is, any of its constituent elements on its own or in combination – will depend on which analysis of public expenditure reform’s failures one chooses to accept. This is discussed further in Section 6, where we assess the validity of the ‘ownership hypothesis’ implicit in the PRSP approach.

While the Finance Minister’s reformist zeal is refreshing, it is hard to escape the conclusion that these sentiments, even when backed up by the extremely solid

\textsuperscript{30} Ibid, p. 10


analytical work found in both the Government’s PER and the companion Issues and Options Paper produced by Bank staff, will be insufficient to overcome the many shortcomings identified by so many perceptive observers over the past half decade. Indeed, the most recent indications of government actions (as opposed to words), suggest that the PRSP’s impact on budgetary and financial management practices could even be negative (as opposed to having simply little or no positive effect). This is because the inflow of HIPC funds – through a separate account at the Reserve Bank of Malawi, on an untransparent basis in terms of domestic processes (the IFIs of course get timely access to the data), and in a context of imperfect understanding of the purpose of HIPC funds or the links to the PRSP – has emboldened the government to continue with policies and practices which it had earlier agreed to abolish as part of IFI-financed reform programmes.

An early indication of whether government words would be matched by deeds came when the Malawi Confederation of Chambers of Commerce and Industry (MCCCI) conducted an evaluation of the Finance Minister’s Ten Point Plan for prudent financial management. The plan had been launched with great fanfare in March 2000 (that is, during the process of preparing the I-PRSP), receiving extremely favourable press coverage and hearty endorsement from IFI staff. It aimed to cut wasteful expenditure, roll-back the perks enjoyed by government officials and punish those found guilty of violating financial discipline. The MCCCI’s report, however, confirmed the conclusions reached by most casual observers – that the plan had made virtually no impact on the behaviour of officials, who viewed it as a publicity stunt staged for the benefit of donors. Consider some selections from the MCCCI’s report on the Ten Point Plan:

The Plan failed to achieve its core objectives of ensuring that there is no extra-budgetary expenditure ... mini-treasuries continue to exist in the Office of the President, Police, Army and the Accountant General’s Department ... Ministries and Parastatals continued to enter into financial agreements with donors without Treasury vetting ... Treasury did not clear pre-existing arrears for some ministries (e.g. the Ministry of Transport and Public Works) as it had earlier undertaken to do, thereby piling pressure on ministries to create new arrears.33

However, the most damning indictment of the government’s commitment to fundamental expenditure reform comes in a letter from the IMF’s Deputy Chief of the Africa Division to Malawi’s Finance Minister. The letter’s force comes from the fact that it is based on the full array of evidence at the command of the IMF, which has access to many sources of information unavailable to other critics. Moreover, the letter (dated 24 July 2001) is of very recent vintage, coming directly in the midst of the PRSP process, and just three weeks after the coming into force of the new budget, which had been presented to parliament wrapped in the rhetoric of radical financial-management reform.

The IMF’s letter states grave concerns about the viability of the government’s revenue and expenditure forecasts for the FY 2001/02, which began operation on 1 July 2001. The letter draws attention to the revenue-losing impact of tax cuts announced by the government. (While the letter does not say this – being beyond the Fund’s remit – the income-tax cuts were almost certainly not pro-poor. Most poor people are found in the non-income-tax-paying category, so income-tax cuts do not help them, especially if these deprive the government of revenue for anti-poverty expenditure.) The IMF letter also details the continued profligacy of ADMARC, the parastatal government agency for agricultural marketing. ADMARC is seen by virtually all stakeholders as a ‘black hole in the government’s finances that refuses to close’, and was cited in the Malawi report for the World Bank’s ‘Voices of the Poor’ study as an agency perceived by many poor people as corrupt and non-responsive to their needs.

While the tone of the IMF letter is polite and couched in terms of ‘recommendations’ for positive action, the list of government commitments abandoned and disciplines violated is long and detailed. Most ominously from the perspective of its implications for the PRSP process, the letter states that the government’s failure to agree to a course of ‘immediate corrective measures…puts the macroeconomic stabilization effort and the receipt of HIPC Initiative debt relief at risk’ (p. 2). Interestingly, the IMF voiced some of the precise same concerns as did Malawian civil society in its critique of the budget (see the next sub-section below): ‘the budget lacks the prioritisation of pro-poor spending and a safeguard system for monitoring and controlling such spending. Thus priority spending is not sufficiently safeguarded and the additionality of HIPC Initiative funds cannot be ensured’ (p. 1).

On a more positive note, virtually all people interviewed for this report felt that the budget process had become more participatory in recent years. Pre-budget consultations for the 2000/01 budget, in part organised by the Malawi Investment Promotion Agency but with attendance at some sessions by a more representative cross-section of civil society (beyond business interests), was the turning point. The turn towards openness thus preceded the PRSP process, but clearly gained momentum in the run up to the presentation of the 2001/02 budget. The PRSP process is credited with some of this – both by normalising the idea of widespread consultation and by raising awareness of budget issues among a broad array of constituencies, including parliamentarians, who are usually bit players in this exercise. Some of the shortcomings of the 2001/02 budget, from the perspective of its poverty focus and its relationship to the PRSP process, are discussed in the next sub-section, as they overlap substantially with issues of both official and unofficial governance.

**SIPs and SWAPs**

In recent years donors have voiced the need to replace project-based aid in favour of supporting either components of jointly developed Sector Investment Programmes or the national budget as a whole. The purpose is to reduce the

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costs (and unnecessary duplication) associated with individual donor projects, which often maintain parallel administrative structures. PRSPs are intended to further this movement towards greater complementarity between the operations of individual donors and also to ensure that the efforts of all donors are clearly focussed within national priority areas. The mechanism for implementing a jointly defined SIP is for donors to adopt Sector-Wide Approaches (or SWAPs), which may change the composition of aid across sectors, and between programme and project support, as well as its volume (if sufficient accountability mechanisms are perceived to have been put in place).

Compared to the rather downbeat assessment of the potential for the PRSP approach and general public expenditure management reforms to become mutually self-reinforcing, a substantially more positive story can be seen in the impact of the PRSP formulation exercise on sectoral policy planning processes. The high-profile nature of the PRSP has given a much-needed boost to efforts to a number of SIPS that were already in progress.

All three categories of stakeholders interviewed for this report were of the view that the development of the Policy and Investment Framework (PIF) in the education sector had benefited from the PRSP process. The Education TWG used the existing PIF (which is explicitly referred to as 'a living document') as the basis for preparing its paper. As one government official remarked, the PRSP TWG process in Education had sharpened the poverty focus of the PIF and identified a number of more realistic indicators. More work needed to done on the costing side, but even donor representatives pushing fairly narrow agendas in this sector found that the TWG process had brought on board a larger array of personnel from the Ministry of Education than had earlier been involved with the PIF. Some participants in the October 2000 joint donor-government review of the education sector—itself an indication of the increasing movement toward some form of modified SWAp arrangement—felt strongly that there was now increased momentum for the creation of joint funding mechanisms (even if some donors would be unable to permit a 'commingling of funds').

