

Development Initiatives

# Aid information in Malawi

aidinfo project case study

Initial Draft Version

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## Executive summary

The information on aid available to the Government of Malawi (GoM) typically comes directly from the in-country staff of donor governments and multilateral agencies. In prior years this information was recorded on spreadsheets in the Malawi Finance Ministry but, from July 2008, the spreadsheet-based returns provided by donors have been transferred onto the new Aid Management Platform (AMP) system which has been implemented in Malawi.

This report is based on fieldwork that took place in November 2008, before the AMP had been in place for a whole financial year. Also, at the time of the study, the most up-to-date data on aid to Malawi in the OECD's CRS and DAC Stat databases related to calendar year 2006. Thus any comparisons between the data held by the GoM and that held by the OECD, of necessity, used the spreadsheet and paper-based records of the Malawi Finance Ministry rather than data from the AMP.

The practise of obtaining data only from in-country staff of donor governments and multilateral agencies gives rise to problems in the completeness of the data. There are a significant number of donors who report giving aid to Malawi in the OECD databases, but who are missing from the records of the GoM. In 2006 there were 22 donors in the DAC Stat database reporting a total of \$98million of aid (excluding debt relief) to Malawi who did not appear in the records of the GoM.

Even where the GoM is capturing information from the same donors who are reporting to the OECD there are wide disparities between the amounts reported. For example in 2006, there were 13 donors who reported giving aid to the DAC Stat database who also appeared in the records of the GoM. However the total difference between the amount of aid reported by these donors to the GoM and the amount they reported to the OECD was over \$119million (again, excluding debt relief).

Some of these discrepancies appear to be due to differences in timing; i.e. data appearing in one period in the OECD data but in a different period according to the records of the GoM. However it seems likely that there is a large amount of aid disbursed to projects in Malawi about which the GoM knows little or nothing. This means that there are significant overseas resources entering Malawi which the GoM is unable to take into consideration either in their development planning, or the overall macroeconomic management of the nation.

Donors have also provided data on anticipated aid flows directly to line ministries within the GoM which have subsequently been found to be inconsistent with the final budget figures on aid to these ministries. This has led to line ministries making unexpected cuts in their spending plans to the detriment of the services they were planning to provide.

The International Aid Transparency Initiative (IATI) proposes the establishment of a transparency standard for aid information. This initiative has the potential to address the problem of inconsistency in the data highlighted in this report. The report concludes with some suggested improvements to the data that could be considered for inclusion in such a standard.

## About Development Initiatives

Development Initiatives is an independent organisation that provides research and consultancy services on aid, development and poverty reduction.

We work with people in donor governments, the OECD DAC, international agencies, NGOs and the academic community to interpret and communicate aid and development data, policy and practice.

As well as working to deliver research and consultancy services on behalf of others, Development Initiatives encourages contacts between individuals, groups and organisations that share its commitment to eradicating absolute poverty.

Development Initiatives was established by Judith Randel and Tony German as a private consultancy in 1993. A separate not-for-profit arm (Development Initiatives Poverty Research) was set up late 2007/early 2008 and now runs alongside the consultancy business. Development Initiatives Poverty Research programmes – such as aidinfo and Global Humanitarian Assistance – are funded by grants.

Further information is available at: [devinit.org](http://devinit.org)

## Aid Information Management

### Aid Information in Malawi Finance Ministry

The primary means of data collection on aid is a spreadsheet-based return that the Ministry of Finance (MoF) sends out on a monthly basis to donors. Donors are requested to fill this in and return it within 10 to 14 days but, in practice many donors do not adhere to this timeframe. The return requests that donors provide the following information on each project funded by them:

