Chapter 6
IMPLEMENTATION, MONITORING AND EVALUATION

6.1 Implementation Modalities of the MGDS

The MGDS has been comprehensively developed such that it allows all stakeholders to participate in the development of the country. Its implementation will, therefore, involve all stakeholders, that is, the three arms of Government: the Executive, Parliament, Judiciary, civil society organizations, private sector and the general public. Government will take a leading role in the implementation process through its consolidated budget. It is expected that donors and co-operating partners will align their support and activities to the MGDS.

The relationship between the MGDS and the budget is central to the successful implementation of this strategic document. The Ministry of Economic Planning and Development and the Ministry of Finance will ensure that all ministries and departments align their activities and prepare their budgets in accordance with the MGDS. Budget submissions that either include activities outside the MGDS or exclude activities inside it will be rejected. The MGDS was developed with active participation of line ministries, private sector, civil society and donors, hence it reflects the sector strategies and priorities to achieve the long-term vision of the country.

A summary operational table that is presented in Annex 1 has been developed to guide the implementation of the MGDS. This table represents strategies, actions and expected outcomes of the MGDS. As conditions change during implementation, progress made against the activities, outputs and medium term expected outcomes will be assessed to make necessary adjustments. Such assessment will be made based on information coming from sector ministries as well as other stakeholders.

To ensure that the MGDS is implemented in partnership, Government will facilitate thematic teams to review progress. These teams will be inter-ministerial and include members of civil society, private sector and donors. Some of these mechanisms are already established in some sectors such as Health. These approaches will serve as models on how to develop cross sector working groups for monitoring and adjusting implementation. The private sector will be included as an active partner in all of the working groups, and especially in building strong dialogue with Government on obstacles to private sector led growth.

A number of specific implementation issues have been mentioned under the five themes. The following have been identified as critical issues that must be pursued to achieve the set targets of the MGDS:

- Political-will and change of mindset. Government and Parliament should play their constitutional roles in ensuring that the ultimate objective of MGDS is achieved there by taking the country towards achieving the long-term goals.

- Government should improve donor coordination through the development and adherence to the Development Assistance Strategy (DAS).

- Donors and co-operating partners should align their support and activities to the MGDS. Government will lead the dialogue with donors on this alignment and seek to ensure that aid flows are predictable. On its part, it will seek to ensure that resources are disbursed in a timely manner.

- The MGDS highlights important issues such as social protection, economic empowerment and HIV and AIDS. These issues are cross cutting and would therefore require effective coordination to avoid duplications and overlaps. In this regard, the Government will create a National Economic Committee to oversee implementation of such cross cutting issues.

- There is need to develop a strong and motivated civil service that will ensure that Government remains committed to its policies, targets and obligations.

- There is need to put in place mechanisms and modalities for implementing activities that require heavy financial investments. These include development of public-private partnerships and build, operate and transfer.

6.2 Prioritization and Costing of MGDS activities

Prioritization of the MGDS activities was done in two main stages. Firstly, by the sector ministries, departments and other implementing stakeholders. At this stage activities were ranked into three priority categories. Category one comprised priority activities that should be implemented first. Category two comprised second priority activities while category three the last priority activities. At this stage, all activities were costed. These costs represent a realistic estimate of the total input cost required to implement that particular activity. Secondly, activities were prioritised based on key focus areas of the MGDS. This prioritisation isolated particular activities that would contribute to the attainment of immediate economic benefits that would translate into the well being of Malawians in the medium term. In addition, it also prioritised those activities that would accelerate the attainment of the MDGs.

Costing of MGDS activities was done in Malawi Kwacha at 2005/06 fiscal year prices. Some of the activities are currently already being implemented and will continue to be implemented as they are not only necessary, but that financial resources were already committed to them. Other activities are totally new and require identification of financial resources to implement them. The total cost of all activities in the MGDS over the five years period is estimated at K633.8 billion. Out of this, the total cost of the key priority areas activities is estimated at K133.7 billion. However, the costs of the Shire-Zambezi waterway project and the prevention and management of HIV and AIDS are quite substantial hence it is assumed that Government will contribute 10 percent to these particular interventions.

The overall prioritisation of the MGDS emphasizes Government's commitments to achieving immediate economic benefits for the well being of Malawians. This is reflected by a substantial allocation of resources towards themes on infrastructure and sustainable economic growth. The combination of these two themes is estimated to

get 63.9 percent of the MGDS resources over the five years period. This is followed by Social development that is estimated to get 25.0 percent of the resources. This emphasizes Malawi's commitment to achieving the MDGs. Improving governance and social protection themes are estimated to get 5.8 percent and 5.4 percent of the resources over the five years period, respectively.