In the agriculture sector, the picture is a bit more complicated, as there is a separate Malawi Agriculture Sector Investment Plan (MASIP) secretariat. There are some indications that the PRSP TWG in agriculture suffered, to some degree, from the ongoing rivalry between MASIP and the planning division within the Ministry of Agriculture itself. It was unclear to some donors and MASIP officials whether the PRSP approach had watered down the considerable work that MASIP had already undertaken over the previous 2-3 years. MASIP had long considered itself an effort to operationalise the broad strategies identified in the Malawi Vision 2020 exercise, which made the PRSP process in this sector appear somewhat retrogressive. The first draft of the Agriculture TWG’s paper was clearly a step backward in terms of both substantive coverage and prioritisation from the sophistication of earlier MASIP documents. At the same time, by putting the pressure on donors to buy into national priorities for poverty

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35 Hopes for this sort of development were expressed in the ‘Review Report’ of the Joint Review of the Malawi Education Sector (Lilongwe, October 2000).
reduction, the PRSP approach has invested some urgency in the MASIP effort that was otherwise lacking.

In the health sector, the PRSP process could also be seen to have had a beneficial effect, according to stakeholders from all three categories. Above all, it provided an opportunity for donors and government (along with the Christian Health Association of Malawi, whose members account for about two-thirds of health service provision in rural areas) to collectively go about defining what would constitute an Essential Health Package (EHP). The desirability of an EHP had long been recognised in Malawi, but the impetus to plan its details – in particular, which services would be available at which level of the system, and at what cost – had been missing. A huge number of technical issues are involved – pitting the conceptual frameworks of economists and health professionals against one another in some cases – but the process of defining an EHP has been assisted by the broad-based membership of the Health TWG, which appears to have been more active than many of the others. Key bilateral donors reported some logistical problems with the exercise, but were upbeat about the ability of the work undertaken by this TWG (which benefited from targeted technical assistance from UNICEF) to influence the process of generating a full-fledged SWAp, a process scheduled to get underway at the end of this year or early in 2002.

One outstanding issue in this sector, however, is whether there is a trade-off between the extreme poverty-focus of this TWG and the PRSP approach’s general emphasis on comprehensive coverage. In other words, if an EHP is not to constitute the entire range of government activities in this sector – though some people think it should – it is difficult to see how a prioritised allocation between the EHP components and ‘other’ (less poverty-focused) expenditures in the sector will be possible in the later stages of preparing the full PRSP, let alone seeking to translate it into an annual budget. If the balance between EHP expenditure and the rest of the Health Ministry’s spending is not specified in advance, then there is great risk that non-priority items may (as they do now) dominate the health budget.

In general, then, the combination of the PRSP formulation process injecting momentum into the preparation of these three SIPs, and the PRSP concept’s stress on promoting donor coordination, has increased the chances (somewhat) that future interventions could conform to a modified SWAp framework in at least some sectors. This could, potentially, reduce duplication and the burden on government to respond to diverse donor pressures on what should constitute national priorities for public action to reduce poverty. Crucially, however, putting these priorities into action will face the same financial management constraints mentioned above.

Institutionalising participatory governance

Participatory governance is the second area in which this report assesses potential institutional effects of the PRSP process. The analysis addresses two aspects of governance: voice and accountability.
The intense partisanship that has infected public institutions in Malawi in recent years – see Section 2.1 on the Political Context – has also stunted the development of an independent civil society capable of contributing effectively to policy debates. Criticism of government is often interpreted (sometimes correctly, of course) as motivated by partisan interests. This ‘culture of loyalty and paranoia’ has been remarkably resistant: when civil society groups do exploit opportunities for genuine policy dialogue, and thus refrain from public criticism of government during the process of negotiation and discussion, they are vulnerable to accusations from other non-governmental actors (and opposition politicians) that they have ‘gone over to the other side’ – a charge that carries more weight precisely because of the government’s reputation for dealing almost exclusively with friendly, predictable civil society groups.

As a result of these and other tensions, including legitimate fears that nominally independent accountability institutions have been subjected to partisan intervention, not only has policy dialogue between civil society and government been less than constructive, until recently there has been, in many areas, little substantive interaction at all. The culture of bureaucratic secrecy and closed-door decision-making have relegated policy debate to fairly general issues.

This is slowly changing, and the PRSP process must be accorded at least some of the credit. Indeed, the coming together of a civil society network to engage with government and donors on issues of economic policy is perhaps the most promising development to have emerged from Malawi’s PRSP process. That it was spurred initially by the non-inclusive nature of the government’s approach to PRSP formulation makes it no less noteworthy or beneficial.36

The emergence of the Malawi Economic Justice Network (MEJN) can be traced to a November 2000 meeting of 23 civil society organisations in Mangochi – an event which produced a statement of principles concerning how the PRSP formulation process should be conducted. What was later termed ‘The Mangochi Declaration’ stated:

1. ‘We strongly feel that the preparation of the ‘Road map’ Interim Poverty Reduction Strategy Paper (I-PRSP) was not inclusive enough and left out stakeholders;
2. We observe with concern and regret that the timing for the preparation of the full PRSP has been very hasty and inconsistent, leading to serious questions over its being able to achieve its objective of national ownership;
3. We have noted that the process of preparing the PRSP, although an improvement on the SAPs [Structural Adjustment Programmes], still does

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36 It should also be noted that a clear statement of suggestions for how to promote substantive civil society engagement in the PRSP process, drawing on international experience, was communicated from Oxfam-Malawi to the government as early as August 2000 (letter from Andrew Fitzgibbon, Malawi Programme Representative, to Henry N’Gombe, PS of NEC, 22 August 2000).
not go far enough in ensuring that it is Malawian owned. Instead it is still
an imposition by the WB and IMF on Malawi because it must still be
validated and approved by them;

4. We have observed that approaches to national issues by Government and
Civil Society, e.g. on the debt relief initiative, have not been well
coordinated resulting in disjointed voices supporting the same cause.”

In addition to committing themselves to creating a taskforce that would focus on
advocacy in relation to economic issues, the groups resolved to:

- “Organize Civil Society involvement in the formulation of the PRSP
  process as soon and as much as possible;
- Organize the training and awareness raising of Civil Society, to give them
  the economic literacy to make a positive and ongoing contribution to this
  process;
- Develop the capacity to scrutinize and analyze the implementation of the
  PRSP, including government budgeting and expenditure.”

It was in the aftermath of this declaration that the MEJN was officially constituted.
The PRSP formulation process initially envisaged by the Technical Committee
encountered two main objections from MEJN:

- the non-inclusion of civil society in the substantive deliberations that
  were expected to produce drafts on relevant sectoral and cross-cutting
  issues; and
- the specification of an extremely condensed timeframe for public
  consultations and drafting of the PRSP.

Malawian civil society mobilised on both of these issues with more vigour and
coordinated action than it had on any occasion in recent years, with the possible
exception of the 1999 national elections. Following negotiations between the
MEJN and key members of the PRSP Technical Committee and National
Steering Committee, the process of formulating the PRSP began to open up
beyond the ranks of government and donors. Separate lists of potential civil
society representatives for the TWGs were drawn up by the Technical Committee
and the MEJN, the latter having assumed the role of chief interlocutor with the
government on the design of civil society’s involvement in the PRSP process.
Though some MEJN members complained that certain names suggested by
them had been rejected by the government, when asked by the authors of this
Report for specific cases they could not identify any. Civil society representatives
were, ironically, among the more erratic in their attendance in TWGs, though
some complained of late invitations (or no invitations at all) from their TWG
chairpersons.