- Aid category (General Budget Support, Sector Budget Support, or Project-Based)
- Project name
- Donor project code
- Total donor funding
- Date agreement signed
- Date project effective
- Date of planned/actual completion
- Project status (Active, Completed, etc.)
- Terms of funding (Loan or Grant)
- On or off-budget
- Implementing agency
- Are Malawian Government PFM systems used?
- Are Malawian Government procurement systems used?
- Is the funding administered by a Project Implementation Unit (PIU)?
- Actual disbursements in prior financial years
- Projected disbursements in coming current financial year (by quarter)
- Total disbursed to date
- Projected expenditure in each of next two financial years

In previous years this information has been transferred to a spreadsheet-based recording system in the Malawi Ministry of Finance. Earlier in 2008 the new Aid Management Platform (AMP), a relational database system developed by Development Gateway and tailored to the needs of the Malawi Government, has been implemented.

From the beginning of financial year 2008-09 all donor returns of aid projections and disbursements have been recorded on the AMP. It is envisaged that, in the future, donor missions in Malawi will have direct access to the AMP, allowing them to directly enter aid data into the system.

The AMP database structure is capable of handling extra data items in addition to those currently captured by the Malawi Ministry of Finance. Notably, the AMP is able to store a sub-national location against each aid project recorded on the system.

However, at the time this study was conducted, the most recent aid data available from the OECD databases related to the 2006 calendar year. Therefore the data used for comparison with the OECD

figures were taken from the paper and spreadsheet-based records of the Government of Malawi (GoM) and not from the AMP database.

### **Aid Information in the Budget Process**

The fiscal year in Malawi runs from July to June each year with the annual budget being presented to Parliament each May or June. Donors are requested to provide information on projected ODA in the year, split by modality and funding stream. These figures are combined with expected domestic revenue and divided between the government departments, known as ‘votes’ in the terminology of the Malawian budget (a list of these votes is provided in appendix 1). The budget allocated to each department consists of two elements:

- Recurrent Expenditure (consisting of Other Recurrent Transactions – ORT and Personal Emoluments – PE); government funded
- Development/ Capital Expenditure (consisting of Part 1: 100% Development Partners and Part 2: 100% Government). In your above synopsis you are only referring to the Development/ Capital Expenditure

The Development/ Capital Expenditure portion of the budget is further subdivided into two parts:

Part 1 funding – Development expenditure funded by donors, essentially on-budget project funding

Part 2 funding – Each department’s share of domestic revenue and ODA given as budget support

Each department may then compare their Part 1 allocation of the Development/ Capital Expenditure with their own information on donor project in their sector. As a result of this comparison some departments will amend their Part 1 figures as the information provided to the Ministry of Finance by donors is not always consistent with information provided by donors to line ministries.

There then follows a round of negotiations between each line ministry and the Ministry of Finance to agree a final figure for the Recurrent Expenditure and Part 2 funding of the Development/ Capital Expenditure allocated to each department. The finalised budget is then compiled and presented to Parliament. Budget reviews are carried out during the financial year, but these focus mainly the effect of any variances in domestic revenue.

### **Aid Data Analysis in Education Ministry**

As well as receiving information on aid allocation to the education sector from the Finance Ministry, the Malawi Ministry of Education, Science and Technology (MoEST) also requests data directly from donors on education-related projects. This data is used to prepare and update the national

programme of work in the education sector which is maintained by MoEST. The donors have expressed reluctance to supply data to the Education Ministry on the grounds that they already provide data to the Ministry of Finance. However the data provided to the Ministry of Finance by donors is often not in a format that meets the specific needs of the line ministries. For example, when considering aid targeted at the implementation of the National Education Sector Plan (NESP), it was difficult to obtain information that showed how donor funding was aligned with the various NESP programmes. Also data from different donors may be given to the Education Ministry in different formats making it difficult to produce an aggregate of the aid figures across all donors.

One key issue is that the data provided to MoEST by donors does not match the information on expected donor disbursements provided to MoEST by the Finance Ministry. This causes confusion in the planning process and cuts in the planned programme of work as the figures from the Finance ministry are generally lower than those given by the donors directly to the education ministry.

