

Towards a Division of Labour in Malawi

Donor Mapping and Report on a first phase exercise of
in-country division of labour

Ministry of Finance
Debt and Aid Management Division

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ACRONYMS

| | |
|--------|---|
| AAA | Accra Agenda for Action |
| AfDB | African Development Bank |
| AIDS | Acquired Immunodeficiency Syndrome |
| AIMS | Aid Information Management System |
| AMP | Aid Management Platform |
| CABS | Common Approach to Budget Support |
| CIDA | Canadian International Development Agency |
| DAD | Debt and Aid Management Division (in the Ministry of Finance) |
| DAS | Development Assistance Strategy |
| DfID | Department for International Development |
| DoL | Division of Labour |
| DP | Development partner |
| ESF | Exogenous Shock Facility |
| EU | European Union |
| FAO | Food and Agriculture Organization |
| FICA | Flanders International Cooperation Agency |
| FY | Financial Year |
| GBS | General Budget Support |
| GDP | Gross Domestic Product |
| GDC | German Development Cooperation |
| GF | The Global Fund to Fight AIDS, Tuberculosis and Malaria |
| GoM | Government of Malawi |
| HIPC | Heavily Indebted Poor Countries |
| HOC | Heads of Cooperation |
| HoM | Heads of Mission |
| ICEIDA | Icelandic International Development Agency |
| ICT | Information, Communication and Technology |
| IFAD | International Fund for Agricultural Development |
| IMF | International Monetary Fund |
| JF | Joint Framework |
| JICA | Japan International Cooperation Agency |
| JLE | Joint Learning Event |
| MDPC | Ministry for Development Planning and Cooperation |
| MDRI | Multilateral Debt Relief Initiatives |
| MEC | Malawi Electoral Commission |
| MGDS | Malawi Growth and Development Strategy |
| MPRS | Malawi Poverty Reduction Strategy |
| MoAFS | Ministry of Agriculture Food Security |
| MoF | Ministry of Finance |
| MoGCCD | Ministry of Gender, Child and Community Development |
| NPV | Net Present Value |
| ODA | Official Development Assistance |

| | |
|--------|--|
| OPC | Office of the President and Cabinet |
| OEDC | Organisation for Economic Cooperation and Development |
| PRGF | Poverty Reduction and Growth Facility |
| R&D | Research and Development |
| SWAp | Sector-Wide Approach |
| SWG | Sector Working Group |
| TWG | Technical Working Group |
| UN | United Nations |
| UNAIDS | The Joint United Nations Programme on HIV/AIDS |
| UNDP | United Nations Development Programme |
| UNESCO | United Nations Educational, Scientific and Cultural Organization |
| UNHCR | United Nations High Commissioner for Refugees |
| UNICEF | United Nations Children’s Fund |
| UNIDO | United Nations Industrial Development Organization |
| USAID | United States Agency for International Development |
| WB | World Bank |
| WFP | World Food Programme |
| WHO | World Health Organization |

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EXECUTIVE SUMMARY

The Paris Declaration on Aid Effectiveness and the Accra Agenda for Action (AAA) represent significant milestones towards creating an enabling framework for harnessing mutual benefits from the delivery and use of development assistance. One of the key messages arising is the consensus that effective development assistance requires eliminating the duplication of efforts among donors. In addition, it is recognised that development assistance would be more effective if fragmentation of aid could be reduced through improvements in the complementarity of donor efforts. It has therefore become imperative that both partner countries and donors undertake steps towards enhancing the division of labour (DoL) among donors at international and country level.

In Malawi, the Government of Malawi (GoM) has, according to its international commitments, embarked on a process of *in-country division of labour* seeking to reduce fragmentation by enhancing complementarity of development partner efforts at sector level in Malawi. Further to the wish of the GoM that the process will be neutral on the overall country aid volume the GoM does not seek to limit development partner involvement in any given sector.

As part of the DoL process the Ministry of Finance (MoF) of the GoM commissioned this study, in order to provide baseline information and assess the views of both Government and development partners regarding DoL, as a means towards facilitating implementation of the DoL agenda in Malawi.

This study implemented a qualitative questionnaire to 25 development partners operating in Malawi, and a relevant sub-section of the development partner questionnaire to 9 sector focal points within the GoM (completed by 8). The information from the questionnaire was complemented by structured qualitative interviews, conducted with 15 development partner representatives and with 10 GoM sector focal points.

The key findings and recommendations of this study are as follows:

a. Aid Management and Division of Labour

A number of issues that are outstanding to arrive at a division of labour relate to improvements in general effective aid management rather than division of labour specifically. DoL is located within the ongoing improvements of aid management. The main related national strategies are the MGDS and the Development Assistance Strategy (DAS).

Leadership and clear guidance from the GoM towards development partners but also government-wide and inter-institutional cooperation (MoF, Ministry of Development Planning and Cooperation-MDPC with the sectors) is required for the DoL exercise to be successful.

Important pre-requisites for a successful DoL process are: 1) *strong Government leadership for the process*, 2) *open and regular dialogue of all stakeholders' involved* and 3) *clarified and clearly communicated institutional responsibilities*. Lastly, 4) *the objectives and perceived gains of the process as well as a timeline* need to be shared and discussed with all stakeholders.

Key recommendations:

| Activity | Responsibilities |
|---|--|
| Provide clear leadership and direction for the DoL process. | GoM - Acting Director DAD (involve MoF, MDPC), OPC |

| | |
|--|--|
| Integrate relevant steps of DoL in the Aid Co-ordination Calendar 2010 | GoM - MoF (DAD) with HOC |
| Develop and circulate a strategic communication to DPs and the sectors | GoM - DAD/MDPC (if responsible for SWGs), OPC to undersign |
| Develop indicators and/or methods to show progress and gains of the DoL process (Circulate to HOC and selected sectors for input). | GoM - DAD and MDPC (DoL and SWG) |
| Assertively follow-up the DAS action plan | GoM (MoF, DAD) |

b. Sector engagement of development partners

Sector engagement of development partners varies across the board from 1 sector per DP to 14 sectors per DP. The average of sectors per DP according is 6,24. Highly subscribed sectors involve 20 DPs (Health) and low subscribed sectors only 3 (Wildlife, Tourism & Culture) and 4 DPs (ICT & RD). Some of the current engagements (marked in Figure 10 and 11 with an X) do not match the disbursement records of the MoF in the Aid Management Platform (AMP). This suggests a conflicting understanding of sector engagement / sector affiliation of DPs and GoM.

The level of funding to sectors (disbursements, see Figure 11) does not necessarily correlate with the number of DPs engaged in a sector nor does the engagement of DPs match the key priorities of the Malawi Growth and Development Strategy (MGDS) (see Figure 10).

The GoM does not want to limit DP engagement in sectors. However, through the DoL process the GoM will seek to else improve cooperation and to reduce fragmentation and duplication of efforts.

Key recommendations:

| Activity | Responsibilities |
|--|---|
| Guide development partner on criteria that determine sector affiliation of development partners for GoM. | GoM - DAD or MDPC responsible |
| Ensure same level of knowledge of the data focal point level and political level on sector affiliation of a DP | GoM - DAD (and MDPC) to brief HOC (see above) |

c. Use of aid modalities and predictability of aid

The 6 CABS donors are engaged in 3-4 aid modalities (General Budget Support, Sector Budget Support, pooled funding, project/programme support), while Discrete donors and the UN are mostly involved in 1-2 (with the exception of UNDP with 3). 18 DPs out of 25 are involved for 10+ years in project/programme support. Discrete donors provide mostly project/programme support and pooled funding while the UN is stronger on project/programme support and sector budget support. Pooled funding is being used by 4 DPs for 5-10yrs, 4 DPs 3-5yrs and by 4 DPs for 1-3yrs (with 3 DPs foreseeing use of this modality in the future). This states a clear trend towards using pooled funding while no significant change in the use of budget support is foreseen.

The aim of GoM, that 70% of aid is provided through budget support and pooled funding (e.g. SWAPs) is not fulfilled with 44% usage of these modalities. In any case, most development partners state a preference for a balanced use of the various aid modalities, considering that each has its own merits and demerits and that some DPs are less flexible given certain institutional mandates and development in politics in their home countries. Moreover, credible Government systems of transparency and accountability are needed for budget support in general (and general budget support in particular) to be attractive modalities of aid delivery.

Capacity development and support towards sector programmes or strategies were the most common *type of development assistance* provided, Research /university cooperation and support to civil society the least common.

Aid predictability poses a real challenge to GoM. Accurate predictability beyond 2 years was quite low with an average number of years of accurate predictability of 1.76 years. The results of the questionnaire however show that GoM and DPs might not necessarily share the same view or understanding of predictability.

Key recommendations:

| Activity | Responsibilities |
|--|--|
| Identify jointly how to improve on predictability of aid (accurate and approximate figures) | GoM (MoF) with DPs (HOC & data focal points) |
| Discuss at sector level, within the SWGs, adequate provision of various types of support according to sector needs | GoM and DPs - Sectors and DPs within SWGs |
| Enhance quality and accuracy of the AMP, including coverage of DPs | GoM - MoF |

d. Joint dialogue and Sector Working Groups

A variety of joint dialogue mechanisms exists in Malawi. The DAS introduced the establishment of Sector Working Groups (SWGs) as a very important tool which actually will facilitate DoL at sector level. 16 Sectors and guidelines for the establishment of a SWG in each sector have been launched in November 2008. In 6 sectors SWGs have been established through a Joint Learning Event (JLE) on SWAs/SWGs in June/July 2009. Some sectors have since then not further followed up and the establishment of SWGs seems therefore to have stalled. Another JLE to establish the remaining 10 SWGs and support the process is planned for the end of April 2010.

The SWGs will, when functioning, importantly alter the communication not only between GoM and DPs but also within government. As this is still a new process it will therefore be paramount to establish clear communication procedures between the actors and the levels involved. Institutional responsibility for the SWGs will lie with the MDPC in future, with the MoF assisting and gradually handing over.

Since sectors with responsibility for cross-cutting issues are spelled out in the sector concept as separate sectors, mainstreaming of cross-cutting issues (Gender, HIV and AIDS, Environment etc) into the other sectors (taking care of national policies and strategies) will have to be observed differently. The MoF has assigned this responsibility to the relevant sectors themselves.

SWGs will be instrumental in determining appropriate levels of funding in the sectors. It would be needed to link this process back to the general determination of budget ceilings and more importantly to the MGDS (by costing it according to sectors and priorities).

Key recommendations:

| Activity | Responsibilities |
|--|---|
| Revive the establishment process of the SWGs and invest into good institutionalization of the SWGs | GoM – MoF (DAD) to delegate process to MDPC |
| Establish cross-sector relationships for SWGs (needs to be reflected in structures and communication mechanisms) | GoM - MDPC in consultation with the sectors, support from DPs |
| Ensure mainstreaming of cross-cutting issues (concept and proposal) | GoM - Sectors with MDPC, DAD; support from DPs |

| | |
|---|-------------------------|
| Analyse impact of DoL on processes such as the MGDS review | GoM - MDPC with the DAD |
| Support the development of outstanding sector policies & relevant sector programmes | DPs - DPs within SWGs |

e. Division of Labour matrix and roles foreseen

The DoL matrix (Figure 10 & 11) presents current sector presence per development partner and per sector at the same time and, using colour codes, visualizes future plans of DPs per sector (roles of engagement foreseen within the next 3 years).

While in Economic Governance and Education 6 DPs claim a lead (in Health 4) no DP had foreseen a lead in four sectors. However, the assignation of Co-chairs to the SWGs through GoM (see Annex IV) assigns a lead to all sectors except two.

Some DPs plan to delegate dialogue (17 cases) or finances (9 cases) to other DPs. In general, delegation seems to be more popular amongst CABS donors, followed by the discrete donors and not so much amongst the UN. Delegation in general should be encouraged as part of the DoL process, especially in highly subscribed sectors.

Nine withdrawals are foreseen in the next 2 years, with 2 DPs each exiting in Agriculture, Water, Sanitation and Irrigation and Economic Governance.

The most important characteristics stated by DPs and GoM qualifying a DP to take the lead are not congruent. In order to assess comparative advantages of DPs in sectors, GoM should be consulted.

In sum, DoL includes more than the usually emphasized “reduction of number of DPs per sector”. *The way development partners are involved* in a sector needs to be rationalised. Essential is therefore a deeper analysis at sector level of how to reach an adequate ratio (most likely different for each sector) between the level of funding (vis-à-vis the appropriate level of funding), the mix of *aid modalities*, and the *type of assistance* to be rendered in a sector according its needs related to its contents (laid out in the sector programmes and strategies).

Key recommendations:

| Activity | Responsibilities |
|---|--|
| Integrate the DoL Matrix into e.g. the process of the Malawi Aid Atlas and update it each year | GoM - MoF (DAD); DPs - provide correct & timely info |
| Map and collect data of (international) NGO contributions to the sectors | GoM - MoF |
| Develop TOR for a leading, delegating and withdrawing partner in a sector and discuss them with the DPs | GoM and DPs (HOC) |
| Encourage DPs to embrace delegation (especially in highly subscribed sectors) | GoM - DAD responsible for DoL with MDPC |
| Establish appropriate levels of funding per sector and mix of aid modalities and types of assistance required | GoM - Sectors with support from DPs |

A number of important insights have been gained in the process of this study and the ongoing DoL process that can benefit other national processes and the international discussion. Further into the process it would be pertinent that GoM (and DPs) share these insights and experiences with other countries in development (e.g. through the OECD Task Team on South-South Cooperation and the OECD Task Team DoL under cluster C of the Working Party on Aid Effectiveness) and at regional and international level.

1. INTRODUCTION

1.1 Background

The Paris Declaration on Aid Effectiveness of 2005 marked a significant global step towards creating an enabling framework for harnessing mutual benefits from the delivery and use of development assistance. At the outset, the declaration locates the significance of division of labour (DoL) among donors in its commitment towards “eliminating duplication of efforts and rationalising donor activities to make them as cost effective as possible” within the general objective of scaling up for more effective aid (OECD 2005/2008). The Accra Agenda for Action (AAA), signed at the Third High Level Forum for Aid Effectiveness held in September 2008 by the responsible ministers from developed and developing countries as well as representatives of multilateral organisations, notes, that development assistance could be more effective in achieving national objectives if the fragmentation of aid could be reduced by “improving the complementarity of donors’ efforts and the division of labour among donors”.

It is within this framework that the Government of Malawi (GoM) has embarked on a process aimed at achieving national level division of labour; herewith taking its responsibility as partner country to “lead in determining the optimal roles of donors in supporting their development efforts at national, regional and sectoral levels” (AAA 2008, p3), while ensuring that the process fully benefits from close collaboration and mutual consultations between the Government of Malawi and the development partners¹. Within this process the GoM seeks to identify areas where complementarity amongst development partners can be reached **across and within sectors**; to reduce fragmentation where possible; and to find workable national solutions that will ultimately reduce transactions costs for the Government and improve the effectiveness of aid towards achieving national

The International understanding of Division of Labour (DoL)

According to the international understanding, DoL refers to the process of “streamlining and co-ordinating donors’ assistance, for example by reducing the number of donors in each area, sector or topic, or the number of sectors, areas or topics focused on by any one donor in a given partner country” (OECD 2009).

The AAA includes two different dimensions of DoL. The *international dimension* refers to the geographical distribution of donors among partner countries, which has led to a distinction between the so called *donor-darling* and *donor-orphan* countries. The *in-country dimension*, which is relevant to this study, refers to complementarity and fragmentation of donors in and across sectors. This can ultimately lead to a concentration of donor engagement in some sectors at the expense of others.

The AAA stipulates the importance of finding pragmatic approaches to DoL for both dimensions which gives the opportunity for countries to design of in-country DoL according to their needs and specific situation¹.

¹ The term “development partner” is widely used in Malawi as an equivalent for “donor”, because it emphasizes the aspect of “partnership and cooperation” more than that of “donation” and this study applies it throughout in the same sense. However, it has to be emphasized, that the nature of the engagement of development partners (DPs) in Malawi varies across partners, which is very much, related to the DPs’ their mandates and their general modus operandi. The “traditional”, bilateral DPs (Canada, the Flanders, Germany, Ireland, JICA, the United Kingdom, USAID and the EU Delegation, although a multilateral DP in a role of a bilateral DP sometimes) engage, based on their possibilities and mandates, to varying degrees in different modalities and sectors. This also applies to the UN, which, within the new framework of “one UN”, try to support the national development goals in a more coordinated approach. The multilateral DPs (the financing institutions such as the World Bank, African Development Bank, the IMF), on their part operate differently with grant schemes and loans. The Global Fund to Fight AIDS, Tuberculosis and Malaria again is an exception since it operates as a funding partner upon receiving proposals from Malawi to the Fund. While for practical reasons the term development partner is used throughout the study (and at times interchanged with “donor”), these differences in engagement with the GoM ought to be taken into account. Ultimately, it is the responsibility of the GoM to maintain the overview over the different modes of engagement and their suitability to reach the development goals of the country.

development goals in Malawi. The Government locates the division of labour process within its ongoing efforts to improve overall aid management in the country.

1.2 The significance of Division of Labour in Malawi

Malawi is significantly aid-dependent. In 2007/08, a total of 20 development partners and the Global Fund to Fight AIDS, Tuberculosis and Malaria (hereafter, the Global Fund) disbursed about US\$0.53 billion, or 13.5% of the country's GDP for that fiscal year. Disbursements in the first half of 2008/09 alone were at US\$0.41 billion, about 85% of which was provided by only five of the DPs, (EU, DfID, Norway, AfDB and World Bank - the CABS Group)² and the Global Fund.³ Total disbursements by DPs captured in the Aid Management Platform (AMP) in 2008/09 were estimated to be US\$0.776 billion (see Malawi Aid Atlas 2008/09). Of this, 21% was provided through General Budget Support (GBS), 23% through pooled funding, and 56% through direct project funding.

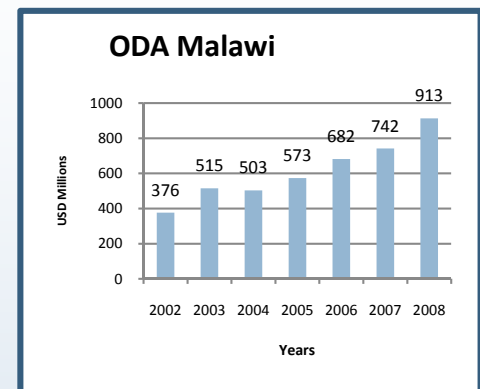
Foreign aid constitutes a significant proportion of total public expenditure. In 2008/09, 44.3% of the revised national budget, estimated at US\$1.8 billion, was funded by international aid grants (35.2%) and loans (9.2%). Donor aid constituted 52.1% of the Government budget in 2004/05, and was generally above 40% in the period 2004 – 2008. Crucially, an average of 80% of the Government's annual development budget is financed by foreign grants and loans (Mangani 2009).

In the period up to 2004, development partner support was increasingly linked to concerns regarding the management of public resources, a situation that led to the adoption of several pieces of legislation in this area in 2003, viz: the Public Finance Management Act, the Public Procurement Act, and the Public Audit Act. Donor funding was also contingent upon Government's commitment towards implementation of the Malawi Poverty Reduction Strategy (MPRS) introduced in 2000, and was based on Government's performance under the conditions of the Poverty Reduction and Growth Facility (PRGF) agreed with the IMF.

Malawi reached a completion point under the Heavily Indebted Poor Countries (HIPC) Initiative in 2006. This led to a relief of \$646 million worth of debt (in net present value –NPV - terms) under both HIPC and Multilateral Debt Relief Initiatives (MDRI), as well as a topping up assistance worth \$411 million in NPV

Malawi and Aid at a glance

Official Development Assistance (ODA) to Malawi has risen by 142% between 2002 and 2008 as the following graph shows:



Most General Budget Support (GBS) is provided under the Common Approach to Budget Support (CABS) arrangement which started in 2000/01. After a brief suspension in 2002/03 (due to alleged GoM fiscal mismanagement), disbursements under CABS were resumed in 2003/04 and have been sustained ever since. GBS was in 2008/09 US\$164, equivalent to 21% of ODA to the GoM (Aid Atlas FY2008/2009).

² The CABS Group is currently constituted by AfDB, DfID, EU, GDC, Norway and the World Bank. Germany has only recently joined the group as a full member. The original development partner signatories of the current CABS Joint Framework (JF), signed in 2005, were DfID, the EU, Sweden and Norway (however, Sweden withdrew from the group). The African Development Bank (AfDB) has signed an addendum to the JF, while the World Bank has disbursed a Poverty Reduction Support Grant within the CABS framework since December 2007. The latter is, however, not yet formally a signatory to the JF but is, for all practical purposes, considered a member.

³ While the point has to be made on varying disbursements and difficult predictability for the MoF, these variations are often caused through low absorption capacity as was the case for the Global Fund in 2007/08.

terms (Benson & Mangani, 2008). As a spill-over effect of the IMF decision, some development partners also cancelled Malawi's debt obligations. Following a satisfactory final review of the PRGF programme in July 2008, Malawi became the first recipient of a US\$77 million Exogenous Shock Facility (ESF) of the IMF, in the wake of high world prices for fertilizer and oil (CABS Group, 2009). However, the country only received US\$2 million of the total, and the one-year ESF programme was recently suspended due to the country's inability to meet programme targets. A new, three-year IMF programme was approved in February 2010.

Government policy has, in recent years, been guided by the Malawi Growth and Development Strategy (MGDS), which stipulates strategies aimed at directly enhancing growth and poverty reduction through economic diversification and wealth creation, among other goals. The MGDS sets an economic growth target of above 6.0 percent per annum, and envisages that this would arise from growth in agriculture, manufacturing, mining and services sectors.

Recognising the significance of development assistance to the achievement of Malawi's socio-economic development objectives, and building on the aforementioned global developments to which the country is signatory, the Government of Malawi has been working towards facilitating the implementation of a DoL process since the end of 2008.⁴

Some prior national initiatives contribute decisively to the DoL exercise. In September 2007, the Ministry of Finance (MoF), through the Debt and Aid Management Division (DAD), prepared the Development Assistance Strategy 2006–2011 (DAS), whose duration was harmonised with the implementation period of the MGDS. The DAS outlines important institutional arrangements for effective aid coordination in Malawi. Some of these, such as the introduction of Sector Working Groups (SWG) as coordination mechanisms for both Government and development partners and the Heads of Cooperation (HOC)⁵ also importantly contribute to the DoL process.

In 2008 the GoM launched 16 sectors (see Annex III for the allocation of Government votes to the sectors).⁶ The sector definition facilitates improved coordination at that level, and the implementation of both the DAS and the MGDS. It is also the framework within which the 16 SWGs are being established. The concept and the guidelines for the institutionalization of the SWGs were developed in the same year

⁴ The GoM has generally received good feedback on its progress in the area of aid management. The 2008 Monitoring Survey of the Paris Declaration (OECD 2008) attests to Malawi's progress in a number of relevant areas. The reporting of aid has constantly gone up and has for the FY 2008/09 reached 71,03% of total aid received (MoF 2010). Although this is below the 2010's target of 85%, it reflects a remarkable improvement. The MoF has in the past years received support from various development partners to improve in its role in aid management and has introduced a number of relevant instruments and regular publications that increase transparency and aid management in general. It seems that besides the high coordination load the international commitments (PD and AAA) are the primary drivers of the DoL process in Malawi. Hopefully this will overtime produce enough energy to implement DoL in Malawi.

⁵ The HOC is a committee for development partners which was proposed within the DAS as *Development Partner's Dialogue Group*. Its purpose is information sharing, facilitating implementation of the DAS and ensuring advancement on the principles of the Paris Declaration and improvement of coherence of DP engagement with Government. The HOC holds monthly meetings and communicates with a Government Focal Person, the Heads of Mission Group, DP partner staff within the participating agencies and other coordination fora.

⁶ The 16 sectors follow the MGDS themes and build the basis for reporting and progress in sectors. This study therefore builds its analysis upon the sectors defined by GoM as follows: 1. Agriculture; 2. Integrated Rural Development; 3. Environment, Lands and Natural Resources; 4. Tourism, Wildlife and Culture; 5. Water, Sanitation and Irrigation; 6. Trade, Industry and Private Sector Development; 7. Vulnerability, Disaster and Risk Management; 8. Health; 9. Education; 10. Gender, Youth Development and Sports; 11. Roads, Public Works and Transport; 12. Information, Communication and Technology (ICT) and Research and Development (R&D); 13. Energy and Mining; 14. Economic Governance; 15. Democratic Governance and 16. Public Administration.

through a joint initiative of the MoF and the Ministry of Economic Planning and Development (now called the Ministry of Development Planning and Cooperation – MDPC).

Efforts towards the implementation of the Paris Declaration have revealed that the quality of information available in partner countries is a challenge. Thus, sub-section 23 of the AAA recognises the significance of improving the quality, timeliness and reliability of statistical information in enhancing aid effectiveness. As an initiative in this respect, the GoM established the Aid Management Platform (AMP) in 2008. AMP is an aid information management system (AIMS) developed by Development Gateway and the Organisation for Economic Cooperation and Development (OECD), in collaboration with other agencies.⁷ The introduction of the AMP has provided the DAD with important disbursement data, aligned to the 16 Government sectors and reported monthly to the DAD by the development partners. Additionally, it offers important statistical information on the involvement of DPs in the various sectors, and is clearly a very important tool for analysing aid effectiveness, overall development planning and analysis, and domestication of the development agenda.

The DAD uses the AMP data to generate annual debt and aid reports, mid-year reports and (since the end of 2009), quarterly reports⁸. Since the financial year (FY) 2007/08, the DAD also produces the Malawi Aid Atlas on an annual basis. The atlas illustrates the involvement of development partners (and their contributions) at sector level, presenting the first form of a *development partner mapping*. The aim of the Malawi Aid Atlas is to provide an overview for all actors involved and to facilitate dialogue on the DoL process both within and across sectors. The Malawi Aid Atlas for 2008/09 FY had just been published at the time of compiling this report.

Given that this information is already available to the GoM, the present study does not focus on disbursements or actual contributions to sectors. Instead, it captures how development partners foresee their engagement and roles in the different sectors.

1.3 The scope and methodology of this study

The DoL process typically follows several generic steps in order to eventually achieve the main goal of reducing the number of development partners involved in the same kind of activities, and/or enhancing their coordination. These are (see Mürle 2007):

1. **Administration of a questionnaire** (possibly supplemented by interviews) in order to:
 - a. Determine the current nature of development partner engagement in terms of which sectors (or sub-sectors) they are in, what activities they support in the sectors (e.g., capacity building, infrastructure), and how they deliver aid (e.g. through budget support).
 - b. Determine what role they play relative to other development partners. This could be:
 - a *lead development partner*: is a focal point for partner country Government who speaks on behalf of all other development partners in the sector
 - an *actively engaged development partner*: participates in sector policy dialogue and administers its own sector activities
 - a *delegating development partner*: contributes only financially to activities implemented by other development partners, or to sector baskets/budgets
 - a *withdrawing* development partner is one that is in the process of exiting the sector or has already effectively done so.

⁷ For more information see <http://www.developmentgateway.org/programs/aid-management-program/aid-management-platform-amp.html>

⁸ The first Quarterly Management Report for Externally Funded Projects has been produced for the period January – June 2009.

- c. Determine what role each development partner would want to play in future and why. This typically involves a determination and application of objective criteria, mostly to guide the determination of lead and actively engaged partners.
2. **Discussion and validation of responses to the questionnaire**, which may include a development partner peer review process and comments from the government.
3. **Preparation of a draft proposal for the engagement of development partners** in the various sectors
4. Discussion, finalisation, adoption and implementation of a **final proposal and a final division of labour matrix**.

As already indicated, the AAA provides that each partner country can customise its in-country DoL process in accordance with the country's own circumstances. In this respect, the GoM desires that the process should be a stringboard for encouraging enhanced transparency and improved coordination among DPs at the sector level. At this stage, it is not the intention of the GoM that the DoL process should result into a limitation of DP involvement in any given sector. This significant departure from the convention will constantly be highlighted in the present report.

As a key step towards formalising the DoL process in Malawi, the DAD commissioned this study in order to provide baseline information and assess the views of both Government and development partners regarding DoL. Thus, the ultimate objective of the exercise is to facilitate the implementation of the DoL agenda among development partners in Malawi. As emphasized by both the Paris Declaration and the AAA, the ultimate goal of the process is to improve the efficiency of aid delivery and to enhance the effectiveness of the assistance by improving the complementarity of development partners' efforts and reducing fragmentation in the delivery of development assistance. The exercise, therefore, primarily addresses the first among the four DoL process steps outlined above and covers important parts of 2, 3 and 4. The scope of the exercise as described in the terms of reference of the study covers the following aspects:

- a. To develop and carry out a brief sector/development partner questionnaire addressing current and future areas of support to Malawi;
- b. To conduct and analyse interviews with donors and Government officials to identify current and future areas of donor support;
- c. To generate a comprehensive mapping of funding gaps⁹ and donor involvement at sector level in view of their inherent comparative advantages as identified by all key stakeholders in the sector.

This study implemented a **qualitative questionnaire** to 25 development partners operating in Malawi.¹⁰ The development partners approached represent all the 20 DPs that are presently captured in the AMP (with the exception of the Arab Donors), adding 5 more to the picture (mainly from within the UN system).¹¹ Completed questionnaires were received from all the 25 development partners. Among the respondents, 11 were agencies of the United Nations, 5 were other multilateral development partners, while the rest were bilateral development partners. The information from the questionnaire was

⁹ It is important to mention that the generation of funding gaps was not possible as part of this exercise as these would require establishing appropriate levels of funding for each sector (or an equivalent basis). See Section 2 for a discussion on appropriate levels of funding.

