

CAADP & COUNTRY SYSTEMS

Findings from Malawi

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CAADP in Malawi

- Compact signed April 2010
- Technical Review September 2010
- Revised NAIP (Agriculture SWAp or ASWAP) September 2011
- Planned or ongoing:
 - ASWAP review - ASWAP Phase II (from 2017?)
 - National Agriculture Policy Review
 - Core Function Analysis
 - Performance Contracts (MoA one of the pilots)
- Many DP programmes/projects end by 2015/16 - New programmes to be better aligned to ASWAP

Malawi background

- Agriculture policy tainted by ‘the curse of success’ : Food crisis, input subsidies, food security, agriculture growth (2004 - 2009)
- Agriculture growth interrupted, not sustained (esp. not for maize), current food crisis (2.8 Mill people need food aid)
- Growing doubts about the input subsidies even in government and among policy makers
- New government since 2013: Reduced the number of ministries from 40 plus to 20
- Agriculture merged with Water into the current Ministry of Agriculture, Irrigation and Water Development (MAIWD)
- Malawi NAIP predates the merger - does not include water: Irrigation Master Plan recently launched by Minister

Findings in four chapters

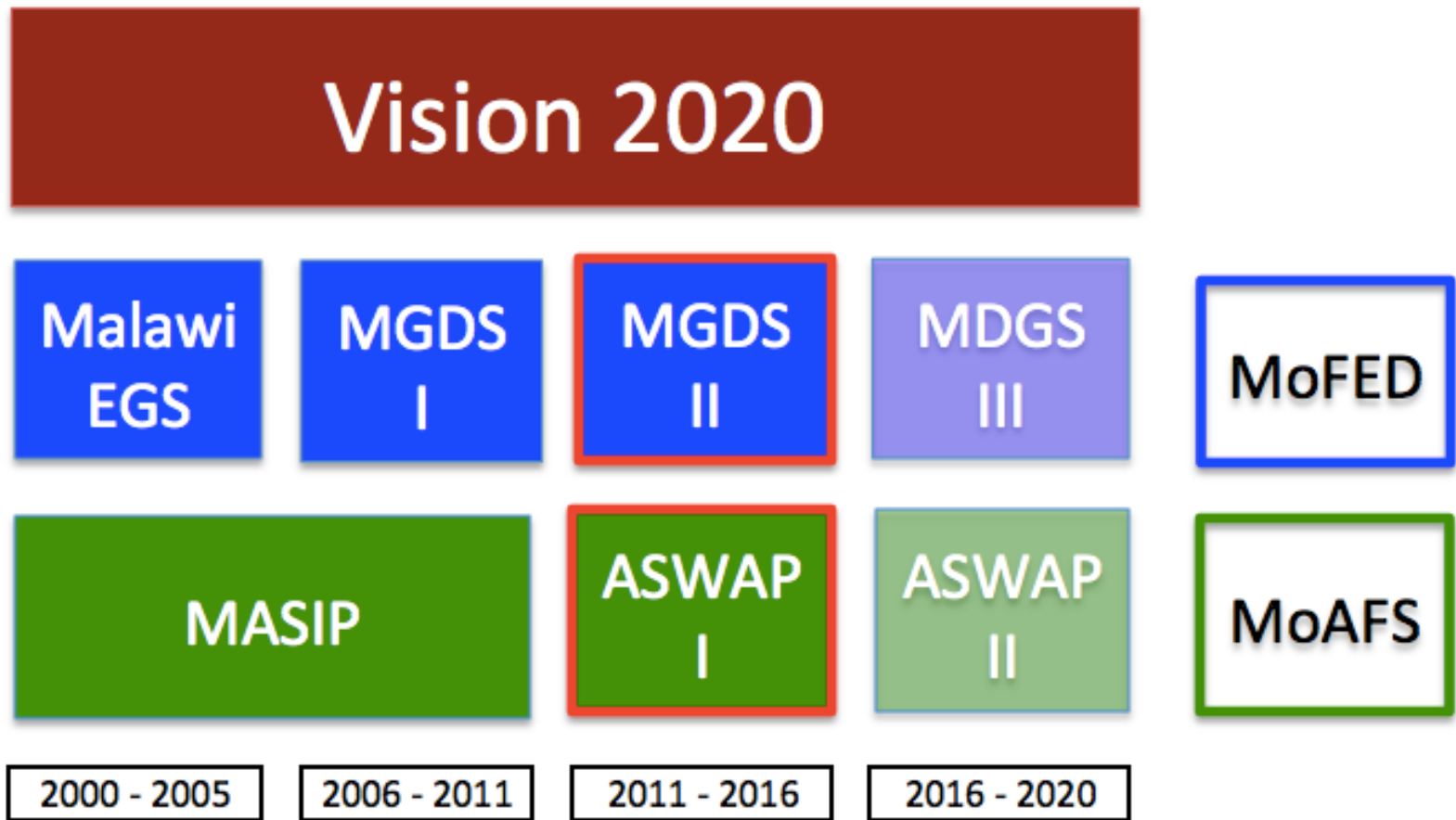