In addition to the inconsistencies between information held by the MoF and MoEST, it is often the case that the MoF information lacks key details needed by MoEST i.e. the aggregated nature of this data means that it is limited in its usefulness with regards to analysis of the NESP and SWAp approach.

The Education Ministry has also used its data to undertake an analysis of donor performance against the various indicators and targets in the Paris declaration. This uses a number of proxy measures of donor performance which are, in large part, calculated from aid data provided from the Ministry of Finance and directly from donors.

Data on aid that the Education Ministry has obtained, derived, or wishes to use in order to carry out this analysis include:

- Aid funding available for the next 2-3 years
- Aid funding allocated to each sector within the National Education Sector Plan (NESP) and to each category within the sectors. (Sectors are: Administration, Primary Education, Secondary Education, Teacher Education, Technical/vocational Education, Higher Education and Special Needs. Categories are: Salaries, other recurrent expenditure and development).
- Aid modality
- Quantity of “product” (e.g. the number of primary education classrooms to be constructed)
- On/off budget indicator
- Actual disbursement vs. planned
- Level of fragmentation (measured by no. of projects less than \$1million in value)
- No. of mutual assessments of projects between Education Ministry and donors

## **Aid Data in the Health Ministry**

As in the case of the Education Ministry, the Malawi Health Ministry obtains data directly from donors as well as from the aid information prepared by the Finance Ministry. Here too the figures obtained directly from donors can be different to those from the Ministry of Finance and, once

again, this had caused cuts in planned expenditure late in the planning cycle as the Ministry of Finance figures are typically lower than those provided by donors.

The Malawi Health ministry also reported problems with donors imposing additional conditions to those outlined in the memorandum of understanding between the ministry and the donor. Disbursement is then delayed until these additional conditions are met. The Global Fund (GFATM) was singled out as one such donor.

In one case GFATM was said to have added a condition that Malawi give details of the number of health assessors. When Malawi offered to give this information from payroll details, the GFATM insisted that a physical count of health assessors be carried out. This meant reaching and counting staff in remote areas during the rainy season. The consequent delay in receipt of funds from GFATM meant that the Health Ministry had less time in which to use the funds, causing additional organisational and resource issues.

In another case GFATM had pledged money to strengthen administrative systems in the Health Ministry. The GFATM allegedly then added a condition that the Health Ministry should carry out a functional review before money was disbursed. The first functional review was rejected by the GFATM as they considered that the staff carrying out the review were not sufficiently qualified. The review was re-done but, once again, this caused a significant delay in the disbursement of funds and reduced the time available to the Health Ministry to use the funding.

It is certainly true that GFATM reported over \$29million of disbursements to Malawi in 2006, but the Malawi Finance Ministry did not record any funds being received from GFATM in that year. Both the Health and Finance Ministries stated that, although some funding has now been received from GFATM, the amount of funding is, so far, less than that originally pledged.

## Civil Society Access to Aid Information

In a meeting with the Malawi Economic Justice Network (MEJN) it was stated that access to information on aid by Civil Society Organisations (CSOs) was poor. Most of the information obtained by CSOs comes from public media such as newspapers or radio rather than from Government or donors.

This restricts CSOs' efforts to hold government and donors to account for their development efforts in Malawi. It also effectively prevents any wide-ranging research into the effectiveness of aid interventions in the country or region.

The view from MEJN was that there would be great deal of interest among CSOs in improved access to consistent, reliable data on aid. This information could be used by CSOs in support of a variety of lobbying, advocacy and research activities.

## Aid Statistics

### Analysis of Donors' Disbursements in 2006

The table below presents the aid inflows recorded by the Malawi Finance Ministry in 2006 compared to that reported by donors to the OECD and recorded in the CRS and DAC Table 2a.