¹⁰ The development of the questionnaire was, besides being guided by the Uganda DoL exercise conducted by ODI (ODI 2006), also closely guided by (a) Malawi-specific attributes, including provisions of the MGDS and the recent classification of the SWGs, and (b) the principles of the Paris Declaration.

¹¹ In the Malawi Aid Atlas FY 2008/09 some information on contributions by the Arab States are included to complete the information. New players need to be integrated in general into the Aid Atlas and the DoL process as such, and should also be reflected in the DoL Matrix.

complemented by structured qualitative interviews conducted with 15 of the development partners¹². In addition, interviews were conducted with 10 GoM sector focal points, 9 of whom (excluding the MoF) were also requested to complete a relevant sub-section of the development partner questionnaire. Completed GoM questionnaires were returned by 8 of the 9 focal points. Annex II summarises the results of the data collection process.

The results from the completed questionnaires and the interviews are reflected in this report which gives an overview over past and present engagement of development partners in section 3 and past, present and future use of aid modalities in section 4. The joint dialogue between the GoM and the development partners is analysed in section 5, while section 6 specifically deals with the different roles development partners foresee for themselves in the sectors and the way towards a division of labour in Malawi. Relevant recommendations are given at the end of every section. Annex I provides a short overview of the recommendations from within the report.

2. AID MANAGEMENT AND DIVISION OF LABOUR (DOL) IN MALAWI – GENERAL ISSUES

The main aim of the division of labour process is to lower transaction costs for both Government and development partners by increasing complementarity and reducing fragmentation. Since the degree of complementarity and fragmentation, as well as the priorities and needs of Government (and sectors) are different in every country, no blueprint approach can be applied to achieve DoL.

Since the GoM envisages effective division of labour within its definition, it seeks to determine its own process and pace – and this study forms a potentially important part of it.¹³ Despite a number of challenges ahead of the DoL process, it presents an excellent opportunity for both Government and development partners to engage more effectively and shape the way development assistance in Malawi is delivered beyond pure aid management.

2.1 Effective Aid Management and Division of Labour

One of the findings of this study is that **a number of issues outstanding to arrive at a division of labour relate to necessary improvements in general effective aid management rather than division of labour specifically**. For Malawi, the DoL process comes at a time when the GoM has already introduced important improvements towards effective aid management, and is seeking to improve things further (see section 1.2). For the Government of Malawi the DoL process is located within the ongoing aid management efforts, and will have to combine the different processes. Some conceptual issues that can facilitate such an understanding are as follows:

Effective Aid Management allows a national government, development partners and all other stakeholders, such as civil society, to ensure effective use of development assistance.. It is about the quality as much as about the quantity of aid. Effective aid management includes adequate aid allocation

¹² Within the UN system, an interview with the UN resident representative was deemed adequate, although each of the UN agencies responded to the questionnaire.

¹³ A number of DoL processes have been undertaken in other countries (e.g. in Uganda, Tanzania and Zambia). A development partner mapping exercise has recently also been undertaken in Burkina Faso) that can give important insights into the process, the gains and challenges. Horizontal learning for DoL is important for both GoM and the development partners involved in order to design a gainful and not painful process.

to sectors (which actually relates to DoL many times) and makes information available to governments, development partners and civil society on what development assistance has been spent on, and what its impact has been. Effective aid management seeks to create transparency and improve mutual accountability.

Division of labour deals primarily with the degree of complementarity amongst development partners in order to ensure effectiveness of aid and improved development results for developing countries across and within sectors.

Within the *in-country dimension* (looking at division of labour within a specific country) DoL relates to the fact that too many actors are doing the same thing thereby creating overlaps and actually increasing coordination for both sides. DoL processes seek to reduce the increased transaction costs and fragmentation while both development partners and governments also seek to fulfil their commitments (AAA).

The donor mapping (depicted in the DoL Matrix, see Figure 10 and 11) from this study further informs the GoM on future intentions that the DPs have in the different sectors, and allows for ideas on how best to match these with priorities of the Government, accommodating where possible the different needs of the stakeholders. When trying to assess comparative advantages of development partners within and across sectors as part of DoL in Malawi, different types of assistance rendered, technical assistance provided vs. the level of funding as well as the quality of assistance perceived at sector level will have to constitute part of the discussion.

The DoL Matrix, as a result, contributes in many ways to the general aid management of the Government of Malawi. Some of these ways are as follows:

- It allows deeper **analysis of actual development partner engagement at sector level** (not taking actual disbursements as the sole criteria);
- It permits an overall **analysis of development partner engagement across sectors** (including the determination of “darling-“ and “orphans sectors”);
- It shows **plans on withdrawal from sectors** within the next 3 years, facilitating responsible exit-management as part of aid management; and
- It depicts **plans on delegation, one important tool in division of labour**.

The analysis of the information from the matrix and the corresponding database will therefore feed into the monitoring and planning of aid by Government along its priorities (formulated within the MGDS). Further steps in the DoL process will be determined by GoM in consultation with the different stakeholders. However, it is also apparent that much of the process will have to happen at sector level, with SWGs being regarded as the most important tool of bringing about good results for the determination of a successful division of labour in Malawi.

Linking the two dimensions of division of labour

Although the two dimensions of division of labour, *in-country dimension* and the *international (cross-country) dimension*, are treated as separate, both dimensions are clearly linked:

The ability for a development partner to concentrate on specific sectors as a possible result of a division of labour process is partly dependent on its sector and country (geographic) distribution and concentration. Therefore both the in-country and cross-country DoL processes stipulated in the AAA should coincide (time wise) and should be complementing each other. Linking them would primarily be the responsibility of the development partners.

The national governments have to recognise the interrelation of the two dimensions as well within the national ongoing DoL processes.

2.2 Important pre-requisites for a successful DoL process in Malawi

DoL requires a process that involves a number of institutions in Government and all development partners present in the country. The process as such is of political nature. A number of pre-requisites for it to be successful emerge:

Process, leadership, dialogue and institutional responsibilities

The process to be successful needs **acceptance amongst the different stakeholders** to embark on it in the first place. The interviews conducted as part of this study have revealed a high acceptance for such a process amongst development partners and Government officials, which constitutes a great starting point. The reactions suggest that the **timing is right for the division of labour process to start**.

Clear guidance by Government and strong leadership will be key within this process. The leadership required furthermore is **high level political leadership** as the process involves all the 16 sectors, its high level personnel and the development partners in the country. The DoL process will furthermore require human resources and capacities in Government not only in the MoF but as well in the MDPC and at sector level.

All stakeholders need to be **clearly guided on the process envisaged, its outcomes and the quality of the process**. Communication in general is paramount to the process as principle 8 of the agreed OECD good practice principles recognises: "... stakeholders need to be informed of intentions and progress from the outset and their support and endorsement gained to move forward". A timeline and/or steps, milestones to be taken in the process need to be **communicated widely, appropriately and if needed repeatedly to all stakeholders** involved. The process furthermore needs to be guided and driven by the existing political framework, mainly by the DAS and its actions foreseen, the MGDS and the priorities set by Government in general. Development partners therefore need to, on their part follow up on the DAS (through the HOC).

Further to the clarity on the outcomes of the process all actors involved should feel a need to **measure the progress made and gains attained in the process**. Adding 2-3 indicators to the DAS action plan and to follow it (both) up on a regular basis would give the DAS action plan additional momentum and weight. Else, other methods for such measuring can be developed, e.g. costs and benefits could be captured (HLF 2008a, p. 4). Indicators for measurement of progress, timelines and follow-ups planned as well as responsibilities for monitoring would however need to be communicated to the whole community involved in the process.¹⁴

DoL is a political process and is clearly influenced by different interests of the national Government and DPs and determined by the "power relationship between donors and partner countries" (Schulz 2007, p.1). It is therefore sensitive and involves managing diverging positions and standpoints not many are keen to be talking about. **The dialogue on the process, its goals and outcomes therefore needs to be open, transparent and inclusive**. Government leadership and guidance will be needed constantly and throughout the process, not just momentarily. Therefore communication needs to regular and happen through identified and agreed channels and fora (e.g. the HOC, SWGs etc).

Since DoL cuts across sectors, several institutions will need to be involved in guiding this process; therefore **inter-institutional cooperation within Government is needed** (MoF with MDPC, OPC with both, MoF and MDPC with the sectors). The institutional responsibilities have to be clear within Government

¹⁴ The main goal is to be able to measure progress and added value of such a process. However, if possible, documentation of shortfalls and gaps might help the general learning process this is for everybody involved.

and to the stakeholders involved. The institutional cooperation between MoF/DAD and the MDPC needs strengthening for a successful future establishment of functional SWGs. Mutual information and updates are key in such processes and responsibilities have to be communicated to all actors involved. Since this is a general challenge, the institutionalization needs to be backed and followed-up by higher level (e.g. Directors) within both institutions. All these actions require a close examination of the capacities (personnel) available, vis-à-vis the respective needs.

Mutual Accountability

Mutual accountability is stressed in the PD and the AAA and is an important aspect of aid management. The interviews conducted included a rather superficial assessment of the state of mutual accountability in Malawi. The general trend was declared as improving mutual accountability, which would match with the statement of the review of the Paris Declaration. Mutual accountability encompasses an important aspect which is partnership, since both sides have to be accountable to each other. Important tools for the improvement are the established mechanisms such as the CABS reviews, increased joint dialogue on joint strategies, the DAS and the MGDS reviews. All these have considerably contributed to mutual accountability.

The effective and transparent management of aid is an important piece for increased accountability, more specifically the management of public funds, meeting agreed targets (for DPs and GoM) as well as enhanced predictability of aid and the frequency (and more importantly the quality) of joint reviews. The mentioned mechanisms established do all contribute towards arriving at an effective management of aid.

The DoL matrix (see section 6) can help to improve mutual accountability as it increases transparency and information - both prerequisite for accountability. However, since there is anecdotal evidence that mistrust on the use of public funds from DPs does still exist, **Government will need to address concerns raised by development partners on improving the management of public funds**. This should involve further improving the public financial management systems, avoiding controversial expenditures, adhering to commitments made in memoranda of understanding and programme documentation (for both GoM and DP, and communicating to development partners any developments that could adversely affect aid flows (keyword: absorption capacity). Development partners on their behalf need to communicate conditions affecting aid flows in advance so that Government is aware of the implications of some of its actions beforehand.

The development of a Joint Assistance Strategy (JAS) has helped in other DoL processes and could be an option for the Government of Malawi as well. However, there is always the risk of overloading one ongoing process with another process, risking the attainment of results for both.

Appropriate level of funding at sector level

Securing appropriate sector support is often mentioned in DoL discussions. Consequently, one of the prerequisites for division of labour is to know what the appropriate level of funding for a specific sector is. That in return relates to the very specific sector relevant contents which are not the same throughout and importantly determine the requirements in funding, technical assistance and the type of support needed.

Appropriate levels of funding at sector level have according to interview partner responses not yet been established. Where sector strategies or programmes exist, this can be done more easily, since they constitute an important part of the process. Such open and transparent levels of funding would also cater for meeting sector needs jointly and transparently from development partner and GoM resources. DPs should therefore see to further support the development of national strategies and implementation

programmes at sector level (ensuring mainstreaming of cross-cutting issues such as Gender and HIV and AIDS at the same time).

The **establishment of appropriate levels of funding per sector (not every sector needs the same funding, nor the same mix of modalities nor has the same absorption capacity) is a prerequisite** in order to be able to state whether a sector is over- or undersubscribed and comparative advantages DPs might have in and for a sector – both central questions in the DoL process.

Since the SWGs can be an important tool in establishing appropriate levels of funding at sector level the issue is analysed as well in section 5.

Highlights from the interviews on DoL and the process

(See Annex V for a more detailed write-up on views expressed in the interviews conducted).

The DoL process is... “an important and timely process” and a “welcome exercise in general”.

Expectations from the DoL process... “to know more about the DoL, the goal of DoL, the details about the process, what the end-results should be etc.”, that “it will define clear roles for donors and ensure that everybody knows which donors are engaged in which sectors”, “the DoL exercise should generate and/or enhance a political will for consultation among DPs and between DPs and the GoM”.

Leadership within the process... “GoM needs to be a little directive” and the “MoF should steer the political process at higher political level”, process to be “lead by GoM single voice towards the DPs, civil society and everybody else”.

2.3 Recommendations: process towards a division of labour

Main recommendations on the process towards DoL, leadership and dialogue are as follows:

| Outcome | Activity | Responsibilities | Timeline | Comment |
|---|---|---|--|---|
| All stakeholders are clear on goals, planned steps and outcomes of the DoL process | Provide clear leadership and direction for the DoL process. | GoM - Acting Director DAD to involve MoF and the MDPC, OPC for general high level support of the process. | ASAP | |
| | Develop and circulate a strategic communication to DPs and the sectors | GoM - DAD/MDPC (if responsible for SWGs), OPC to undersign | April/May 2010 (after indicators) | Communication to include: objective of process, timeline, responsibilities, steps & priorities, roles, critical points, how & when to measure progress. |
| DoL is on the agenda of the GoM in 2010 | Integrate relevant steps of DoL in the Aid Co-ordination Calendar 2010 | GoM - MoF (DAD) with HOC | ASAP | DoL had in Dec not explicitly been integrated into the Aid Co-ordination Calendar. |
| Institutional responsibilities on DoL; follow up on the DAS and SWGs are clear to stakeholders | Establish clear responsibilities for topics and name entry points | GoM - Respective departments in the MoF, MDPC | ASAP | One entry point, one replacement in order to ensure continuity. |
| | Establish clear communication structures (two ways) and regular meetings with the HOCs (meeting cycle). | GoM - DAD responsible for DoL and SWG responsible (MDPC) to meet quarterly. | ASAP, After responsibility for SWGs is clarified | E.g. Quarterly meetings of SWG responsible with DAD responsible for DoL & regular communication. Coordinate with HOC when and how to update on what issues. |

| Outcome | Activity | Responsibilities | Timeline | Comment |
|--|--|--|----------------------------------|--|
| Progress on DoL and gains from the process are available and measurable | Develop indicators and/or methods to show progress and gains of the DoL process (Circulate to HOC and selected sectors for input). | GoM - DAD and MDPC (DoL and SWG) | March/April 2010 | The output AND impact indicators need to be pragmatic, significant and easy to measure. |
| | Identify forum for monitoring of indicators (e.g. GoM-DAS responsible with HOC Focal Point) | GoM - DAS responsible and HOC Focal Point | | |
| | Support GoM implementing the recommendations given in this study | DPs - HOCs with GoM (DAD, MDPC) | ongoing, from now | Provide assistance where possible; help shaping this as an adequate, pragmatic political process. |
| DAS is followed up and implemented, driving the DoL agenda | Assertively follow-up the DAS action plan | GoM - (MoF, DAD) | ongoing, bi-annual reviews | |
| | Request status of DAS action plan implementation | DPs - HOCs (HoC Chair) with DAD responsible for DAS | ongoing, from now | Accord procedures, e.g. presentation before HOC on results of the review or inclusion in the review, as per preference. |
| Process in Malawi benefits from other DoL processes undertaken elsewhere | Share (best) practice examples, experiences with DoL (use international network, e.g. Uganda, Zambia, Tanzania or others). | DPs - HOCs to decide how best to share such (best) practice examples. | ongoing, from now | DP staff with experience should become resource persons. Where feasible, a senior level staff member should be appointed as DoL responsible. |
| Improved understanding of sector engagement of development partners in MW in DP HQs | Use DoL Matrix (jointly with the Aid Atlas which represents the financial flows) in HQ | DPs - HOCs and HOMs, HQ personnel and/or Embassies | ongoing, from now | Use information when negotiating prioritisation in HQs on sector allocations, aid modalities, and alignment to GoM priorities. |
| GoM priorities are considered in development partner HQs for planning | Report GoM priorities and possible required sector shifts to HQ | HOCs or HOMs | From now | Reporting should be in time to allow accommodation within the next planning. |
| | Address reasonable concerns in the area of mutual accountability | GoM - MoF | From now | Discuss outstanding issues at relevant DP/GoM meetings. MoF: seek leadership from OPC |
| Improved mutual accountability and transparency through MW Aid Atlas | Report Government budget expenditure for sectors within the aid atlas | GoM - DAD, responsible for Aid Atlas, MoF Budget division responsible | For next Aid Atlas, FY 2009/2010 | Provide table of comparison (even though that might be part of the annual debt and aid report) |
| | Take up dialogue with MoF (DAD) on upcoming planning and possible sector shifts along GoM priorities. | DPs - DP responsible with DAD and/or MDPC responsible for GoM priorities | Ongoing and timely | Timely before planning for a new programme so that GoM priorities and/or shifts required can still be discussed and negotiated with HQ |
| | Discuss possibility of development of a JAS | GoM in consultation with DPs | May / June 2010 | JAS development should not overload ongoing efforts |

3. ENGAGEMENT OF DEVELOPMENT PARTNERS IN SECTORS

The AMP captures the present distribution of development partners by sector, including the levels of funding provided. This information is summarised in the Malawi Aid Atlas and the other periodic reports produced by DAD. In this section, we use information captured through the study to depict a similar pattern and, in particular, to discern some sectoral distribution characteristics of relevance for the DoL exercise. Although the information from the survey is primarily qualitative, the information is - to the extent possible - compared with that provided by the latest available version of the Atlas, Malawi Aid Atlas 2008/09 (MoF 2010).¹⁵ This section primarily offers an analysis of the past and present engagement of development partners in the various sectors.

3.1 Distribution and history of DPs in the Sectors

Globally, DoL seeks to reduce the number of development partners engaged in each sector (fragmentation), so that the remaining partners, potentially chosen on the basis of their comparative advantages in each sector, can deliver aid more effectively. This would require a limit in terms of (a) the number of sectors that each development partner can be engaged in, and (b) the number of development partners that can operate in a given sector. Guided by the EU Code of Conduct, which sets a negotiated agreement on a maximum of three sectors for involvement per EU member states at country-level, the “Nordic plus” countries¹⁶ have committed to limiting to three both the number of sectors that each can be actively engaged in and as the maximum presence of Nordic plus countries in any given sector (MFA DANIDA, 2005). However, policies adopted by EU countries generally see variations between 1 and 5 sectors, excluding general budget support (Mürle 2007, p27).

As already stated, **the Government of Malawi does not intend to limit the number of donors operating in each sector as part of the DoL process.** Nonetheless, knowledge of DP sector engagement is crucial in facilitating their collaboration, documenting funding gaps and identification of other means for improved cooperation that will further lower transaction costs contributing to an improved division of labour.

Based on the study questionnaire, Figure 1 shows the number of sectors that each of the development partners was engaged in. Within the AMP, the MoF captures present engagement (not past or future engagement). The results from the Malawi Aid Atlas and the questionnaires, however, differ quite notably.¹⁷ An important insight, which was also revealed during the interviews and other discussions, was the lack of clarity amongst DPs about the criteria that the GoM sets for the establishment of sector engagement.

¹⁵ In this respect, it is worth mentioning that the Aid Atlas does not include information from development partners who have no offices in Malawi (e.g., UNESCO and UNIDO, both of whom were included in our survey) as well as the International Monetary Fund (IMF). At the same time, our survey did not include the Arab Donors which are included in the Aid Atlas.

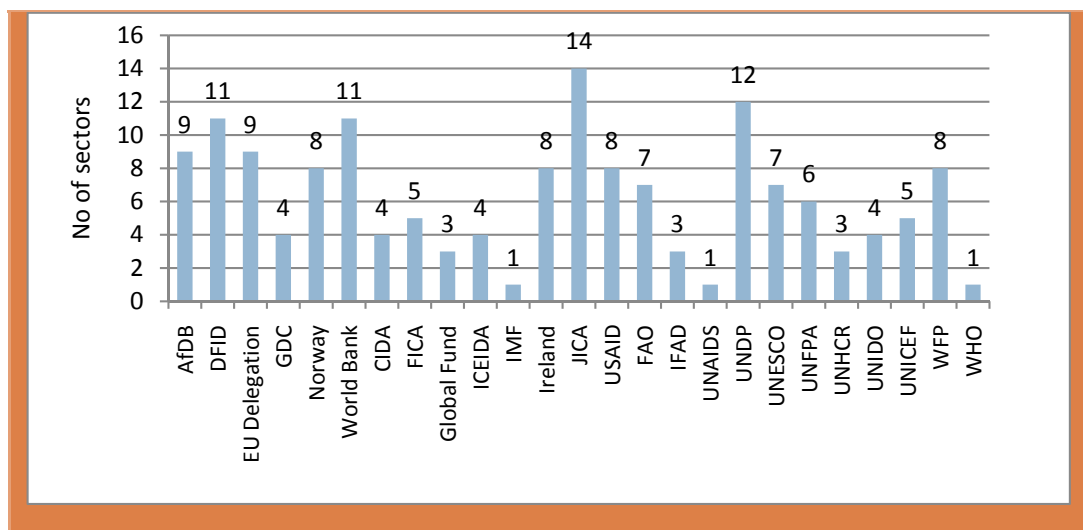
¹⁶ Denmark, Finland, Ireland, the Netherlands, Norway, Sweden and United Kingdom.

¹⁷ There are several possible reasons for this. The Malawi Aid Atlas does a) depict sectors with actual disbursements, not all types of assistance are therefore captured and the period reflected is the FY 2008/09 (July-July). Furthermore, the AMP reporting is b) submitted by the established data focal points at each development partner (administrative branch usually) whereas the questionnaires were filled by high level political/technical people. The knowledge on the criteria of sector engagement established by GoM might therefore differ. Additionally, c) the questionnaires filled for this study might with their sector affiliation represent the involvement more in terms of dialogue than with disbursements.

The results from the questionnaires, summarised in Figure 1, showed that the average number of sectors of engagement per donor was equal to 6.24.¹⁸ JICA had the highest sectoral presence (14), followed by the UNDP (12) as well as DfID and the World Bank (11 each).¹⁹ Sectoral presence was lowest for two UN agencies (one each for World Health Organisation and UNAIDS), understandably on account of the very specialised and non-transferable nature of their expertise. Similarly, the IMF only provided technical advice and balance of payments support within the economic governance domain. The numbers were higher than the average statistic for up to 12 of the 25 development partners analysed. The information on sectoral distribution did not compare very well with that provided in the Aid Atlas for 2008/09: only, the figures for WHO, UNAIDS and Norway were the same for the two information sources, although these were very close for DFID (9 in the Aid Atlas), EU (10), ICEIDA (5), and USAID (9). Significant discrepancies existed in terms of CIDA (7 in the Aid Atlas), FICA (1), FAO (2), GDC (7), Ireland (6), FICA (1), UNFPA (2) and WFP (2) (see explanation in footnote 15).

The need to persuade quite a good number of development partners to prioritise their active presence and limit it to fewer sectors while remaining in line with GoMs position expressed above, could be facilitated by encouraging delegation (see section 6). Most Government interviewees were actually of the view that no sector was really over-subscribed, and that the DoL process should not necessarily result in “frustrating” established development partners by requesting them to withdraw from some sectors. An international good practice principle of DoL is anyways, that “the impact ... on overall country aid volume should be neutral” (HLF 2008a).

FIGURE 1: NUMBER OF SECTORS PER DEVELOPMENT PARTNER



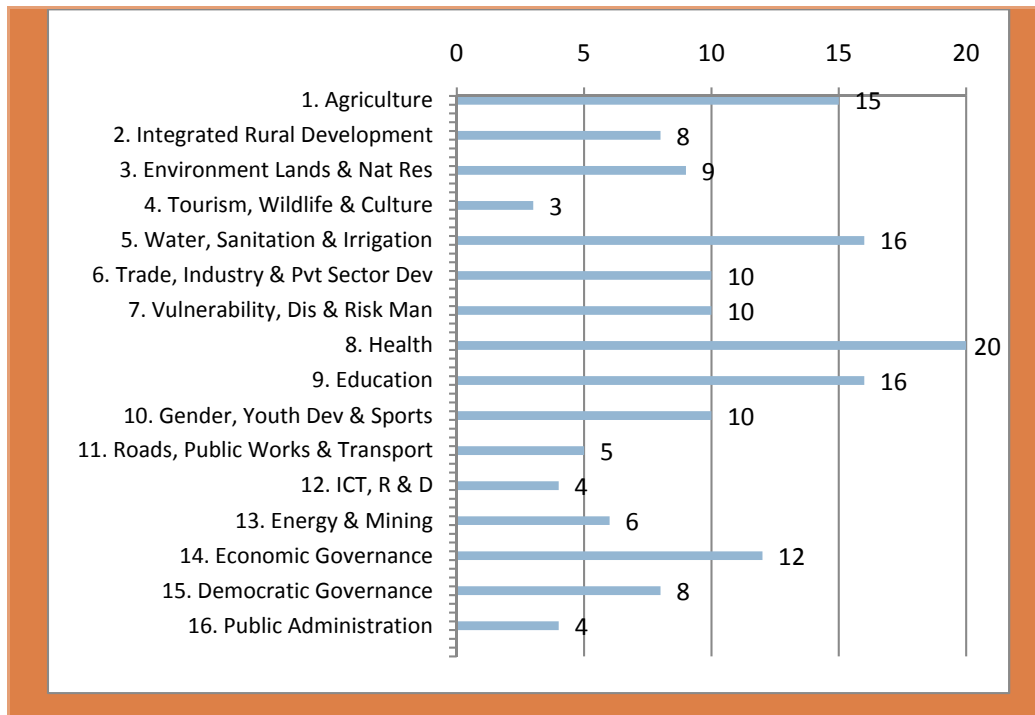
In terms of the number of development partners per sector (see Figure 2), it can be noted that DPs were most involved in the Health sector (20 DPs at present) and least in Tourism, Wildlife & Culture (3). High levels of DP concentration were also in Education and Water, Sanitation and Irrigation (16 each). The interpretation of a low statistic in this case is problematic: most of the sectors with low DP involvement were actually very deficient of donor resources, while local resources were generally limited across all sectors. For instance, the Malawi Aid Atlas 2008/09 showed that Tourism, Wildlife and Culture, ICT and

¹⁸ The DPs in the figures are deliberately presented along the groups used in the MW Aid Atlas, CABS Donors, Discrete Donors and UN and not in alphabetical order or along volume. See also DoL Matrix, Figure 10 & 11.

¹⁹ The high number of 14 sectors in the case of JICA is due to the fact that its training courses offered to various sectors as part of capacity development are included. The DoL Matrix however also depicts a much lower number of 7 sectors of foreseen engagement. As DFID also has not assigned future roles for a number of current active sectors something similar might apply there, but no explanation has been given.

R&D, as well as Energy and Mining received less than 1% of total ODA (excluding budget support) each, while Health received the largest proportion at 32% of ODA.

FIGURE 2: NUMBER OF DEVELOPMENT PARTNERS PER SECTOR



The direct correlation between the numbers of DPs engaged in a sector and the level of funding was somewhat evident. This could either support arguments for the conventional definition of DoL (DPs withdrawing from some sectors could enter under-subscribed ones, hence increase funding to those sectors) or challenge such arguments (if these are not sectors of interest or comparative advantages to withdrawing DPs, they would remain underserved). In the latter case, DoL would yield a net loss in assistance to the country. It is reported, however, that evidence suggests that “there is a strong bias towards retaining any human and financial savings from a rationalisation within the country concerned, to be utilised for additional efforts towards implementing the national development strategy ...” (OECD, 2009). The GoMs’ current position that discourages DP withdrawals from sectors of current engagement could be premised on the latter case. In some interview sessions DP representatives also considered DP withdrawals to have the potential effect of weakening the GoM’s bargaining power at sector level, since it would have to deal with only a few DPs in each sector.

During interviews, most development partners who were operating in fewer sectors than others attributed this to their adherence to some principles closely related to DoL, such as the EU Code of Conduct or the MGDS. FICA and ICEIDA are cases in point. While only about a third of the respondents agreed that the level of funding provided by a development partner was a key determinant in deciding the role that a development partner should play, the amount of expertise and experience of the development partner in a given sector was an unequivocal determinant emphasised by both development partner and Government interviewees. This issue is dealt with in section 6 where insights will be gained from the importance of certain characteristics (such as level of funding, experience and analytical input) being established by DPs and GoM, but the information analysed in the current section provides an input into the process of determining development partner roles. It is, however, recognised that “years of experience” cannot be considered the basis for determining the future engagement of development

partners in isolation of other criteria, and the analysis in this section assumes that we hold other factors constant.

Table 1 shows the distribution of development partners in terms of years of engagement (or experience) in each sector. In this regard it can be observed that the DoL process would pose some challenges to quite a few sectors, as follows:

- 10 of the DPs in Health and Education, and 7 of those engaged in Agriculture, had over 10 years of experience in those sectors. When 5 or more years of experience was considered, Health and Education had 15 and 13 DPs (i.e., at least two-thirds of the active DPs) meeting the criterion, respectively.
- Other sectors populated by many development partners with at least five years of experience in the sector are Water, Sanitation and Irrigation (9), Economic Governance (8), Environment, Lands and Natural Resources (7) as well as Gender, Youth Development and Sports (7).

In these sectors, the determination of leading DPs might be more difficult: too many candidate leaders may exist (sometimes with irreconcilable interests). Thus, these were sectors in which an effective DoL process might require a greater degree of consultation, collaboration and buy-ins among development partners and in which Government leadership will be crucial (for details, see section 6).