By early February 2001, the focus of civil society engagement shifted to the
Technical Committee’s schedule for preparation of the PRSP. A second civil
society declaration was issued, following a second meeting of 23 civil society
organisations on 1-2 February 2001 at the Kalikuti Hotel in Lilongwe. Though they ‘commended the government of Malawi for recognizing the importance and capability of civil society’s participation in the PRSP process’, the group (which included only two foreign NGOs – Oxfam and CARE International) observed ‘that the timeframe for the formulation process of the PRSP is inadequate for meaningful participation by civil society and other stakeholders’, and called ‘for the continuation of the formulation process beyond the April [2001] deadline’.37 After much discussion within government, this plea was heeded, and the timeframe for developing the PRSP was extended, including extra time for public consultations.

MEJN, and a number of its constituent parts, were critical in establishing links to other parts of the governance structure, particularly parliamentary committees. Through the American-funded National Democratic Institute, a handful of members of parliament’s Budget and Finance Committee became more active players in both the PRSP and annual budget processes. Both the MEJN and the PRSP Technical Committee made presentations to parliamentarians on the linkages between HIPC, the PRSP and the national budget, as well as outlining some of the steps that would be required to improve MTEF as a tool for more poverty-focussed planning.38 It would be stretching the point to claim that this made it possible for parliament to play the central role envisaged for it in Malawi’s constitution. But the PRSP process has clearly given greater voice to a wider range of stakeholders. The question is whether these voices will be heeded, and whether they can cohere once the initial PRSP hype fades, and the effort gets underway to hold the government to account for policy and expenditure commitments.

Accountability

Longer-term impacts of the PRSP approach on the accountability side of the governance equation are particularly difficult to gauge at this point. While the reaction of Malawi’s civil society to the PRSP process has been encouraging – in that it has formed structures for engaging in both policy dialogue and coordinated protest on issues of substance and process – it is extremely unlikely that this will result in the emergence of domestic political leverage sufficient to hold government (or donors) accountable for commitments undertaken in the PRSP formulation process. Civil society remains extremely weak and fragmented, and government highly suspicious of the more vocal elements within its ranks.

The connection between the PRSP process and governance issues in the formal arena – i.e., state accountability institutions – are similarly mixed. The PRSP provided a vehicle for a small group of parliamentarians to get involved in substantive questions of oversight, but the numbers committed and capable enough to engage in these sorts of processes over the longer term is tiny. Budgets for parliamentary committees remain miniscule. The resources for other state accountability institutions have increased, but an analysis of the 2001/02 by

the MEJN suggested that the combined budget for accountability agencies was less than the funds allocated for State Residences. This kind of issue-based advocacy, based on a combination of analytical and public-relations skill, is a positive sign.

More importantly, the work of these state accountability agencies is still very much constrained by political interference from the executive. Fairly clear-cut cases of corruption have been put on hold because of executive intervention, and the partisan behaviour of the speaker of Parliament (who hails from the ruling party) has further undermined confidence in legislative oversight as a tool of accountability. The Public Accounts Committee of Parliament, which has over the past year compiled its first serious reports on the misuse of government funds, has not seen its findings acted upon by the relevant enforcement agencies. It is not clear how the creation of a PRSP would help to rectify these fairly fundamental problems. There is, moreover, little evidence of consistency between the PRSP’s focus on poverty reduction and other reforms to governance institutions, particularly Malawi’s slow-moving decentralisation process.

The Budget for 2001/02 highlighted both weaknesses and emerging areas of improvement in the quest for more accountable governance for poverty reduction. The shortcomings of the Budget were highlighted by the MEJN in a series of briefings produced in the wake of the Finance Minister’s Budget Speech to Parliament. In a Report for Members of Parliament, the MEJN highlight a number of key issues of relevance to the PRSP process. These concerns echoed issues raised in the ‘PRSP Findings to Date’ document, produced by the Technical Committee in May 2001. The purpose of the document was to provide input into the 2001/02 Budget, the formulation process for which was already by then in an advanced stage. It was discussed at a workshop in Lilongwe on 29 May 2001, and the report of that meeting stated that:

- The links to the 2001/2 Budget need to be made clearer within the document.
- The document needs to say how highlighted expenditures will be monitored.
- The document should propose certain “protected” expenditures that can be grouped into a “virtual” poverty fund. These protected expenditures should be clearly stated both in the document and in the Budget statement. (MEJN)
- Government should commit to reporting regularly on the contents of this virtual fund (MEJN).

These concerns were then supplemented by further consultations held by the TC with a broad range of stakeholders. As a result, twelve separate Priority Poverty Expenditures (PPEs) were identified as critical to poverty reduction, and these were detailed in the pre-budget report submitted to Parliament. In addition to

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39 Malawi Economic Justice Network, ‘Comments on the Proposed Malawi Budget 2001-2002: Report for Members of Parliament’, 8 August 2001. It is worth noting that by August 2001 the MEJN was claiming a membership of ‘69 Civil Society organisations, including the Church, Trade Unions, Professional Associations, Academics and NGOs’ (p. 1).

listing the 12 PPE’s, detail was also given on the mechanisms required to ensure that the money was actually spent on the 12 areas:

1. Rural roads, bridges and essential infrastructure
2. Safe water supply
3. Security, and especially Community Policing
4. Teaching and learning materials
5. Training new teachers
6. Paying teachers a reasonable salary
7. Purchasing and distributing essential drugs
8. Training more health workers
9. Paying health workers a reasonable wage
10. Expanding the Starter Pack programme
11. Providing credit for rural smallholder farmers
12. Increased allocation to agricultural extension.

To ensure that these would be safeguarded, the MEJN, working alongside Parliament’s Budget and Finance Committee, determined that what was required (at a minimum) was the following:

- A detailed outputs based summary of each PPE in the budget documents
- A comparison with last year, and a breakdown of the sources of funds (HIPC, Donor or Government)
- A commitment to the timely release of information on each PPE as the year progresses
- A guarantee that money allocated to PPE’s will not be diverted without Parliamentary approval.41

When these were *not* included in the Finance Minister’s budget for 2000/01, the MEJN wasted no time in criticising the government for its failure to place accountability-enhancing procedural reforms at the centre of its strategy for linking the PRSP to public expenditure priorities. That the MEJN and the IMF – which otherwise differ on many aspects of policy – were both pressing for the same sorts of informational prerequisites to support implementation of the PRSP helped to motivate the MoFEP to take at least some corrective action. In particular, the MoFEP’s Budget Division began the task of identifying which line items from the budget constituted expenditure in the priority areas, something that is by no means obvious from the budget documents themselves. This on its own will not bring about accountability, but the process of demands generating at least some informational supply-side response is cause for slightly greater optimism than the larger picture might otherwise indicate.