As regards prioritisation of the key priority areas, transport infrastructure development takes the largest share of resources estimated at 54.1 percent over the five years period. This is mainly a reflection of the high costs of such infrastructure coupled with the development of the Shire Zambezi waterway. This is followed by agriculture and food security at 12.2 percent. The combination of agriculture and food security, and irrigation and water development yields a total allocation of 21.0 percent thus emphasizing the need for increased agricultural output through irrigation development to make Malawi food self sufficient. The prevention and management of nutrition disorders, HIV and AIDS takes 11.2 percent of the resources. Integrated rural development and energy generation and supply are estimated to be allocated 10.1percent and 3.6 percent respectively.

6.3 Roles of key stakeholders in the implementation of the MGDS

Government: The main responsibility of Government shall be to provide public goods and services as well as regulatory framework. These include roads, railways, airports, education, health services, and social services among others. It shall also provide the necessary environment and incentives to promote private sector activities. Government shall safeguard the interests of all Malawians by correcting market failures through policy, legal and regulatory framework reviews.

Parliament: The role of Parliament shall be to enhance Parliamentary oversight, transparency and accountability in the implementation of the MGDS. This will be done through MPs involvement in the scrutinization, consideration and approval of Government budgets, reviewing and making laws. It shall ensure that the budget is being used to provide resources for the prioritised activities in the MGDS. In this regard, the interests and priorities of Malawians shall be protected.

Private Sector: The main role of the private sector is to invest in both economic and social sectors to generate economic growth and create wealth. In this context, the private sector shall be expected to take up opportunities outlined in the MGDS. The scope of the private sector will be widened to involve them in the provision of other public goods and services through public-private sector partnerships.

Civil Society: The role of the Civil Society in the implementation of the MGDS is two fold; first, to implement some specific activities particularly within the context of the Governance theme, and second, to provide oversight and accountability functions in order to safeguard the interests of Malawians.

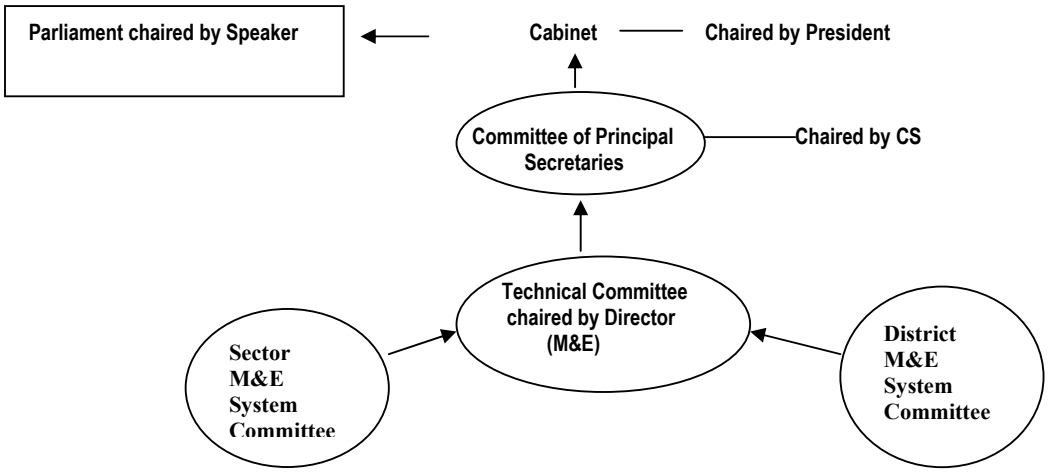
Donors and Co-operating Partners: The main role of donors and co-operating partners shall be to assist across the board with financial and technical resources to implement the activities in the MGDS. In doing so, they will be expected to support and align their activities in line with the priorities of the MGDS.

6.4 Monitoring and Evaluation

The monitoring of MGDS will be in accordance with monitoring and evaluation master plan developed by the Ministry of Economic Planning and Development, the Ministry of Finance, the Ministry of Local Government and Rural Development and the National Statistical Office. The stakeholders will align indicators in accordance with the MGDS themes and sub themes. A set of impact level monitoring indicators has been developed and is presented in Annex 5. The summary operational matrix in Annex 1 provides a summary of objectives that can also be monitored by line ministries and will be used in the budget discussion processes and reviews of the MGDS to track progress toward the impact indicators during implementation.