On the other hand, relatively low development partner experience (no more than five years of experience for the majority of DPs) could also be traced, particularly in sectors with less DP engagement (e.g., Tourism, Wildlife & Culture, ICT and Public Administration). In such sectors, the choice of lead development partner might be more straightforward if the experience criterion is to be applied: the few with relatively more experience assume a natural leadership role. But, and in contrast with this criterion, it is important to recognise that newcomers sometimes tend to bring innovative ideas and a different openness relevant to the sector (i.e., towards applying different aid modalities).

| TABLE 1: YEARS OF DEVELOPMENT PARTNER ENGAGEMENT PER SECTOR | | | | | |
|---|--|---------|----------|---------|-----------|
| | No. of Development Partners per years per sector | | | | |
| | 1-3 yrs | 3-5 yrs | 5-10 yrs | 10+ yrs | Total DPs |
| Agriculture | 2 | 3 | 3 | 7 | 15 |
| Integrated Rural Development | 2 | 1 | 3 | 2 | 8 |
| Environment, Land & Natural Resources | 2 | 0 | 4 | 3 | 9 |
| Tourism, Wildlife & Culture | 0 | 0 | 1 | 2 | 3 |
| Water, Sanitation & Irrigation | 3 | 4 | 3 | 6 | 16 |
| Trade, Industry and Pvt Sector Dev | 4 | 2 | 3 | 1 | 10 |
| Vulnerability, Disaster & Risk Mgmt | 3 | 1 | 2 | 4 | 10 |
| Health | 3 | 2 | 5 | 10 | 20 |
| Education | 2 | 1 | 3 | 10 | 16 |
| Gender, Youth Development & Sports | 2 | 1 | 3 | 4 | 10 |
| Roads, Public Works & Transport | 1 | 0 | 0 | 4 | 5 |
| ICT, Research & Development | 2 | 1 | 0 | 1 | 4 |
| Energy & Mining | 2 | 0 | 2 | 2 | 6 |
| Economic Governance | 1 | 3 | 5 | 3 | 12 |
| Democratic Governance | 2 | 0 | 3 | 3 | 8 |
| Public Administration | 1 | 0 | 1 | 2 | 4 |

Other sectors display some positive attributes in facilitating the DoL process, as follows:

Several sectors have few development partners, most of whom have many years of experience in the sector (e.g., Roads, Public Works and Transport; Tourism, Wildlife and Culture; Public Administration, Energy and Mining). The choice of a lead DP in such sectors might be less challenging. But, as already noted under-subscribed sectors also generally tended to receive low levels of donor funding.

In several sectors DPs were relatively well distributed across the years-of-experience scale, in the sense that there was a balance between experienced and inexperienced development partners (e.g., Water, Sanitation and Irrigation; Vulnerability, Disaster and Risk Management).

Highlights from the interviews on sector engagement

(See Annex V for a more detailed write-up on views expressed in the interviews conducted).

Most DPs considered it **GoM's responsibility to guide them on which sectors to be engaged in and what assistance to provide**, based on GoM policies and strategies and clearly communicated priorities.

Most DPs were saying that they would **not be able to withdraw from sectors they are currently engaged in unless their current programmes were completed**, and unless there was a high-level decision taken at their headquarters.

Some DPs possess **non-transferable and/or mandatory expertise which defines their sector affiliation** (e.g., the Global Fund, the IMF and most UN agencies).

The development of a **Joint Assistance Strategy at a joint GoM-DP conference** was stated as the appropriate framework for discussing DoL since DPs would then have to align their support to such agreed strategy.

3.2 Recommendations: sector engagement

Main recommendations on **sector engagement** are as follows:

| Outcome | Activity | Responsibilities | Timeline | Comment |
|--|--|---|--|--|
| Sector affiliation as established by GoM and corresponding criteria are observed by DPs | Guide DPs on criteria that determine sector affiliation of DPs for GoM. | GoM - DAD or MDPC responsible | ASAP | DPs do often not know the criteria underlying the attribution of a DP to a sector. Clarify to the HOC and/or direct letter to DPs. |
| | Ensure same level of knowledge of the data focal point level and political level on sector affiliation of a DP | GoM - DAD (and MDPC) to brief HOC (see above) | ASAP | Hold, e.g. session within the HOC as the data focal points have gained better understanding through reporting to the AMP) |
| | Orient sector reporting towards the criteria set out by GoM. | DPs - HOC and/or Data Focal Points & others responsible | After briefing through GoM | |
| | Ensure knowledge on own sector involvement at administrative and political level | DPs - Data Focal Points to brief HOCs information | ongoing, accommodating changes (incl. staff) | Reporting will then follow the same understanding, no matter the level it is reported from. HOCs and Data Focal Points to share information. |

4. PAST, PRESENT AND FUTURE USE OF AID MODALITIES AND PREDICTABILITY OF AID

The Paris Declaration and the AAA emphasise the significance of using partner country systems and preferences in the delivery of aid. To this extent, the partner countries are called upon to strengthen such systems and make their preferences clear. Thus, development partners are obliged under these commitments to deliver aid using the partner country's preferred modalities. In addition, the Paris Declaration alludes to the observation that greater predictability of aid flows is necessary in facilitating partner country planning and management of aid resources. The AAA provides concerted guidelines towards increasing the medium-term predictability of aid, including the resolution that "donors will provide development countries with regular and timely information on their rolling three- to five-year forward expenditure and/or implementation plans, with at least indicative resource allocations ..." (AAA, para 26). This section primarily offers an analysis of the present and future use of various modalities of providing aid, and the predictability of such aid.

The concept of aid predictability can attract several definitions and deserves clarification. For instance, a distinction can be made between soft commitments (e.g., country assistance strategies) and hard commitments such as financing arrangements. Similarly, a distinction can be drawn between predictability and variability. The former could reflect DP's ability to honour disbursement commitments, while the latter could include this and other sources of discrepancies between planned and actual disbursements, such as movements in exchange rates that could have an effect when disbursements are reported in the aid receipt country's local currency. Functionally, the GoM defines aid predictability as the amount of aid disbursed in a given year against the planned disbursements for that year, denominated in each donor's home currency. Planned disbursements are collected before the beginning of the fiscal year and used for the budget. However, planned disbursements (i.e., information supplied to MoF through the AMP) are often different from the commitments in the original project documents. This reflects the fact that the commitments are usually very forward-looking crude estimates that are refined at the beginning of each year based on more current information, and may not be reliable for planning purposes on the part of the GoM. Also, many DPs do not supply projections for project support activities, such that it is more feasible to look at predictability in terms of budget support and/or sector support as there is a fuller collection of planned disbursements. The use of donor home country currency implies that aid predictability has to be evaluated on a donor-by-donor basis. The Malawi Aid Atlas therefore does not currently analyse the predictability of aid, but addresses the general issue of variability. Subsequent versions are set to do this using the framework described above (see Malawi Aid Atlas 2008/09, p3).

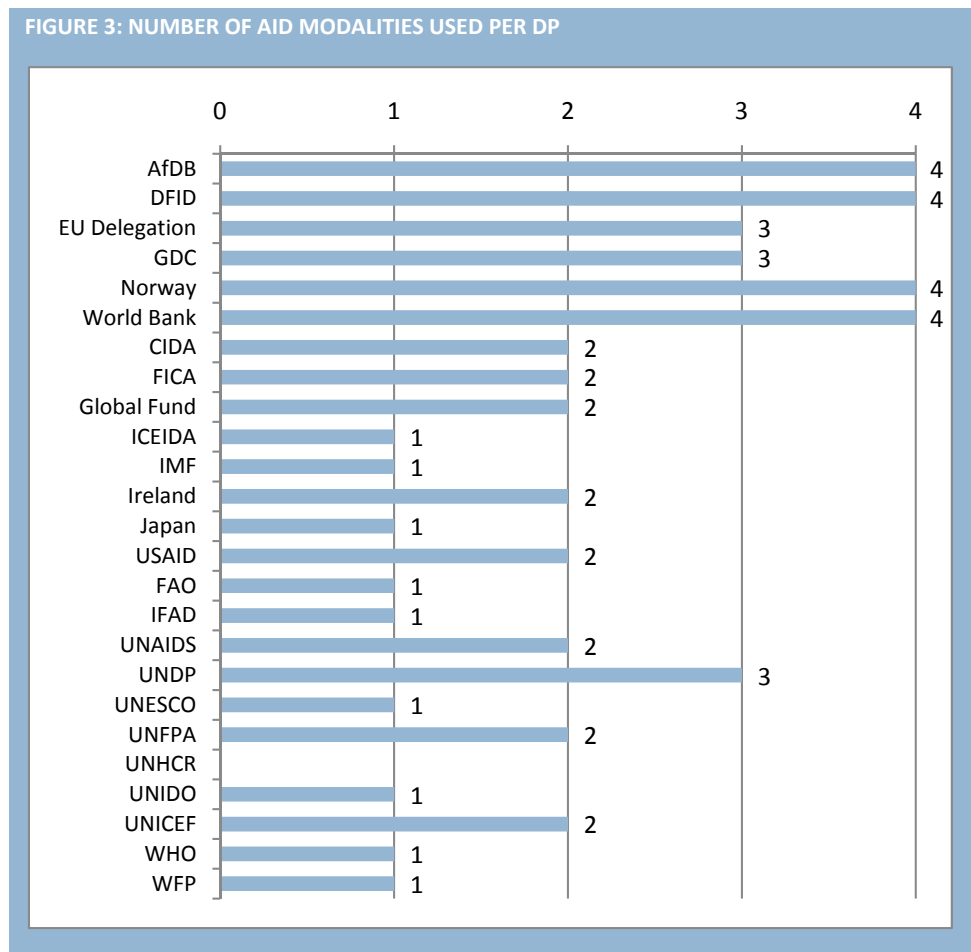
4.1 The use of aid modalities

The GoM has expressed the desire that up to 70% of development assistance should be provided through budget support and basket funding (e.g., SWAPs), while the balance can be provided through *bona fide* project support. In addition, the GoM seeks that 30% of development assistance should be provided through general budget support that is not earmarked for any specific activities and which the Government can freely use within the pool of its budget resources (see DAS p12-13). As already indicated, the GoM argues that the predictability of development assistance remains a challenge in the management of aid in Malawi.

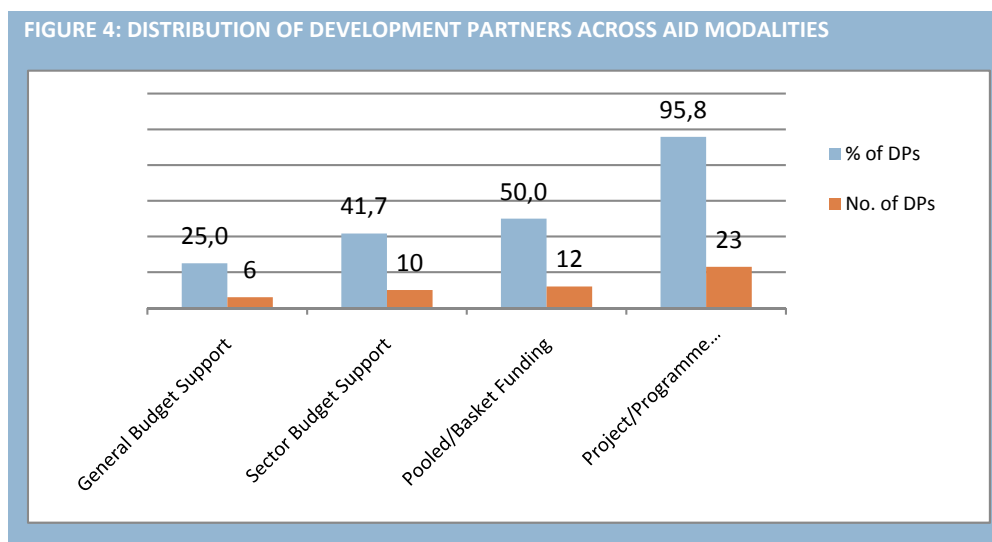
In line with these initiatives, the DoL agenda would suggest that development partners should deliver aid using fewer rather than many modalities in order to facilitate coordination (although this is not explicitly stated), and through the modalities preferred by the developing country. Figure 3 on the next page shows

the numbers of aid modalities used by the development partners interviewed. The four modalities that the MoF distinguishes are General budget support, Sector budget support, Pooled or basket funding and Project or programme support.

There were 24 responses given in total to this part of the questionnaire (excluding UNHCR, for which no answer was provided). Of these, 9 were using only a single modality while 8 were using 2 modalities (see Figure 3). Only 2 development partners were using 3, while 5 were using all the 4 modalities. The average number of modalities of aid delivery per development partner was 2.13. The observation at this point suggests that development partners were generally not using many different modalities of aid delivery.



In terms of which modalities were actually preferred, Figure 4 (see next page) is more revealing. It was noted that GoM's least preferred project/programme support modality was being used by 23 of the 24 responding DPs. One half of these DPs were using pooled/basket funding, while use of general budget support was by as few as 6 of the 24 respondents, who represent the full membership of the CABS Group. The Malawi Aid Atlas 2008/09 shows that 21% of ODA was provided through general budget support, 23% through pooled funding, and 56% through direct project support. This implies that budget support (i.e., GBS and pooled funding which accounts for sector budget support) was equal to 44% of total ODA, hence far less than the GoM's target of 70%. Moreover, as revealed in Table 3, development partner experience with project funding was much more pronounced than with other modalities. Thus, increasing the flow of development partner resources through budget support and pooled funding as opposed to project funding was a challenge that the DoL process could seek to address.



As already mentioned, the ability of development partners to increase budget support depends on the political considerations of their headquarters given various factors, particularly reservations towards the public financial management systems that are associated with budget support. The nature of the DP also tends to influence decisions regarding which modality to use. For instance, one multilateral development partner who was considering increasing budget support remarked as follows during an interview: "The challenge to this is that a number of governments collaborating [...] are not convinced. It is argued that project support addresses issues of regional imbalance, while budget support is an open pot. Moreover it is easier to manage project support than budget support. It is also easier to implement DoL with project support, because one can tell how many DPs fund projects in a sector".

Table 2 also shows that while most partners (18) had been involved with project/programme support for 10+ years, there had been changes in the use of aid modality within the past 1-5 years. For example 4 DPs started pooled/basket funding in the past 1-3 years, and another 4 within the past 3-5 years. The same applies to budget support: 6 DPs had newly engaged in sector budget support over the past 5 years and 4 DPs in general budget support. The trend towards engaging in new (and GoM-preferred) modalities is thus clearly documented in this table.

Table 2: Distribution of Development Partners by Period of use of Aid Modality

| | 1-3 yrs | 3-5 yrs | 5-10 yrs | 10+ yrs | Total |
|----------------------------------|---------|---------|----------|---------|-------|
| General Budget Support | 2 | 2 | 1 | 1 | 6 |
| Sector Budget Support | 3 | 3 | 3 | 0 | 9 |
| Pooled/Basket Funding | 4 | 4 | 4 | 0 | 12 |
| Project/Programme Support | | | | | |
| Support | 2 | 0 | 3 | 18 | 23 |
| Total | 11 | 9 | 11 | 19 | |

In the questionnaires, development partners indicated how they foresee using aid modalities in the future. The result was that, within the coming three years, no significant changes in the provision of budget support were anticipated (i.e., neither downscaling nor up scaling of use of modalities was foreseen). Sector budget support would, following the results of the questionnaire, see 4 DPs and pooled/basket funding 3 DPs each engaging newly in the modality within the next year. Furthermore 4 DPs each foresee scaling up sector budget support and pooled/basket funding within the next three years. The vast majority of development partners (16) foresees a continued engagement in project/programme

support. However, while 3 DPs foresee scaling down on project/programme support, two others want to scale up.

4.2 The use of types of assistance

Another important aspect considered in DoL is development partner fragmentation in terms of the nature (or types) of support they provide in the various sectors. This is somewhat linked to aid modalities, since it mostly applies to the modalities of pooled/basket funding and project/programme support.²⁰

Eight possible types of DP assistance were considered in this study, as follows:

1. Technical assistant (TA) placement
2. Capacity development
3. Infrastructure and equipment
4. Research or university cooperation
5. Civil society support
6. Provision of small grants
7. Sector programme or strategy support
8. Other support not specified above

Table 3 on the next page shows the delivery of aid through different types of assistance. Each entry in the main part of the matrix (excluding headings and totals) represents the total number of development partners providing the specified type of support to the corresponding sector. Thus, for example, 6 DPs supported the Agriculture sector through the placement of TA, while only 1 DP provided small grants to the Public Administration sector.

The following evidence emerges:

- Support towards capacity development was the most common form of development assistance provided (occurring 127 times), followed by support towards sector programmes or strategies. Given the significance of capacity development as a frequently occurring action point in the MGDS Action Plan, this is clearly consistent with national priorities, and is an occurrence that the DoL process should seek to enhance.
- Support to Research/University cooperation and civil society activities were the least common (48 /46 occurrences), and there were four sectors in which no civil society activities were being supported at all. Whereas there certainly are sectors where no support to civil society activities is necessary, it might be worthwhile to assess, at SWG level, whether the ones requiring and/or demanding civil society support received it.²¹
- In addition to engaging the largest number of DPs, Health is the sector in which individual development partners were providing aid through the largest numbers of support types. In Health, most DPs were engaged in sector or programme support (i.e., the Health SWAp) and

²⁰ Although the International Good Practice Principles for Country-Led Division of Labour and Complementarity (OECD, 2009) lays due emphasis on the significance of reducing fragmentation and duplication not only at sector level, but also in terms of areas and topics (see Principle 2), e.g. through delegation, our analysis recognises that DPs should not necessarily be limited in their provision of support (types of assistance) in the sectors in which they are engaged as part of the DoL process, since a) not all sectors require the same mix of assistance and b) only the sectors would know which types of assistance are appropriate. This notwithstanding an assessment of the number of types of assistance rendered by DPs is worthwhile for the bigger picture.

²¹ The issue of support to civil society is even more complicated since it is an area that might not always be a priority for Government. Furthermore, within this study civil society organizations such as World Vision or support rendered by Oxfam and others are not depicted. Therefore it is important to stress that civil society support as mentioned here does not represent the overall support to civil society in Malawi.

capacity development. The concentration of types of assistance was also high in Education, Water, Sanitation and Irrigation, as well as Agriculture. The least number of types of support are reported for sectors with low DP presence: Tourism, Wildlife and Culture; ICT, Research and Development; Public Administration and Roads, Public Works and Transport. An effective DoL process should seek to close this gap.

| TABLE 3: DISTRIBUTION OF TYPES OF ASSISTANCE PER SECTOR | | | | | | | | | |
|---|----------------------------------|-----|----|----|----|----|----|----|----|
| Sector | No. of DPs by Type of Assistance | | | | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | Σ |
| Agriculture | 6 | 12 | 8 | 7 | 7 | 5 | 9 | 2 | 56 |
| Integrated Rural Development | 4 | 7 | 5 | 2 | 2 | 3 | 3 | 0 | 26 |
| Environment, Land & Natural Resources | 2 | 9 | 1 | 5 | 2 | 3 | 4 | 0 | 26 |
| Tourism, Wildlife & Culture | 1 | 3 | 0 | 1 | 1 | 0 | 1 | 0 | 7 |
| Water, Sanitation & Irrigation | 6 | 12 | 14 | 5 | 5 | 8 | 7 | 1 | 58 |
| Trade, Industry and Private Sector Development | 2 | 9 | 2 | 1 | 0 | 2 | 3 | 1 | 20 |
| Vulnerability, Disaster & Risk Management | 3 | 8 | 4 | 3 | 5 | 7 | 6 | 1 | 37 |
| Health | 9 | 14 | 9 | 9 | 7 | 8 | 14 | 3 | 73 |
| Education | 7 | 13 | 11 | 4 | 4 | 8 | 9 | 3 | 59 |
| Gender, Youth Development & Sports | 1 | 8 | 1 | 2 | 6 | 8 | 7 | 1 | 34 |
| Roads, Public Works & Transport | 2 | 4 | 5 | 0 | 0 | 1 | 2 | 0 | 14 |
| ICT, Research & Development | 1 | 4 | 0 | 1 | 0 | 0 | 2 | 0 | 8 |
| Energy & Mining | 2 | 5 | 3 | 1 | 0 | 1 | 3 | 0 | 15 |
| Economic Governance | 5 | 8 | 3 | 3 | 2 | 2 | 6 | 2 | 31 |
| Democratic Governance | 4 | 7 | 4 | 1 | 6 | 3 | 6 | 1 | 32 |
| Public Administration | 3 | 4 | 1 | 1 | 1 | 1 | 1 | 0 | 12 |
| Total per type of assistance | 58 | 127 | 71 | 46 | 48 | 60 | 83 | 15 | |
| <i>Definitions of Types of Assistance</i> | | | | | | | | | |
| 1 = TA Placement | | | | | | | | | |
| 2 = Capacity development | | | | | | | | | |
| 3 = Infrastructure & equipment | | | | | | | | | |
| 4 = Research/university cooperation | | | | | | | | | |
| 5 = Civil society support | | | | | | | | | |
| 6 = Small grants | | | | | | | | | |
| 7 = Sector programme/strategy support | | | | | | | | | |
| 8 = Other | | | | | | | | | |

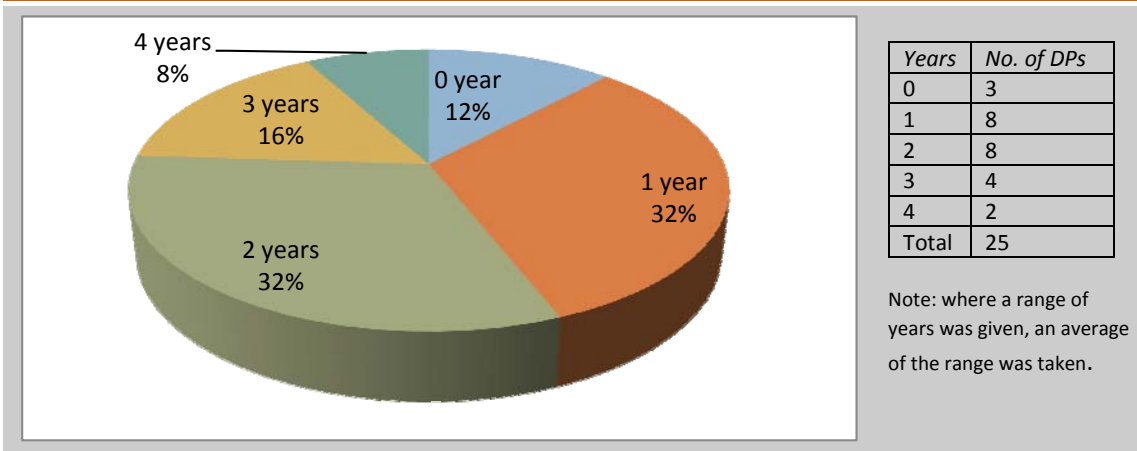
4.3 Predictability of aid

Rather than quantitatively assess predictability, this study investigated the ability of DPs to predict future levels of funding, and the possible levels of accuracy with which such predictions could be made. Figures 5 and 6 on the next page summarise responses regarding the predictability of aid. This section was integrated into the questionnaire since it is one of the MoF's great concerns. The general experience is that development partners are only able to approximately predict their support, but not accurately.

In terms of DPs' declarations of accurate predictability, Figure 5 refers. High figures imply greater predictability of aid, which is good for development planning. Out of the 25 respondents, 3 DPs could not predict aid accurately for even one year. 8 of them could predict aid for 1 year, and another 8 for 2 years.

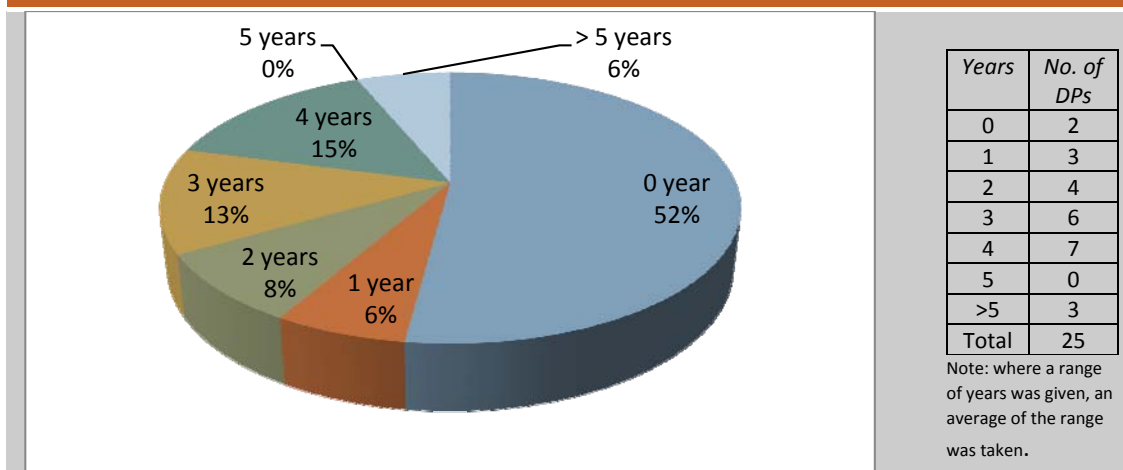
Accurate predictability beyond 2 years was quite low, and the average number of years of accurate predictability was 1.76.

FIGURE 5: PROPORTION OF DEVELOPMENT PARTNERS PER YEAR OF ACCURATE PREDICTABILITY OF AID



In terms of approximate predictability (Figure 6), the situation was somewhat better: over one half of the DPs could approximately predict their aid for 3 or 4 years, and 3 could predict beyond 5 years. On average, aid was approximately predictable for 3.28 years, according to the responding development partners. The foregoing information regarding accurate and approximate predictability does seem to support GoM’s concerns, because figures suggest that most DPs could not accurately predict the flow of their assistance beyond 1 or 2 years. If aid could indeed not be accurately predicted beyond 2 years for up to 19 of the 25 respondents, Government has reason to be concerned. The higher degree of approximate predictability might not address the issue, because Government would find it difficult to plan beyond the years of accurate predictability. Nonetheless, information on approximate predictability would be useful in determining aid forecasts, and both Government and DPs should ensure that such information is supplied, tracked down and recorded as diligently as possible.

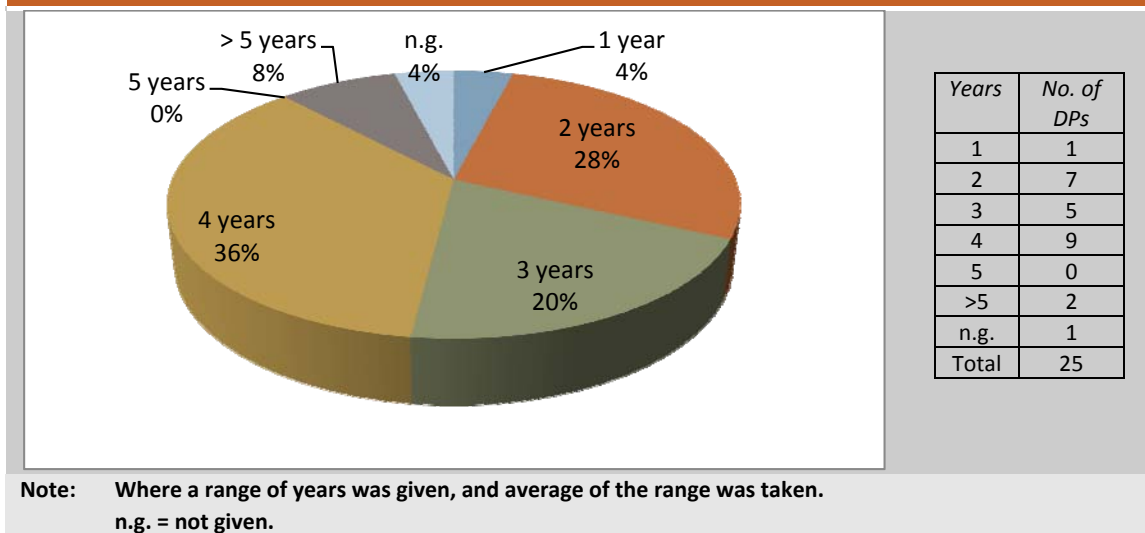
FIGURE 6: PROPORTION OF DEVELOPMENT PARTNERS PER YEARS OF APPROXIMATE PREDICTABILITY OF AID



One input that could be crucial in determining the GoM’s predictability of aid for each DP is the knowledge of the partner’s programming cycle. Figure 7 shows that most of the development partners had either two-year or four-year programming cycles (on average). The average programming cycle was about 3 years (strictly, 3.38 years); supporting the observation that approximate predictability of aid was hardly more than four years. Programming cycles are closely linked with project documents or

memoranda of understanding between each DP and the GoM, which present multi-year commitments by DPs. As noted in the definition of predictability, however, yearly planned disbursements frequently differed from these commitments, such that even a long programming cycle would not be of much help in enhancing predictability.

FIGURE 7: PROPORTION OF DEVELOPMENT PARTNERS PER YEARS OF PROGRAMMING CYCLE



In seeking to improve the predictability of development assistance, it is pivotal to take note of the following issues:

- Fiduciary risk: inability of the domestic government to spend resources according to initial or agreed plans, or a tendency to incur controversial expenditures, could prevent development partners from committing themselves over a long term.
- Developments in domestic economies of development partners: changes in governments, shifts in interests from one country or region to another, policy shifts and/or general fluctuations in financial positions of development partner governments could affect predictability.
- For multilateral agencies and the UNDP, the fact that core funding constitutes a small proportion of the available resources while the rest has to be mobilised limits their ability to make long-term commitments.
- The manner in which a partner government implemented and liquidated previous funds could affect the flow of future funding. Good performance in this respect could enhance predictability.
- The Malawi Aid Atlas 2008/09 showed that actual disbursements were 7.7% below planned disbursements in that fiscal year. In terms of modality of aid, most of the shortfall was sector budget support for National Aids Commission (23.1%) and sector budget support for the Health SWAp (22.1%). The least shortfalls were in direct project support (2.5%), budget support (5.1%) and subsidy support (13.6%). Although DAD noted that the measure of variability did not entail (un)predictability, this data located the fact that variability tended to be highest when financial accountability was not a major issue, as in direct project support. The Aid Atlas fell short of describing the shortfall in terms of funding sources (i.e., in terms of the DPs accounting for it), information that should be readily available in the AMP. Thus, future atlases could include such information. It is noted in the Aid Atlas that these variations might have been on account of currency fluctuations, since commitments were made in the specific currencies of the development partners. As such, these variations did not necessarily speak much about the predictability of aid, an issue that MoF was set to address in future versions of the atlas. The

apportionment of the variation to funding sources suggested in this report could extend to the analysis of predictability.