Arrangements for monitoring the PRSP – discussed in greater detail in the next section of this Report – are likely to involve civil society in some sort of central role – either officially (in a partnership with government machinery) or unofficially (through a parallel process independent of the state-operated system for tracking progress on PRSP indicators). Given the current weakness of civil society, the

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latter option, though it requires more capacity than civil society currently possesses, will likely prove the more effective mechanisms over the long-term, given civil society’s need to develop independence from the state, even as it continues to rely on external assistance for a large proportion of operational funds.
Historical perspective on M&E Systems in Malawi

Government has in the past established various mechanisms to monitor and evaluate the implementation of national development plans, projects and programmes. Economists, employed under a common service managed by the National Economic Council, were responsible for the monitoring and evaluation exercises. In general, all key ministries and departments have monitoring and evaluation units. At the national level, monitoring and evaluation was the responsibility of the erstwhile Ministry of Economic Planning and Development, most of which has been absorbed into the National Economic Council.

Since 1994, a dispersed form of monitoring and evaluation has been practiced. Staff responsible for monitoring and evaluation, along with others responsible for national development planning and aid coordination, were transferred out to the Ministry of Finance. This was after the abolition of the Ministry of Economic Planning and Development – and the creation of the National Economic Council (NEC) in its place – and the renaming of the Ministry of Finance as the Ministry of Finance and Economic Planning (MoFEP). In general, monitoring and evaluation in line ministries and departments has since taken a back seat as there is inadequate ‘demand’ from senior officials, parliament or civil society. Government effected a de facto switch from general development monitoring and evaluation to poverty monitoring.

One of the Technical Working Committees alluded to in Section 2.3 was on poverty monitoring and evaluation. Like the other committees, this technical committee comprised members from the civil service, civil society, private sector and academia and was to channel its outputs to the Steering Committee on Poverty Alleviation, comprising principal secretaries, heads of departments and chief executives of various civil society and private sector organisations. The Steering Committee was supposed to pass its issues and recommendations to the Presidential Council on Poverty Alleviation. The Secretary for Economic Planning and Development chairs the Technical Working Committee (TWC) on poverty while the Secretary to the President and Cabinet (SPC) – in effect, the head of the civil service – chairs the Steering Committee. The Presidential Council on Poverty Alleviation is itself chaired by the State President. Neither the Steering Committee nor the Presidential Council have met regularly, and so far there are no tangible outputs from these committees. It should be noted here that the respective roles of the Minister of Economic Planning and Development (now the Director-General of the NEC) and the Minister for Poverty Alleviation have long remained unclear.

In 1996 government conceived a project to assist in monitoring poverty, and by 1997 it secured funding from a Danish Trust Fund managed by the World Bank. The Poverty Monitoring System (PMS) was conceived to assist in monitoring poverty by bringing together a multi-sector team from the government, civil society, private sector, academia and donors. Government decided to utilise an
expanded TWC as a ‘steering committee’ and the Ministry of Economic Planning and Development (and later NEC) as the Secretariat of the PMS.

The PMS was designed to undertake three types of monitoring. These were input, output and poverty-impact monitoring of government development endeavours. Input monitoring would entail tracking specific policy, project and programme implementation by checking whether action plans were followed as stipulated. This would also involve expenditure tracking. The output monitoring would entail checking whether policy, project and programme outputs, as stipulated, were achieved. The outcome or impact monitoring would then concentrate on the indicators that directly reflected poverty status – again, as stipulated by various stakeholders. The PMS was to use a myriad of tools to undertake its mission.

So far, the PMS has managed to undertake mainly impact monitoring. It has not been able to undertake serious input monitoring, whether regarding policy implementation or expenditure tracking. On impact monitoring, the PMS has conducted two qualitative impact assessments of policy projects and programmes – the QUIM surveys mentioned in the Table on proposed indicators in Section 5.2 – and conducted the IHS, which provided the basis for impact analysis. The on-going Complementary Panel Survey under the same PMS will also provide additional longitudinal data for impact analysis.

The PMS also commissioned a number of small studies, most of which focused on impact monitoring. Overall, the PMS has managed to consolidate poverty-related data through their main reports: Malawi Social Indicators Survey, Indicators of Poverty and Living Conditions 1990-1995 and the Statistical Booklet on Poverty. There are questions as to whether the information so far collected and published is having any policy impact.

A review of the PMS, undertaken in 2001, reveals some problems concerning the current state of affairs. One of the key problems is that the system in not part of the normal government monitoring and evaluation system. As a result, the output of the system has not informed policy as much as was originally hoped for. There have been problems in linking the PMS to the mainstream of the civil service, since the PMS operates as a parallel system. Likewise, the Steering Committee and the Presidential Council, to which the PMS was supposed to feed its outputs, are parallel systems (which, as we have seen, rarely even meet). These committees have lacked the initiative that would have provided them with an agenda of their own. Instead, they seemed to depend on a supply of issues from the PMS and TWC. The TWC itself proved unable to provide the Steering Committee an appropriate agenda, since the major outputs of the PMS – i.e., the poverty profile and the determinants-of-poverty analysis from the IHS were produced four years after the launch of the PMS.

On a positive note, the analysis of the IHS, when it finally did begin to emerge in late 2000, provided up-to-date information on the poverty situation. The PRSP process has extensively used the results, starting from the day the PRSP process was launched. Some (though not all) Thematic Working Groups, most notably the Poverty Profile and Monitoring Working Group, incorporated the results of the
analysis. The PRSP process has also benefited from the existence of numerous important studies that have been undertaken in recent years. These include the *Malawi Social Indicators Survey* (1995), the *Indicators of Poverty and Living Conditions Report* (1990-95), the *Vulnerability Assessment Mapping* undertaken in 1996 to assess household vulnerability to poverty and food security at national and subnational level, and the *Qualitative Impact Monitoring* (QUIM) survey of 1997, which was followed in 2000/01 by QUIM2.

**Plans for PRSP monitoring and evaluation**

The Poverty Profile and Monitoring Thematic Working Group (PPM-TWG) has proposed a system for the monitoring of the PRS once implementation commences. The donor-funded PMS was being reviewed even as the PRSP formulation process was underway. The PPM-TWG finalised its work before the completion of the review. As such, the development of the paper did not take advantage of the review.

According to the latest PRSP draft on Poverty Profile and Monitoring, monitoring of the PRSP implementation will use a system similar to the current PMS. What is interesting is that in its analysis of the ‘status of the current system’, the PPM-TWG’s draft states that the PMS does not function efficiently, and yet there is no statement on why it is inefficient and what can and should be done about it. Most likely the PMS will fail to deliver so long as there is no consensus on specific solutions.

The PPM-TWG draft suggests that the PRSP monitoring system should use the PMS’s TWC as its steering body. The idea is that the PRSP monitoring system could then continue to use integrated household surveys and sector-specific surveys conducted by the National Statistical Office (NSO), administrative records and qualitative impact assessments. The PPM-TWG, in its report to the PRSP Technical Committee, proposed that the collection and reporting of administrative records be decentralised. Each district would have statisticians responsible for collecting district-level administrative records on education, health, water, sanitation, and so forth. The NSO will be the apex coordinating body: district-level administrative records and statistics will be passed on to the NSO for compilation and storage in a central database. The NSO is expected to ensure that it designates officers responsible for the collection of district data and maintenance of the database.