The implementation framework for MGDS has taken into account all players who participate in the decision making for the development of the country.

NATIONAL M&E FRAMEWORK



At the Cabinet level the MGDS will be chaired by the President. The Cabinet will review the annual progress in the implementation of the MGDS. It is expected that various ministers will brief the Cabinet based on reports on the actual outputs and outcomes of the implementation of the strategy. Meanwhile the Minister of Economic Planning and Development will have a detailed report on the progress of the implementation that will act as a back up to sectoral presentations.

Prior to the budget session of Parliament, all parliamentarians will comment on the progress of the implementation of the strategy. The Parliament will base their debates from the mid-year development reports as well as annual development reports produced by Ministry of Economic Planning and Development. The development report will articulate all issues outlined in the budget that are in line with the MGDS.

The Secretary for Economic Planning will present the progress report of the implementation to the entire meeting of the Principal Secretaries chaired by Chief Secretary. The Principal Secretaries as Controlling Officers are supposed to take necessary measures as regards to issues raised in the mid-year and annual development reports.

The technical committee will consist of development partners, senior civil servants, Civil Society and private sector. The technical committee will be chaired by Director of Monitoring and Evaluation. The Chairman will prepare documentation for the Principal Secretaries' meetings. The Secretary for Economic Planning and Development is expected to give an overview of the status of the MGDS during the Principal Secretaries' meetings.

The Monitoring and Evaluation of Ministry of Economic Planning and Development will be secretariat for the implementation of the MGDS. In order to improve the implementation process of the MGDS, the Government is in a process of developing vibrant monitoring and evaluation system. The Government is developing capacity building at district level to monitor all aspects of MGDS and public sector investment plan. The Government will continue to develop capacity at sector level to monitor specific issues of the sector. The Government will also strengthen monitoring and evaluation capacity at the District and Town Assembly levels and enforce regular maintenance of infrastructure.

The annual and mid-year developments reports will be the main product of the M and E of the MGDS. Some of the aspects of monitoring will be economic developments, infrastructure and all specific activities outlined in the MGDS. All monitoring of the MGDS will be coordinated by Ministry of Economic Planning and Development.

The monitoring reports will be circulated widely for information sharing as well as part of advocacy. Ministry of Information will disseminate some of the information using different methods.

6.5 Needs Assessment

Government recognize that the various public institutions have inadequate human and capital resource requirements necessary for the successful implementation of the MGDS activities. As such, Government plans to build this capacity in order to mitigate their impact on the outcomes of the MGDS. A Needs Assessment (NA) exercise for the MGDS was, therefore, undertaken to determine the human and capital resources required to successfully implement the MGDS activities. This was done in consultation with the sector ministries and departments as well as other key stakeholders. The summary of the Needs Assessment is presented in Annex 4A and 4B. It is evident that both human and capital requirements are enormous and cannot be addressed at once. Government is committed to addressing these requirements annually through its budget. Other stakeholders such as donors and co-operating partners are expected to complement Government efforts in this area.

The human and capital resource requirements have been derived using the Needs Assessment (NA) approach which is a goal-based planning tool developed with the objective of determining the resource requirements in terms of infrastructure, human and financial in order to realise successful implementation of any goal-based strategy. The resource requirements represent an ideal case scenario that would be pursued to achieve the set goals in the MGDS.

The human resource requirements take into consideration the existing; attrition; incremental number of staff to be recruited; and additional staff to be recruited. The number of existing staff is the stock in that year: the baseline is the actual number in

place while the subsequent year is a sum of the previous year plus the attrition and the incremental staff to be recruited. Attrition is the number of human resources that are lost in the system either through death, dismissal, resignation and retirement. These losses need to be replaced. The incremental number of staff to be recruited is generated in the model based on coverage indicators. Now, the total number of staff to be recruited is a sum of the attrition and the incremental number of staff. This represents additional human resource requirement to the preceding year.

The NA approach is a medium-term to long-term and as such it has both strengths and weakness. The major strength of this tool is that it can form the basis of scenario based planning in terms of making the coverage indicators either more ambitious or less ambitious. On the other hand, the weakness of the NA approach is that it is difficult to estimate the future resource requirements with certainty; the unit costs and the exchange rate are bound to change. Secondly, the NA approach is unable to estimate human resource requirements by cadre.