	Aid reported by donors to OECD-DAC (CRS)	Aid reported by donors to OECD-DAC (Table 2a)	Aid inflows recorded by Malawi Government	Variance: CRS vs Malawi	Variance: Table 2a vs Malawi
	2006	2006	2006	2006	2006
Australia	2.86	2.86	0	2.86	2.86
Austria	0.30	0	0	0.30	0.00
Belgium	2.54	2.54	0	2.54	2.54
Canada	12.45	12.46	6.37	6.08	6.09
Denmark	2.32	5.04	0	2.32	5.04
Finland	0.95	1.01	0	0.95	1.01
France	0.24	0.24	0	0.24	0.24
Germany	23.70	23.69	13.6	10.10	10.09
Greece	0.02	0.02	0	0.02	0.02
Iceland	0.00	3.73	0	0.00	3.73
Ireland	7.84	7.86	0	7.84	7.86
Italy	0.19	0.19	0	0.19	0.19
Japan	22.61	22.61	6.81	15.80	15.80
Luxembourg	0.53	0.53	0	0.53	0.53
Netherlands	10.44	10.44	0	10.44	10.44
New Zealand	0.33	0.33	0	0.33	0.33
Norway	50.26	50.26	50.25	0.01	0.01
Spain	1.42	1.42	0	1.42	1.42
Sweden	17.10	17.14	0	17.10	17.14
Switzerland	0.03	0.03	0	0.03	0.03
United Kingdom	124.18	127.51	105.57	18.61	21.94
United States	64.01	64.02	27.35	36.66	36.67
AfDF	0.00	18.6	23.38	23.38	4.78
EC	80.80	78.66	66.95	13.85	11.71
GEF	0.00	0.02	0	0.00	0.02
Global Fund	29.22	29.22	0	29.22	29.22
IDA	0.00	49.83	46.39	46.39	3.44
IFAD	0.00	1.1	0	0.00	1.10
Nordic Dev. Fund	0.00	1.17	0	0.00	1.17
SAF+ESAF+PRGF(IMF)	0.00	10.31	0	0.00	10.31
UNDP	6.53	7.08	8.08	1.55	1.00
UNICEF	7.82	7.82	8.64	0.82	0.82
UNAIDS	0.58	0	0	0.58	0.00
UNFPA	1.96	1.96	0.97	0.99	0.99
UNHCR	0.00	2.08	0	0.00	2.08
UNTA	0.00	1.01	0	0.00	1.01
WB grants	0.00	0	28.1	28.10	28.10
WFP	0.00	4.41	10.64	10.64	6.23
WHO	0.00	0	0.12	0.12	0.12

The table on the previous page shows the amount of aid disbursements (not including debt write-offs) reported in 2006 on the DAC International Development Statistics Database compared to the aid inflows recorded by the Malawi Government's Debt and Aid Report. The disbursements are aggregated by donor, in \$million at current prices. The *absolute* (i.e. unsigned) variances between the amounts recorded by the Government of Malawi and the two OECD datasets are also given in \$million.

Since the financial year in Malawi runs from July to June, the figures for the Malawi Government were obtained by taking the amounts of aid given for Q3 and Q4 in the 2005-06 Debt and Aid Report and those for Q1 and Q2 in the 2006-07 report. These reports capture the following categories of aid:

- General Budget Support
- Sectoral Budget Support
- On-budget Project Support
- Known Off-budget Project Support

Therefore the discrepancies between the two sets of figures cannot be explained merely by the presence of off-budget aid.