The TWG on PPM, which has been among the more active groups throughout the PRSP formulation process, has proposed that Malawi’s existing Poverty Monitoring System monitor in closer detail, and with more regular frequency, a number of key poverty indicators. It has also identified measures and expected sources of data (see Table 4).
## Table 4: Key proposed indicators for the PRSP monitoring system

<table>
<thead>
<tr>
<th>Sector</th>
<th>Indicator</th>
<th>Measure</th>
<th>Data source</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>Consumption</td>
<td>Consumption GDP per capita</td>
<td>Integrated household surveys</td>
<td>5 years</td>
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<td></td>
<td></td>
<td></td>
<td>Annual IHS (CWIQ)</td>
<td>Annual</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>National accounts</td>
<td>10 years</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Census</td>
<td>3 years</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>QUIM</td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>Food security</td>
<td>Cereal equivalent</td>
<td>NSSA</td>
<td>3 years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cash crop production</td>
<td>DHS</td>
<td>Annual</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Malnutrition</td>
<td>Crop estimates</td>
<td>Annual</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Price monitoring surveys</td>
<td>Continuous</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>QUIM</td>
<td>3 years</td>
</tr>
<tr>
<td>Education</td>
<td>Literacy</td>
<td>Literacy rate (by sex)</td>
<td>Census</td>
<td>10 years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Net enrolment (by sex)</td>
<td>IHS</td>
<td>5 Years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Completion rates (by sex)</td>
<td>Administrative records</td>
<td>Continuous</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>QUIM</td>
<td>3 years</td>
</tr>
<tr>
<td>Health</td>
<td>Health status</td>
<td>Life expectancy</td>
<td>Census</td>
<td>10 years</td>
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<tr>
<td></td>
<td></td>
<td>Infant Mortality and</td>
<td>IHS</td>
<td>5 years</td>
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<tr>
<td></td>
<td></td>
<td>morbidity rates</td>
<td>DHS</td>
<td>5 years</td>
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<tr>
<td></td>
<td></td>
<td>Child Mortality and</td>
<td>Administrative records</td>
<td>Continuous</td>
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<tr>
<td></td>
<td></td>
<td>morbidity rates</td>
<td>QUIM</td>
<td>3 years</td>
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<td></td>
<td></td>
<td>Maternal morbidity rate</td>
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<td></td>
<td>Fertility rates</td>
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<td>HIV prevalence rates</td>
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<td></td>
<td>Access to potable water</td>
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<td></td>
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<td>Access to improved</td>
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<td></td>
<td></td>
<td>sanitation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All</td>
<td>Composite</td>
<td>Composite welfare index</td>
<td>Comparable surveys</td>
<td>As above</td>
</tr>
</tbody>
</table>

The indicators in the table (proposed by the PPM-TWG) mainly cover impact monitoring. There is little emphasis on input and output monitoring. Monitoring of expenditures, for example, is completely omitted. Since inputs and outputs are critical in determining the impact of policies, projects and programmes, neglecting to monitor them risks repeating the failings of the current system. Without input and output monitoring, impact monitoring becomes a less-than-adequate tool, given the built-in time lag between implementation and impact.

In terms of the proposed membership for the revamped PMS – that is, for it to take up a role as the key monitoring agent for the PRSP – there has been one addition, namely the Ministry of Finance and Economic Planning. This means that the civil society will continue to be represented by the Council of Non-Government Organisations of Malawi (CONGOMA) only, a quasi-government body that has of late had its regulatory role enhanced by government – something not to the liking of most civil society organisations. Moreover, increasingly crucial government institutions, such as the Ministry of Local Government (or the Decentralisation Secretariat) will not be represented. To compensate for these omissions, the PPM-TWG proposes that appropriate feedback mechanisms for the involvement of all stakeholders will be put in place. Neither the text of the PPM-TWG’s draft, nor the accompanying policy/strategy matrix, spell out what these mechanisms might look like. This will, in fact, be
difficult to institute given that the membership of the TWC for the PMS is already proposed and the information flow has been determined.

In summary, these arrangements are far from ideal considering the importance of some NGOs, networks and government offices in, hopefully, maintaining the momentum of the PRSP approach beyond the date on which the paper itself is published. For example, there is considerable value in including the MEJN (or some of its members), or the Ministry of Local Government or Decentralisation Secretariat. The latter is all the more imperative because of the emphasis the group has placed on district-level information for poverty monitoring.

One other desirable modification to the PPM-TWG’s approach to a revamped PMS concerns the reporting channel. Under the current draft of the PPM-TWG paper, the Technical Committee would report to the Minister of Poverty Alleviation. The proposal is silent on the use of the Steering Committee of the PAP or the Presidential Council on the PAP. It is also not clear why there is no mention of the Director-General of NEC.

This institutional structure is almost bound to fail to produce the intended results. If the results of the PMS are to influence policy, they need to use the mainstream government channels. If it is decided that the Minister for Poverty Alleviation should be the one to present PMS outputs to the cabinet, then the secretariat for the PMS should be within the PAP Coordinating Unit. However, if it is thought that the secretariat should be in the mainstream National Economic Council, then the Director-General should be responsible for tabling PMS outputs to cabinet. If there is a need for involving as many stakeholders as possible, this should be done at the TWC level. In fact, it would be necessary to upgrade the membership of the TWC to the level of the erstwhile Steering Committee to ensure that it is given the stature it deserves. The Committee should not be considered a place solely for technicians, but rather a forum where policy makers make key decisions.

**Demand and supply of poverty information**

Generation of poverty information was not institutionalised until the PAP was launched in 1994. One of the elements of the overall strategy for poverty alleviation was the introduction of ‘a system of poverty monitoring and evaluation to inform the policy formulation process and subsequent planning for poverty alleviation interventions’ (GOM, 1995:11). Thus the designers of the Poverty Monitoring System had both the supply and demand side of poverty information in mind. As envisaged by its designers, policy makers and planners would demand the poverty information and the PMS would supply the information demanded.

One of the first steps the PMS took once it was formed was to establish links with sector-level poverty databases and then compile poverty indicators covering all key sectors. This was followed by the production of a Poverty Statistical Booklet. With the analysis of the IHS, the PMS produced a poverty profile and an analysis of the determinants of poverty. There has been some irregular production of
PMS newsletters. These have proved a useful source of information for researchers. It would be an exaggeration to say that it was in much demand among policy makers and planners. This is mainly because it has not monitored inputs and outputs, and because its channels of communication have been flawed.

However, it is worth mentioning that there has been some demand for poverty information from donors, NGOs and some sections of the government that deal with direct interventions to the poor. For example, donors and implementers of the free agricultural inputs programmes, nutrition and other safety nets often demand information on the spatial distribution of poverty. Donors have in fact helped to keep the fragile PMS alive and functioning. The World Bank has been a leader in demanding poverty data. The Qualitative Impact Assessments, which have been undertaken under the auspices of the PMS, were conceptualised and funded by GtZ. Likewise, UNICEF has been the driving force for the Vital Registration System under the PMS. The key point is that so far most of the demand for poverty information has come from donors.