1. Policy and planning

2. Budget and Finance

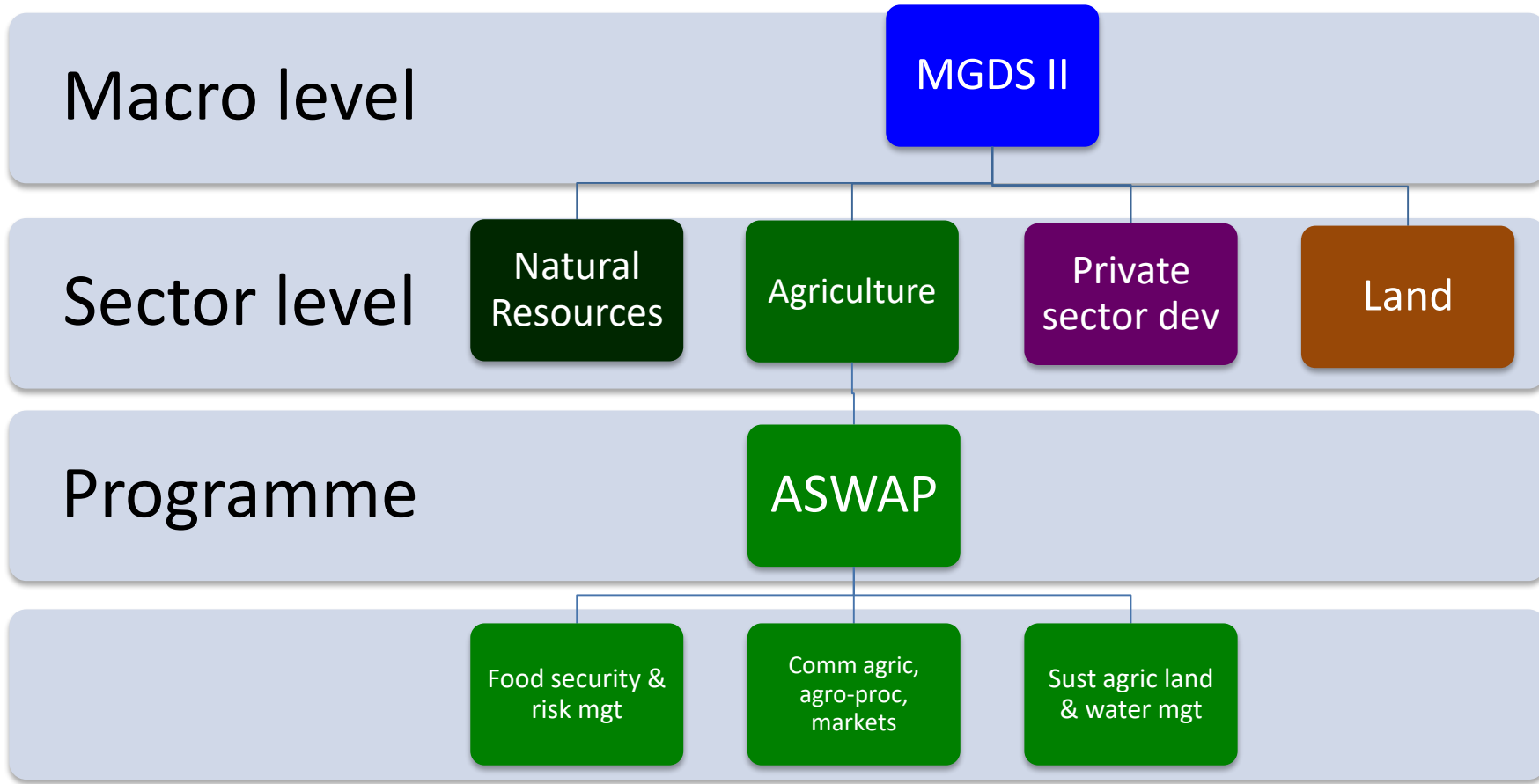
3. Actors, Institutions & Coordination

4. Monitoring and Accountability

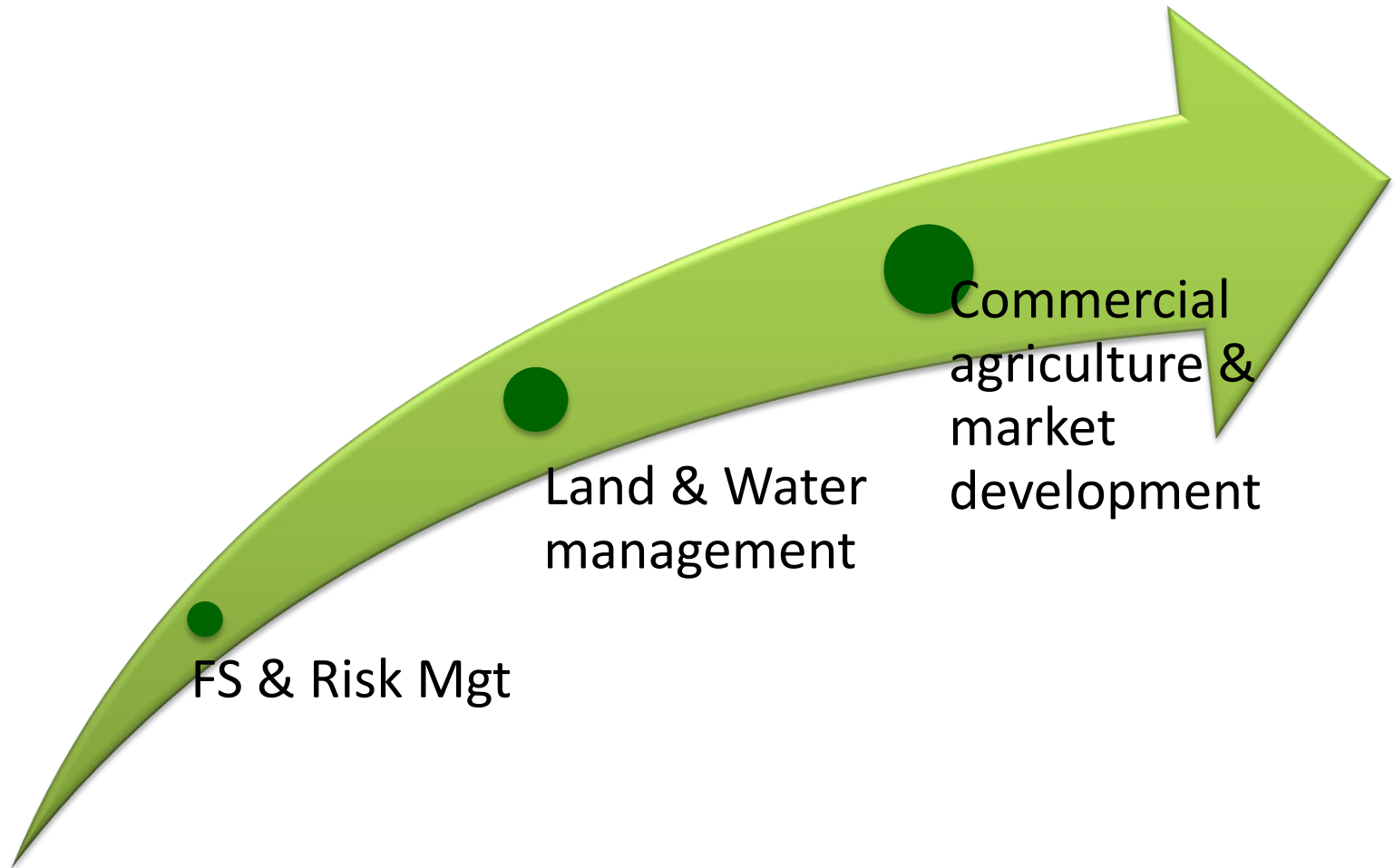
The policy-flow



The policy-flow



ASWAP as a Value Chain



From programme to planning

ASWAP – MoA, MoT, MoL

ASWAP-SP

MDTF

Project

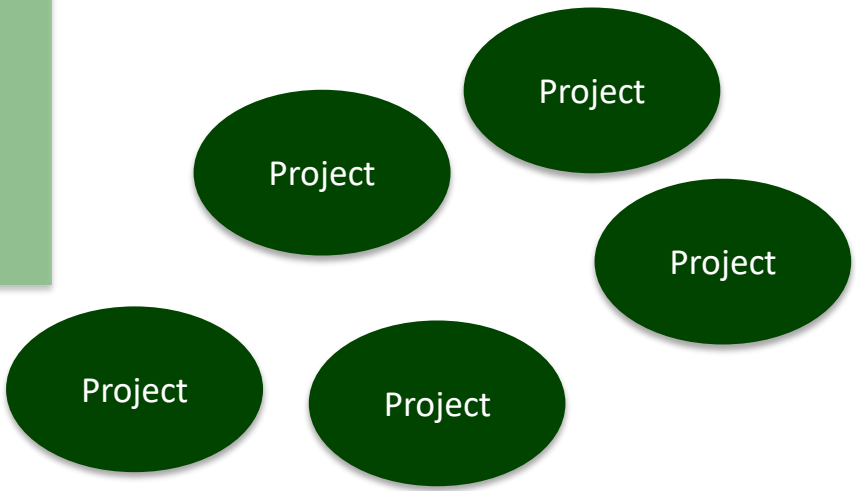
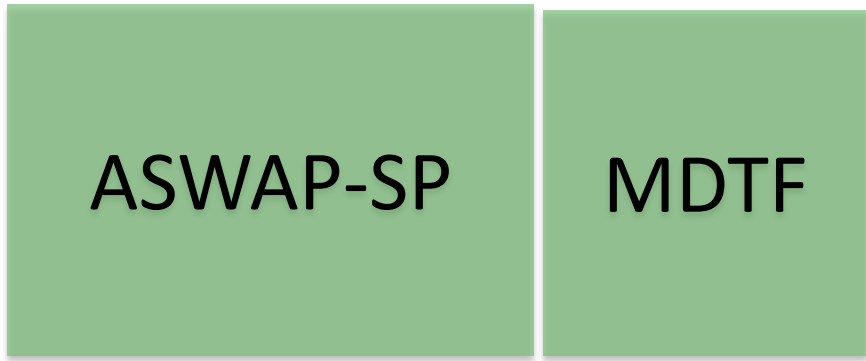
Project

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Project

Project

From programme to planning



Summary Policy & Planning

- ✓ ASWAp is widely owned within government and among Non State Actors
- ✓ ASWAp is evidence based
- ❑ ASWAp is not an overarching frame for all actors in the agriculture sector - NAPF or NAP?
- ❑ ASWAp is a programme of government, with most activities funded by donors
 - Separate workplans - no overall ‘docking station’

ASWAP

- Farmer Input Subsidy Programme exists since 2005/06
- *“Incontrovertible evidence that where Malawians can get the inputs they so desperately need, their response to production technologies is fast and substantial”*
- *“FISP is the start of a long process of transformation of the Malawi agriculture economy”*
- In 2005/06 FISP consumed 43% of Agriculture Budget