## Comparison of Data Recorded by Malawi and DAC Table 2a

From the table it can be seen that there are a total of 39 donors identified across the datasets analysed and that there are significant differences between the data on the OECD systems and Malawi's own data:

- The following 22 donors appear on DAC Table 2a, but not Malawi's data: Australia, Belgium, Denmark, Finland, France, Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, New Zealand, Spain, Sweden, Switzerland, GEF, GFATM, IFAD, IMF, Nordic Development Fund, UNHCR and UNTA. These donors reported a total of \$98.29million of aid to Malawi in 2006. This represents 17.3% of ODA reported to DAC Table 2a in 2006.
- There are also 2 donors who appear on Malawi's data but not on DAC Table 2a, namely: The World Bank and WHO. These donors reported a total of \$28.22million of aid to Malawi in 2006. This represents 7% of ODA reported in Malawi's data in 2006.
- Thus there are 13 donors who have reported disbursing aid to Malawi in both systems: Belgium, Canada, Germany, Japan, Norway, US, UK, AfDF, EC, IDA, UNDP, UNICEF and UNFPA. However the amounts reported by these donors vary significantly between the two systems. The sum of the absolute differences in reporting between DAD and CRS for these donors was \$119.57million in 2006.
- Finally 2 of the 39 donors appear only on the CRS and are therefore not present on either Table 2a or in Malawi's own figures.

## Comparison of Data Recorded by Malawi and CRS

Similarly, a comparison between the Government of Malawi's data and the CRS yielded the following results:

- The following 17 donors appear on the CRS, but not Malawi's data: Australia, Austria, Belgium, Denmark, Finland, France, Greece, Ireland, Italy, Luxembourg, Netherlands, New Zealand, Spain, Sweden, Switzerland, GFATM, and UNAIDS. These donors reported a total of \$76.91million of aid to Malawi in 2006. This represents 16.3% of ODA reported to the CRS in 2006.
- There are also 5 donors who appear on Malawi's data but not on the CRS, namely: AfDF, IDA, The World Bank, WFP, and WHO. These donors reported a total of \$108.63million of aid to Malawi in 2006. This represents 26.9% of ODA reported in Malawi's data in 2006.
- Thus there are 10 donors who have reported disbursing aid to Malawi in both systems: Canada, Germany, Japan, Norway, US, UK, EC, UNDP, UNICEF and UNFPA. However the amounts reported by these donors vary significantly between the two systems. The sum of the absolute differences in reporting between DAD and CRS for these donors was \$104.45million in 2006.
- Finally 7 of the 39 donors appear only on Table 2a and are therefore not present on either CRS or in Malawi's own figures.

## Some Causes of Data Discrepancies

There appears to be no single, systemic cause for the discrepancies outlined above. The differences between the datasets seem to be caused by a variety of problems, many of which are procedural in their nature. Ultimately it was not possible to explain all of the differences between the datasets within the time allowed for this study, but some of the reasons for the discrepancies were apparent. Below is a brief description of the causes of discrepancies that it was possible to positively identify during the study:

The data in the GoM reports are obtained directly from in-country staff of those donor agencies who have a presence in Malawi. Thus the GoM reports are missing data from those donors whose aid agency does not have an in-country mission. Whilst these are mostly small donors, some of the figures are quite significant (e.g. over \$10million from the Netherlands and nearly \$8million from Ireland in 2006).

There are significant differences in the coverage of data on disbursements from multilateral organisations. For example, DAC Table 2a has data on more multilateral donors than does either the CRS or the GoM data. In all 22 donors, reporting a combined total of over \$98million of aid in 2006

are recorded in DAC Table2a but seem to be completely unknown as donors to the GoM. These include Ireland, who (in the view of the GoM) started their bilateral aid programme to Malawi after 2006, and Denmark, who (again in the view of the GoM) ceased their aid programme to Malawi in 2002. It seems that the aid reported by these donors is largely or wholly in the form of aid to/via CSOs, or aid in other forms that are not reported to the Malawi Government.

There appears to be some issues with the data in instances where aid from one donor is administered via the offices of another donor. An example of this situation is aid from Sweden which is channelled through the aid agency of the Norwegian Government. Although the figures reported to the DAC by Norway tally almost exactly with the amount of Norwegian aid recorded by the Malawi Government, it appears that this may include almost \$15million of aid disbursements from Sweden which were routed through Norway in 2006. As can be seen from the table, over \$17million of Swedish aid disbursements are also recorded on the DAC database, which includes aid routed through Norway. This leaves some \$15million of aid from Norway that appears to be unaccounted for in the data.