There has been no discernible demand for poverty information from macroeconomic policy and budget officials. It was originally expected that macroeconomic planners would demand information on the impact of macroeconomic aggregates on the poor or benefit incidence of various sources of growth. Likewise, it was expected that budget planners would demand information of benefit incidence of public expenditure. Such demand would have put pressure on the PMS to produce more tailored forms of information. Without a steady stream of detailed requests for data and analysis, the PMS tends to produce what is not, in fact, in demand.

With the introduction of the PRSP, the issue of poverty monitoring has re-emerged. The HIPC Initiative has forced donors to think seriously about monitoring the impact of their interventions on poverty. In thinking about how such a system might work, it is worthwhile to draw lessons from the two poverty-monitoring systems. The current PMS has a basis in the poverty framework for the PAP. However, its activities were generally donor-driven. Since the creation of more comprehensive monitoring and evaluation systems is a conditionality associated with HIPC and the PRSP, and is therefore likely to be linked with rewards or penalties, a more robust poverty monitoring system might now begin to emerge. Without clear linkages to enforcement of conditionalties based on performance indicators, however, there is a real danger that the earlier failures will be repeated. If the system relies mainly on government funding, things might even get worse.

Perhaps what is of more interest in this connection is the formation of the Malawi Economic Justice Network (MEJN). The MEJN has expressed strong interest in input and output monitoring, areas not well covered by the current and proposed monitoring systems. Some MEJN members visited a number of other HIPC countries that are formulating PRSPs to understand how poverty monitoring was being done and how civil society organisations were involved (or planned to get involved) in input and output monitoring. MEJN has proposed to undertake input and output monitoring by physically visiting intended beneficiaries or beneficiary
areas – an attempt to adapt the Ugandan ‘tripartite system’ to the Malawian context. As long as donors are serious about using these sorts of monitoring and evaluation mechanisms as the basis for assessing compliance with conditionalities, MEJN could play an important role. The bottom line, though, is that Government should be willing to work with MEJN as a partner in poverty reduction. Thus far, however, there has not been consistent application of activity-based budgeting. This means that the poverty-related expenditure data that is ‘supplied’ does not come in a form capable of meeting the ‘demand’.

PRSP poverty indicators

The current PRSP development process has taken advantage of already ongoing processes aimed at either developing policy frameworks or action plans. In most of these processes, the issue of indicators has been addressed. What the PRSP formulation process has done is to sharpen the focus, from general sector-specific indicators to poverty-oriented indicators within individual sectors. Indeed, as part of the PRSP process, a number of completely new indicators have been defined to ensure that poverty is monitored.

According to the Poverty Profile and Monitoring TWG draft paper, the overall poverty indicator is household consumption, measured by household and individual consumption and GDP per capita. This is certainly not a multi-dimensional concept of poverty. However, the same paper proposes to make use of what it calls the ‘Composite Welfare Indicator’. This indicator is to be developed from poverty-sensitive sector-specific indicators in health, education and agriculture. Again, the Poverty Profile and Monitoring TWG proposed poverty indicators in key sectors that would need to be monitored. However, each TWG was supposed to formulate its own indicators to be used to monitor progress in poverty reduction. These were to be input/process, output and impact indicators. The indicators were to be developed ‘back-to-front’, from the expected impact (sector-specific goals) to outputs, and then to process and/or input indicators.

Most of the available PRSP TWG drafts (macroeconomic stability, HIV/AIDS, agriculture and irrigation, security and infrastructure) show that there has been some good work put into the production of the indicators. There are some problems, however. The Poverty Profile and Monitoring TWG draft has managed to provide good outcome indicators. But although the input and output indicators for the proposed PMS are clear and monitorable, the proposed scope is too ambitious and unrealistic. For example, the PMS would require two international experts, 35 new staff (2 at NEC, 6 at NSO and 27 in districts), 35 new 4x4 vehicles, 35 new computers, 32 laptops, two photocopiers and one scanner. Indicators in the Infrastructure TWG draft are very clear and monitorable. The problem is that the strategies are less focussed on poverty. Other TWG drafts like HIV/AIDS and security have no indicators at all. A dearth of indicators is problematic in parts of the Agriculture and Irrigation TWG draft. It seems that the draft is made up of separately prepared sections, as some matrices have no indicators for some activities (e.g., extension, research and technical service and crop diversification). The macroeconomic stability draft is more academic than
practical. The policy and action matrix has vague indicators like lower inflation, lower interest rates, stable exchange rate, greater efficiency and accuracy of forecasts. In general, even those drafts that have done relatively well in producing indicators focus on *performance* indicators but not necessarily *poverty* indicators.

It is clear that many TWGs had problems in responding to the PRSP question ‘what can this sector do to reduce poverty?’ Most of the strategies are mostly broad sectoral, as opposed to poverty-focused, strategies. The result has been unsuitable indicators. However, it is worth noting that these judgements are based on assessments of uncompleted papers and that, moreover, these papers are ‘inputs’ into the development of the PRSP, rather than constituent parts of the final document.

**Sources of poverty monitoring information and institutional structure**

Of the draft papers reviewed, only the Poverty Profile and Monitoring TWG’s had specified the sources of information. Even the most elaborate drafts failed to indicate how they would monitor the stipulated indicators. This absence partly accounts for the unrealistic targets found in most TWG papers, as the groups could be fairly sure that there would be no way of monitoring them. The sources of information for the Poverty Profile and Monitoring TWG are, however, specified, and they include census data, national surveys, participatory poverty assessments and administrative records in various sectors. The surveys are to be conducted by the National Statistical Office at varying intervals.

Since the PRSP formulation process is not yet complete, it is hoped that each target and indicator will be accompanied by clear sources of information for monitoring it. In fact, without an elaborate monitoring system, there will probably be no monitoring at all, since it is highly unlikely that each sector will develop a budget for its own monitoring system. Experience shows that ‘internal audit’ sections of line ministries are generally under-funded. The revamped PMS proposed by the Poverty Profile and Monitoring TWG would rectify this problem by linking with monitoring and evaluation sections in each ministry and to the information units established in the district assemblies. As stated earlier, the National Statistical Office will be the centre for the generation of poverty information. It will maintain a national database. The PRSP would be greatly strengthened if the Various TWGs were to take advantage of the existence of this proposed system by defining what type of data they would need for the monitoring of their indicators. If this is done before the various surveys and administrative records are designed, most of the information would be captured through the integrated surveys or the collection of routinely generated administrative data.

What is missing in both the current and proposed systems is an institutional link to accountability bodies like the National Audit Office and the Parliamentary Public Accounts and Budget and Finance Committees. A formal link between the PMS and the Treasury’s Budget Department and the Accountant General’s office
could, if properly nurtured, be the cornerstone of a successful PRSP monitoring system. Without a link to the financial accounting system being developed in the Treasury and Accountant General’s Office, monitoring of expenditures will not be possible.