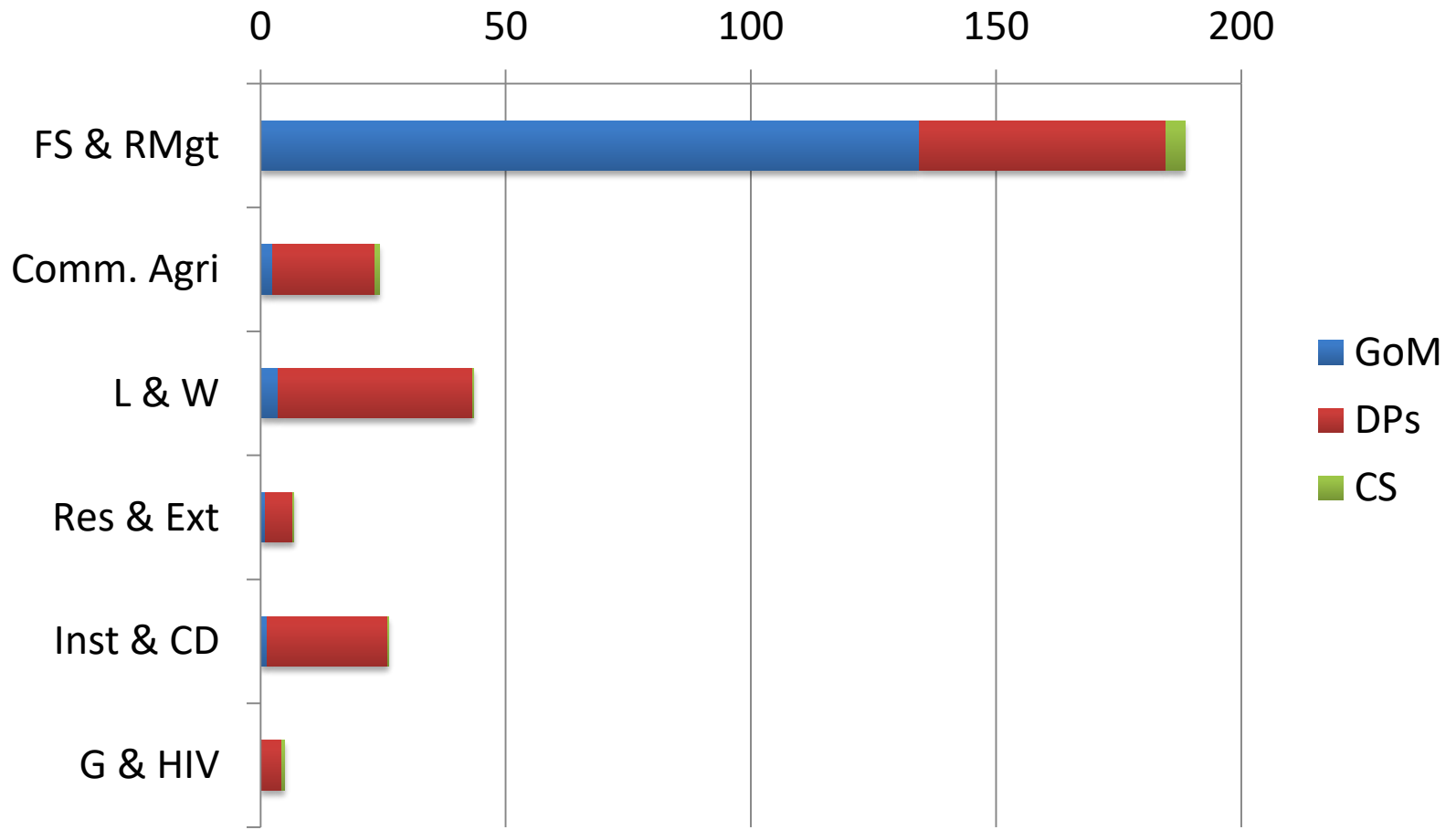
Public Finance Management

- 2011 Public Financial & Economic Management Reform Programme (PFEM)
 - Better linkages of expenditures to MGDS priorities
- MTEF exists in name (not in purpose)
- Public Finance Management Act
- PEFA and PETS carried out
- Basic Agriculture Public Expenditure Review (2000-2013)
- 2013/14 piloted Programme-Based Budgeting
- 2013/14 fiscal year -BS withdrawn because of fraud