MGDS COSTING SUMMARY SUMMARY TABLES

Table 6.1A: Prioritization and costing summary by key priority area

KEY PRIORITY AREA	2006/07	2007/08	2008/09	2009/10	2010/11	TOTAL
Agriculture and Food Security	3,067,093,976	2,886,389,781	1,692,355,865	1,649,865,865	1,604,965,865	10,900,671,350
Irrigation and Water Development	309,183,333	1,147,900,000	2,482,620,833	2,669,279,167	840,666,667	7,449,650,000
Transport Infrastructure Development	8,899,580,000	9,135,580,000	9,326,096,000	9,317,582,600	9,188,004,260	45,866,842,860
Energy Generation and Supply	990,400,000	873,525,000	385,925,000	345,925,000	465,925,000	3,061,700,000
Integrated Rural Development	1,412,750,000	1,630,500,000	2,041,625,000	1,986,916,667	1,521,083,333	8,592,875,000
Prevention and Management of Nutrition Disorders, HIV and AIDS[15]	2,006,982,544	2,053,817,559	1,852,383,499	1,824,925,059	1,750,136,161	9,488,244,820
TOTAL ALL KEY PRIORITIES	**16,685,989,852**	**17,727,712,339**	**17,781,006,196**	**17,794,494,356**	**15,370,781,285**	**85,359,984,029**

Assumptions:

1. *Govt will contribute 10% of the Shire-Zambezi waterway projet total cost..*
2. *Govt will contribute 10% of HIV and AIDS resources prevention and management costs.*

Table 6.1B: Prioritization and costing summary by key priority area (%)

KEY PRIORITY AREA	2006/07	2007/08	2008/09	2009/10	2010/11	TOTAL
Agriculture and Food Security	18.48%	16.3%	9.5%	9.3%	10.4%	12.82%
Irrigation and Water Development	1.9%	6.5%	14.0%	15.0%	5.5%	8.7%
Transport Infrastructure Development	53.7%	51.5%	52.4%	52.4%	59.8%	53.7%
Energy Generation and Supply	5.9%	4.9%	2.2%	1.9%	3.0%	3.6%
Integrated Rural Development	8.5%	9.2%	11.5%	11.2%	9.9%	10.1%
Prevention and Management of Nutrition Disorders, HIV and AIDS	12.0%	11.6%	10.4%	10.3%	11.4%	11.1%
TOTAL ALL KEY PRIORITIES	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 6.2A: MGDS Overall Prioritization and Costing by themes

SUMMARY BY THEME	2006/07	2007/08	2008/09	2009/10	2010/11	TOTAL
THEME 1: Sustainable Economic Growth	9,340,433,714	9,485,351,381	8,543,655,288	7,895,670,945	8,031,584,801	43,296,696,129
THEME 2: Social Protection	7,059,599,197	6,962,769,897	6,771,610,967	6,683,636,570	6,727,518,330	34,205,134,961
THEME 3: Social Development	31,941,690,371	32,709,271,032	31,499,909,074	31,279,140,931	31,866,712,349	159,296,723,757
THEME 4: Infrastructure	72,325,229,333	72,635,361,000	73,995,102,999	73,901,976,113	71,579,985,134	364,437,654,579
THEME 5: Good Governance	11,575,885,374	6,068,476,858	5,878,635,794	4,445,880,415	4,562,382,949	32,531,261,390
TOTAL ALL THEMES	**132,242,837,989**	**127,861,230,168**	**126,688,914,122**	**124,206,304,974**	**122,768,183,563**	633,767,470,816

[15] This is 10 percent Government Contribution.

Table 6.2B: MGDS Overall Prioritization and Costing by themes (%)

SUMMARY BY THEME	2006/07	2007/08	2008/09	2009/10	2010/11	TOTAL
THEME 1: Sustainable Economic Growth	7.1%	7.4%	6.7%	6.4%	6.5%	6.8%
THEME 2: Social Protection	5.3%	5.4%	5.3%	5.4%	5.5%	5.4%
THEME 3: Social Development	24.2%	25.6%	24.9%	25.2%	26.0%	25.1%
THEME 5: Infrastructure	54.7%	56.8%	58.4%	59.5%	58.3%	57.5%
THEME 6: Good Governance	8.8%	4.7%	4.6%	3.6%	3.7%	5.1%
TOTAL ALL THEMES	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**