One other area that is weak is the involvement of the mass media in poverty monitoring. Apart from a lack of economic literacy among journalists, both Government and the current and proposed PSs ignore the use of the media in poverty monitoring. The media are invited to workshops and launches to publicise the events and not necessarily the issues. The mass media itself is not aggressive in following up the process. Journalists mostly cover PRSP activities only when invited to a workshop. The organisers risk not getting any coverage at all if they do not pay journalists ‘sitting allowances’. There is, in general, a perceived lack of independence and creativity on the part of the mass media, which is largely attributable to the ownership structure of the media and the poor financial incentives facing journalists.

The MEJN has taken up the challenge of getting journalists more actively involved in covering policy issues by including members of the press in its Steering Committee and activities. It is hoped that journalists, as members of the network, will be involved in PRSP monitoring as MEJN mounts its independent efforts to ensure that the strategies identified are actually implemented. PRSP implementation, and coverage thereof, might also be enhanced if journalists were involved in the PMS itself by including the Journalists Association of Malawi (JAMA) in the TWC.

**Role of donors in PRSP monitoring**

As already indicated, the current PMS proposed in the Policy Framework for Poverty Alleviation Programme was almost completely funded by a Danish grant administered by the World Bank. The proposed monitoring under the PRSP is also at the insistence of the World Bank. The resource commitment by Government towards poverty monitoring is rarely seen, apart from the funding of the 1997-98 IHS.

If a revamped, PRSP-compatible, monitoring system is to be owned by Malawians and not simply the Malawian Government, donors have to insist that stakeholders who would assist in the task force be involved. So far, the current and proposed systems are not inclusive. National ownership will more readily be achieved if a broad cross-section of society is directly involved in monitoring a plan that they helped to produce.

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42 The 1997-98 Integrated Household Survey was financed from the Government resources. The funding was sporadic and little and this resulted in disastrous survey results because most of the research assistants drastically reduced their work effort.
6 Conclusions and recommendations

The ownership-effectiveness hypothesis

There are few grounds for believing that the implicit hypothesis contained within the PRSP approach – that PRSPs will change the nature of conditionality, leading to enhanced ownership of the strategies themselves, and therefore more effective implementation – will hold true in the case of Malawi. Indeed, currently proposed prescriptions for the shortcomings in public expenditure management are (rightly) premised on the belief that ownership at the highest political levels is not likely to emerge any time soon, either on its own or as a result of another poverty planning process.

The central explanation for the failure of expenditure-management reforms to date has been the absence of high-level political commitment. This is the centrepiece of the Public Expenditure Review. (The lack of technical capacity and the ineffectiveness of management and information systems are very much subsidiary themes.) The primary objective of reform proposals has been to install systems that can bind politicians to their expressed commitments, and to existing legal prohibitions, largely based on the assumption that high-level political commitment simply cannot be conjured through external exhortation.

It is therefore not surprising that all informants interviewed for this report – especially those in government – were extremely sceptical about the viability of the conditionality-ownership-effectiveness equation. The reasons for the scepticism varied. One donor argued that the Finance Minister, though universally praised (with some calling him the ‘new guard’ in Malawian politics), was ‘not really at the centre of political power’. This view was echoed by a government official who stated that the Finance Minister’s cabinet colleagues did not especially like him and were more than capable of having him overruled on matters of fiscal discipline, something that even the GoM’s Public Expenditure Review all but stated outright when it discussed the breaching of Credit Ceiling Authorities (CCAs) and the chronic non-priority expenditures incurred by parastatals. So even if the Finance Minister and Principal Secretaries in a large number of line ministries felt that they ‘owned’ the PRSP – which still remains to be seen, as the document is far from complete – the real stumbling block would be the lack of seriousness among the President and senior political heavyweights in the cabinet.

Another commonly expressed reason for pessimism on the question of ownership, voiced mainly by civil society representatives, was the continued existence of various forms of conditionality. Elected and bureaucratic officials, it was argued, have an instinctive understanding that ‘with or without the PRSP, money will keep coming with lots of strings attached’. Those of this view pointed to the IMF’s PRGF, the negotiation of new adjustment loans, and AfDB financing conditions. It was not uncommon for this belief to be stated alongside an assertion that government officials are also aware of the strong incentives for donors not to enforce conditionalities. This was expressed by one donor as ‘the
worst of both worlds: no ownership, but no responsibility either’. More sarcastically, it was characterised by one civil society informant as an altogether more sinister form of ‘ownership’ – ‘these politicians think the [donor] money is theirs to eat’.

Prospects for long-term and broad-based ownership will be determined mainly by the fate of accountability initiatives (including participatory monitoring) outlined in previous sections of this Report. But Malawi has rather a sad history of lack of effective monitoring and evaluation of development policies, projects and programmes. This is compounded by the fact that the institutional structure for monitoring and evaluation is part of the very governmental system that lacks both the will and capacity to ensure implementation. The introduction of a multi-sectoral membership in the PMS in 1996 improved the situation somewhat. Poverty information was generated, but action has not followed, apart from the use of such information in the ongoing PRSP process.

The current stage of the PRSP process does not furnish much hope for the emergence of a dynamic poverty monitoring system. The poverty-reducing strategies, indicators and the poverty system are not very clear and are likely to be ignored as well, as an analysis of previous efforts would indicate. The PAP, Vision 2020 and the Policy Analysis Initiative all concluded before the end of 1999. All were thoroughly researched and well-written documents. None was implemented.

**Recommendations for donors**

There are obvious limits to the general recommendations that can be generated from a single-country study. But when assessed in the context of reports emerging from other countries engaged in PRSP process, the Malawian experience to date does suggest a number of important findings that could inform the approach of donors. These fall into two broad categories: the PRSP-formulation process, and the reform of conditionality.

**The PRSP formulation process**

Compared to Malawi’s earlier policy-development processes – with the exception of the Vision 2020, which was more open, but focussed more on general principles than specific policies – the PRSP formulation process has been among the country’s most participatory policy-making exercises. But there have nevertheless been serious shortcomings. Some of the key lessons to have emerged include the following:

- Bilateral donors should not be shy about seeking inclusion in all aspects of the formulation process. The desire to allow a ‘nationally owned’ document to emerge is commendable, but in countries where foreign assistance amounts to a considerable portion of public expenditure, donors are de facto stakeholders. There are several benefits to donor participation in the substantive development of the PRSP.
Their presence will, somewhat paradoxically, increase the potential for a broader and more serious form of non-government involvement (ownership being a slight misnomer) by signalling to other stakeholders that this is an important process with practical implications for future expenditure patterns.

Not only will government and civil-society stakeholders get the benefit of a more nuanced understanding of donor objectives within individual sectors, donors themselves will obtain a clearer picture of the nature of disagreements within government and between government and civil-society. This will allow future funding strategies to address those conflicts that are particularly obstructive.

The constraints on changing the modalities of Country Assistance Strategies can be more readily communicated in the context of discussions on substantive policy questions than in other, less focussed forums.

- Existing Sectoral Investment Programme documents and briefing papers should be used as the starting point for Thematic Working Group deliberations. These need not be rigidly adhered to, but when significant changes are proposed, the implications (from a donor perspective) can be explicitly weighed as a consideration in determining whether proposed alternations are worthwhile.

