

## Case Study 2 – Partner Country Government, Malawi

Our second case study considered the information needs of the Government of Malawi, and focused on data held by the Ministry of Finance as well as the needs of two line ministries, the Ministry of Education, Science and Technology (MoEST) and the Ministry of Health.

In 2006, 40% of Government spending in Malawi was funded by donors, making access to reliable data on aid a priority. Currently, 52% of project aid to Malawi is not included in the national budget - this undermines ownership, hinders planning and compromises macroeconomic management. The Ministry of Finance sees the provision of better aid information as a key enabler in their efforts to get more aid on-budget, and it could help to align even off-budget aid more closely with Government priorities.

### Summary of improvements they would like to see in future

The main needs identified by this study are for:

- A single, reliable dataset that can be used by all Ministries;
- Complete and accurate data, covering all donors;
- Timely data;
- More detailed data, easily accessed in a format that meets line ministries' specific needs;
- Information on exact geographic location, to help align aid projects with government priorities;
- Clarity on disbursement dates and conditions attached ;
- Better information on future aid flows.

## Background

### What data sources do they currently use?

The aid information available to the Government of Malawi typically comes directly from in-country staff of donor governments and multilateral agencies. In previous years, this information was recorded on spreadsheets sent out monthly by the Finance Ministry but from July 2008, these spreadsheet returns have been transferred to the new Aid Management Platform (AMP). In future, it is envisaged that donors will have access to the AMP and will be able to enter their data directly.

Fieldwork for this study took place in November 2008, before the AMP had been in place for a whole financial year. Also, the most recent OECD data available at the time was DAC Stat and CRS data relating to 2006, so the comparison between data held by the GoM and OCED relied on 2006 data using the Ministry of Finance's spreadsheet and paper records, as this pre-dated implementation of the AMP.

## What problems have they encountered with current data sources?

### 1) Incomplete data

The practice of obtaining data only from in-country staff of donor governments and multilateral agencies leaves significant gaps – in 2006, there were 22 donors in the DAC Stat database reporting a total of US\$98 million in aid to Malawi that does not appear in GoM records.

### 2) Inconsistent data

Even where the two systems capture aid information from the same donors, there are often discrepancies in the amounts recorded. In 2006 for example, 13 donors who reported to the OECD also appeared in GoM records but there was a difference of over US\$119 million in the total amount of aid recorded by the two systems. While some of these discrepancies may result from differences in timing, it seems likely that significant amounts are disbursed to aid projects in Malawi about which the Government knows nothing, so cannot include in its planning and management systems.

### 3) Duplication of effort, with multiple requests resulting in inconsistent data on aid allocations

As well as receiving information on aid allocations to the education sector from the Finance Ministry, the Malawi Health Ministry and MoEST also request data directly from donors on health and education-related projects. Donors are often reluctant to supply this information directly on the grounds that they have already provided the information to the Ministry of Finance. When they do respond directly to line ministries, the information provided on anticipated allocations often conflicts with that previously given to the line ministry via the Ministry of Finance. This causes confusion in the planning process and can lead to cuts in planned programmes as the figures from the Ministry of Finance are generally lower than those given directly to line ministries by donors.

### 4) Centrally-provided information lacks sufficient detail and is not provided in the right format

The main reason for these duplicate requests is that aid information provided to line ministries from the Ministry of Finance is in a format that does not meet their specific needs, and provides them with insufficient detail. For example, aggregate data is of limited use in analyzing aid targeted at implementing the National Education Sector Plan (NESP).

### 5) Additional conditions leading to delayed disbursement

We found two examples of where anticipated disbursements – in this case from the Global Fund – were delayed by the imposition of additional conditions not agreed in the original memorandum of understanding.

Finally, our study confirmed that CSOs in Malawi typically have poor access to aid information, and this hinders their efforts to hold both the Government and donors to account.

Full details of this case study are available on the aidinfo website at: <http://www.aidinfo.org/files/malawi-case-study.pdf>