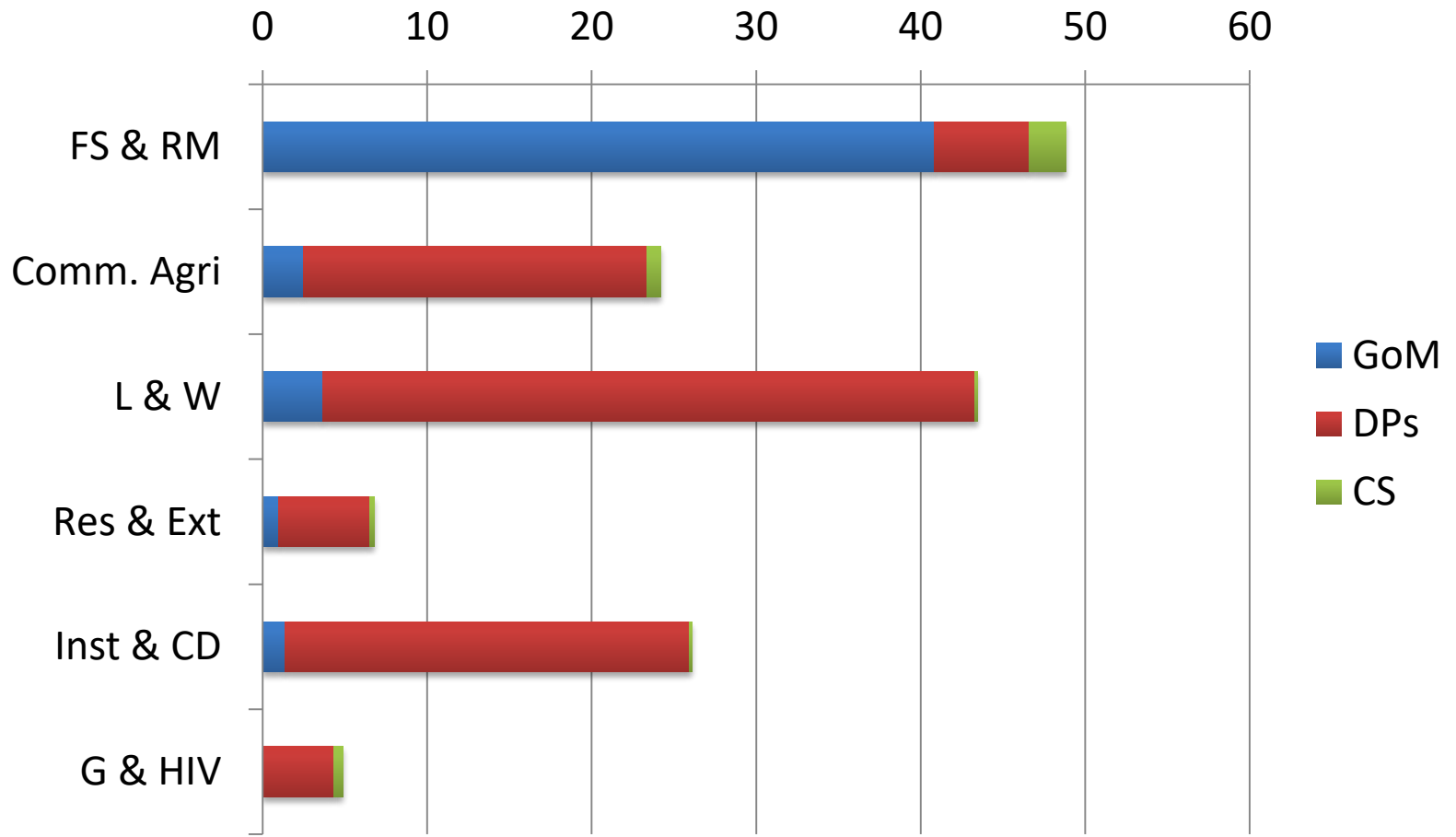
MGDS	Budget structure (Vote 190)	ASWAP priorities
<p>1.1 Agricultural productivity and diversification</p> <ul style="list-style-type: none"> Inputs, irrigation, contract farming, diversification, exports, market linkages, technology, livestock & fisheries, extension, soil & water conservation <p>1.2 Food Security</p> <ul style="list-style-type: none"> Food availability & accessibility, early warning system, extension, technical & regulatory services, reducing post harvest losses, income generation, dietary diversification, management of food aid & food imports, agriculture markets, PPPs, risk management 	<p>01 Agriculture & food security</p> <ul style="list-style-type: none"> Irrigation, crops, agri-business, fisheries, agro-processing, livestock, extension, regulation, food security <p>02 Natural resources and environmental management</p> <ul style="list-style-type: none"> Land resources Meteorological services <p>07 Health Services</p> <ul style="list-style-type: none"> Nutrition services <p>04 Water resources</p> <ul style="list-style-type: none"> Supply & sanitation Water resources dev. <p>17 Public Administration</p>	<p>1.0 Food security and risk management</p> <ul style="list-style-type: none"> Maize self-sufficiency, diversification and dietary diversification, risk mgt <p>2.0 Commercial agriculture, agro-processing and market development</p> <ul style="list-style-type: none"> Stimulate exports, agro-processing & value add,, market dev through PPPs <p>3.0 Sustainable agricultural land and water management</p> <ul style="list-style-type: none"> Land; Water & irrigation <p>Technology generation</p> <p>Institutional development</p> <p>Gender HIV & AIDS</p>