The date of disbursement recorded in the OECD DAC data is not always consistent with the corresponding date in the records of the GoM. Therefore, in some cases, aid reported to the DAC as being disbursed in 2006 was not received by Malawi in that year. For example a \$7.2million grant from The Netherlands to the education sector in Malawi is recorded in the figures of the Malawi Government in financial year 2007-08. This implies that the funds were not received in Malawi until the second half of 2007 at the earliest.

One source of delay in disbursements may relate to conditions attached to some aid. As discussed above, the Malawi Health ministry claims that GFATM changed the conditions relating to its funding after the signing of a memorandum of understanding. The delay caused by this additional conditionality may partially explain the fact that GFATM reported \$29million of disbursements to the DAC in 2006 whereas no money was recorded as received by the Malawi Government from GFATM in that year.

The DAC figures include several categories of ODA that do not involve a transfer of resources to partner countries (e.g. imputed student costs). This makes it difficult to analyse the value of actual disbursements within a partner country and consequently causes difficulty in measuring the effectiveness of aid.

Late, or non-reporting of donor disbursements to the Malawi Government may also be a factor. The fact that some donors do not report their aid to the Malawi Government in a timely manner means that some aid that is actually disbursed in Malawi may not appear on the Government figures.

The DAC statistics are based on a calendar year (i.e. January-December) and the month of disbursement is not recorded. This hinders comparison with the figures of the Malawi Government which are based on the Malawian financial year of July-June.

Support given to, or via CSOs within Malawi is typically not captured in the government figures. Again this means that large quantities of aid to Malawi are not represented in the reporting of the Malawi Government. Specifically this means that the amount of off-budget aid in Malawi may currently be greatly underestimated by the GoM.

Incomplete or inadequate descriptive data on the CRS database makes it difficult to match projects recorded on the CRS with aid interventions in Malawi. For example there are 45 projects listed on the DAC database with a total value of over \$12million which have no descriptions whatsoever, making it all but impossible to determine whether this funding is known about by the Malawi Government or not.

## Key Aid Information Issues in Malawi

Total government revenues in financial year 2006/07 were approximately \$990million of which approximately \$407million was in the form of development support from donors. Thus over 40% of Government spending in Malawi is funded by overseas donors making Malawi highly dependent on aid. Therefore issues around the consistency and quality of data on aid have a real potential to negatively impact both the management of aid and overall economic management in Malawi.

### Off-Budget ODA

Currently 52% of Project support aid to Malawi is not included in the national budget. The existence of such a large amount of off-budget aid causes a number of problems for the Government of Malawi, including:

- Undermining the GoM's ownership of the development process
- Large amounts of spending are not in line with Government priorities
- Lack of articulation of where resources being spent (sectorally or geographically) can lead to overfunding of provision in some areas and underfunding in others
- Difficulty in deciding upon a set of common and accurate outputs and outcomes for aid-funded projects
- A hindrance to improvement of Government systems for procurement and PFM
- A lack of efficiency caused by parallel systems and staff
- A barrier to coherent planning
- Difficult to carry out proper monitoring and evaluation of projects
- Poor sustainability record of projects funded by off-budget ODA
- Reduced motivation to maintain systems
- Compromises macroeconomic management

The Malawi Ministry of Finance sees the provision of better information on aid as a key enabler in their efforts to get more aid on-budget.

In addition to this better information on aid makes it possible to align even off-budget ODA with Government priorities. The Malawi Health Ministry gave the example of USAID using off-budget aid money to purchase malaria drugs which were then deployed as part of a Government-planned anti-malaria initiative.

### Macroeconomic Management

The scale of aid as a proportion of Malawi's national budget means the uncertainty over actual amounts disbursed has a negative impact on overall macroeconomic management of the economy.