It is clear that the nature of information captured in the AMP is key in revealing the structures of DP engagement in relation to GoM preferences, including the nature of aid modalities and the degree of aid predictability. The platform, which is an important tool in Malawi's aid management efforts, could therefore be the engine of not only the DoL process, but the entire aid effectiveness agenda. The AMP can also be of great support to the broader function of development planning and monitoring, and development statistics in the country, in this way informing decision-making contributing to country ownership of the development agenda. There is need to ensure that due attention is paid to the continuous improvement of the AMP. The Government of Malawi has already improved the sense of importance amongst DPs to provide the right data (improved data for the MW Aida Atlas FY 2008-2009) and seeks to increase the joint responsibility of the accuracy of the data in the AMP by changing the AMP to an online accessible platform by DPs. This trend in usage of the AMP for improved aid management as well as for increased transparency which will foster mutual accountability through further availability and accessibility of data is commendable and should be further pursued.

Highlights from the interviews on aid modalities

(See Annex V for a more detailed write-up on views expressed in the interviews conducted).

Concerning sectors of engagement, most **development partners would not consider changing their aid modalities**, unless their current programmes were completed, and unless there was a high-level decision taken at their headquarters.

Most development partners, even those that were providing budget support (including general budget support) stated a preference for a **balanced use of the various aid modalities**, considering that each had its own merits and demerits.

Strengthening public financial management systems was seen as the key step towards enhancing budget support and aid predictability.

Most development partners felt that they **fulfil their annual aid commitments, both in terms of timeliness and levels of funding**.

Most development partners predicted that their **assistance was more likely to increase** rather than decrease in the foreseeable future.

4.3 Recommendations: use of aid modalities and predictability

Main recommendations on the **use of aid modalities and predictability of aid** are as follows:

| Outcome | Activity | Responsibilities | Timeline | Comment |
|--|---|--|----------|--|
| Public financial management and aid predictability in particular are improved | Quarterly establish DoL priorities for upcoming planning phases for DPs (e.g. sector shifts, delegation targets etc.), based on the calendar of programmes (with programming cycles) of DPs | GoM - MoF (DAD responsible for DoL and/or others assigned with the responsibility). Engage with HOC. | Ongoing | Quarterly assess the calendar by one person within DAD. Establish (based on the last MGDS review) which DoL priorities would be upcoming for DPs that might begin to plan a new phase for their support. |

| Outcome | Activity | Responsibilities | Timeline | Comment |
|---|---|--|------------------------------------|---|
| | Understand and acknowledge the importance of predictability of aid for the GoM | Data Focal Points and HOC | ASAP | |
| | Continue efforts towards improving public financial management systems in order to improve on predictability of aid | GoM - MoF, OPC | From now on ongoing | Government should avoid incurring controversial public expenditures |
| | Identify jointly how to improve on predictability of aid (accurate and approximate figures) | GoM (MoF) with DPs (HOC & data focal points) | From now up to June 2010 | |
| | Establish clear parameters for the predictability of aid, ensuring that they are both understood by and acceptable to DPs | GoM with DPs (HoC & data focal points) in consultation | From now up to July 2010 (next FY) | Such a process, as all of the DoL process, requires a great degree of consultations between the two parties. |
| | Establish effective reporting and tracking systems for aid projections, to deepen or complement current initiatives that quite reliably capture actual disbursements. | GoM - MoF, assess and introduce. Communicate to HOCs, Data Focal Points & others | From now on ongoing | Such efforts will facilitate the use of projections in Government budget planning and overall aid management |
| | Enhance quality and accuracy of the AMP, including coverage of DPs | GoM - MoF | From now on ongoing | AMP's data coverage and quality is key. Improve transformation of the data into publicly available reports that inform decision-makers and other stakeholders. |
| | Improve cases of low predictability of aid | GoM - MoF to negotiate possibilities and ceilings with relevant DPs | From now up to July 2010 | MoF needs to start a dialogue on predictability and assist DPs if low predictability is related to low performance and absorption capacity issues. |
| | Malawi Aid Atlas to provide breakdown of the variation between actual and planned aid disbursements by DP | GoM - MoF | For next Malawi Aid Atlas | In addition to the breakdown by modality of aid this should be a key part of the analysis of predictability in future versions of the Aid Atlas. |
| | DP commitments to mirror the period of the MGDS | DPs (HOCs, HOMs) with HQs | From now | Recognized in AAA and undersigned. Might be a HQ decision, but the local DP office is to advocate for changes. |
| Adequate mix of types of support and use of modalities according to sector needs is provided | Discuss at sector level, within the SWGs, adequate provision of various types of support according to sector needs | GoM and DPs - Sectors and DPs within SWGs | With functional SWGs | While maintaining a certain degree of flexibility in the use of types of assistance (e.g. TA placement, capacity development and use of small grants) GoM (sectors) should guide DPs on priorities and needs. |

5. JOINT DEVELOPMENT PARTNER AND GOVERNMENT DIALOGUE

The DAS 2006-2011 recognises the importance of joint dialogue and lays out relevant mechanisms for joint development partner and Government dialogue to be established: the High Level Forum on Aid Coordination, the MDGS Review and the establishment of various Sector Working Groups – SWGs (Government of Malawi, 2007, p24-25). The most important dimension of a joint dialogue between development partners and the national government for the attainment of DoL in Malawi is the ultimate goal to lower transaction costs for all parties involved and to increase the effectiveness of development assistance by adjusting the way it is being provided.

5.1 Joint dialogue mechanisms

Mechanisms fostering dialogue amongst development partners at technical level have started to emerge at different pace within different areas and/or sectors over the past years, and the Paris Declaration seems to have facilitated the establishment of such structures. In some sectors joint development partner and GoM dialogue mechanisms have emerged as part of the negotiations towards the establishment of SWAs (e.g., in Health and Education; the Committee on Governance -CoG as a DP committee).²²

As stipulated in Section 1, development partners who give Budget Support are organised within the Common Approach for Budget Support (CABS), which bi-annually reviews progress. In general, joint dialogue, especially at sector level, facilitates cooperation. Within the SWAp in Health, GoM and DPs have gained positive experience. However, not always have these mechanisms lowered transaction costs yet.

The MGDS Review, as foreseen within the DAS, has also been established. Annually the progress on the MGDS is being reviewed jointly by Government and development partners. The first review, conducted in 2007, reported on the progress achieved in the FY 2006/2007. The review in 2008 (for FY 2007/2008) and 2009 (FY 2008/2009) focused increasingly on sectors and used representatives from the SWGs. While this change in focus reflects the improvements made in general, this is still likely to improve over time with all SWGs being fully functional, the definition of Co-chairs and the clear determination of roles of DP (leads, actively engaged, delegating).²³ The MGDS review as a process could benefit from less participants if leads would be mandated to represent all development partner interests in the respective sector.²⁴

5.2 Sector Working Groups (SWG) and DoL

The guideline for the establishment of SWGs has been published in November 2008. The concept of the SWGs is widely accepted and so is the introduction of such a mechanism. More specifically, the SWGs constitute a centrepiece for the DoL process since with overall high level guidance and communication channels established, the ultimate decisions, including issues on fragmentation on over- or undersubscription of a sector, can in consequence be taken at sector level.

²² Some of the CoGs several sub-committees, e.g. the one on Parliament, have been headed by both Government and DPs and the CoG has also provided for joint dialogue on elections with the MEC.

²³ The MGDS Annual Review 2008 for the FY2007/2008 does not report along the 16 sectors defined, however, this would be highly desirable. The report of the 2009 MGDS Annual Review was not yet available to verify this.

²⁴ DoL should relate to existing national mechanisms and processes, therefore the impact DoL might have on processes in place in general and the MGDS review in particular should be discussed, since other development partners might still want to be present in the review alongside the lead development partner.

Since the 16 sectors and guidelines were launched, six SWGs have been installed in 2009 in the sectors Health; Education, Agriculture; Democratic Governance; Gender, Youth and Sports; and Water, Sanitation and Irrigation. All of them have participated in the first Joint Learning Event (JLE) on SWGs/SWAp's in June/July 2009. Since then, the sectors have, to very different degrees, progressed on the establishment of operational SWGs. The SWGs, according to the guidelines were supposed to be meeting quarterly but so far these meetings did not happen, as stated in the interviews.²⁵ The interviews unfortunately did reveal that most representatives knew there were only some SWGs functional but could not name them. While reviewing the answers on the questionnaire on dialogue mechanisms / SWGs it became apparent that the information we had been planning for was not coming out. The answers suggested confusion amongst DPs as to what can be called an SWG, which as such is a result in itself. The following short analysis on functioning SWGs is therefore unfortunately based on little information further than the evaluation of the Aid Co-operation Calendar 2009 by the MoF.

The SWAp in Health is by most of the stakeholders considered as an equivalent to the SWG and is therefore most probably the one that functions best out of the 6. However, it has to be noted, that some of the structures of the Health SWAp are not necessarily in line with the SWG Guidelines. However, with development partner support in order to strengthen the secretariat, this might also be taken up.

Although 12 DPs have stated there is a SWG in Education other information and the evaluation of the MoF suggest that it has so far not been really established and is not functional.

In Agriculture the current structure, the DCAFS is considered the SWG by most of the DPs involved. It seems however, that no further movement on abiding to the SWG guidelines has been made.

Democratic Governance has within the sector elaborated a concept note under the leadership of the Chair, the Ministry of Justice, narrowing down the scope of the SWG and is in the process of putting it into practice.

Gender, Youth and Sports seems to be active in establishing a functional SWG and 8 DPs underline its existence.

Trade, Industry and Private Sector Development had reported being in the middle of setting up its SWG while there is a Private Sector Development Donor Coordination Committee. The evaluation of the MoF states interest from within Public Administration and Economic Governance (with an existing Group on Finance and Economic Management so far, that is not structured as a SWG).

Taking into account the results from the evaluation and the interviews, the process of institutionalization of the SWGs seems to have stalled. Nonetheless, the SWGs are vital for the DoL process in Malawi and both Government officials and development partners are aware of this fact. It is commendable that the GoM seeks to accelerate the full functionality of all 16 SWGs and will hold a JLE at the end of April where the remaining 10 SWGs will be established. The GoM further states in the evaluation that institutional responsibility for the SWGs is in the future to be seen under the MDPC and that the DAD will gradually be handing over. With this it will be paramount to communicate the new roles and responsibilities to the sectors and DPs.

However, within the process of establishment or maybe as a mid-term perspective, there are two issues that might need in the long run need governments attention: 16 SWGs, allowing for up to 5 TWGs per

²⁵ A 2010 MoF evaluation on the implementation of the Aid Co-operation Calendar 2009 comes to the conclusion that quarterly meetings "appear to be an over ambitious (and unrealistic) target. While this might be true for the moment the SWGs will definitely require meetings of that frequency if they are to bring about change in sector policies and coordination and be instrumental for the DoL process.

sector, which, if used inflationary, will lead to up to 80 TWGs as coordination mechanisms, additionally to the 16 SWGs and might require presence, participation and attention of both Government officials and DP staff.²⁶ The ultimate success of the SWGs for effectiveness and DoL therefore partly lies in a responsible establishment of TWGs under each SWG (and is therefore partly a sector responsibility that however will require oversight from MDPC / DAD) so that it does not increase coordination as a consequence. Positive impacts of DoL can otherwise be jeopardized. Another possibility in the long run to bring down the number of coordination meetings, if required, would be to reduce the number of SWG. However, the **standpoint of the Government of Malawi on the number of SWGs** is to further proceed with the full establishment of 16 SWGs for the sectors Government has identified.

Nonetheless, since the idea might still be relevant to Government in the future, some proposals on possible “mergers” of SWGs (not to be confused with a merger of sectors, but rather the coordination aspect for sector relevant issues) are discussed in footnote 26. Such combinations would require the SWGs under consideration to be a) close in terms of content and institutions for it to make sense and it would most likely ease efforts (especially taking into consideration the MGDS Review) if they would b) lie within the same MGDS theme.²⁷

No matter the ultimate number of SWGs, it is important to stress that many of the sectors are interrelated and do complement each other importantly. The establishment of cross-sectoral relationships will therefore be important in the institutionalization process in order not to develop a silo mentality.

This closely relates to another important issue: the **integration of cross-cutting issues** into sectors and SWGs that are relevant for the GoM and the attainment of internationally agreed development targets, such as the MDGs. HIV and AIDS, a very relevant issue in Malawi with an estimated HIV prevalence rate (among 15-49 year olds) of 12% (OPC 2008), is an important cross-cutting issue for every sector. It is housed within Health as a sector. However, in order to increase impact, it would need to be mainstreamed into each other sector as well. The same applies to Gender. While Gender forms a sector with Youth and Sports, it has an important responsibility of integrating the topic into each sector. **With 52.4% of the population below the age of 18 (data from NSO 2008), it can also be argued that youth should be treated as a cross-cutting issue.**

The Government of Malawi is very much aware of the importance of integrating cross-cutting issues into the sectors. However, **the MoF has determined that it is the main responsibility of the sectors** to find out how best mainstream cross-cutting issues, since ultimately the sectors will be evaluated upon the

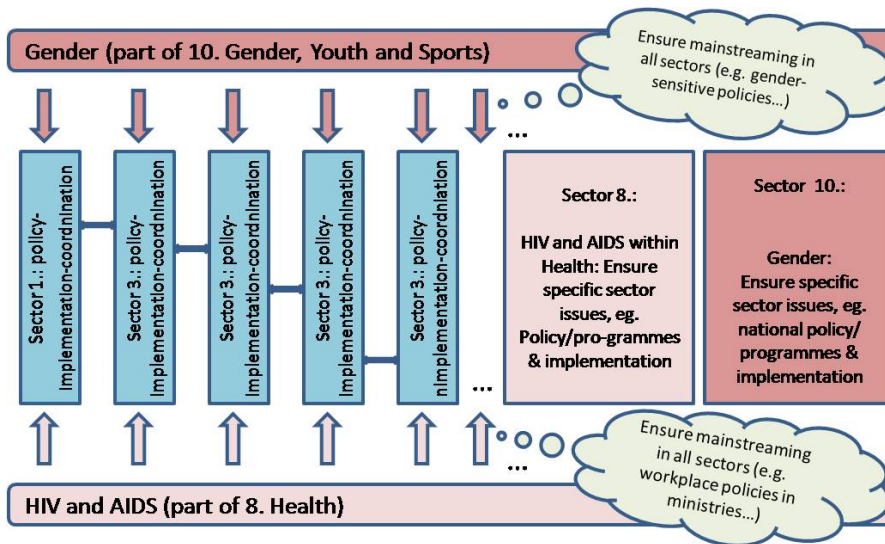
²⁶ The primary objective of the TWGs is to be “technical arms of the SWGs” reporting to the Chair of the SWG (MoF/MEPD 2008, p7). The guideline establishes that “on the basis that technical issues are sector specific, the number and composition of these TWGs is to be deliberated upon within each SWG” (MoF/MEPD 2008, p7).

²⁷ Agriculture and Integrated Rural Development (IRD) (or/and Water, Sanitation and Irrigation for that matter too) are close in terms of content and developmental relevance and could benefit from each other since such a merger would also fit the government’s current emphasis of Rural Growth Centres. Both proposed for a merger with IRD lie within the same MGDS theme. Four other SWGs could also benefit of a merger: Environment, Lands and Natural Resources with Tourism, Wildlife and Culture and Roads, Public Works and Transport with Energy and Mining. This could also contribute to the DoL process since relatively low subscribed sectors would be combined. If “mergers” would be possible across MGDS themes, Integrated Rural Development and Democratic Governance would be worth discussing, as decentralisation, which lies with the Ministry of Local Government and Rural Development (and the National Local Government Finance Committee in terms of local financial administration), can be argued to belong to Democratic Governance. However, the two fall under MGDS Theme 1 and 5. The SWG on Democratic Governance has additionally already defined its sector in a different manner and would most likely oppose such a merger. Across MGDS themes mergers could also be applied to Vulnerability, Disaster and Risk Management (Theme 2) with Gender, Youth and Sports, (Theme 3). These proposals could lead to 12 SWGs instead of 16, bringing down the no. of TWGs down to 60.

attainment of results and impact in this area. Therefore proposals on how to integrate cross-cutting issues should be developed at sectoral level.

This standpoint can also be interpreted as a request to the specific sectors and/or relevant institutions to look into the matter more closely and this study seeks to offer some advice in this area. The challenge for cross-cutting issues arises from the fact that those sectors dealing with cross-cutting issues are put into parallel with all others. Figure 8 shows graphically, how cross-cutting issues ultimately would need to be reflected and integrated into other sectors.

FIGURE 8: CROSS-CUTTING ISSUES AND SECTORS



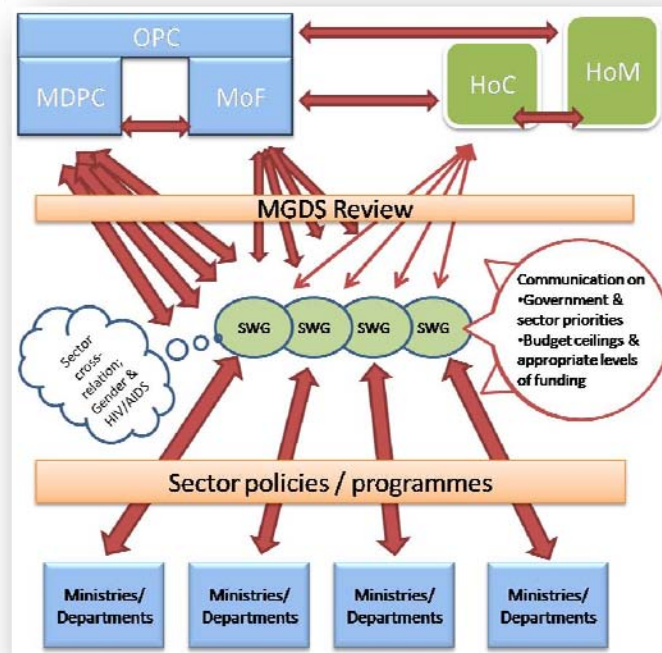
The frame of action therefore changes considerably for these topics operating within their own SWG but also across SWGs. Gender (and possibly Youth) HIV and AIDS and Environment as sectors will therefore have to relate differently to the other SWGs to assure quality, mainstreaming and alignment to sector relevant policies such as the national Gender policy and the national HIV and AIDS policy.

Another possible way to strengthen the integration of cross-cutting issues would be to name additional leads in Government and amongst DPs for the integration of a specific cross-cutting issue or several issues in order to be giving it a structure and define responsibilities. However, it has to be clear that it still is a sector-relevant issue that cannot just be handed over to two individuals but rather involves shaping processes.

As **communication and communication structures** are key to DoL in general, they are very important for SWGs in particular. Two aspects are of particular importance: the structure of communication (who with whom, when and on what) and the content of communication (priorities, securing necessary funding and implementation at sector level). SWGs present an excellent opportunity to improve communication not only with development partners in a joint dialogue that fosters mutual accountability but also within the Government of Malawi as such.

Figure 9 shows how the SWGs will impact on direct communication and how communication will have to be ensured for improved DoL and aid management.²⁸ Both the Government chairs as well as the leading development partners (at least the assigned Co-chair) from each sector working group will have important roles to play in representing interests, views and assuring communication (represented in the figure with the red arrows), not only with each other but also with respective Ministries/ Departments, to and with the MDPC (mainly on issues of SWG functions, if the responsibility for it will be assigned to the MDPC) and the MoF (e.g. on issues of budget ceilings, appropriate levels of funding in the sectors etc.). As the determination of appropriate levels

FIGURE 9: FUTURE CHANNELS OF COMMUNICATIONS WITH ESTABLISHED SWGS



of funding is such an important information (and still lacking) for determining division of labour it serves as an example: Sector budget ceilings and the development budget are so far determined by the MoF and MDPC. However, to arrive ultimately at appropriate levels of funding for sectors, the SWG will have to play a key role. At SWG level far more information will be available and the planning and monitoring of sector resources will mainly have to happen at that level (communication within Government will then be to communicate this to the MoF within established regular procedures and discuss it). A great opportunity would be to **combine different processes by costing the MGDS (along the established sectors and themes)²⁹ with established sector budget ceilings in a transparent process through and with the SWGs.** The sector resources to be communicated/ depicted will in general mean joint Government and DP planning; therefore both resource envelopes (GoM budget and ODA) will in future have to be managed transparently. This will facilitate a) the determination of appropriate levels of funding (oriented at the sector policy/sector programme(s)) which will allow to determine better necessary shifts in development partner involvement and b) the determination of budget ceilings for sectors in general.³⁰ The SWGs will then indeed be instrumental for DoL and effective aid management and will improve implementation at sector level tremendously.³¹

²⁸ Figure 9 uses important insights gained from the Joint Learning Event on SWAs and SWGs in July 2009 in Malawi that established the first 6 SWGs.

²⁹ This would require the successor MGDS to reflect accurately the sectors established.

³⁰ The controlling officers of Ministries and Departments will still have a role to play and so will the Controller and Auditor General.

³¹ Since development partners will be part of SWGs and are represented in the HOC, the communication will happen from SWGs to HOCs within development partner agencies and then HOCs will inform each other on pertinent issues that might arise.

Highlights from the interviews on SWGs

(See Annex V for a more detailed write-up on views expressed in the interviews conducted).

Most of the interviewees said that **the SWGs are a very good idea** and that the initial concept as developed is valid and right.

Hope was expressed in that the SWGs might facilitate the development of **outstanding sector policies and/or sector implementation programmes** which are paramount to reach transparent and accountable support aligned to Government priorities.

Government Sector Focal Points have raised the issue of **lacking communication on the SWGs** and were requesting more **guidance and clear directions from within a high authority in Government**.

Concern was expressed on the **high number of coordination mechanisms** with 16 SWGs and up to 5 TWGs each.

5.3 Recommendations: joint dialogue and SWGs

Main recommendations on **joint dialogue and SWGs** are as follows:

| Outcome | Activity | Responsibilities | Timeline | Comment |
|---|--|---|---------------------------------------|---|
| SWGs operational and institutional responsibilities are clear to all stakeholders involved | Revive the establishment process of the SWGs and invest into good institutionalization of the SWGs | GoM – MoF (DAD) to delegate process to MDPC | March / April 2010 (JLE end of April) | MDPC to give clear guidance on how SWGs should be established to both the sectors and DPs. Process needs to be steered firmly (the establishment of the 10 SWGs outstanding -with the Joint Learning Event) |
| | Give clear guidance on the establishment of TWGs. | GoM - MDPC (consult with DAD). | April 2010 | Only where absolutely necessary establishment of a TWG should be encouraged. |
| | Improve concept for next JLE with recommendations from this study & JLE-workshop report | DAD to integrate into concept of the next JLE. | April 2010 | Organize two small JLEs for 5 sectors each. Next JLE to take findings into consideration. |
| | Reassess suitability of number of SWGs & TWGs | GoM - MDPC with DAD | End of 2010 | In case the coordination load does not decrease with the SWGs/TWGs in place. |
| Mainstreaming of cross-cutting issues is ensured | Establish cross-sector relationships for SWGs (needs to be reflected in structures and communication mechanisms) | GoM - MDPC in consultation with the sectors, support from DPs | May/June 2010 | Recommendation should be reflected in the next Joint Learning Event on SWGs and would bring issues relevant to the situation on the ground to the event. |
| | Ensure mainstreaming of cross-cutting issues (concept and proposal) | GoM - Sectors with MDPC, DAD; support from DPs | from April ongoing | Gender, HIV and AIDS, probably Youth and Environment as "horizontal" sectors. Amend the initial SWG concept if necessary and disseminate. |

| Outcome | Activity | Responsibilities | Timeline | Comment |
|---|---|--|--------------------------------|--|
| | Engage in discussions on critical issues around the sector partition / cross-cutting issues | GoM & DPs - Sectors with MDPC & DAD and HOCs | from April ongoing | Determine how e.g. gender mainstreaming, environment and ICT can be dealt with. Disseminate approach and responsibilities. |
| Existing mechanisms such as MGDS review benefit from DoL | Analyse impact of DoL on processes such as the MGDS review | GoM - MDPC with the DAD | May/June 2010 | Clarify participation of development partners vs. representation through a lead and other issues |
| | Integrate gains from SWGs and leads established into processes such as the MGDS review | GoM - MDPC | Before the next MGDS review. | This is likely to contribute to a “leaner” structure in general. Would need to be reflected in the TOR of the leads (section 6). |
| | Integrate outstanding players into the AMP reporting and DoL process | GoM - DAD to liaise with the outstanding players, HOC to discuss | By July 2010 for the next FY | China, Arab States, foundations, (e.g. Clinton-Hunter or Gates Foundation) CDC & international NGOs giving support to Malawi. |
| | Mandate the leads in the SWGs to participate on behalf of the development partners in the MGDS review | DPs - To be discussed and decided upon at the HOC | Timely before next MGDS review | |
| Sector support is given based on national sector strategies and programmes | Support the development of outstanding sector policies & relevant sector programmes | DPs - DPs within SWGs | ongoing from now | |

6. HOW TO DETERMINE AND ARRIVE AT A “DIVISION OF LABOUR”?

To arrive at a successful division of labour involves different stages in the process. The GoM has successfully passed the initial stage of initiation and is currently involved in producing a transparent status quo for the stakeholders (HLF 2008b). The DoL matrix helps this purpose.³² Based on these results Government and DPs will have to jointly agree on a number of improvements in order to achieve DoL, to implement these measures, monitor and adjust. This section discusses the mapping and roles foreseen and concludes with relevant recommendations.

6.1 Development partner mapping and roles foreseen

The DoL matrix presents current sector presence per development partner and per sector at the same time and, using colour codes, visualizes future plans of DPs per sector (roles of engagement foreseen within the next 3 years).

³² The DoL matrix facilitates the process on DoL and depicts sector engagement jointly with foreseen roles of DPs. It is based on the responses of Development Partners given within the questionnaire (Section A: Table 1 a) and b), Section B: Table 1 and 2) in December 2009 and January/February 2010.

This is, for purposes of further analysis also put into two different contexts: one focusing on the relation to the MGDS (see Figure 10), the other depicting the (foreseen) engagement vis-à-vis disbursements and ODA in the financial year 2008/09 (see Figure 11).

It offers the possibility of further analysis and action on sector engagement (establishing *darling* or *orphan sectors*), determination of roles foreseen and needed in the sectors (lead, actively engaged, delegating and withdrawing) as well as action needed in sectors where funding and technical expertise will be withdrawn in order to ensure sustainability of development efforts. The matrix caters for a separate as well as joint analysis of GoM and development partners on trends and needs for development and poverty orientation in Malawi, alongside the national framework available. Even though the matrix already establishes roles foreseen a fundamental basis to be developed are jointly agreed Terms of References for the different roles foreseen, building a transparent basis for collaboration within the SWGs.³³

The DoL matrix reveals information on present development partner sector engagement that has been presented in section 3 at length and will not be repeated here (in both Figure 10 and 11 present engagement is marked with an X). The mapping further reveals plans of DPs to **delegate dialogue or finances** to other DPs. Delegation of dialogue is more popular amongst DPs, with 17 cases and only 9 cases of delegation of finances. In general, delegation seems to be more popular amongst CABS donors, followed by the discrete donors. Delegation is almost not foreseen by the UN. However, that might relate back to the mandate of the UN in general and the fact that many times others delegate to the UN instead.³⁴ The however still low number of 9 DPs out of 25 that foresee to be **delegating** (some even in more than 1 sector) indicates increasing acceptance of delegation as a form of engagement. Delegation is a strong mechanism within the DoL agenda and can ease the pressure for both Government and DPs, since also DPs at times struggle with capacities for coordination and implementation on the ground. Since the general **standpoint of the Government of Malawi at the**

Roles of Engagement in DoL

Division of labour is closely linked to different roles assigned to development partners in order to facilitate a division of labour. The Malawi DoL process follows the same set of roles and will as one part of the process have to establish TOR for the different roles foreseen. All of the roles come with different functions, prerequisites and require a different set of capacities. The following is a short summary of the most important aspects (following HLF 2008c).

Lead: Acts on behalf of others; ensures constant dialogue and cooperation with the national government and the other DPs (on policy, budget and operational issues). Provide management and monitoring support to a greater extent than others.

Actively engaged: Participates (in dialogue) through the lead DP but maintain their own implementation. They might represent the interests and opinions of delegating partners.

Delegating: Delegates dialogue and/or finances to another DP and herewith becomes the silent partner. Involvement is therefore indirect.

Withdrawing: This most neglected role in comparison involves responsibility for timely and repeated information of all actors involved and for the fulfillment of all current commitments. Other important dimensions are constant management of the process and negotiations with e.g. other DPs ensuring sustainability of development efforts.

³³ The TOR need to be clear on responsibilities and criteria for the roles (e.g. a lead DP will have to consult with other DPs, draw consensus and find compromises. The lead will have to negotiate and be an entry point for the GoM in representation for all other DPs in the sector and facilitate dialogue). Therefore the lead DP needs certain capacities, etc. The TOR should reflect existing convictions and build on experiences and working relationships already established and can draw on a number of international documents. Drawing TORs for delegating and withdrawing partners is very important since exits can create a difficult situation for a sector.