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Disbursement by ASWAP programme



Disbursement minus maize (FISP)



Summary Budget and Finance

- ✓ GoM has a programme-based budget
 - Based on which programme?
 - MGDS widely owned & political support
 - ASWAp II - aligned to MGDS? To budget structure?
- ✓ ASWAp is linked to the budget process
 - ✓ ASWAp Investment (and recurrent) is part of MTEF
 - But investment is low (NAIP !) (even recurrent...)
 - ✓ ASWAp = Annual Budget MoA
 - But budget structure makes monitoring difficult

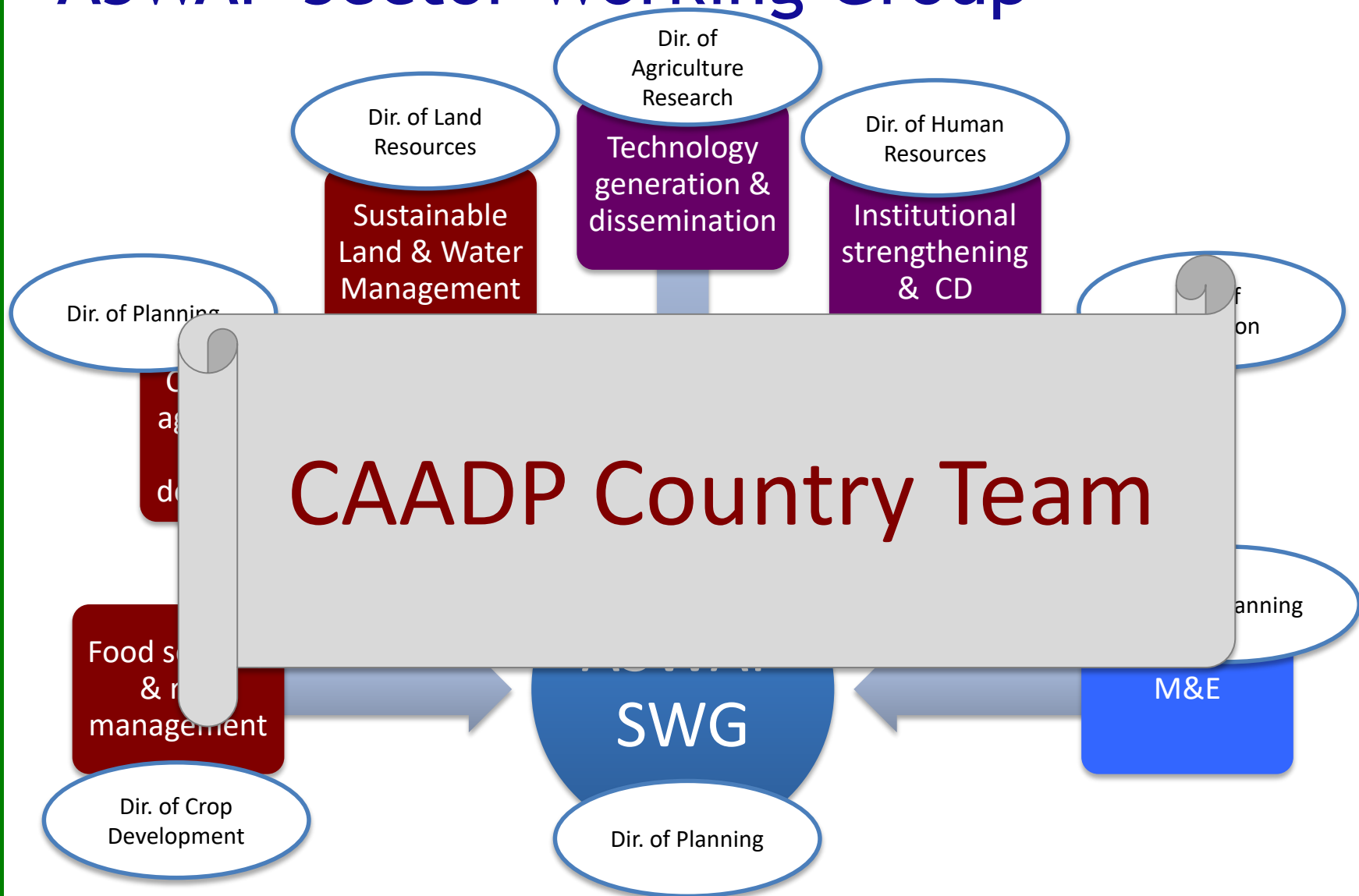
Summary Budget and Finance

- Public expenditure is highly skewed
 - FISP is magnet for funds beyond ASWAp, beyond Agriculture!
 - Sustainability? Does FISP translate into revenue?
- Total ASWAp expenditure is highly skewed
 - Symptom of fragmented agendas & workplans?
 - Symptom of lack of transparency, in GoM budget and DP contribution?
 - Off-budget DP contributions?
- All DP funding can be ‘on-budget’ regardless of funding modality and planning can be based on the complete resource envelope

Coordination

1. ASWAP
2. Agriculture Sector
3. Development Partners

ASWAP Sector Working Group



Key domestic actors: Government

- Min of Agriculture
 - Head of ASWAP & Deputy Head of ASWAP
 - Head of ASWAP-SP & Deputy Head of ASWAP-SP
 - CAADP FP
- Agriculture relevant ministries:
 - Min of Agriculture, Irrigation and Water Development (MoAIWD)
 - Min of Industry & Trade (MoIT)
 - Ministry of Lands, Housing and Urban Development (MoLHUD)
- Parliamentary Committee on Agriculture & Food Security
 - Led by well-connected and informed private sector representative...