For example, accurate projections of future foreign currency reserves are made unnecessarily difficult by the lack of clarity over the level of aid that is entering the country and how much of this is in the form of money as opposed to various forms of non-financial aid.

## **Line Ministry Budgets**

As noted previously, line ministries in the GoM put together initial budgets based on indications of expected aid provided by donors. However, when the final budget figures are released by the Finance Ministry the amount of aid allocated to these line ministries may be lower than they had been expecting. This has caused operational difficulties in line ministries as they have had to make last-minute revisions to their planned expenditure.

The revisions to planned expenditure take the form of either cuts or virements within department budgets. Virements need to be approved by the Permanent Secretaries (PS) of both the line ministry and the Ministry of Finance. Following this, the office of the Accountant General inputs the changes into the governments financial systems. These procedural requirements lead to delays in the spending of line ministries' budgets which, in turn, can mean departments are put under pressure to spend funds quickly by the end of the financial year. This clearly hinders planning, execution and monitoring of aid-funded projects by line ministries.

More accurate information on forthcoming aid provided by donors on a consistent basis to both the finance and line ministries would reduce these uncertainties and simplify the planning process for line ministries.

## **Overall aid management**

There appears to be a large amount of project-based aid to Malawi for which GoM has insufficient information to know where this aid is being disbursed and for what purpose. This makes it unnecessarily difficult to align the development efforts of the GoM with aid interventions funded by donors.

For example, the Director of Malawi's Health SWAp (Sector-Wide Approach) expressed concern at her lack of knowledge with regard to some donor-funded aid projects in the health sector. These projects could be duplicating the efforts of the Malawi Ministry of Health (MoH), or else gaps between donors' plans and those of the MoH could mean some groups missing aid on some forms of health provision. However a lack of complete information on all donor-funded health projects meant that it was impossible to verify these concerns.

## Recommendations

There is a clear need for more complete, transparent, detailed and consistent information on aid to Malawi provided by donors. The establishment of a transparency standard for aid information, as proposed by the International Aid Transparency Initiative (IATI), has the potential to address many of these needs. A standard dataset, with clear, universally accepted definitions of each data item should be defined for all aid data and used consistently by all donors. The dataset held by Aid Management Platform (AMP) systems, such as the one implemented in Malawi show the sort of information that could be included in a standard dataset as this has been designed with the partner countries' aid information needs in mind. The findings of the study also suggest a number of specific improvements that should be made in relation to data on aid and these are summarised below.

In order to accurately measure the amount of *money* that is included in donors' aid to Malawi more needs to be done in the data to separate financial transfers to Malawi from either aid-in-kind transfers (e.g. food aid and technical cooperation) or aid that does not involve any resource transfer to Malawi (e.g. imputed student/refugee costs).

Donors need to ensure that consistent information, in line with government requirements, is provided to the Ministry of Finance and the various line ministries in order to eliminate mixed messages to different government departments.

A common scheme of identification for aid projects, shared by both donors and partner countries, would aid clarity as to exactly where and for what purpose aid is being delivered.

Where possible, the data should link to information on expected outcomes (e.g. number of classrooms built).

The date of disbursement of aid should be the actual date of transfer to the partner country. This will avoid confusion as to which year aid was actually disbursed in. Also the DAC databases should include a complete date (or at least month and year) rather than just a year of disbursement as is currently the case.

The data should show with greater clarity where aid from one country is being administered through a second donor country. At present, aid from Sweden (given via Norway) appears as aid from Norway in some of the reports of the Malawi Government.

Including a geographic location, where appropriate, in the data on aid projects would make it easier to align aid-funded development interventions with the developmental efforts of the Malawi Government. Especially, data relating off-budget ODA should include a location and adequate description of the activity undertaken to enable the GoM to take these projects into account in their spending plans.