³⁴ Notwithstanding the broad coverage of UN agencies of the same sectors suggest that there are improvements that can be reached within the DoL process, supported by the one UN process the UN are currently undertaking.

moment is against asking DPs to withdraw from a sector and against introduction of a maximum number of sectors per DP, voluntary delegation becomes even more important for the DoL agenda. DPs, especially those that have not yet considered delegation and with presence in many sectors, can in general be encouraged by GoM to decide on fewer priority sectors to be actively involved while delegating in others³⁵. DPs should on their own behalf take into account international agreements on DoL and existing Codes, such as the EU Code of Conduct.³⁶

Sectors that on their part will be most affected by the foreseen **withdrawals** (9 in total) in the coming 2 years are Agriculture, Water, Sanitation and Irrigation and Economic Governance with 2 DPs each exiting. These exits will need to be well managed by the DPs and the sector. The SWGs present an excellent opportunity to improve these processes.³⁷ However, none of these sectors is in any sense “endangered” by the planned withdrawals as they all have a high number of DPs present. Some cases of the withdrawals planned already relate to considerations of oversubscription in a sector by DPs, e.g. the WB in Health.

The matrix presents an interesting landscape on roles foreseen, in particular on leading and actively engaged suggesting some necessary steering from GoM for the initial process, mainly at sector level: The first apparent observation is that **in four sectors no DP is foreseeing or claiming a lead**.

However, in some sectors with many DPs claiming the lead, notably Economic Governance (6 DPs), Education (6 DPs) and Health (4 DPs), the possible rule of a troika (3 leads: one lead, one deputy-lead and one secretariat, as suggested several times in interviews and being introduced as a best practice, e.g. in HLF 2008c) would require further negotiations, best placed as the whole discussion on the structure itself within the HOC.³⁸ Agriculture has 3 DPs foreseeing a lead suggesting no problem with such an arrangement. Nonetheless, the contrast of “6 or 4 leads” versus “no lead” does suggest the existence of orphan and darling sectors.³⁹

The determination of at least one lead per sector has recently been taken care of by the mentioned official communication of the assigned chairs and Co-chairs to the SWGs (Letter by the Secretary to the Treasury to the HOC, February 12, 2010 and its follow-up on the final agreed allocations as presented in Annex IV. An additional explanation is also given there that no Co-chair has been assigned to Tourism, Wildlife and Culture and Information or to Communication and Technology and Research and Development due to absence of resident partners with active programmes in those sectors.

³⁵ Delegation of dialogue might indeed alleviate coordination; however, it is the delegation of finances making the bigger difference for the national government, either delegation into a pooled fund or to another DP.

³⁶ The EU Code of Conduct for example establishes the self-imposed rule of only 3 sectors per EU member for lead and active engagement and delegation from that point.

³⁷ Analysis of other exits has shown that communication between the exiting DP and the GoM, the remaining DPs with GoM and the exiting DP and other DPs has been especially weak, jeopardizing sustainability of development efforts (von Hagen/ Schulz 2009).

³⁸ There are a number of important aspects to consider: a minimum of 2 leads per sector is necessary in order to guarantee continuity. Ad-hoc delegation has often failed in the event of unforeseen developments that impede the leading agency to fulfil its duties. The ultimate goal has to be coverage of all sectors establishing leads with workable solutions. The duration of the lead (6-12 months or 1-3 years) should be properly discussed and decided upon weighing continuity versus depending on capable individuals and/or changes in personnel.

³⁹ Indeed are 3 out of the 4 where no lead is claimed the lower subscribed sectors Tourism, Wildlife & Culture, ICT & RD and Public Administration.

FIGURE 10: DIVISION OF LABOUR MATRIX - SECTOR ENGAGEMENT, AID MODALITIES AND MGDS THEMES

| Division of Labour Matrix - Malawi (Dec/Jan 2009) - Engagement in aid modalities vis-a-vis MGDS themes | | | | | | | | | | | | | | | | | | | | | | | | |
|--|------------------------|-----------------------|----------------|-----------------|--------------------------------------|-------------------------|----------------------------------|--------------------------------|-------------------------------|------------------------------------|-----------------------------------|-----------------------------|--------------|----------------------------|-------------------------------------|--------------|---------------------|------------------------------|---------------------------|---------------------------|--------------------------------|------------------------------------|--------------------------------|-----------------------------------|
| Development Partner (DP) | MGDS Themes: | | | | Theme 1: Sustainable Economic Growth | | | | | Theme 2 | | Theme 3: Social Development | | | Theme 4: Infrastructure Development | | | Theme 5: Improved Governance | | | Total Sectors per DP (current) | Total Sectors - Aid Atlas FY 08/09 | Total Sectors exiting (future) | Total Sectors delegating (future) |
| | General Budget Support | Sector Budget Support | Pooled Funding | Project Support | 1. Agriculture | 2. Integrated Rural Dev | 3. Environmt., Lands & Nat. Res. | 4. Tourism, Wildlife & Culture | 5. Water, Sanit. & Irrigation | 6. Trade, Industry & Pt Sector Dev | 7. Vulnerab., Disaster & Risk Mgt | 8. Health | 9. Education | 10. Gender, Youth & Sports | 11. Roads, Public Works & Transport | 12. ICT & RD | 13. Energy & Mining | 14. Economic Governance | 15. Democratic Governance | 16. Public Administration | | | | |
| CABS donors | X | X | X | X | | | | | | | | | | | | | | | | 16 | 2 | 9 | | |
| AfDB | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 9 | 7 | 0 | | |
| DFID | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 11 | 9 | 1 | | |
| EU Delegation | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 9 | 10 | 0 | | |
| GDC | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 4 | 6 | 0 | | |
| Norway | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 8 | 8 | 0 | | |
| World Bank | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 11 | 8 | 1 | | |
| Discrete donors | X | X | X | X | | | | | | | | | | | | | | | | 16 | 5 | 3 | | |
| CIDA | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 4 | 7 | 3 | | |
| FICA | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 5 | 1 | 0 | | |
| Global Fund | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 3 | 1 | 0 | | |
| ICEIDA | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 4 | 5 | 1 | | |
| IMF | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 1 | - | 0 | | |
| Ireland | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 8 | 6 | 2 | | |
| JICA | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 14 | 9 | 0 | | |
| USAID | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 8 | 9 | 0 | | |
| UN | X | X | X | X | | | | | | | | | | | | | | | | 16 | 12 | 1 | | |
| FAO | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 7 | 2 | 0 | | |
| IFAD | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 3 | 1 | 0 | | |
| UNAIDS | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 2 | 1 | 0 | | |
| UNDP | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 12 | 11 | 0 | | |
| UNESCO | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 7 | - | 0 | | |
| UNFPA | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 6 | 2 | 0 | | |
| UNHCR | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 3 | - | - | | |
| UNIDO | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 4 | - | 0 | | |
| UNICEF | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 5 | - | 0 | | |
| WFP | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 8 | 2 | 1 | | |
| WHO | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 1 | 1 | 0 | | |
| Current Total DPs / sector, modality | 6 | 9 | 12 | 23 | 15 | 8 | 9 | 3 | 16 | 10 | 10 | 20 | 16 | 10 | 5 | 4 | 6 | 12 | 8 | 4 | | | | |
| Total DPs (Aid Atlas FY 08/09) | | | | | 11 | 5 | 6 | 2 | 8 | 5 | 6 | 14 | 13 | 6 | 6 | 1 | 1 | 8 | 10 | 3 | | | | |
| Total DPs / sector exiting | | | | | 2 | 0 | 0 | 0 | 2 | 0 | 0 | 1 | 1 | 1 | 0 | 0 | 0 | 2 | 0 | 0 | | | | |
| Total DPs delegating | | | | | 0 | 1 | 0 | 0 | 0 | 2 | 2 | 5 | 4 | 2 | 1 | 0 | 2 | 0 | 1 | 0 | | | | |
| Total DPs forseeing a lead | | | | | 5 | 0 | 1 | 0 | 2 | 1 | 3 | 4 | 6 | 2 | 1 | 0 | 1 | 6 | 2 | 0 | | | | |

Key: ■ Future Lead ■ Future Active Engagement ■ Exiting ■ Future Delegation
X Present engagement in sector New Engagement * if Agricultural policy evolves Assigned Co-Chair

In interviews conducted with the Government Focal Points some expressed their preferences for leads which are compared in Table 3 with the foreseen lead by DPs and the newly assigned Co-chairs to the SWGs. The list basically shows a 71% match of the assigned Co-chairs with GoM preferences and the ideas of DPs, suggesting a future high acceptance of lead DPs in the sectors. The complete list of Chairs and Co-chairs of the SWGs can be found in Annex IV and Figure 10 reflects the assigned Co-chairs with a solid frame.

TABLE 3: PREFERENCES ON LEAD-DEVELOPMENT PARTNERS BY THE GOVERNMENT OF MALAWI AND ASSIGNED CO-CHAIRS

| Sector | Development partner foreseeing a lead | Preference named by representatives in interviews | GoM | Assigned Co-chairs to SWGs |
|--|---------------------------------------|--|-----|----------------------------|
| Agriculture | Irish Aid, USAID | World Bank or EU (MoA) | | Irish Aid |
| Trade, Industry and Private Sector Development | Nobody foreseeing so far | World Bank (MoIT) | | World Bank |
| Vulnerability, Disaster and Risk Management | WFP, UNDP | DFID or Irish Aid (Department of Disaster Management Affairs) | | DFID |
| Health | WHO, USAID, GDC, DFID | WHO (MoH) | | WHO |
| Education | WFP, USAID, GDC, DFID | no specific preference, any of the actively engaged partners could take the lead (MoE) | | GDC |
| Gender, Youth and Sports | UNFPA | UNFPA (MoGCCD) | | UNFPA |
| Democratic Governance | UNDP and EU | UNDP (MoJ) | | UNDP |

Division of labour and its process should strongly relate to the national poverty reduction strategy. If analysing the results of the DoL matrix, comparing the key priority areas of the MGDS to the highly subscribed sectors by DPs, only half of the key priority areas have attracted a high number of development partners. Analysing the percentage of ODA the MGDS key priority areas have received (see Table 4), this impression does not improve at all.

TABLE 4: MGDS KEY PRIORITIES AND ODA (FY 2008/2009)

| MGDS key priority areas (as cited in the MGDS Annual Review Report 2008) | Percentage of ODA per Sector (FY 2008/2009, Malawi Aid Atlas) |
|--|--|
| Agriculture and Food Security | Agriculture 7% |
| Irrigation and Water Development | Water, Sanitation and Irrigation 4% |
| Transport Infrastructure | Roads, Public Works and Transport 6% |
| Energy Sector | Energy and Mining <1% |
| Integrated Rural Development | Integrated Rural Development 3% |
| Nutrition, HIV and AIDS | Not possible to compare since no sector (after the partition in 2008). But it does relate to health which has received 32% of ODA received |

Amongst the possible reasons for this fact is that a) GoM has not been forthcoming enough on priorities, b) the priorities of GoM have in reality changed, but not in the documents available, c) that development partners have not really accommodated GoMs' priorities or d) that the national priorities are not such a priority to DPs as international commitments require. From the interviews for this study it became clear that development partners demand clear (and almost directive) leadership from GoM on priorities and that changes in sector engagement of a development partner are not impossible in general but do require negotiation (with headquarters) and time.

Comparing the currently four most “densely populated” sectors in terms of DP presence (referring to the results of the questionnaire, not the Aid Atlas, see section 2), Health (20 DPs), Water, Sanitation and Irrigation (16 DPs), Education (16 DPs) and Agriculture (15 DPs) in the matrix to the disbursements per sector and ODA given to the sectors (in %, MoF 2010) in Figure 11 it becomes apparent that the high number of DPs present does not necessarily match a high percentage of ODA given in all sectors.⁴⁰ While it is clear that assistance is not always and exclusively about funding there has to be an adequate ratio of funding available and development partners involved. The ratio in Water, Sanitation and Irrigation, representing 4% of the ODA in the FY 2008/09 with the engagement of 16 development partners can, even taking into account, that such an adequate ratio is not defined so far, not be considered adequate. This underlines – and at the same time underscores the position of the Government of Malawi wanting to reach DoL through other means than withdrawals of DPs from sectors – that there is **need to rationalise the way development partners are involved in a sector not just to lower the number of involvement in a sector**. Essential for this is a deeper analysis of how to reach an **adequate ratio** (which might be different for each sector) **between the level of funding (vis-à-vis the appropriate level of funding), the mix of aid modalities and the type of assistance to be rendered in a sector**. If this is properly analysed and then put in practice along the results for each sector within a negotiated (re-) allocation of development partners according to the established need the DoL process will really serve its purpose. Fully functioning SWGs are an important mechanism (and prerequisite) to achieve this kind of effectiveness and DoL at sector level.

⁴⁰ Though it is clear that the percentage of ODA given (excluding budget support) cannot be compared 1:1 per se to sector engagement of DPs as it does not include all assistance given it is a valid general comparison that serves a purpose.

FIGURE 11: DIVISION OF LABOUR MATRIX - SECTOR ENGAGEMENT AND ODA

| Division of Labour Matrix - Malawi (Dec/Jan 2009) - Sector and aid modality engagement vis-à-vis sector disbursements and ODA | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|----------|------|------|---------------|-----|--------|------------|-----------------|------|------|-------------|--------|-----|---------|------|-------|----|-------------|---|-------------------------|-----|------|--------|------|--------|-------|-------|-------|-------------|-------------|-----|
| Sector | Donors | | | | | | | | | | | | | | | | | No of DPs** | Disbursements per sector (in USD) ** / **** | ODA (%) /Sector ** /*** | | | | | | | | | | | |
| | CABS DPs | AFDB | DFID | EU Delegation | GDC | Norway | World Bank | Discrete Donors | CIDA | FICA | Global Fund | ICEIDA | IMF | Ireland | JICA | USAID | UN | | | | FAO | IFAD | UNAIDS | UNDP | UNESCO | UNFPA | UNHCR | UNIDO | UNICEF | WFP | WHO |
| GBS | X | X | X | X | X | X | X | | | | | | | | | | | | | | | | | | | | | 6 | | | |
| SBS | X | X | X | | | X | X | | | X | X | | | | | | X | | | | X | | X | | | | X | 9 | | | |
| Pooled Funding | X | X | X | X | X | X | X | X | X | X | | | | X | | X | X | | * | X | X | | | | | | | 12 | | | |
| Project Support | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 23 | | | |
| 1 Agriculture | | X | X | X | | X | X | | | X | | X | | X | X | X | | X | X | | X | | | | X | X | 15 | 11 | 56,416,420 | 7 | |
| 2 Integrated Rural Dev | | X | | X | | X | | | | | | | | X | X | | | X | X | | X | | | | | | 8 | 5 | 21,582,085 | 3 | |
| 3 Environment, Lands & Culture | | | | | | X | X | | | | | | | | X | X | | X | | | X | X | | X | X | | 9 | 6 | 17,045,275 | 2 | |
| 4 Tourism, Wildlife & Culture | | | | | | X | | | | | | | | | X | | | | | | X | | | | | | 3 | 2 | 705,789 | <1 | |
| 5 Water, Sanit. & Irrigation | | X | X | X | | X | | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | | | | X | X | 16 | 8 | 25,749,436 | 4 |
| 6 Trade, Industry & Pvt Sector Dev | | X | X | X | | X | | | X | | | | | | X | X | | | | | X | | | X | | X | 10 | 5 | 8,295,432 | 1 | |
| 7 Vulnerab, Disaster & Risk Mgt | | | X | | | X | | | | X | | | | X | X | X | X | X | X | X | X | X | X | X | X | X | 10 | 6 | 37,444,215 | 5 | |
| 8 Health | | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 20 | 14 | 252,202,181 | 32 |
| 9 Education | | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 16 | 13 | 75,014,719 | 10 |
| 10 Gender, Youth & Sports | | | X | | | X | | X | X | X | | | | | X | | | X | | X | X | X | | | X | | 10 | 6 | 10,429,518 | 1 | |
| 11 Roads, Public Works & Transport | | X | X | X | | | | | | | | | | | X | | | | | | | | | | | X | 5 | 6 | 43,810,967 | 6 | |
| 12 ICT & RD | | X | | | | X | | | | | | | | | X | | | | | | X | | | | | | 4 | 1 | 600,021 | <1 | |
| 13 Energy & Mining | | | X | | | X | | | | | | | | | X | | | | | X | X | | | X | | | 6 | 1 | 741,323 | <1 | |
| 14 Economic Governance | | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | 12 | 8 | 185,025,340 | 22 | |
| 15 Democratic Governance | | | X | X | X | X | | | | | | | | X | X | X | | | | X | | X | | | | | 8 | 10 | 45,864,886 | 6 | |
| 16 Public Administration | | | | X | | X | | | | | | | | | X | | | | | | X | | | | | | 4 | 3 | 3,766,505 | 1 | |
| Total No sectors / DP | | 9 | 11 | 9 | 4 | 8 | 11 | 4 | 5 | 3 | 4 | 1 | 8 | 14 | 8 | 7 | 3 | 1 | 12 | 7 | 6 | 3 | 4 | 5 | 8 | 1 | | | | | |

Key: ■ Future Lead ■ Future Active Engagement ■ Exiting ■ Future Deleg * if Agricultural policy evolves
 X Present engagement in sector New Engagement ■ **{data from the Aid Atlas, FY 08/09}
 GBS = General Budget Support SBS = Sector Budget Support ■ *** excluding Budget Support
 **** Economic Governance includes budget support, Health SwaP & NAC pooled funding

6.2 Characteristics of lead or actively engaged development partners

The determination of a lead or actively engaged development partner in Malawi might for some sectors come naturally and should where possible be based on Government preferences and development partner ability to fulfil the job. However, in some sectors it might be difficult to come to a conclusion without looking at certain characteristics that are needed to fulfil a role such as taking the lead in a sector on behalf of the other development partners.

In order to establish a transparent basis to arrive at a sort of profile of lead and actively engaged development partners the questionnaire contained a table where both development partners and Government officials interviewed had to weigh the importance of certain characteristics for a lead and actively engaged development partner. The importance in characteristics established can be used as a sort of profile or a guide by both development partner and GoM when it should come to difficulties of determining the leads in sectors. While the discussion of the so called “comparative advantages” of a development partner over the other should in our view involve what Government prioritises and is in need of, these “profiles” could, if need be, feed into establishing such comparative advantages in Malawi.⁴¹ Table 5 (next page) shows the summarized averages as established through the questionnaire.⁴²

When looking at Table 5 and the averages of what all 21 responding DPs and 8 Government representatives have marked in the questionnaire, it becomes apparent that the three most important characteristics (the highest score) a **development partner has to fulfil in order to be able to take the lead in a sector**⁴³ are not identical from DP and GoMs point of view.

Development partners state as most important:

1. Contribution to the strengthening of GoM policies and programmes (3,6)
2. Participation in the MGDS review (3,6)
3. Alignment of DP instruments with GoM sector policies and strategies (3,5)
4. Participation in sector review processes where the development partner contributes (3,5);

GoM representatives state as most important:

5. Transparent engagement and harmonisation with other development partners (5)
6. Number of years of involvement in sector and in-country sectoral expertise (4,7)
7. Experience in representing other DPs (4,7).

This mismatch in expectations suggests either a different understanding of a lead DP or the preference of very different profiles. Ultimately, and in line with the Paris Declaration and the AAA, it is on the DPs to

⁴¹ As far as we are informed this is the first DoL exercise where government is explicitly included in the establishment of such profiles/ characteristics, which is considered paramount since ultimately the profiles could lead to the determination of comparative advantages of development partners. Additionally “comparative advantage”, originally deriving from economic theory, lacks proper standards although being used widely, especially within the discussions on aid effectiveness and DoL. In DoL processes comparative advantages have been assessed following a set list, development partner self assessments have been conducted etc. (EU 2009, p10). While the EU Code of Conduct says that “the comparative advantage of a given donor should be self assessed, endorsed by the partner government, and recognized by other donors” (EU 2007) it is our opinion that - in the spirit of the Paris Declaration principles - it is critical who establishes the criteria for measuring/assessing comparative advantage in the first place.

⁴² The numbers in the table show the averages of 18 filled DP profiles (one development partner did not fill Section C at all, some did choose only to fill the lead or the actively engaged columns) and 6 filled profiles by GoM. Wherever people did not provide any answer it is calculated as 0.

⁴³ The following analysis concentrates on the profile of the lead development partner.

reflect on these profiles and attend to issues that might be coming up from such an analysis. Very interesting is, that Government has rated the experience in representing other development partners very highly whereas it got a low rating from the DPs. This suggests that one of the wishes of GoM concerning DoL and lead arrangements is for them to work smoothly – which is more likely to be the case if a lead development partner has experience in representing others.

TABLE 5: CHARACTERISTICS RELEVANT FOR THE DETERMINATION OF LEAD AND ACTIVELY ENGAGED DPS - GOM AND DP VIEWS

| Characteristics | Lead DP | | Actively Engaged DP | |
|---|------------|-----------------|---------------------|------------|
| | DPs | GoM | DPs | GoM |
| 1= not at all important; 5= very important | | | | |
| A. General Characteristics | 3 | 4,2 | 2,6 | 3,3 |
| 1. Level of funding | 2,7 | 4,5 | 2,7 | 3,7 |
| 2. Number of years of involvement in sector and in-country sectoral expertise | 3,4 | 4,7 | 2,6 | 3,3 |
| 3. Initiation of processes (e.g. joint funding arrangements, TA etc) | 2,8 | 3,7 | 2,4 | 3,3 |
| 4. Transparent engagement and harmonisation with other development partners | 3,3 | 5 | 3,6 | 4,2 |
| 5. Experience in representing other DPs | 3 | 4,7 | 2,5 | 3 |
| 6. Experience in managing other DPs' funds | 2,5 | 4,5 | 2,4 | 3,3 |
| 7. Analytical input for sector | 3,4 | 3,8 | 2,9 | 3,5 |
| 8. Capacity for secretarial tasks (convening, sharing, dialogue etc) | 3,1 | 4 | 2,2 | 2,3 |
| 9. Political earmarking at DPs headquarter (x % for the respective sector) | 2,3 | 3,2 | 2,1 | 3,2 |
| B. Alignment, Harmonisation and Managing for results | 2,7 | 3,3 | 2,8 | 3 |
| 1. DP Development policy for Malawi aligned to the MGDS exists | 3,3 | 3,8 | 3,7 | 3,5 |
| 2. Alignment of DP instruments with GoM sector policies and strategies | 3,5 | 3,5 | 3,5 | 3,3 |
| 3. DP use of country PFM systems | 2,6 | 4 | 2,7 | 3,3 |
| 4. Use of joint funding modalities (baskets or funds) | 2,3 | 3,8 | 2,5 | 3,2 |
| 5. Budget Support is preferred or encouraged | 2 | 3,6 | 2,1 | 3 |
| 6. Delegation of responsibility to another DP | 1,6 | 2,3 | 2,2 | 2,5 |
| 7. Flexible resources allocation to GoM priorities | 3 | 3,5 | 3,2 | 3,2 |
| 8. Support to capacity development of local institutions | 2,8 | 4,2 | 2,7 | 3,8 |
| 9. Support to TC attachments in local institutions | 2,1 | 4,2 | 2,2 | 3,8 |
| 10. Involvement in SWG(s) | 4 | - ⁴⁴ | 2,4 | - |
| C. Ownership and Mutual Accountability | 3,3 | 4 | 3,4 | 3,5 |
| 1. Disbursement record (predictability and timeliness) is credible | 3,3 | 4,2 | 3,4 | 4 |
| 2. Responsiveness to GoM requests on aid commitments | 3,3 | 4 | 3,3 | 3,7 |
| 3. Participation in the MGDS review | 3,6 | 4,2 | 3,5 | 3,7 |
| 4. Participation in the CABS review | 2,7 | 3,7 | 2,9 | 2,8 |
| 5. Participation in sector review processes where the DP contributes | 3,5 | 4 | 3,7 | 3,5 |
| 6. Active contribution to Malawi Paris Declaration monitoring process | 3,1 | 4 | 3,3 | 3,5 |
| 7. Contribution to the strengthening of GoM policies and programmes | 3,6 | 4 | 3,8 | 3,5 |

The “level of funding” (A. 1.), which from the interviews seemed to be one of the most controversial characteristics when considering it as a basis for decision-making within a DoL process did not score high with development partners. Government though rated it the 4th/5th most important characteristic in general (4,5 points). The interviews seemed to suggest that acting with a certain degree of sensitivity within the process seems to be expected as “The choice of lead development partner is sensitive and it is crucial to ensure that this choice is not entirely based on the level of funding provided”. Interestingly

⁴⁴ This question was unfortunately missing in the GoM questionnaire.

though some smaller aid volume development partners (within the Malawi Aid Atlas classified as “discrete”) did rate this point as very important and not the GBS or high volume aid development partners as one might have expected.

Summarizing from each of the sections A to C the picture gets even more specific (the first three important characteristics have been highlighted using light orange background colour in the table above):

A. General Characteristics:

Development partners: 1. Analytical Input (3,4), 2. Number of years of involvement in sector and in-country sectoral expertise (3,4), 3. Transparent engagement and harmonisation with other development partners (3,3).

GoM: All of its most important characteristics in general (see list above) are housed in section A.

B. Alignment, Harmonisation and Managing for results:

Development partners: 1. Alignment of DP instruments with GoM sector policies and strategies (3,1), 2. DP development policy for Malawi aligned to the MGDS exists (3,3). 3. Flexible resources allocation to GoM priorities (3).

GoM: 1. DP use of country PFM systems (4), 2. DP Development policy for Malawi aligned to the MGDS exists (3,8), 3. Use of joint funding modalities (baskets or funds) (3,8).

C. Ownership and Mutual Accountability:

Development partners: 1. Participation in the MGDS review (3,6), 2. Contribution to the strengthening of GoM policies and programmes (3,6) 3. Participation in sector review processes where the DP contributes (3,5).

GoM: 1. Disbursement record (predictability and timeliness) is credible (4,2), 2. Participation in the MGDS review (4,2), 3. 5, 6 and 7 have all three reached 4 points.

Further to the above analysis development partner and GoM profiles (as established important characteristics) do neither match within the sections (A-C). The only match is the *participation in the MGDS review* within Section C. The trend established above on differing expectations of development partners and Government is therefore reconfirmed when looking into the details of the sections.

For the profile of an *actively engaged development partner* GoM has notably lowered the requirements by allocating lower points. However, even the profiles of most important characteristics for an actively engaged development partner do not match.⁴⁵

One often cited element of DoL is a donor self assessment with a peer review process in order to determine comparative advantages of development partners. Table 5 has been specifically developed as an input for a possible peer review exercise. It is our belief however that the DoL process in Malawi does not necessarily require such an exercise at this point in time but could use time and resources for other challenges of this process instead. If however it should still be undertaken we would want to emphasize the importance of taking into account the disparities between DP profiles established and the ones wished for by the Government of Malawi within the DoL process.

⁴⁵ When further analyzing the table please take into account that some disparities might also lay in the fact that 3 development partners chose not to fill in the lead profile while filling the actively engaged profile whereas one who filled the lead did not fill the actively engaged profile.

6.3 Recommendations: DoL matrix and role of development partners

Main recommendations on **DoL matrix and roles of DPs** are as follows:

| Outcome | Activity | Responsibilities | Timeline | Comment |
|---|---|--|---------------------------------------|--|
| DoL process enriches existing processes and integrates into them | Integrate the DoL Matrix into e.g. the process of the Malawi Aid Atlas and update it each year | GoM - MoF (DAD); DPs - provide correct & timely info | ongoing, yearly, before the Aid Atlas | Using it as a tool for steering the process of DoL. To be well informed on the period of the next 3 years or at least the next year. |
| DoL process extends to all stakeholders (including Civil Society) and increases transparency of support rendered to MW | Integrate civil society and private sector in DoL process | GoM and DPs | | |
| | Map and collect data of (international) NGO contributions to the sectors | GoM - MoF | by July 2010 for next FY | |
| DPs operate at SWG level according to agreed TOR for lead, actively engaged and delegating partner | Develop TOR for a leading, delegating and withdrawing partner in a sector and discuss them with the DPs | GoM and DPs (HOC) | ASAP | Principles to be recognised in the TOR: clear responsibilities & criteria (capacities) for the roles. The TOR should build on experiences and working relationships already established in order to come to workable solutions creating effectiveness. |
| | Each SWG to adopt TOR or amend | GoM - MDPC, Sectors, HOCs | Adoption by July 2010. | Revert the amended version back to the responsible Government institution for SWGs. |
| | Encourage DPs to embrace delegation (especially in highly subscribed sectors) | GoM - DAD responsible for DoL with MDPC | April/ May 2010 | Updating the DoL Matrix should be used by GoM to analyse whether applying a maximum of DPs per sector is needed. |
| | Increasingly engage in delegation of dialogue and/or finances to other DPs | DPs - HOCs to discuss possibilities to strengthen delegation | ongoing, from now | Delegation in many cases requires inquiring legal possibilities. Easiest is to form groups of like-minded DPs which will fast-track the process of delegation. |
| Leading arrangements are clarified and communicated | Determine leading arrangements (structure and succession) | DPs – at HOC level with consultations | April/ May 2010 | Co-chairs to SWGs assigned by GoM. DPs to agree on model (e.g. troika for a lead - lead, co-lead and secretariat or else lead, outgoing, incoming DP), rotational basis. |
| DoL within sectors is based on sector needs, strategies & programmes | Support national strategies and implementation of sector programmes | DPs - HOCs, all DPs within the SWGs, Sectors | ongoing, from now | Deepens alignment to country systems and strategies. |
| | Development partners to communicate conditions affecting aid flows in advance | DPs- HOCs, Data Focal Points, | ongoing, from now | HOCs and Data Focal Points to communicate ASAP and openly to MoF (if necessary define responsibility and communicate to DPs) |
| The DoL process contributes to increased coverage of hitherto undersubscribed | Establish appropriate levels of funding per sector and mix of aid modalities and types of assistance required | GoM - Sectors with support from DPs | from now | |

| Outcome | Activity | Responsibilities | Timeline | Comment |
|---------|---|----------------------------|---|---|
| sectors | Consider providing support to hitherto underrepresented sectors | DPs - HOCs, DPs to discuss | after appropriate levels of funding known | Tourism, Wildlife & Culture, ICT and RD, Public Administration. Is however related to establishment of appropriate level of funding in sectors. |

7. CONCLUSION

Malawi has with this study embarked on a Government initiated in-country division of labour process and the responses and reactions gathered, high level development partner and Government availability in general indicate that this is the right time to do it. The following conclusions are divided into a section relevant for A) Malawi and the DoL process underway and B) Observations on the DoL approach (relevant to the process in Malawi as well).