- The key, day-to-day coordinating body for preparing the PRSP (in Malawi’s case the Technical Committee) should include civil society representatives, including both advocacy organisations and more conventional development-oriented groups. This may help to avoid the us-versus-them syndrome that plagued Malawi’s PRSP preparation process, and relieve the pressure on Thematic Working Group chairpersons to act as go-betweens in disputes between civil society representatives and government officials.

- The entire process – including the ‘endgame’ – must be mapped out in fairly detailed terms at the outset of the process. In Malawi, the arrangements for drafting the PRSP, and the extent to which it would rely upon the papers produced by the Thematic Working Groups, emerged only slowly near the end of the process. This led to huge disappointment (and suspicion) from many stakeholders involved to that point. If something like a National Symposium is to be held, ensure that it is made clear what actions will be taken as a result of those deliberations. At the very least a second round of refining the document is necessary to avoid the impression that the Symposium is nothing but a rubber stamp.

- Involve parliamentary committees, including members of staff (where these exist), rather than just individual MPs, in the Thematic Working Groups. This can help to expose a broader range of parliamentarians to the mundane but important aspects of committee work, and perhaps instil
a greater commitment to engage in the detailed oversight necessary to hold the executive to account for specific commitments made in the PRSP.

**Overhauling conditionality**

The HIPC/PRSP concept claims to be a new approach to conditionality. To the extent that it changes *some* elements of conditionality, this is by definition true. But it is rather piecemeal reform of conditionality, when what is required is a complete overhaul. The focus on ‘national ownership’ is welcome, but is only partly observed in practice. Either way, it is insufficient. For it to have any significant impact – on policy design, expenditure priorities, service-delivery patterns and, ultimately, economic performance or human development outcomes – other key elements of conditionality restructuring are necessary. Donors should seek to do at least three things in their own assistance strategies, as well as encouraging their representatives in the IFIs to institute similar practices.

1. **Make conditionalities on all external assistance completely transparent.** As things stand, in Malawi (as in many other countries) only some conditionalities are publicised. Even those that are nominally ‘public’ are not disseminated widely enough. There is no reason why any agreement into which an aid-recipient government enters should be confidential (with the exception of those that might directly and immediately affect financial-market behaviour). The ‘sensitivities’ of aid-recipient governments are insufficient grounds for the failure of donors to publicise the nature of aid programmes, including the conditions imposed and undertakings agreed. Not only is secrecy unwarranted in principle, it is damaging in practice. Until thoroughgoing transparency is a standard feature of aid agreements, ‘national’ ownership (that is, beyond senior government officials) will be unattainable. Suspicions of donor-government collusion – which are often well-founded – will undermine the ability of either party to establish effective working partnerships with domestic civil societies.

2. **Insist upon civil society involvement in all aspects of monitoring adherence to conditionalities.** Once conditionalities are agreed and publicised, it is also necessary to stipulate with some precision the nature of the performance criteria against which compliance will be judged. Publicising these widely is part and parcel of making conditionality transparent. Details of what governments must do are insufficient if not coupled with an explanation of the methodology by which its actions will be assessed. Involving a cross-section of civil-society representatives in the process of arriving at this methodology is an important part of involving a wider range of stakeholders in the process of monitoring adherence to conditionalities. Where conditionalities include performance targets on financial probity, this provides scope for civil society groups to be directly involved in output monitoring.

3. **Enforce (disaggregated) conditionalities strictly.** Conditionalities are rarely enforced. Where agreed actions are not taken, new conditionalities insisting upon re-doubled commitment to taking these actions in future are often added to subsequent lending instruments. This undermines the belief that
Conditionalities are serious. There are many reasons why donors do not enforce conditionalities, and Malawi’s politicians are more than aware of these, as are political leaders in other aid-dependent countries. The legacy of non-enforcement may turn out to be the biggest constraint on effective implementation of PRSPs. In the case of Malawi, the somewhat encouraging impetus given to civil society’s engagement with the state – on both policy dialogue and the question of monitoring – is an inadequate basis for expecting local pressure to substitute for hard external conditionalities linked to financial accountability and specific performance targets. If conditionalities are to be enforced, they must of course be more finely tuned. That involves disaggregating instruments of financial support into smaller components that can be assessed separately. One of the major lapses of the PRSP process to date is that while there are performance targets for each policy intervention (and these are expected to serve as ‘the basis for future conditionalities’), it is unclear what would constitute an aggregate ‘passing score’: can great success in one policy area offset dismal failure in another, leading to continued funding across the board in future? Conditionalities that, if enforced, would lead to the withdrawal of ALL funding contained within a large programme of support are unrealistic – because of the understandable desire to avoid throwing the baby out with the bathwater. Such all-or-nothing forms of conditionality are unlikely to create adequate incentives for changed official behaviour and performance improvement. The strict enforcement of disaggregated conditionality may also need to be supplemented by instruments that lead to increased funding for performance on those criteria that exceed minimal requirements.
References


Annex 1: People interviewed (Phase II only)

Maxwell Mkwezalamba, MoFEP
Mathew Robinson, MoHP
Teodor Kaspers, European Union Office
Tom Leeming, MoFEP
Francis Gondwe, Christian Health Association of Malawi
Ruth H. Mwandira, Christian Health Association of Malawi
Max Lawson, Independent Consultant (working for the National Democratic Institute)
Patricia Zimpita, Poverty Monitoring System (National Economic Council)
Louis Chimango MP (MCP), Chairman of the Budget and Finance Committee
Mr Gausi, MoHP
Dr. Mpazanje, MoHP
McPherson Jere, Ministry of Education, Sports and Culture
Collins Magalisi, Malawi Economic Justice Network
Patrick Kabambe, MoFEP
Paul Lungu, Office of the President and Cabinet
Mrs Kumangirana, Office of the President and Cabinet
Mari Tertsunen, UNDP
Taziona Chiponda, World Bank
Hassan Zaman, World Bank
Keith Gristock, DFID
Mr Bamusi, Malawi Institute of Democracy and Economic Affairs (MIDEA)
Peter Phiri, Anti-Corruption Bureau
Mr Chinangwa, USAID
Dunstan Wai, World Bank
Mrs. Emmie Chanika, Civil Liberties Committee (CILIC)
Yoweni Chikando, Consumers Association of Malawi
John Kapito, Consumers Association of Malawi
Robert White, Oxfam-Malawi
Dr Exley Silumbo, Malawi Confederation of Chambers of Commerce & Industry
Francis Ng’ambi, Malawi National Committee on Community Service
A.G. Chibwana, Chief Executive Officer, Balaka District Assembly
E.S. Nkhoma, Director of Administration, Balaka District Assembly
Joshephie Chilembe, Concern Universal (Balaka)
H.M. Nkhoma, District Official, Ntcheu
A.W. Katsekera, District Official, Dedza
Moses Alfred Chimwaza, District Information Officer, Dedza
Patricia Mumba, Director of Administration, Dedza District Assembly
Gossam Stephen Mafuta, District Education Officer, Dedza
Dr E. Kuchingale, District Health Officer, Kasungu
Ian Kumwenda, MoAI
Sheelagh Stewart, DFID
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Arild Skara, Royal Norwegian Embassy
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