The information on aid should include greater clarity over the conditions to be met, including a clear description of conditions. It is hoped that greater transparency over conditionality would help to avoid the problems that existed, for example, between the Malawi Ministry of Health and the GFATM.

## Appendix 1 – Structure of National Budget

Government expenditure in Malawi is divided between ‘votes’ which are roughly analogous with government departments. A full list of votes is shown in the table below:

Vote no.	Vote Name	Vote no.	Vote Name
10	The Presidency	273	Malawi Revenue Authority
20	Compensations, Refunds and Investments	275	Subvented Organisations *
30	Pensions and Gratuities	278	Unforeseen Expenditure
40	Public Debt Charges	279	Financial Intelligence Unit
50	State Residences	310	Health *
60	National Audit Office *	320	Women and Child Development *
70	The Judiciary	330	Information and Civic Education
80	National Assembly *	340	Home Affairs and Internal Security
90	Office of the President and Cabinet *	341	Police
92	Poverty and Disaster Management Affairs *	342	Prisons
93	Human Resource Management and Development	343	Immigration
94	Nutrition, HIV and AIDS and National AIDS Commission *	350	Justice *
95	Department of Science and Technology	351	Director of Public Prosecution and State Advocate
97	Public Service Commission	352	Registrar General
99	Directorate of Public Procurement	353	Administrator General
100	Defence	354	Legal Aid
101	Malawi Defence Force	360	Tourism, Wildlife and Culture *
110	Economic Planning and Development *	370	Labour *
111	National Statistics Office*	390	Industry and Trade *
120	Local Government and Rural Development *	400	Transport, Public Works and Housing *
121	Local Government Finance Committee	420	Road Fund Administration *
130	Lands and Natural Resources *	421	Roads Authority
180	Youth Development and Sports *	430	Human Rights Commission *
190	Agriculture and Food Security *	460	Electoral Commission *
200	Persons With Disability and the Elderly	470	Energy and Mines *
210	Irrigation and Water Development *	471	Geological Surveys
240	Office of the Vice-President	472	Mines Department
250	Education, Science and Technology *	510	Anti-Corruption Bureau *
260	Foreign Affairs	550	Office of the Ombudsman *
270	Ministry of Finance *	560	Law Commission
271	Accountant General's Department		

\* Votes in receipt of donor project support

## Appendix 2 – People Interviewed

The people interviewed in the preparation of this study were:

Dr Naomi Ngwira – Director of Debt & Aid, Malawi Finance Ministry

Ranil Dissanyake – Malawi Finance Ministry

Dr Ann Phoya – Director of Malawi Health SWAp, Malawi Health Ministry

Laura Collins – Malawi Education Ministry

Andrew Kumbatira – Director, Malawi Economic Justice Network

Charlotte Duncan – DFID Malawi

## Appendix 3 – List of Acronyms

AfDF	African Development Fund
AMP	Aid Management Platform
CSO	Civil Society Organisation
DAC	Development Assistance Committee
DFID	Department for International Development
EC	European Commission
FAO	Food and Agriculture Organisation (United Nations)
GEF	Global Environment Facility
GFATM	Global Fund for Aids, Tuberculosis and Malaria
GoM	Government of Malawi
IATI	International Aid Transparency Initiative
IDA	International Development Association
IFAD	International Fund for Agricultural Development
MoEST	Ministry of Education, Science and Technology
MoF	Ministry of Finance
NESP	National Education Sector Plan
NGO	Non-governmental Organisation
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PS	Permanent Secretary
SWAp	Sector-Wide Approach
UNAIDS	United Nations Fund for AIDS
UNDP	United National Development Programme
UNFPA	United Nations Food Programme
UNHCR	United Nations High Commission for Refugees
UNICEF	United Nations Fund for Children
UNIFEM	United Nations Fund for Women
UNTA	United Nations Transitional Authority
WB	World Bank
WHO	World Health Organisation