A) *Malawi's in-country DoL process and the way forward*

This first-phase exercise has revealed that DoL in Malawi is not separable from effective aid management but rather represents one tool within this broader context. With a number of diverging interests at hand, decisions to be taken on the basis of different and possibly differing value-based judgements which require discussion, consultation and negotiation between Government and development partners, DoL is a political process and needs to be designed and treated as such. While a number of technical people will have to be involved in the process, it has to be clear to both development partners and Government that DoL requires high level leadership, mainly from the Government of Malawi, but as well from the development partners. Division of labour is a longer term process that will alter ways of interaction and cooperation for development results. Therefore it does, as every process, require attention and steering.

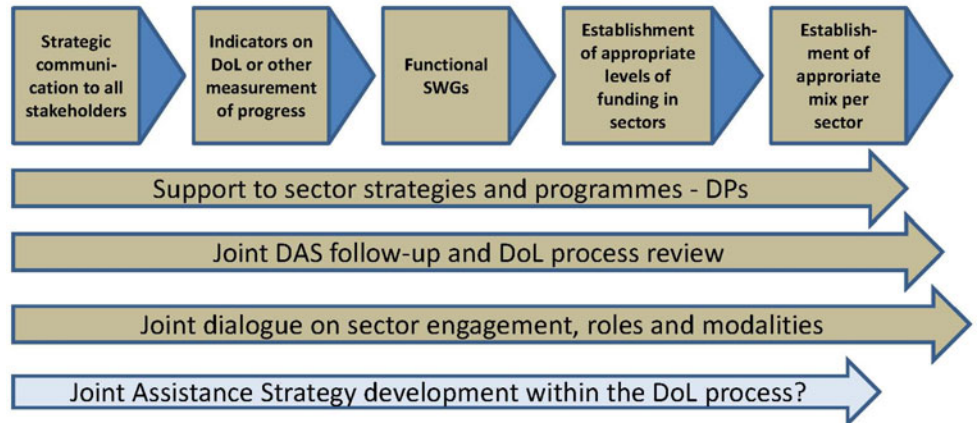
The Government of Malawi has as part of the process taken some decisions, such as that the institutional responsibility for the SWGs will be gradually handed over from the MoF to the MDPC. The GoM has further established that SWGs will be established in all 16 sectors launched. Additionally to the determined Government Chairs for the SWGs, Co-chairs (development partner) have been assigned for all sectors and communicated officially. This, if not misinterpreted, leaves the further structural decisions on lead arrangements (structure and succession) to the DPs (in consultation with the sectors).

Relating back to the usual steps of DoL processes introduced in section one the very next steps will have to be to validate and discuss the responses presented in this study. Development partners and GoM will have to both analyse the results of the DoL matrix in detail where future foreseen roles are documented. Observations and recommendations made would need to be (jointly) discussed and a clear way forward (with established priorities and responsibilities) should be determined.

A concrete proposal relating much to the insights described and discussed below, is to -as a next step- undertake a sectoral analysis of two sectors with very different characteristics, establish therein appropriate levels of funding, the right mix of modalities and the types of assistance needed, relating to the specific content of the sector. With this information available more concrete proposals can be made for DoL and more importantly sound standing decisions on DoL in these sectors can be taken. The analysis furthermore should produce steps to be followed when analysing the remaining sectors. Such an

assessment would be an important contribution to a sound DoL process in Malawi while simultaneously producing important information for the international discussion on in-country DoL processes.

As the recommendations of this study are vast, the flowchart is meant to help when determining the cornerstones that should facilitate arriving at a division of labour in Malawi. The arrows represent ongoing processes. With all the focus on the process however a strong pledge



is to be made not to be forgetting that DoL, happening at sector level, needs to take into account the specific sectoral contents and adequately reflect them.

B) Observations on the DoL approach

One important result of this study is that DoL in Malawi needs to happen at sector level and will gain pace within the sectors (with the SWGs, once their establishment resumes). That per se is not new. However, while the general DoL discussion holds a lot on reducing numbers of donors per sector (herewith reducing fragmentation), optimizing (what exactly and how?), assigning leads, etc., important questions to be asked are missing, such as: What are the gains (in measurable terms) and where to establish a cut off point (are these normally being established in such processes and if not, what drives this)? What are the underlying issues to be able to determine a division of labour serving the countries needs? What actually is “appropriate” in terms of funding, development partner involvement, the use of modalities etc. for which sector and who defines it? The same applies to the much mentioned comparative advantages of donors – what exactly do they refer to and who gets the authority (by who) to determine what a comparative advantage is?

While it is not possible to answer all these questions within the scope of this exercise, the result is that an assessment on the “appropriateness” of, e.g. the number of development partners involved in a sector, can only be undertaken with enough information available about what a sector needs in order to produce sustainable development results (in terms of total of funding, mix of aid modalities, different types of assistance, threshold for no of DPs). However, each sector in each country has different requirements and needs and no blueprint per se can be applied. General assessments on “orphan” or “darling” sectors can beyond doubt be made and initial steps being established. The argument is however that while initial decisions and preparations for DoL can be taken and implemented, the further decisions on DoL (such as shifts in sectors for DPs) have to be based on the comparison of established optimal needs vis-à-vis the current situation.

A number of important insights have been gained in the process of this study and the ongoing DoL process that can benefit other national processes and the international discussion. Further into the process it would be pertinent that GoM (and DPs) share these insights and experiences with other countries in development (e.g. through the OECD Task Team on South-South Cooperation and the OECD Task Team DoL und cluster C of the Working Party on Aid Effectiveness) and at regional and international level.

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ANNEX

I. COMPILATION OF RECOMMENDATIONS – SHORT VERSION

The following table represents a compilation of the recommendations (activities, responsibilities and timeline) presented along the thematic areas identified (for comments see the recommendations after each section).

1. Recommendations on process, leadership and dialogue

| Activity | Responsibilities | Timeline |
|---|---|--|
| Provide clear leadership and direction for the DoL process. | GoM - Acting Director DAD (involve MoF, MDPC), OPC for general high level support of the process. | ASAP |
| Establish clear responsibilities for topics and name entry points (one entry point, one replacement in order to ensure continuity). | GoM - Respective departments in the MoF, MDPC | ASAP |
| Establish clear communication structures (two ways) and regular meetings with the HOCs (meeting cycle). | GoM - DAD responsible for DoL and SWG responsible (MDPC) to meet quarterly. | ASAP, After responsibility for SWGs is clarified |
| Develop and circulate a strategic communication to DPs and the sectors | GoM - DAD/MDPC (if responsible for SWGs), OPC to undersign | April/May 2010 (after indicators) |
| Develop indicators and/or methods to show progress and gains of the DoL process (Circulate to HOC and selected sectors for input). | GoM - DAD and MDPC (DoL and SWG) | March/April 2010 |
| Identify forum for monitoring of indicators (e.g. GoM-DAS responsible with HOC Focal Point) | GoM - DAS responsible and HOC Focal Point | |
| Support GoM implementing the recommendations given in this study | DPs - HOCs with GoM (DAD, MDPC) | ongoing, from now |
| Assertively follow-up the DAS action plan | GoM (MoF, DAD) | ongoing, bi-annual reviews |
| Request status of DAS action plan implementation | DPs - HOCs (HoC Chair) with DAD responsible for DAS | ongoing, from now |
| Share (best) practice examples, experiences with DoL (use international network, e.g. Uganda, Zambia, Tanzania or others). | DPs - HOCs to decide how best to share such (best) practice examples. | ongoing, from now |
| Development partners to communicate conditions affecting aid flows in advance | DPs- HOCs, Data Focal Points, | ongoing, from now |
| Use DoL Matrix (jointly with the Aid Atlas which represents the financial flows) in HQ | DPs - HOCs and HOMs, HQ personnel and/or Embassies | ongoing, from now |
| Report GoM priorities and possible required sector shifts to HQ | DPs - HOCs or HOMs | From now |
| Address reasonable concerns in the area of mutual accountability | GoM - MoF | From now |
| Report government budget expenditure for sectors within the aid atlas | GoM - DAD, responsible for Aid Atlas, MoF Budget division responsible | For next Aid Atlas, FY 2009/2010 |
| Take up dialogue with MoF (DAD) on upcoming planning and possible sector shifts along GoM priorities. | DPs - DP responsible with DAD and/or MDPC responsible for GoM priorities | Ongoing and timely |
| Discuss possibility of development of a JAS | GoM in consultation with DPs | May / June 2010 |

2. Recommendations on sector engagement

| Activity | Responsibilities | Timeline |
|--|-------------------------------|----------|
| Guide development partner on criteria that determine sector affiliation of development partners for GoM. | GoM - DAD or MDPC responsible | ASAP |

| | | |
|--|---|--|
| Ensure same level of knowledge of the data focal point level and political level on sector affiliation of a DP | GoM - DAD (and MDPC) to brief HOC (see above) | ASAP |
| Orient sector reporting towards the criteria set out by GoM. | DPs - HOC and/or Data Focal Points and others responsible at DP agency. | After briefing through GoM |
| Ensure knowledge on own sector involvement at administrative AND political level | DPs - Data Focal Points to brief HOCs information | ongoing, accommodating changes (incl. staff) |

3. Recommendations on

| Activity | Responsibilities | Timeline |
|---|--|------------------------------------|
| Understand and acknowledge the importance of predictability of aid for the GoM | Data Focal Points and HOC | ASAP |
| Continue efforts towards improving public financial management systems in order to improve on the predictability of development assistance | GoM - MoF, OPC | From now on ongoing |
| Identify jointly how to improve on predictability of aid (accurate and approximate figures) | GoM (MoF) with DPs (HOC & data focal points) | From now up to June 2010 |
| Establish clear parameters for the predictability of aid, ensuring that they are both understood by and acceptable to DPs | GoM with DPs (HoC & data focal points) in consultation | From now up to July 2010 (next FY) |
| Establish effective reporting and tracking systems for aid projections, to deepen or complement current initiatives that quite reliably capture actual disbursements. | GoM - MoF, assess and introduce. Communicate to HOCs, Data Focal Points & others | From now on ongoing |
| Enhance quality and accuracy of the AMP, including coverage of DPs | GoM - MoF | From now on ongoing |
| Improve cases of low predictability of aid | GoM - MoF to negotiate possibilities and ceilings with relevant DPs | From now up to July 2010 |
| DP commitments to mirror the period of the MGDS | DPs (HOCs, HOMs) with HQs | From now |
| Quarterly establish DoL priorities for upcoming planning phases for DPs (e.g. sector shifts, delegation targets etc.), based on the calendar of programmes (with programming cycles) of DPs | GoM - MoF (DAD responsible for DoL and/or others assigned with the responsibility). Engage with HOC. | ongoing |
| Malawi Aid Atlas to provide breakdown of the variation between actual and planned aid disbursements by DP | GoM - MoF | For next Malawi Aid Atlas |
| Discuss at sector level, within the SWGs, adequate provision of various types of support according to sector needs | GoM and DPs - Sectors and DPs within SWGs | when SWGs functional |

4. Recommendations on joint dialogue and SWGs

| Activity | Responsibilities | Timeline |
|--|--|---------------------------------------|
| Revive the establishment process of the SWGs and invest into good institutionalization of the SWGs | GoM – MoF (DAD) to delegate process to MDPC | March / April 2010 (JLE end of April) |
| Give clear guidance on the establishment of TWGs. | GoM - MDPC (consult with DAD). | April 2010 |
| Improve concept for next JLE with recommendations from this study & JLE-workshop report | DAD to integrate into concept of the next JLE. | April 2010 |

| Activity | Responsibilities | Timeline |
|--|--|--------------------------------|
| Reassess suitability of number of SWGs & TWGs | GoM - MDPC with DAD | End of 2010 |
| Establish cross-sector relationships for SWGs (needs to be reflected in structures and communication mechanisms) | GoM - MDPC in consultation with the sectors, support from DPs | May/June 2010 |
| Ensure mainstreaming of cross-cutting issues (concept and proposal) | GoM - Sectors with MDPC, DAD; support from DPs | from April ongoing |
| Engage in discussions on critical issues around the sector partition / cross-cutting issues | GoM & DPs - Sectors with MDPC & DAD and HOCs | from April ongoing |
| Analyse impact of DoL on processes such as the MGDS review | GoM - MDPC with the DAD | May/June 2010 |
| Integrate gains from SWGs and leads established into processes such as the MGDS review | GoM - MDPC | before the next MGDS review. |
| Integrate outstanding players into the AMP reporting and DoL process | GoM - DAD to liaise with the outstanding players, HOC to discuss | by July 2010 for the next FY |
| Mandate the leads in the SWGs to participate on behalf of the development partners in the MGDS review | DPs - To be discussed and decided upon at the HOC | Timely before next MGDS review |
| Support the development of outstanding sector policies & relevant sector programmes | DPs - DPs within SWGs | ongoing from now |

5. Recommendations on DoL matrix and roles foreseen

| Activity | Responsibilities | Timeline |
|---|--|---|
| Integrate relevant steps of DoL in the Aid Co-ordination Calendar 2010 | GoM - MoF (DAD) with HOC | ASAP |
| Integrate the DoL Matrix into e.g. the process of the Malawi Aid Atlas and update it each year | GoM - MoF (DAD); DPs - provide correct & timely info | ongoing, yearly, before the Aid Atlas |
| Integrate civil society and private sector in DoL process | GoM and DPs | |
| Map and collect data of (international) NGO contributions to the sectors | GoM - MoF | by July 2010 for next FY |
| Develop TOR for a leading, delegating and withdrawing partner in a sector and discuss them with the DPs | GoM and DPs (HOC) | ASAP |
| Each SWG to adopt TOR or amend | GoM - MDPC, Sectors, HOCs | Adoption by July 2010. |
| Encourage DPs to embrace delegation (especially in highly subscribed sectors) | GoM - DAD responsible for DoL with MDPC | April/ May 2010 |
| Increasingly engage in delegation of dialogue and/or finances to other DPs | DPs - HOCs to discuss possibilities to strengthen delegation | ongoing, from now |
| Determine leading arrangements (structure and succession) | DPs – at HOC level with consultations | April/ May 2010 |
| Support national strategies and implementation of sector programmes | DPs - HOCs, all DPs within the SWGs, Sectors | ongoing, from now |
| Development partners to communicate conditions affecting aid flows in advance | DPs- HOCs, Data Focal Points, | ongoing, from now |
| Establish appropriate levels of funding per sector and mix of aid modalities and types of assistance required | GoM - Sectors with support from DPs | from now |
| Consider providing support to hitherto underrepresented sectors | DPs - HOCs, DPs to discuss | after appropriate levels of funding known |

II. OVERVIEW ON SUBMISSION OF FILLED QUESTIONNAIRES

| Institution | Status of Data Collection Exercise | |
|--|------------------------------------|------------------|
| | Interview | Questionnaire |
| African Development Bank (AfDB) | Conducted | Completed |
| Canadian International Development Agency (CIDA) | Conducted | Completed |
| Department for International Development (DFID) | Conducted | Completed |
| European Union Delegation | Conducted | Completed |
| Flanders International Cooperation Agency (FICA) | Conducted | Completed |
| Food and Agriculture Organisation (FAO) | Not conducted | Completed |
| German Development Cooperation (GDC) | Conducted | Completed |
| Global Fund to Fight AIDS, Tuberculosis and Malaria (GF) | Conducted | Completed |
| Icelandic International Development Agency (ICEIDA) | Conducted | Completed |
| International Fund for Agricultural Development (IFAD) | Not conducted | Completed |
| International Monetary Fund (IMF) | Conducted | Completed |
| Ireland / Irish Aid | Conducted | Completed |
| Japan International Cooperation Agency | Conducted | Completed |
| Joint United Nations Programme on HIV/AIDS (UNAIDS) | Not conducted | Completed |
| Royal Norwegian Embassy (RNE) | Conducted | Completed |
| United Nations Children's Fund (UNICEF) | Not conducted | Completed |
| United Nations Development Programme (UNDP) | Conducted | Completed |
| United Nations Educational Scientific and Cultural Organisation (UNESCO) | Not conducted | Completed |
| United Nations High Commissioner for Refugees (UNHCR) | Not conducted | Completed |
| United Nations Industrial Development Organisation (UNIDO) | Not conducted | Completed |
| United Nations Population Fund (UNFPA) | Not conducted | Completed |
| United States Agency for International Development (USAID) | Conducted | Completed |
| World Bank (WB) | Conducted | Completed |
| World Food Programme (WFP) | Not conducted | Completed |
| World Health Organisation (WHO) | Not conducted | Completed |
| Department of Disaster Management Affairs (DDMA) | Conducted | Completed |
| Ministry of Agriculture and Food Security (MoAFS) | Conducted | Completed |
| Ministry of Education, Science and Technology (MoE) | Conducted | Completed |
| Ministry of Finance (MoF) | Conducted | Not Administered |
| Ministry of Health (MoH) | Conducted | Completed |
| Ministry of Industry and Trade (MoIT) | Conducted | Completed |
| Ministry of Irrigation and Water Development (MoIWD) | Conducted | Completed |
| Ministry of Justice (MoJ) | Conducted | Completed |
| Ministry of Transport and Public Works (MoTPW) | Conducted | Not completed |
| Ministry of Gender, Children and Community Development (MoGCCD) | Conducted | Completed |

III. SECTORS AND SECTOR WORKING GROUPS

Source: SWG Guidelines (MoF/MEPD 2008)

| Sectors (Main Unit of Analysis) | Government Institutions (i.e. Votes) |
|---|---|
| MGDS Theme 1: Sustainable Economic Growth | |
| 1. Agriculture | 190 Ministry of Agriculture and Food Security |
| 2. Integrated Rural Development | 120 Local Government and Rural Development 121 National Local Government Finance Committee |
| 3. Environment, Lands and Natural Resources | 130 Ministry of Lands and Natural Resources |
| 4. Tourism, Wildlife and Culture | 360 Tourism, Wildlife and Culture SO(275/42/15) National Herbarium and Botanical Gardens |
| 5. Water, Sanitation and Irrigation | 210 Ministry of Irrigation and Water Development |
| 6. Trade, Industry and Private Sector Development | 370 Ministry of Labour 390 Ministry of Industry, Trade and Public sector Development SO(275/42/11) Development of Malawi Traders Trust SO(275/42/16) Malawi Entrepreneurship Development SO(275/42/19) Small Enterprise Development of Malawi |
| MGDS Theme 2: Social Protection and Disaster Risk Management | |
| 7. Vulnerability, Disaster and Risk Management | Department of Disaster Management Affairs [90 Office of the President and Cabinet] 200 Persons with Disability and the Elderly SO(275/42/9) Malawi Council for the Handicapped SO(275/42/24) Youth Council |
| MGDS Theme 3: Social Development | |
| 8. Health | 94 Nutrition, HIV/AIDS and National AIDS Commission 310 Ministry of Health SO(275/42/17) Pharmacies, Medicines and Poisons Board SO(275/42/44) Health Service Regulatory Authority SO(275/42/30) Kachele Rehabilitation Centre |
| 9. Education | 250 Ministry of Education, Science and Technology SO(275/42/02) University of Malawi SO(275/42/04) Malawi Institute of Education SO(275/42/05) National Library Services SO(275/042/06) National UNESCO Commission SO(275/42/07) Malawi National Examination Board SO(275/42/22) Scholarship Fund SO(275/42/25) Malawi College of Health Services SO(275/42/26) Mzuzu University SO(275/42/35) National Resources College Trust SO(275/42/38) University Student Trust Fund SO(275/42/39) University of Science and Technology |
| 10. Gender, Youth Development and Sports | 180 Youth Development and Sports 320 Women and Child Development SO(275/42/10) National Council for Sports |
| MGDS Theme 4: Infrastructure Development | |

| | |
|--|---|
| 11. Roads, Public Works and Transport | 400 Ministry of Transport, Public Works and Housing 420 Road Fund Administration 421 Roads Authority |
| 12. Information, Communication and Technology (ICT) and Research & Development (R&D) | 330 Information and Civic Education SO(275/42/43) Malawi Broadcasting House SO(275/42/20) Malawi Industrial Research and Technology |
| 13. Energy and Mining | 470 Ministry of Energy and Mines 471 Geological Surveys 472 Mines Department |
| MGDS Theme 5: Improved Governance | |
| 14. Economic Governance | 60 National Audit Office 99 Directorate of Public Procurement 110 Ministry of Economic Planning and Development 111 National Statistical Office 270 Ministry of Finance 271 Accountant General 273 Malawi Revenue Authority |
| 15. Democratic Governance | 70 Judiciary 100 Ministry of Defence 101 Malawi Defence Force 279 Financial Intelligence Unit 340 Ministry of Home Affairs and Internal Security 341 Police 342 Prisons 343 Immigration 350 Ministry of Justice 351 Director of Public Prosecution and State Advocate 352 Registrar General 353 Administrator General 354 Legal Aid 430 Human Rights Commission 510 Anti-Corruption Bureau 550 Office of Ombudsman 560 Law Commission |
| 16. Public Administration | 10 Presidency 50 State Residences 80 National Assembly 90 Office of the President and Cabinet 93 Human Resource Management and Development 97 Public Service Commission 240 Office of the Vice President 260 Ministry of Foreign Affairs 460 Electoral Commission |

IV. ALLOCATION OF SWG CHAIRS AND CO-CHAIRS

The following table represents the final allocation of SWG chairs and Co-chairs as discussed and concluded with Development Partners after an initial proposal made by GoM. As stated in Annex I of the document

“Notably, no Co-chairs have been agreed upon between Government and donors in (i) Tourism, Wildlife and Culture, and (ii) Information, Communication and Technology and Research and Development. Donors’ rationale for not committing to these sectors stems from the reasoning that there are no resident partners with active programmes in these sectors.”

| SWGs | Chair (GoM) | Co-chair (DP) |
|--|--|---------------|
| 1. Agriculture | Ministry of Agriculture and Food Security | Irish Aid |
| 2. Integrated Rural Development | Ministry of Local Government and Rural Development | GDC |
| 3. Environment, Lands and Natural Resources | Department of Environmental Affairs | Norway |
| 4. Tourism, Wildlife and Culture | Ministry of Tourism, Wildlife and Culture | |
| 5. Water, Sanitation and Irrigation | Ministry of Irrigation, and Water Development | AfDB |
| 6. Trade, Industry and Private Sector Development | Ministry of Industry and Trade | WB |
| 7. Vulnerability, Disaster and Risk Management | Department of Disaster Management Affairs | DFID |
| 8. Health | Ministry of Health | WHO |
| 9. Education | Ministry of Education, Science and Technology | GDC |
| 10. Gender, Youth Development and Sports | Ministry of Gender, Children and Community Development | UNFPA |
| 11. Roads, Public Works and Transport | Ministry of Transport and Public Infrastructure | EU |
| 12. Information, Communication and Technology (ICT) and Research and Development (R&D) | Ministry of Information and Civic Education | |
| 13. Energy and Mining | Ministry of Natural Resources, Energy and Environment | WB |
| 14. Economic Governance | Ministry of Development Planning and Co-operation | DFID |
| 15. Democratic Governance | Ministry of Justice and Constitutional Affairs | UNDP |
| 16. Public Administration | Office of the President and Cabinet | UNDP |

V. INTERVIEWS

We want to reiterate our gratitude to all those who have taken their time and supported this exercise by making themselves available for an interview and filling the questionnaire. Without this important information it would not have been possible to gather the results presented.

| Institution | Interview partner |
|--|---|
| African Development Bank (AfDB) | Frank Simona Kufakwandi, Resident Representative |
| Canadian International Development Agency (CIDA) | Peter Killick, Aid Liaison Consultant |
| Department for International Development (DFID) | Jason Lane, Team Leader Human Development |
| European Union - Delegation | Horst Pilger, Acting Head of Delegation |
| Flanders International Cooperation Agency – Malawi (FICA) | Katrien de Pauw, Country Representative |
| German Development Cooperation (GDC) | Hanspeter Schwär, Head of Cooperation |
| Global Fund to Fight AIDS, Tuberculosis and Malaria (GF) | Nina Langenkamp, Technical Officer - Aid Effectiveness; Margaret Marchand, Program Officer - Malawi; Tatjana Peterson, Fund Portfolio Manager |
| Icelandic International Development Agency (ICEIDA) | Stefan Hafstein, Country Director |
| International Monetary Fund (IMF) | Maitland MacFarlan, Resident Representative |
| Ireland / Irish Aid | Dr. Vincent O'Neill, Head of Development, Malawi; Director of Regional Strategy Southern Africa |
| Japan International Cooperation Agency (JICA) | Godfrey Kapalamula, Senior Programme Officer Akihira Sano, Project Formulation Advisor (Infrastructure / Aid Coordination) |
| Royal Norwegian Embassy | Unni Poulsson, Deputy Head of Mission / Head of Cooperation |
| United Nations (UN) | Richard Dictus, Resident Representative |
| United States Agency for International Development (USAID) | Richard Kimball, General Development Officer (GDO) Patrick Wesner, Program Officer |
| World Bank (WB) | Chrissie Kamwendo, Operations Officer |
| Ministry of Education, Science and Technology (MoEST) | John Khozi, Principal Research Monitoring and Evaluation Officer |
| Ministry of Agriculture and Food Security (MoAFS) | Edwin Kanyoma, Principal Economist (Planning) |
| Ministry of Health (MoH) | Dr. Ann Poya, Director SWAp Secretariat |
| Ministry of Transport and Public Works (MoTPW) | Victor Lungu, Director of Planning |
| Ministry of Justice (MoJ) | Ziwone Ntaba, Assistant Legislative Counsel |
| Ministry of Finance (MoF) | Andrew Tench, GTZ Advisor (MoF) |
| Department of Disaster Management Affairs (DoDMA) | Dorothy Ngoma, Commissioner for Disaster Management Affairs |
| Ministry of Industry and Trade (MoIT) | Phil Stevens, Trade Economist Harry Davies, Private Sector Development Economist Max Wengawenga, Economist (Planning) |
| Ministry of Women and Child Development (MoGCD) | Henry Sapuwa, Principal Economist (Planning) |
| Ministry of Irrigation and Water Development (MoIWD) | Mr. Jere, Director of Planning |

Views expressed in the interviews on the process of DoL

The vast majority of development partners said that the **DoL process** is “an important and timely process”, “a worthwhile exercise”, an “interesting and important exercise”, “a good approach” and a “welcome exercise in general”. It has to be highlighted that these expressions were matching the general responsiveness and availability of high level personnel from development partners and most Government officials approached for the interviews in November 2008.

The interviews included a question on **expectations of the DoL process**. Among the expectations named were to know, “the time horizon envisaged” and “to know more about the DoL, the goal of DoL, the details about the process, what the end-results should be etc.” Some expected that “it will define clear roles for donors and ensure that everybody knows which donors are engaged in which sectors”, that “the identification of the lead in the sector is important” and that “the GoM should guide on the amount of sectors per DP”. It was also said that “in general the concentration of DPs to sectors and harmonisation is a good idea; however there is need for some flexibility for both GoM and DPs in this”. A more general expectation is to “find a way how to lower transaction costs and improve effectiveness” and that “the DoL exercise should generate and/or enhance a political will for consultation among DPs and between DPs and the GoM”.

Qualities that the DoL process must have were often named, amongst them “dialogue and taking it step-by-step is extremely important” and that it was important to recognise in the process what various DPs had done in the various sectors. A **challenge** was named with that “so far GoM is also benefitting from the scattered development partners” and therefore some people might not be too interested in the process.

Some clearer **suggestions for the DoL exercise** were that “joint assistance strategies assisted in DoL in other countries”, “the process or outcome of the process is clear from the ideas prescribed in the PD and AAA – the GoM sector focal points just need to be leading with their sector plans, they should know their priorities”, that “there is need for roadmaps in sectors that provide information and a basis for coordination” and that “the DoL could complement the Aid Atlas initiative” since the latter provides already some information on areas that require more attention.

In general, **leadership from the Government of Malawi** was mentioned by a vast majority of the DPs as required for this exercise. It was stated several times that the DoL process needed to be “lead by GoM single voice towards the DPs, civil society and everybody else”, that “strong and sustained GoM leadership is needed” and that the “MoF needs to put it as a priority”. It was mentioned that “the success of the exercise requires that GoM should have a clear vision and clear priorities”, that the “GoM needs to be a little directive” and that the “MoF should steer the political process at higher political level” and “provide TA on monitoring to sectors”. Even clearer is the view that “if the GoM does not take the lead it is difficult for DPs to follow through with the Paris Declaration and AAA” and that “Government leadership in the choice of lead donor is key, otherwise nothing would move without such leadership”. In sum, DPs are of the view that if the GoM does not take a clear lead on the issue, division of labour will not happen. While it might be an excuse from the development partners, this expectation matches the commitment in the AAA and the development partners have clearly expressed their willingness to participate in the exercise. It might weigh even more that the view “the process requires directive and clarity for all” is shared by some of the Government representatives interviewed. There was a clear demand on high level information and communication on the process from within Government to the sectors. This does underline that the Government of Malawi needs to increase its transparency, communication and leadership in the process.

Institutionally, there seemed to be no doubt amongst the development partners that the Debt and Aid Division in the MoF was the one dealing with the DoL process (“process very much DAD-related”) however there was also the concern that the “institutional roles of MDPC and DAD are not clear” (especially on the SWGs).