 - ...but MPs lack capacity and information for true analysis and advise

Key domestic actors: Non-State

- Private sector
 - Malawi Confederation of Chambers of Commerce & Industry (MCCCI)
- Civil Society
 - Civil Society Agriculture Network (CISANET)
 - Merger of NGO Advocacy Network & NGO Food Security Network
 - Founded in 2000 - grant from DFID 2003
 - 2007: elected as Malawi FANPRAN Node
- Farmer Organisations
 - Farmer Union of Malawi (FUM)
 - National Smallholder Farmers' Association of Malawi (NASFAM)

Strong foundation.....

- History of regular monitoring of sector performance
 - Annual Economic Report (MoFEPD)
 - Annual Joint Agriculture Sector Performance Review
 - Regular programme reviews: MASIP, ASWAP
 - Public Expenditure: regular tracking surveys; studies
- Able and vocal domestic actors
 - MCCI: Malawi Business Climate Survey Report (annual)
 - CISANET: Press releases, studies ('A Future for FISP'), national agriculture budget analysis
 - Academia and research institutions
 - Farmer Organisations

....but follow up is challenging

Because the information is incomplete:

“Government tells us what they have done during the past fiscal year, but they only show us the government resources that they have used, even though many of their activities were financed by development partners. So we get to judge all of the work on only part of the resources”

Parliamentary Committee on A&FS

Or the issue is too political:

„The unpredictability of government policy-making is worsening. (...). The uncertainty created cannot attract meaningful and long term investments (...) Of particular significance are export bans. Agricultural products seem to be a soft target for unpredictable policies“

MCCCI