The “DAD is a very good catalyst, has provided good work in a short period of time but there is fear that it is driven and led by DPs” is another concern that has been mentioned more than just once. Some Development partners seemed to want GoM to move on this agenda without being influenced too much by other DPs. A question to be discussed as part of the DoL process came up in relation to the UN and how it should further be seen and treated (as one single DP versus different agencies as various DPs). As the UN itself put it in the interview: **“GoM will have to make choices on how to utilise UN assistance in the context of DoL”**. The Malawi Aid Atlas treats UN agencies as separate entities.

Another area covered in the interviews was the **degree of alignment to the MGDS**, which was in general perceived as having constantly increased since 2005. The MGDS had been introduced and marketed as the basis for development support in Malawi and “therefore everybody is trying to relate to it”. The alignment was said to have reached a very high level. However, it was also mentioned by many DPs that this was due to the fact that the MGDS as such was very broad with too many goals and hence offered a lot of possibility for alignment. As far as alignment to the top priorities was concerned the prospect for fitting towards them was mentioned as not to be too high as DP sector decisions were still taken at headquarter level and only in very few exceptions locally. Nonetheless do clearly communicated priorities build a basis for a different dialogue with headquarters for DPs. An issue mentioned several times was the low level of inclusion of DPs by GoM in the development of the follow up MGDS.

The question “does **mutual accountability** between the GoM and development partners exist?” incidentally produced a more controversial assessment outcome. The general view among development partners was that there was some reasonable degree of mutual accountability, and that this was improving. One reaction to support this view was that “there is a joint dialogue on joint strategies, so there is mutual accountability in that sense. The dialogue is improving and the CABS is a successful programme with indicators that contributes to mutual accountability”. There was also a general feeling among development partners that their memoranda of understanding with the GoM are instruments of mutual accountability, since they reflect agreed commitments. Other development partners admitted that mutual accountability was at the centre of their assistance strategy, and that they always made efforts to avoid unnecessary conditionalities. However, there were also development partner respondents who felt that more pressure was being exerted on GoM than on development partners, noting that development partners generally required GoM to be highly accountable but get away with their own inability to adhere to agreed mutual accountability principles. Among such development partners, some felt that there was need for development partners to feel more accountable to the GoM rather than their own tax payers. There was also the feeling that too much assistance was being directed towards enhancing GoM’s accountability at the expenses of national development. On the other hand, most GoM respondents were of the view that mutual accountability could be significantly improved if development partners were honest. Some of these felt that development partners had their own agenda that they were determined to pursue in disregard of GoM interests. There was a feeling in Government that “to improve, on mutual accountability, development partners should begin to look at GoM as a partner, not as a subordinate, if they are sincere about developing the country”. However, both development partners and the GoM were generally of the view that **increasing accountability by the Government in terms of management of public funds and meeting agreed targets was a key aspect in enhancing mutual accountability, as was enhancing the predictability of aid by development partners and the frequency of joint reviews**. There is need for soul-searching, so that this does not remain an alliance of two unequal partners. However, GoM respondents were also in agreement that there was need to address development partner concerns in the management of public funds if development partners are to be convinced to provide more aid through budget support. Mistrust in this respect resulted into more funding being provided through direct project support as opposed to budget support.

Since division of labour processes often refer to securing appropriate sector support, including appropriate funding, one of the questions asked in the interview was whether **appropriate levels of funding** had been

established in the sectors. The unanimous response was no. While a number of development partners and Government officials were underlining the importance of the question and the topic it has until now apparently never been really established. A rightly made remark was that the appropriate level of funding would then have to be met transparently with both development partner and Government funding. However, the establishment of appropriate levels of funding per sector (since not every sector needs the same amount of funding, neither the same mix of modalities) are a prerequisite in order to be able to state if a sector is over- or undersubscribed (relevant for DoL). Another important issue of aid management will have to be covered in this discussion and assessment, which is absorption capacity. It has been said that SWGs can be an important tool to help establishing appropriate levels of funding at sector level.

Views expressed in the interviews on sector engagement

During interviews with development partners, the following issues relating to their engagement in the various sectors emerged:

Development partners generally agreed that if there are some under-subscribed sectors, development partners should withdraw from over-subscribed sector. Most development partners considered it **GoM's responsibility to guide them on which sectors to withdraw from and which ones to move into, based on GoM policies and strategies and clearly communicated priorities**. However, it was strongly and repeatedly emphasised that this would have to be a highly consultative process since such decisions are dependent on other processes in the development partners home countries (e.g. sector concentration processes, political changes in Government etc).

Most development partners were saying that they would **not be able to withdraw from sectors** they are currently engaged in unless their current programmes were completed, and unless there was a high-level decision taken at their headquarters. However, surprisingly often development partners said that in general it would be possible to negotiate their sector engagement within the planning phase for a new programme. Some development partners however admitted that in Malawi, each development partner had already decided which sectors to support based on history, expertise, the need for visibility, selectivity and complementarity (i.e., collaboration with other development partners).

In pursuing DoL, there is need to take note of the fact that **some development partners possess non-transferable and/or mandatory expertise** which defines their sector affiliation (e.g., the Global Fund which acts upon funding requests from national institutions and some UN organisations).

Some development partners felt that the DoL agenda was generally correct, but if fully implemented it might be difficult to manage the GoM-development partner power equation. This is because GoM would have to negotiate with very few sources of funding in each sector instead of facing several alternatives. More development partners in each sector could serve the GoM better.

According to the interviews the **EU Code of Conduct is not being applied in Malawi**. The relatively low number of EU member states (which did meet on the issue) it was mentioned will rather follow a GoM guided DoL process. Consulted on the slow progress of implementation of the EU Code of Conduct a reply was that besides the relatively low overlap amongst members in Malawi one reason is that performance of the EU is being measured against the PD and AAA but not against the Code of Conduct.

One development partner named the development of a **Joint Assistance Strategy** at a joint GoM-development partner conference as the appropriate framework for DoL and joint assistance since development partner would then have to align their support to such agreed strategy.

Views expressed in the interviews on aid modalities

From the interviews conducted with both development partners and GoM sector focal points, the following salient issues tended to emerge on the subject of aid modalities and aid predictability:

Concerning sectors of engagement, most **development partners would not consider changing their aid modalities**, unless their current programmes were completed, and unless there was a high-level decision taken at their headquarters. Changes in governments in development partner countries were also mentioned to be influencing the ultimate use of modalities, since views on modes of international cooperation and development assistance differ across political parties. In some development partner countries, there has been a rise in parliamentary questions on how aid was being spent, and critical questions were being asked regarding general budget support. Partner country politics and issues of accountability tend to be at the centre of such questions. It is difficult to provide further justification for budget support (which is GoM's preferred modality) when the management of public funds is weak. However, there are quite a few development partners already considering reducing direct project support in favour of pooled funds and/or budget support, in line with GoM preferences. Further, the development partners already providing budget support (especially sector budget support) are generally willing to continue with this (given a stable political (democratic) and macroeconomic environment).

Most development partners, even those that were providing budget support (including general budget support) stated a preference for a **balanced use of the various aid modalities**, considering that each had its own merits and demerits.

Some development partners implement projects on behalf of other development partners and charge a commission for rendering this service. It would not make sense for them to apply the charge for simply being a conduit of funds (i.e., without being directly involved in the implementation of the concerned projects).

Budget support in general and general budget support in particular, cannot be attractive modalities of aid delivery unless Government systems of transparency and accountability are credible. **Strengthening public financial management systems was the first step towards enhancing budget support.**

Most development partners felt that they **fulfil their annual aid commitments, both in terms of timeliness and levels of funding**. However, predictability beyond one year was said to be difficult in some cases, because funding is subject to developments that can be beyond the control of both GoM and the development partners (such as shortfalls in development partner resources and/or performance on agreed commitments and targets, among other factors). However, the memoranda of understanding between GoM and each development partner (or such other documents) which stipulate programme cycles provide a strong (and sometimes perfect) indication of how much would be provided each year over the programme cycle, other factors held constant.

In the sector Health the **Global Fund has been named as a challenge in terms of in-year aid predictability**. Global Fund financing is tied to performance, which means that the disbursement volume is conditional on programmatic achievement. This makes it difficult for Malawi to accurately forecast Global Fund disbursements for the coming fiscal year. For instance, in 2007/8, less funding was received than expected while in the fiscal year 2008/9, more funding was received than expected. However, Global Fund financing offers multi-year predictability in that grant agreements are currently signed for a period of two plus three years (Phase 1 and Phase 2 of the approved grants). ”

Overall, most development partners predicted that their **assistance was more likely to increase** rather than decrease in the foreseeable future.

Views expressed in the interviews on Sector Working Groups

Most of the interviewees said that **the SWGs are a very good idea** and that the initial concept as developed is valid and right. Furthermore it was mentioned that the SWGs will facilitate DoL among the sectors but that that

they are not yet in place. Asked about how many SWGs were functioning most interviewees said only around 1-3 SWGs and only very few were able to say which ones. In the filled questionnaires most respondents however have crossed SWGs for many more sectors. Besides some difficulties to distinguish between *SWG* and *Others* to tick this indicates as well that it might not be very clear what a SWG is, what can be regarded as one and where a SWG is established and functioning.

Government Sector Focal Points have raised the issue of **lacking communication on the SWGs** and were requesting more **guidance and clear directions from within a high authority in Government**, e.g. from the OPC. Development partners on their part reiterated that **GoM will need to be very committed and following the process up closely** if wanting to establish all 16 SWGs and making them operational. An issue for GoM to be looking at was being raised repeatedly with the high number of meetings if all SWGs would be established with 5 Technical Working Groups (TWGs) (which would in total come up to a number of 80 meetings/mechanisms).

Clarity seems to be lacking on whom actually is **institutionally in charge of the SWGs** and the installation process of SWGs was perceived by almost all development partners as having stalled at the moment. Some respondents (from both development partners and government) where seeing the MoF/ DAD in the driver seat, other where saying it came from MDPC or both. This topic was covered at length in Chapter 2.⁴⁶

Additionally to the usefulness of the SWGs or the DoL process in Malawi it was mentioned that the SWGs will hopefully facilitate the development of **outstanding sector policies and/or sector implementation programmes** which are paramount to reach transparent and accountable support aligned to Government priorities. These policies and programmes furthermore facilitate the important determination of appropriate levels of funding for a sector which than should ideally be met with both Government and development partner resources while finding ways how to –in the long run- diminish aid dependency for each sector.

It was mentioned from both Government and development partners that the **sector partition** undertaken with the SWG establishment and integrated in the guidelines (see Annex III), leaves room for improvement. Some development partners where additionally confused about their affiliation as they appeared in other sectors in the initial list within the guidelines. The biggest concern about the sector partition per se is on cross-cutting issues, especially on Gender, HIV and AIDS, ICT and Climate (Environment). HIV and AIDS falls under Health but for development partners it is a cross-cutting issue. The same applies to Gender. Need for further discussion on these points has been expressed by several development partners and the respective Government official interviewed.

Views expressed in the interviews on leading arrangements

Different roles such as the suggested *lead, actively engaged and delegating* development partner require determining a suitable leading arrangement. One of the questions in the interviews therefore covered **most effective leading arrangements**. Many of the interviewees had not yet thought about adequate leading arrangements and did it on the spot. It was often said that while leading arrangements should provide a certain degree of continuity, they also require flexibility and that a lot depends on “individuals, their characters and capacities”. It was therefore argued, that the lead should therefore not be committed long term. Various possible arrangements have been mentioned in the interviews: many have favoured a troika on a rotational basis with one leading DP, a co-lead and a secretariat. An advantage of this was said to be in the coverage and continuity since one is leading, the other outgoing (and sharing knowledge), the other incoming DP with the possibility to learn from the two others. 6-12 months have been said as possible duration, however some did

⁴⁶ It was mentioned that in general the profile of MDPC is not clear, especially since most development partners had expected changes after the Ministry had been renamed from MEPD (Ministry of Economic Planning and Development) to MDPC (Ministry of Development Planning and Cooperation). Institutional mandates need to be clarified to development partners and the sectors.

also mention to fix a lead for 3 years. In cases a secretariat was mentioned the unanimous opinion was that this will have to be financed by the development partners.

On the **determination of leads in the sectors**, development partners in general said that the Government should decide or communicate priorities on leads they might have whereas the Government sector interviewees said the development partners should decide about the lead amongst themselves. Some sectors did however in the interviews name preferences (see table 4). Even though not being asked for mainly three things were named as important for determining the lead: funding level, experience and expertise. While some stated the level of funding as determining it was also stressed that it is not the only important factor but might in the end be used by big donors to ensure influence through taking the lead.

A limitation of development partners per sector was not favoured, especially not by Government officials interviewed. However, also some DPs said as well, that while a limitation in terms of a maximum number of DPs would certainly not be in the GoMs interest there are hardly many sectors that are really oversubscribed. If a limitation would be either necessary or preferred then the criteria should base on a) funding and b) technical expertise the DP brings to a sector. It was mentioned however that a “minimum threshold for participation or lead has so far worked well within the pooled funds”. The basic idea is that every DP within a sector would have to add a minimum established to a sector. This would however need to be both established and introduced by the GoM (and requires some analysis and negotiation first) and/or established within a sector (especially those with a high number of development partners).

The GoM representatives were of the view that **in general no DP should withdraw from a sector** since they are afraid to lose out on funding and support – as long as they are bringing resources and expertise. “Non-impact DPs” should withdraw from a sector as they increase transaction costs for GoM. For the others it was said that in the unfortunate event a withdrawal is to happen the DP has to ensure transparency up to the withdrawal, timely communication and has to try to negotiate for compensation from other sources, e.g. other DPs. Malawi has in the past had some painful experiences with withdrawals⁴⁷ that stem from the fact that a unilateral decision, often a political decision back at headquarters, is being implemented without applying the principles of partnership, transparency and mutual accountability and easing the impact for either the sectors or the local partners. Malawi is undergoing such an experience at the moment with CIDA partly withdrawing which was particularly mentioned by the Ministry of Gender, Children and Community Development. A request was made for a more responsible management of exits.

⁴⁷ Since 2002 Malawi lost the support of 3 Nordic states (the Netherlands, Denmark and Sweden which implemented in delegated cooperation with Norway) (von Hagen/Schulz 2009). Transparent and timely exit management has in the past been generally neglected by both Development Partners and the Government of Malawi. A number of important lessons learned can be drawn from these processes, especially in the area of communication at the different stages of the exits. These processes are relevant to DoL in general - and to the sustainability of development assistance rendered in particular (see von Hagen/Schulz 2009).

VI. GLOSSARY

This Glossary was sent together with the questionnaire.

Notes:

1. *Terms are presented in alphabetical order.*
2. *Terms in italics within the definition are defined separately in this Glossary.*

Accra Agenda for Action (AAA): A statement to accelerate and deepen implementation of the *Paris Declaration on Aid Effectiveness*. It was endorsed in Accra, Ghana, on 4 September 2008 by ministers of developing and donor countries responsible for promoting development, and heads of multilateral and bilateral development institutions. The AAA contains agreed steps of developed and developing countries on how to further reform the way aid is given and spent.

Actively Engaged Development Partner: A development partner that continues active involvement (such as reporting or financing) in a sector. Such partners share all relevant information among each other and with both the *Leading Development Partner* and the *Delegating Development Partner* in the sector. They also ensure that the views of Delegating Development Partners are heard and reflected in the positions presented to the Government (adapted from Christiansen *et al*, 2007).

Aid Management Platform (AMP): An aid information management system procured and implemented by the Ministry of Finance in July 2008. It is a web-based aid database for tracking, reporting, monitoring and planning development assistance. The information is used for reporting, research and analysis.

Aid Modalities: The way the donor support is channelled to the activities to be funded. A basic distinction can be made between: (1) *budget support*, (2) parallel support, and (3) in-kind support. (GoM, 2007). Other definitions include a range of different budget support modalities (whether debt relief, GBS, or different degrees and mechanisms of earmarking to a sector) as well as a range of basket funds, projects, and technical assistance that can generally be subdivided in terms of how they relate to government systems (adapted from Christiansen *et al*, 2007).

Alignment: The arrangement of Development Partners' activities and systems to a recipient government's priorities and systems. Increasing the government's "ownership" of systems and policies to make implementation more effective (Christiansen *et al*, 2007).

Basket (or Pooled) Funding: Aid finance flowing from a joint development partners' account, kept separate from other funding for the same (sub-)sectors (Christiansen *et al*, 2007).

Budget Support: Financial assistance in form of loans and grants that a donor provides directly to the Government budget to meet its financing gap. It is the Government's preferred mode of aid delivery because, unlike the other forms of support, it offers flexibility to prioritise recurrent or development activities depending on exigencies within the economy (GoM, 2009).

Common Approach to Budget Support (CABS): a coordination framework which pools together aid from most of the country's key donors, called the CABS Group, to provide a common framework for delivering budget support to the Government of Malawi. This partnership between the Government and the CABS Group is presently guided by a Joint Framework (JF) signed in 2005.

Co-ordinated Missions: these are: (i) missions undertaken by one or more donors jointly, or (ii) missions undertaken by one donor on behalf of another donor (delegated co-operation). (OECD Glossary)

Debt and Aid Division (DAD): A division in the Ministry of Finance, Government of Malawi, responsible for all matters related to aid and debt management and coordination.

Delegated Partnership: An arrangement where one development partner devolves responsibility to another development partner. This can be across a range of aspects of sectoral activity, but particularly in terms of financing and/or dialogues functions (Christiansen *et al*, 2007). A delegating DP therefore devolves responsibility, usually for implementation, to another DP, provides finances or else according to an agreed framework between the DPs.

Development Assistance Committee (DAC): The principal body through which the Organisation for Economic Cooperation and Development (OECD) deals with issues related to co-operation with developing countries (DAC, www.oecd.org/dac). It is also a discussion forum and self-regulatory mechanism through for official development organisations of OECD countries (adapted from Christiansen *et al*, 2007).

Development Partner (DP): Bilateral and multilateral organisation or agency providing development support to Malawi (adapted from Christiansen *et al*, 2007).

Division of Labour Exercise in Malawi: An exercise, agreed by the Government of Malawi and *Development Partners*, aimed at improving DP selectivity, promoting key partnership principles, and achieving greater efficiency and effectiveness in the delivery of aid to Malawi (adapted from Christiansen *et al*, 2007).

Donor: An official agency (including state and local governments) that provides Official Development Assistance (OECD-DAC Statistical Directives para. 35). Under this definition, non-governmental Organisations (NGO) and private companies do NOT qualify as donors.

Fragmentation: The relative size of the average unit of aid and development partner disbursements to a given sector (or the tendency of disbursing across too many sectors). The smaller the size of disbursements, the more fragmented a sector can be considered. *This term requires clarification* (adapted from Christiansen *et al*, 2007).

General Budget Support: Financial support from a donor that is channelled into the general treasury account of a recipient country where, as an integral part of the resources therein, it co-funds the national budget. The support is thus not earmarked, and it is used according to the national public expenditure management rules and procedures (GoM, 2007).

In-kind support: Donor support which enters the recipient country in the form of goods or services (GoM, 2009).

Leading Development Partner: The Leading DP is, for each sector, the focal point for the partner government. Depending on the agreements that may be reached with the Government and among DPs, the role of the Lead DP may include acting as main liaison with Government on policy dialogue and advocacy, facilitating aid management, ensuring that joint reviews, monitoring and reporting take place, providing services to other DPs (e.g., information, communication, and technical advice), and/or monitoring DP's performance in the sector (adapted from Christiansen *et al*, 2007).

Malawi Growth and Development Strategy (MGDS): The Government of Malawi's strategy for achieving poverty reduction through economic growth and development during the period 2006/07 to 2010/11. It is the short-term operational strategy for achieving the objectives of country's vision 2020, by focusing public resource allocation towards five key themes and six priority areas.

Medium-Term Expenditure Framework (MTEF): Forward medium term (usually three to five years) estimates of the costs (integrating recurrent and capital spending) of existing policies and proposed policy changes subjected to explicit aggregate fiscal ceilings. (GoM, 2007)

Official Development Assistance (ODA): Flows of official financing administered with the promotion of the economic development and welfare of developing countries as the main objective, and which are concessional in character with a grant element of at least 25 percent (using a fixed 10 percent rate of discount). By convention, ODA flows comprise contributions of donor government agencies, at all levels, to developing countries ("bilateral ODA") and to multilateral institutions. ODA receipts comprise disbursements by bilateral donors and multilateral institutions. (OECD, Glossary of Statistical Terms)

Off-Budget Aid: Aid that is not reported in the MTEF and budget estimate books of the Government of Malawi. This is either because it is not reported to the Government, or because it is not related to institutions included in the MTEF and the official budget estimates. This might include some aid to local governments, as well as support to parastatals and NGOs (adapted from Christiansen *et al*, 2007).

On-Budget Aid: Aid which is included in the MTEF and presented in the Government of Malawi budget estimate books. This includes aid that flows through government systems (such as general and sector budget support), as well as other programme aid and projects that are reported to the GoM and the Ministry of Finance considers should be included in the MTEF and the official budget presented to Parliament. This second category of foreign aid includes *technical assistance* and

basket funding that support GoM activities and institutions whose budgets are included in the MTEF (adapted from Christiansen *et al*, 2007).

Paris Declaration on Aid Effectiveness: An international agreement to continue to increase efforts in harmonisation, alignment and managing aid for results with a set of monitorable actions and indicators to which over one hundred Ministers, Heads of Agencies and other Senior Officials adhered and committed their countries and organisations to. It was signed on 2 March 2005 by ministers of developing and donor countries responsible for promoting development, and heads of multilateral and bilateral development institutions. The PD establishes the 5 principles of partnership: ownership, alignment, harmonisation, results and mutual accountability. The Progress on the Paris Declaration is being reviewed periodically (adapted from www.oecd.org).

Programme-Based Approach (PBA): An approach based on the principle of co-ordinated support for locally owned programme of development, such as a national poverty reduction strategy, a sector programme, a thematic programme or a programme of a specific organisation (GoM, 2007).

Project/ Programme Support: Donor funding in the form of grants or external loans for specific activities like capital projects for infrastructure developments (GoM, 2009).

Sector Budget Support: Financial support from a donor that is channelled into the general treasury account of a recipient country where, as an integral part of the resources therein, it co-funds the national budget of a particular sector. The support is thus nominally earmarked, and it is used according to the national public expenditure management rules and procedures (GoM, 2007)

Sector Wide Approach (SWAp): A programme-based approach operating at the level of an entire sector (GoM, 2007)

Sector Working Groups (SWG): The institutionalised organisational structures of the sixteen compatible clusters (proposed as sectors with sub-sectors) in the Development Assistance Strategy (DAS) of the Government of Malawi (GoM). The clusters are further defined in the Malawi Aid Atlas and the guidelines for institutionalising the Sector Working Groups (SWGs). Their formation is intended to facilitate the donor division of labour agenda, hence to deepen the efficiency and effectiveness of aid delivery.

Technical Cooperation (TC): Includes (a) grants to national of aid recipient countries receiving education or training at home or abroad, and (b) payments to consultants, advisers and similar personnel as well as teachers and administrators serving in recipient countries (including the cost of associated equipment). Assistance of this kind provided especially to facilitate the implementation of a capital project is included indistinguishably among bilateral project and programme expenditures, and not separately identified as technical cooperation in statistics of aggregate flows (GoM, 2007)

Withdrawing Development Partner: A development partner who withdraws or plans to withdraw from a sector or country.

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<http://stats.oecd.org/glossary/>

<http://www.oecd.org>

VII. INTERVIEW GUIDE

Government of Malawi
Division of Labour Exercise

Interview Guide – Development Partners

Introduction:

1. Provide a brief overview of the **DoL exercise**: client, objectives, current scope, next steps
2. Provide a brief overview of the **questionnaire**: purpose, scope, structure, how to complete (already sent via email)
3. Indicate **when** responses are expected and **how** to send them, including where to direct questions, etc.

General issues:

1. What is your general view on the **division of labour exercise**? What would you wish for and what would you not wish to happen? (role of GoM, results, reflections, dialogue with GoM, dialogue amongst DPs etc)
2. Could you please shortly mention the ongoing **discussions** (between who and on what topics specifically) on Division of Labour? (EU members especially: how far has the Code of Conduct been implemented; is MW a fast track initiative country or not?)
3. Are there any specific **limitations or problems** that would prevent you from supporting the DoL agenda? What are these and how can they be addressed?
4. What is your general view on the status of **alignment** of donor support to the MGDS priorities in the relevant sectors (or in general)? What are the main reasons for either weak alignment, improving alignment, stagnating alignment?
5. In your view, does **mutual accountability** between the GoM and development partners in aid delivery exist (if possible, give examples)? How and in which areas can in your opinion mutual accountability be increased? Please state clear steps that could be undertaken.

Sector Working Groups

6. What is the **status of the SWGs** for the sector(s) you are currently involved in? In general, what are the problems being encountered by SWGs, and how can they be addressed? In your view, is there enough institutional support to the process (from either MoF or others)? (To what extent are the SWG institutionalisation guidelines being followed in those sectors?)
7. Within a sector, what **leading arrangement amongst DPs** would you see as most effective (e.g. no. Of leading donors, rotational system etc.?)

Sector funding

8. Has there been talk in the sector(s) about determining the -or an- **“appropriate level of funding”** for the sector(s) you are supporting (if necessary explain what appropriate level of funding means)? Please explain a) what this discussion has brought about, b) what the decision was on how to determine “appropriate level of funding”, c) how you would see “appropriate level of funding” should of can be determined. How far is a discussion on appropriate level of funding related to the “absorption capacity” of a sector?
9. Should there be in your view a limitation of **number of development partners** in one sector? If so, how would you propose to select the ones to stay and the other ones to leave? Or would you propose a different solution altogether?
10. In theory, in case you would, e.g. **withdraw from a sector** in order to lower the number of DPs per sector, would there be any problem for you in **redirecting the resources** thus withdrawn to another sector? Do you have flexibility in sector allocation of your funds? What would be your considerations in this respect? (*Ask only if donor is active in many sectors and if there is possibility of consideration to withdraw from some*)

Aid modalities

11. How far will you in the future be able to change your **aid modalities** (e.g. taking into account that the MoF is clearly putting preference on GBS? What are your challenges in this respect?

Aid predictability

12. How long into the future are you able to **predict** your aid? Are you in the process of increasing the number of years over which you are able to predict your aid? What problems, if any, do you have on long-term predictability and how can they be addressed?

Integrating other DPs

13. Do you see any merits in **integrating** such development partners as China in the DoL agenda? If so, how could this be done? If not, why not? What roles would you wish such development partners to play? What are the challenges?
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**Government of Malawi
Division of Labour Exercise**

Interview Guide – Government of Malawi

Introduction:

1. Provide a brief overview of the **DoL exercise**: client, objectives, current scope, next steps
2. Provide a brief overview of section of the **questionnaire** they have to fill: purpose, scope, structure, how to complete (already send via email)
3. Indicate **when** responses are expected and **how** to send them, including where to direct questions, etc.

General issues:

1. What is your general view on the **division of labour exercise**? How informed are you on the process? What would you wish for and what would you not wish to happen? (role of GoM, results, reflections, dialogue with GoM, dialogue amongst DPs etc)
2. In your view, does **mutual accountability** between the GoM and development partners in aid delivery exist (if possible, give examples)? How and in which areas can, in your opinion, mutual accountability be increased? Please state clear steps that could be undertaken.
3. What is your general view on the status of **alignment of donor support to the MGDS priorities** in the relevant sectors (or in general)? What are the main reasons for either a) weak alignment, improving, or stagnating alignment? Can SWGs in your opinion help to improve alignment to GoM priorities?

Sector Working Groups

4. What is the **status of the SWGs** for the sector(s) you are currently involved in? In general, what are problems being encountered by SWGs, and how can they be addressed? In your view, is there enough institutional support to the process (from either MoF or others)?
[*optional or supplemental: To what extent are the **SWG institutionalisation guidelines** being followed in those sectors?*]
5. Within a sector, what **leading arrangement** amongst DPs would you see as most effective (e.g. no. of leading donors, rotational system, etc.)?

Sector Funding:

6. Do you determine “**appropriate levels of funding**” for your sector? If so, how and when? Who is this being communicated to?
7. Should there be in your view a **limitation** on the number of development partners in one sector? If so, how would you propose to select the ones to stay and the other ones to leave? Or would you propose a different solution altogether?

Views on comparative advantages of DPs

8. Who would be your preference as a **leading development partner** in the sector? Why?
9. Who would be your preference as **actively engaged development partners** in the sector? Why?
10. Which development partners would you wish to see **withdrawing** from the sector? Why?

VIII. QUESTIONNAIRE



Government of Malawi

Division of Labour Exercise

AID INFORMATION

Development Partner Questionnaire

Name of Development Partner completing the questionnaire:

November 2009

Contacts:

Director, Debt and Aid Division
Ministry of Finance,
Tel: +265 1 789355

Consultants:

Markéta von Hagen
(marketa.vonhagen@gmail.com)

Ronald Mangani
(rmangani@yahoo.com)

Questionnaire due: December 4th 2009 – Please send the filled questionnaire to marketa.vonhagen@gmail.com and rmangani@yahoo.com

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MALAWI Division of Labour – Aid Information, Development partner questionnaire

Introduction

The Accra Agenda for Action (AAA), signed in 2008 which is complementing and concretising the Paris Declaration (PD) of 2005, defines processes and commitments made by both development partners and developing countries. As part of “Building more Effective and Inclusive Partnerships for Development” the Division of Labour (DoL) sets out the responsibility of developing countries to “lead in determining the optimal roles of donors in supporting their development efforts at national, regional and sectoral levels” (AAA 2008, p.3).

This Division of Labour (DoL) exercise has been commissioned by the Debt and Aid Division of the Ministry of Finance, Government of Malawi. In line with the AAA and the PD, the ultimate objective of the exercise is to facilitate the joint implementation of the DoL agenda among development partners (DPs) in Malawi. The goal is to improve the efficiency of aid delivery and to enhance the effectiveness of the assistance by improving the complementarity of development partners’ efforts. The achievement of Malawi’s development goals by reducing the fragmentation in the delivery of development assistance and aligning it to Malawi’s development priorities as outlined in the MGDS is at the centre of this exercise.

This development partner questionnaire as well as the assessment within the DoL exercise in general, follows the 5 thematic areas of the Malawi Growth and Development Strategy (MGDS) and the 16 Sector Working Groups (SWGs).⁴⁸

This questionnaire is based on the framework developed by ODI and used in a similar exercise in Uganda. The framework has been extensively adapted by the consultants into the situation of Malawi. The consultants however remain greatly indebted to the ODI for publicly sharing their work. The consultants take full responsibility for this particular questionnaire.

The questionnaire is due on December 4th 2009 and responsiveness will be captured and published in the final report.

The questionnaire comprises **three sections**, as follows:

Section A: Past and present activities and modalities

The purpose of this section is to clarify the engagement of development partners in relation to MGDS priorities in terms of (financial) support (Table 1, a and b) and dialogue processes (Table 2). The b section of table1 refers specifically to modalities of DP support. The results will be complemented by information from the Aid Management Platform to which DPs provided their aid information. This section, in combination with the financial data from the AMP and Section B are designed to complete and expand the information on aid predictability for the GoM. Included is a question of the predictability of financial support by DPs (accuracy of data and problems with this). This information will furthermore be used to map ongoing policy alignment processes onto the MGDS.

Section B: Future Plans

The purpose of this section is to record development partners’ insights regarding their future engagement in Malawi, especially in terms of the engagement in the different sectors. It is important for the GoM to get an indication on where (in which sectors) DPs plan to increase or reduce their engagement, as well as those from which they seek to eventually withdraw completely. The analysis of

⁴⁸ These are: (1) Agriculture; (2) Integrated Rural Development; (3) Environment, Lands and Natural Resources; (4) Tourism, Wildlife and Culture; (5) Water, Sanitation and Irrigation; (6) Trade, Industry and Private Sector Development; (7) Vulnerability, Disaster and Risk Management; (8) Health; (9) Education; (10) Gender, Youth Development and Sports; (11) Roads, Public Works and Transport; (12) Information, Communication and Technology (ICT) and Research and Development (R&D); (13) Energy and Mining; (14) Economic Governance; (15) Democratic Governance; (16) Public Administration.

MALAWI Division of Labour – Aid Information, Development partner questionnaire

this information will be premised on the assumption that DP specialisation and sector selectivity could enhance efficiency and effectiveness in the delivery of assistance. The information supplied will not be interpreted as reflecting formal commitments and may be subsequently revisited by the DPs. However, realistic responses are encouraged.

Section C: Division of Labour and Degree of Engagement

Within the DoL agenda an important part constitutes determining degrees of engagement of DPs in the sectors and it recognises four possible levels of engagement of DPs in each sector, namely *lead DP*, *actively engaged DP*, *delegating DP*, and *withdrawing DP* (definitions are provided in the glossary).

Possible future engagement has been explored in Section B. The institutionalization of the SWGs requires identifying leading DPs in the sectors. Table 1 in this section is therefore a first step to identify the importance of certain characteristics that could qualify a DP (or several) to take a lead in a sector. You additionally have the possibility to add characteristics, should you have the feeling that something important has been left out. Table 1, section C of the questionnaire will as well be given to GoM Sector Focal Points to capture their views. Both DPs and the sector representatives will give their opinion by weighing the importance of a characteristic for the special role (lead or actively engaged) on a scale of 1-5.

Table 2 in this section asks for a preliminary statement of self-assessment on the characteristics you as a DP in your involving role bring to the sector. Please note that this statement of self-assessment does not mean any automatic selection process for sectors or the establishment of preferences, neither by GoM nor by the DPs.

At the end of this final section, you will furthermore have the opportunity to give additional comments relevant to the entire questionnaire.

Technical note:

Most parts of this questionnaire work with drop down menus, check boxes or text fields. To access to the drop down menus please click the grey field so that the list expands and select your response. For the check boxes, check depending on your response. For text fields, please type in accordingly. You will need to fill the questionnaire on the computer to be able to access the drop-down menus (the options are not visible on a print out, nor are the text fields to fill).

Frequently Used Abbreviations:

| | | | |
|-----|---------------------------------|------|---|
| AMP | Aid Management Platform | ICT | Information, Communication and Technology |
| DAS | Development Assistance Strategy | MGDS | Malawi Growth and Development Strategy |
| DP | Development partner | MTEF | Medium Term Expenditure Framework |
| GoM | Government of Malawi | TC | Technical Cooperation |
| GBS | General Budget Support | TA | Technical Assistance (Advisors etc.) |

Questions, Comments and Enquiries

Should you have questions, comments or enquiries on the questionnaire please feel free to contact the consultants for this exercise. Questions on the DoL exercise may be directed to the MoF, Debt and Aid Division (attention: The Director). You find the contact details on the cover page and at the end of this questionnaire.

MALAWI Division of Labour – Aid Information, Development partner questionnaire

About the respondent

Please indicate (and add the name of your institution to the filename when saving before sending):

Name of Development Partner completing questionnaire:

Name and title of staff member filling out questionnaire:

Phone:

Email:

Date of response:

SECTION A: PRESENT AND PAST ACTIVITIES AND MODALITIES

Section A, Table 1 (a) and Table 1 (b) Please **mark the thematic areas of the MGDS and the sectors** which your agency is currently engaged in.

Select from the drop down menu the number of years you have been funding the sector (this should cover all of your financing, both on and off-budget) and provide the information asked for. For projects that overlap many sectors, please map according to the sector to which the project “mostly” belongs, or if applicable specify under “cross-cutting theme support”, but do not include a project in more than one sector. Your responses will be compared with the specifics of your financial data you have recently submitted to the MoF for the AMP.

| <i>Section A, Table 1 (a)</i> MGDS themes and sectors | Approx Years Engaged in Sector/ Area: 1-3yrs, 3-5 yrs, 5-10 yrs, 10+yrs | Please provide specific information on the nature of your support |
|--|--|--|
| Theme 1: Sustainable Economic Growth | | |
| 1. Agriculture | please select | TA placement <input type="checkbox"/> Capacity development <input type="checkbox"/> Infrastructure and equipment <input type="checkbox"/> Research / university cooperation <input type="checkbox"/> Civil society support <input type="checkbox"/> Small Grants (e.g. to CS, partners) <input type="checkbox"/> Sector programme/strategy support (or equivalent) <input type="checkbox"/> Others: |
| 2. Integrated Rural Development | please select | TA placement <input type="checkbox"/> Capacity development <input type="checkbox"/> Infrastructure and equipment <input type="checkbox"/> Research / university cooperation <input type="checkbox"/> Civil society support <input type="checkbox"/> Small Grants (e.g. to CS, partners) <input type="checkbox"/> Sector programme/strategy support (or equivalent) <input type="checkbox"/> Others: |

Questionnaire due: December 4th 2009 – Please send the filled questionnaire to marketa.vonhagen@gmail.com and rmangani@yahoo.com

MALAWI Division of Labour – Aid Information, Development partner questionnaire

| Section A, Table 1 (a) MGDS themes and sectors | Approx Years Engaged in Sector/ Area: 1-3yrs, 3-5 yrs, 5-10 yrs, 10+yrs | Please provide specific information on the nature of your support |
|--|--|--|
| 3. Environment, Lands and Natural Resources | please select | TA placement <input type="checkbox"/> Capacity development <input type="checkbox"/> Infrastructure and equipment <input type="checkbox"/> Research / university cooperation <input type="checkbox"/> Civil society support <input type="checkbox"/> Small Grants (e.g. to CS, partners) <input type="checkbox"/> Sector programme/strategy support (or equivalent) <input type="checkbox"/> Others: |
| 4. Tourism, Wildlife and Culture | please select | TA placement <input type="checkbox"/> Capacity development <input type="checkbox"/> Infrastructure and equipment <input type="checkbox"/> Research / university cooperation <input type="checkbox"/> Civil society support <input type="checkbox"/> Small Grants (e.g. to CS, partners) <input type="checkbox"/> Sector programme/strategy support (or equivalent) <input type="checkbox"/> Others: |
| 5. Water, Sanitation and Irrigation | please select | TA placement <input type="checkbox"/> Capacity development <input type="checkbox"/> Infrastructure and equipment <input type="checkbox"/> Research / university cooperation <input type="checkbox"/> Civil society support <input type="checkbox"/> Small Grants (e.g. to CS, partners) <input type="checkbox"/> Sector programme/strategy support (or equivalent) <input type="checkbox"/> Others: |
| 6. Trade, Industry and Private Sector Development | please select | TA placement <input type="checkbox"/> Capacity development <input type="checkbox"/> Infrastructure and equipment <input type="checkbox"/> Research / university cooperation <input type="checkbox"/> Civil society support <input type="checkbox"/> Small Grants (e.g. to CS, partners) <input type="checkbox"/> Sector programme/strategy support (or equivalent) <input type="checkbox"/> Others: |
| Theme 2. Social Protection and Disaster Risk Management | | |

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MALAWI Division of Labour – Aid Information, Development partner questionnaire

| Section A, Table 1 (a) MGDS themes and sectors | Approx Years Engaged in Sector/ Area: 1-3yrs, 3-5 yrs, 5-10 yrs, 10+yrs | Please provide specific information on the nature of your support |
|---|--|--|
| 7. Vulnerability, Disaster and Risk Management | please select | TA placement <input type="checkbox"/> Capacity development <input type="checkbox"/> Infrastructure and equipment <input type="checkbox"/> Research / university cooperation <input type="checkbox"/> Civil society support <input type="checkbox"/> Small Grants (e.g. to CS, partners) <input type="checkbox"/> Sector programme/strategy support (or equivalent) <input type="checkbox"/> Others: |
| Theme 3. Social Development | | |
| 8. Health | please select | TA placement <input type="checkbox"/> Capacity development <input type="checkbox"/> Infrastructure and equipment <input type="checkbox"/> Research / university cooperation <input type="checkbox"/> Civil society support <input type="checkbox"/> Small Grants (e.g. to CS, partners) <input type="checkbox"/> Sector programme/strategy support (or equivalent) <input type="checkbox"/> Others: |
| 9. Education | please select | TA placement <input type="checkbox"/> Capacity development <input type="checkbox"/> Infrastructure and equipment <input type="checkbox"/> Research / university cooperation <input type="checkbox"/> Civil society support <input type="checkbox"/> Small Grants (e.g. to CS, partners) <input type="checkbox"/> Sector programme/strategy support (or equivalent) <input type="checkbox"/> Others: |
| 10. Gender, Youth Development and Sports | please select | TA placement <input type="checkbox"/> Capacity development <input type="checkbox"/> Infrastructure and equipment <input type="checkbox"/> Research / university cooperation <input type="checkbox"/> Civil society support <input type="checkbox"/> Small Grants (e.g. to CS, partners) <input type="checkbox"/> Sector programme/strategy support (or equivalent) <input type="checkbox"/> Others: |

MALAWI Division of Labour – Aid Information, Development partner questionnaire

| Section A, Table 1 (a) MGDS themes and sectors | Approx Years Engaged in Sector/ Area: 1-3yrs, 3-5 yrs, 5-10 yrs, 10+yrs | Please provide specific information on the nature of your support |
|---|--|--|
| Theme 4. Infrastructure | | |
| 11. Roads, Public Works and Transport | please select | TA placement <input type="checkbox"/> Capacity development <input type="checkbox"/> Infrastructure and equipment <input type="checkbox"/> Research / university cooperation <input type="checkbox"/> Civil society support <input type="checkbox"/> Small Grants (e.g. to CS, partners) <input type="checkbox"/> Sector programme/strategy support (or equivalent) <input type="checkbox"/> Others: |
| 12. ICT and Research & Development (R&D) | please select | TA placement <input type="checkbox"/> Capacity development <input type="checkbox"/> Infrastructure and equipment <input type="checkbox"/> Research / university cooperation <input type="checkbox"/> Civil society support <input type="checkbox"/> Small Grants (e.g. to CS, partners) <input type="checkbox"/> Sector programme/strategy support (or equivalent) <input type="checkbox"/> Others: |
| 13. Energy and Mining | please select | TA placement <input type="checkbox"/> Capacity development <input type="checkbox"/> Infrastructure and equipment <input type="checkbox"/> Research / university cooperation <input type="checkbox"/> Civil society support <input type="checkbox"/> Small Grants (e.g. to CS, partners) <input type="checkbox"/> Sector programme/strategy support (or equivalent) <input type="checkbox"/> Others: |
| Theme 5. Improved Governance | | |

MALAWI Division of Labour – Aid Information, Development partner questionnaire

| Section A, Table 1 (a) MGDS themes and sectors | Approx Years Engaged in Sector/ Area: 1-3yrs, 3-5 yrs, 5-10 yrs, 10+yrs | Please provide specific information on the nature of your support |
|---|--|--|
| 14. Economic Governance | please select | TA placement <input type="checkbox"/> Capacity development <input type="checkbox"/> Infrastructure and equipment <input type="checkbox"/> Research / university cooperation <input type="checkbox"/> Civil society support <input type="checkbox"/> Small Grants (e.g. to CS, partners) <input type="checkbox"/> Sector programme/strategy support (or equivalent) <input type="checkbox"/> Others: |
| 15. Democratic Governance | please select | TA placement <input type="checkbox"/> Capacity development <input type="checkbox"/> Infrastructure and equipment <input type="checkbox"/> Research / university cooperation <input type="checkbox"/> Civil society support <input type="checkbox"/> Small Grants (e.g. to CS, partners) <input type="checkbox"/> Sector programme/strategy support (or equivalent) <input type="checkbox"/> Others: |
| 16. Public Administration | please select | TA placement <input type="checkbox"/> Capacity development <input type="checkbox"/> Infrastructure and equipment <input type="checkbox"/> Research / university cooperation <input type="checkbox"/> Civil society support <input type="checkbox"/> Small Grants (e.g. to CS, partners) <input type="checkbox"/> Sector programme/strategy support (or equivalent) <input type="checkbox"/> Others: |

| Section A, Table (1b) Use of aid modality (for definition of terms please see the Glossary) | Approx Years Engaged in modality: 1-3yrs, 3-5 yrs, 5-10 yrs, 10+yrs |
|--|--|
| General Budget Support (GBS) | please select |
| Sector Budget Support (including SWAp) | please select |

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MALAWI Division of Labour – Aid Information, Development partner questionnaire

| Section A, Table (1b) | | Approx Years Engaged in modality: | | | |
|---|--------------------------|--|--|--|---|
| Use of aid modality (for definition of terms please see the Glossary) | | 1-3yrs, 3-5 yrs, 5-10 yrs, 10+yrs | | | |
| Pooled/ basket fund | | please select | | | |
| Project / programme support | | please select | | | |
| Predictability of DP support: My agency can predict aid... | ...accurately for | ... approx for | How long is your programming cycle? | Problems with predictability of aid root in (please specify): | These problems could be overcome if (pls name) |
| Projections of aid | please select | please select | please select | | |

Section A, Table 2 a): Please describe your engagement in dialogue with GoM and other development partners.

| Section A, Table 2 MGDS themes and sectors | Does a joint GoM – Development Partner sector dialogue mechanism / active SWG exist? | What role do you play in the dialogue mechanism? |
|--|---|---|
| Theme 1: Sustainable Economic Growth | | |
| 1. Agriculture | Active SWG Yes <input type="checkbox"/> No <input type="checkbox"/> Other: Name: | please select |
| 2. Integrated Rural Development | Active SWG Yes <input type="checkbox"/> No <input type="checkbox"/> Other: Name: | please select |
| 3. Environment, Lands and Natural Resources | Active SWG Yes <input type="checkbox"/> No <input type="checkbox"/> Other: Name: | please select |
| 4. Tourism, Wildlife and Culture | Active SWG Yes <input type="checkbox"/> No <input type="checkbox"/> Other: Name: | please select |
| 5. Water, Sanitation and Irrigation | Active SWG Yes <input type="checkbox"/> No <input type="checkbox"/> Other: Name: | please select |
| 6. Trade, Industry and Private Sector Development | Active SWG Yes <input type="checkbox"/> No <input type="checkbox"/> Other: Name: | please select |
| Theme 2: Social Protection and Disaster Risk Management | | |
| 7. Vulnerability, Disaster and Risk Management | Active SWG Yes <input type="checkbox"/> No <input type="checkbox"/> Other: Name: | please select |
| Theme 3. Social Development | | |

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| <i>Section A, Table 2 MGDS themes and sectors</i> | <i>Does a joint GoM – Development Partner sector dialogue mechanism / active SWG exist?</i> | <i>What role do you play in the dialogue mechanism?</i> |
|---|---|---|
| 8. Health | Active SWG Yes <input type="checkbox"/> No <input type="checkbox"/> Other: Name: | please select |
| 9. Education | Active SWG Yes <input type="checkbox"/> No <input type="checkbox"/> Other: Name: | please select |
| 10. Gender, Youth Development and Sports | Active SWG Yes <input type="checkbox"/> No <input type="checkbox"/> Other: Name: | please select |
| Theme 4. Infrastructure | | |
| 11. Roads, Public Works and Transport | Active SWG Yes <input type="checkbox"/> No <input type="checkbox"/> Other: Name: | please select |
| 12. ICT and Research & Development (R&D) | Active SWG Yes <input type="checkbox"/> No <input type="checkbox"/> Other: Name: | please select |
| 13. Energy and Mining | Active SWG Yes <input type="checkbox"/> No <input type="checkbox"/> Other: Name: | please select |
| Theme 5. Improved Governance | | |
| 14. Economic Governance | Active SWG Yes <input type="checkbox"/> No <input type="checkbox"/> Other: Name: | please select |
| 15. Democratic Governance | Active SWG Yes <input type="checkbox"/> No <input type="checkbox"/> Other: Name: | please select |
| 16. Public Administration | Active SWG Yes <input type="checkbox"/> No <input type="checkbox"/> Other: Name: | please select |

Comments / Additions on Section A you might have:

MALAWI Division of Labour – Aid Information, Development partner questionnaire

SECTION B – FUTURE PLANS

One of the main issues for the GoM besides the alignment of support to Government priorities is its predictability. This section explores initial thoughts on your future plans for engagement (table 1) and use of aid modalities (table 2). The information on the sectors in which you plan to continue to engage in or to withdraw from is important to the GoM in its planning. Please be ambitious, yet realistic. The GoM is aware that this does not represent any formal commitment but your responses will give important indications to the GoM.

Section B, Table 1: In future, in which MGDS themes and sectors would your agency consider leading all DPs involved, or remaining actively engaged in (but not leading), delegating responsibilities to another DP, or leaving the sector altogether? In providing this information, please do first consider which MGDS sector you wish to remain engaged in and second consider the nature of engagement within that sector. If you consider this a change from your current involvement under a sector, please describe the change (e.g. from engaged today to disengaged in the future). Please leave blank if your agency is currently not engaged in a sector. Please note that this question asks only for *preliminary* plans and is not binding in any way.

| Section B: Table 1 | | | | | | |
|--|--------------------------|--|--|--|--|---|
| My agency is in the next 3 years considering: | ...a lead role | ...continued engagement, but not in a lead role | ...devolving responsibility for either financial support or dialogue to other development partners. | | ...withdrawing from this Sector | Is this a change from your current involvement in this sector? |
| MGDS themes and sectors | | | If yes, to which development partner you might delegate? | | (indicate when) | Please describe. |
| Theme 1: Sustainable Economic Growth | | | | | | |
| 1. Agriculture | <input type="checkbox"/> | <input type="checkbox"/> | Financial: <input type="checkbox"/> | | <input type="checkbox"/> (when?) | |
| 2. Integrated Rural Development | <input type="checkbox"/> | <input type="checkbox"/> | Financial: <input type="checkbox"/> | | <input type="checkbox"/> (when?) | |
| 3. Environment, Lands and Natural Resources | <input type="checkbox"/> | <input type="checkbox"/> | Financial: <input type="checkbox"/> | | <input type="checkbox"/> (when?) | |
| 4. Tourism, Wildlife and Culture | <input type="checkbox"/> | <input type="checkbox"/> | Financial: <input type="checkbox"/> | | <input type="checkbox"/> (when?) | |
| 5. Water, Sanitation and Irrigation | <input type="checkbox"/> | <input type="checkbox"/> | Financial: <input type="checkbox"/> | | <input type="checkbox"/> (when?) | |
| 6. Trade, Industry and Private Sector Development | <input type="checkbox"/> | <input type="checkbox"/> | Financial: <input type="checkbox"/> | | <input type="checkbox"/> (when?) | |
| Theme 2. Social Protection and Disaster Risk Management | | | | | | |
| 7. Vulnerability, Disaster and Risk Management | <input type="checkbox"/> | <input type="checkbox"/> | Financial: <input type="checkbox"/> | | <input type="checkbox"/> (when?) | |

MALAWI Division of Labour – Aid Information, Development partner questionnaire

| <i>Section B: Table 1</i> | | | | | | |
|---|--------------------------|---|---|--|--|--|
| My agency is in the next 3 years considering: | ...a lead role | ...continued engagement, but not in a lead role | ...devolving responsibility for either financial support or dialogue to other development partners. If yes, to which development partner you might delegate? | | ...withdrawing from this Sector (indicate when) | Is this a change from your current involvement in this sector? Please describe. |
| MGDS themes and sectors | | | | | | |
| Theme 3. Social Development | | | | | | |
| 8. Health | <input type="checkbox"/> | <input type="checkbox"/> | Financial: <input type="checkbox"/> Dialogue: <input type="checkbox"/> | | <input type="checkbox"/> (when?) | |
| 9. Education | <input type="checkbox"/> | <input type="checkbox"/> | Financial: <input type="checkbox"/> Dialogue: <input type="checkbox"/> | | <input type="checkbox"/> (when?) | |
| 10. Gender, Youth Development and Sports | <input type="checkbox"/> | <input type="checkbox"/> | Financial: <input type="checkbox"/> Dialogue: <input type="checkbox"/> | | <input type="checkbox"/> (when?) | |
| Theme 4. Infrastructure | | | | | | |
| 11. Roads, Public Works and Transport | <input type="checkbox"/> | <input type="checkbox"/> | Financial: <input type="checkbox"/> Dialogue: <input type="checkbox"/> | | <input type="checkbox"/> (when?) | |
| 12. ICT and Research & Development (R&D) | <input type="checkbox"/> | <input type="checkbox"/> | Financial: <input type="checkbox"/> Dialogue: <input type="checkbox"/> | | <input type="checkbox"/> (when?) | |
| 13. Energy and Mining | <input type="checkbox"/> | <input type="checkbox"/> | Financial: <input type="checkbox"/> Dialogue: <input type="checkbox"/> | | <input type="checkbox"/> (when?) | |
| Theme 5. Improved Governance | | | | | | |
| 14. Economic Governance | <input type="checkbox"/> | <input type="checkbox"/> | Financial: <input type="checkbox"/> Dialogue: <input type="checkbox"/> | | <input type="checkbox"/> (when?) | |
| 15. Democratic Governance | <input type="checkbox"/> | <input type="checkbox"/> | Financial: <input type="checkbox"/> Dialogue: <input type="checkbox"/> | | <input type="checkbox"/> (when?) | |
| 16. Public Administration | <input type="checkbox"/> | <input type="checkbox"/> | Financial: <input type="checkbox"/> Dialogue: <input type="checkbox"/> | | <input type="checkbox"/> (when?) | |

MALAWI Division of Labour – Aid Information, Development partner questionnaire

Section B, Table 2: Please provide information what aid modalities you intent to use in the future:

| Section B, Table 2: Use of aid modality | | | | |
|--|--|--|--|--|
| My agency is considering within the next 3 years: | ...as a new/extra modality (indicate from when) | ...continued (unvarying) use of this modality | ... scaling up/ down on this modality | ...withdrawing from this modality (indicate when) |
| General Budget Support (GBS) | <input type="checkbox"/> (from when?) | <input type="checkbox"/> | please select (from when?) | <input type="checkbox"/> (when?) |
| Sector Budget Support (including SWAp) | <input type="checkbox"/> (from when?) | <input type="checkbox"/> | please select (from when?) | <input type="checkbox"/> (when?) |
| Pooled / basket fund | <input type="checkbox"/> (from when?) | <input type="checkbox"/> | please select (from when?) | <input type="checkbox"/> (when?) |
| Project / programme support | <input type="checkbox"/> (from when?) | <input type="checkbox"/> | please select (from when?) | <input type="checkbox"/> (when?) |

Comments / Additions on Section B you might have:

SECTION C: DIVISION OF LABOUR AND DEGREE OF ENGAGEMENT

The following table asks for your opinion on the importance of particular characteristics for DP engagement (leading or actively engaged, see Glossary for the terms) in a sector. The characteristics are oriented towards the partnership principles underlying the Paris Declaration and the Accra Agenda for Action.

Please rank on a **scale of 1-5 (1=very important; 5=not at all important)** the following characteristics for each type (leading / actively engaged) of development partner.

| Section C: Table 1): Characteristics of Development Partner | Leading DP | Actively engaged DP (but not leading partner) |
|---|--|--|
| 1. General characteristics | 1 2 3 4 5 | 1 2 3 4 5 |
| <ul style="list-style-type: none"> • Level of funding • Number of years of involvement in sector and in-country sectoral expertise • Initiation of processes (e.g. joint funding arrangements, TC etc) • Transparent engagement and harmonisation with other development partners • Experience in representing other development partners • Experience in managing other development partners' funds • Analytical input for sector • Capacity for secretarial tasks (convening, sharing, dialogue etc) • Political earmarking at DPs headquarter (x % for the respective sector) | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> |
| Comments: | | |

| Section C: Table 1): Characteristics of Development Partner | Leading DP | Actively engaged DP (but not leading partner) |
|--|--|--|
| <p>2. Alignment, Harmonisation and Managing for results</p> <ul style="list-style-type: none"> • DP Development policy for Malawi aligned to the MGDS exists • Alignment of DP instruments with GoM sector policies and strategies • DP use of country PFM systems • Use of joint funding modalities (baskets or funds) • Budget Support is preferred or encouraged • Delegation of responsibility to another DP • Flexible resources allocation to GoM priorities • Support to capacity development of local institutions • Support to TC attachments in local institutions • Involvement in SWG(s) <p>Comments:</p> | <p>1 2 3 4 5</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> | <p>1 2 3 4 5</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> |
| <p>3. Ownership and Mutual Accountability</p> <ul style="list-style-type: none"> • Disbursement record (predictability and timeliness) is credible • Responsiveness to GoM requests on aid commitments • Participation in the MGDS review • Participation in the CABS review • Participation in sector review processes where the DP contributes • Active contribution to Malawi Paris Declaration monitoring process • Contribution to the strengthening of GoM policies and programmes <p>Comments:</p> | <p>1 2 3 4 5</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> | <p>1 2 3 4 5</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> |
| <p>4. Other: (Please specify any other characteristics of a DP you consider relevant which has not been covered under the above)</p> | <p>1 2 3 4 5</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> | <p>1 2 3 4 5</p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> |

MALAWI Division of Labour – Aid Information, Development partner questionnaire

Section C, Table 2): Taking into account the characteristics along the PD partnership principles set out and weighed by you in Section C, Table 1, please add, by way of **self-assessment**, some significant reasons for your engagement (choosing the respective role for the sectors you want to remain engaged in).

| Section C: Table 2): Please select the sector you would like to remain engaged in | Please choose the role you foresee for yourself | 1. General Characteristics | 2. Alignment, Harmonisation and Managing for results | 3. Ownership and Mutual Accountability | 4. Other |
|--|--|-----------------------------------|---|---|-----------------|
| General Budget Support | please select | | | | |
| 1. Agriculture | please select | | | | |
| 2. Integrated Rural Development | please select | | | | |
| 3. Environment, Lands and Natural Resources | please select | | | | |
| 4. Tourism, Wildlife and Culture | please select | | | | |
| 5. Water, Sanitation and Irrigation | please select | | | | |
| 6. Trade, Industry and Private Sector Development | please select | | | | |
| 7. Vulnerability, Disaster and Risk Management | please select | | | | |
| 8. Health | please select | | | | |
| 9. Education | please select | | | | |
| 10. Gender, Youth Development and Sports | please select | | | | |
| 11. Roads, Public Works and Transport | please select | | | | |
| 12. ICT and Research & Development | please select | | | | |

Questionnaire due: December 4th 2009 – Please send the filled questionnaire to marketa.vonhagen@gmail.com and rmangani@yahoo.com

MALAWI Division of Labour – Aid Information, Development partner questionnaire

| Section C: Table 2): Please select the sector you would like to remain engaged in | Please choose the role you foresee for yourself | 1. General Characteristics | 2. Alignment, Harmonisation and Managing for results | 3. Ownership and Mutual Accountability | 4. Other |
|--|---|----------------------------|--|--|----------|
| 13. Energy and Mining | please select | | | | |
| 14. Economic Governance | please select | | | | |
| 15. Democratic Governance | please select | | | | |
| 16. Public Administration | please select | | | | |
| Other: | please select please select please select | | | | |

Comments / Additions on Section B you might have:

Closure:

At this point you have the opportunity to provide extra information not covered in the questionnaire and provide us with your opinion:

- 1) Do you consider the questions asked in this survey to be relevant to the division of labour exercise? What other questions do you consider relevant for the exercise?
- 2) Any other observations, remarks and/or additions:

Thank you very much for your time and attention in filling this questionnaire!

Contacts: Ministry of Finance, Director Debt and Aid Division, Mr. Peter Simbani.

Consultants: Markéta von Hagen (marketa.vonhagen@gmail.com; 08-88-655494 up to 1st December),
 Ronald Mangani (rmangani@yahoo.com; 08-88-829856; 09-99-829856).

Questionnaire due: December 4th 2009 – Please send the filled questionnaire to marketa.vonhagen@gmail.com and rmangani@yahoo.com