



# INTEGRATION OF MALAWIAN LOCAL AUTHORITIES IN THE EUROPEAN COOPERATION PROGRAMMING PROCESS 2021-2027

## THE ANALYTICAL REPORT

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### Acronyms and Abbreviations

ADC	Appointments and Disciplinary Committees
ADP	Area Development Plans
ALGAM	Association of Local Government Authorities in Malawi
AU	Africa Union
DDC	District Development Committees
DDP	District Development Plans (DDPs)
DHO	District Health Officer
EC	European Commission
ECD	Early Childhood Education
EU	European Union
HRH	Human Resource for Health
HSSP II	Health Sector Strategic Plan II
ICT	Information Communication and Technology
LA	Local Authority
LG	Local Governments
LGAP	Local Government Accountability Project
M&E	Monitoring & Evaluation
MALGA	Malawi Local Government Association
MGDS	Malawi Growth and Development Strategy
MNPSRP	Malawi National Public Sector Reforms Policy
MoLGRD	Ministry of Local Government and Rural Development
MPSMP	Malawi Public Service Management Policy
NACS	National Anti-Corruption Strategy II
NAIP	National Agriculture Investment Plan

NAP	National Agriculture Policy
NDICI	Neighbourhood Development and International Cooperation Instrument
NDP	National Decentralisation Programme
NEP	National Education Policy
NESIP	National Education Sector Investment Plan
NESP	National Education Sector Paper
NIP	National Indicative Program
NIP	National Indicative Program (NIP)
PFM	Public Finance Management
SDGS	Sustainable Development Goals
TEVET	Technical Education & Vocational Educational Training
UCLGA	United Cities for Local Government in Africa
UHC	Universal Health Coverage
UN	United Nations
USAID	United States Agency for International Development
VDC	Village Development Committee
VDP	Village Development Plans
VNR	Voluntary National Review

## 1.0 Introduction

This document is an analytical report. It is a sequel to the compendium of key references on Malawi's National Development Policy and Strategies, National Decentralisation Policy and the European Union National Indicative Programme in Malawi. The background to this analytical report is that the European Commission (EC) has concluded a new financing instrument, the Neighbourhood Development and International Cooperation Instrument (NDICI) that will guide its next programming of the next 6 years (2021 to 2027). This programming phase seeks to incorporate Local authorities, through their national association as an integral part of the programming process alongside the representatives of the national government in the dialogue with the EU delegations. The EC 2013 Communication on "Empowering local authorities in partner countries for enhanced governance and more effective development outcomes" recognizes local and subnational governments (local authorities) as state actor in their own rights and capacity, working as proximity public authorities besides the central government according to the principle of subsidiarity. In light of this development, The United Cities for Local Government in Africa (UCLGA) seeks to assist local authorities through their national associations to get prepared to proactively and efficiently participate in the dialogue with the national government and the European Union (EU) delegation leading to the definition of priorities and programs to be included in the country's EU cooperation.

The analytical report focuses mainly on the implementation of the Decentralization process, in the perspective of Localization and territorialization of plans, policies, programs, and strategies adopted and implemented at the national level targeting specific sectors such as education, health, employment, environment, energy etc. The report is designed to serve as a background document for the organization of the national seminar, and as an aid to assist members of the national associations of local authorities to develop strategic lines of action or define the key priority actions to be included in the roadmap of the Local Authorities in their dialogue with the Government and the EU Delegation in the EU cooperation programming process.

According to the terms of reference the report is supposed to focus on the following:

- a) A Political Economy Analysis that assesses the feasibility of the new political agenda based on Local Authorities at country level
- b) Providing strategic answers to the following 3 questions:
  - i. Evolution observed at the level of the central government with regard to the "territorialization" of the main national plans and national sectoral policies. If so, why? (In terms of objectives pursued) How strong is the national commitment to

- integrate the spatial dimension in development management? Is the option of Territorialization translated into specific plans and policies and clear implementation processes? Existence or not of sustainable national financing mechanisms?
- ii. To what extent does the Central Government consider Local Authorities as a “development actor” in its own right and an essential partner to be associated in the implementation of public policies at the territorial level (SDGs, Nationally Determined Contributions (NDCs)? Or are they just implementing agencies.
  - iii. To what extent does central government recognize the added value of Territorial Approaches to Local Development, spearheaded by the local authorities on the basis of their general mandate (if this general mandate exists in the country)? Recall the opportunities and constraints encountered in the implementation of Decentralization reforms: effectiveness of the transfer of competences and resources.
- c) A SWOT Quick Analysis of the National Association of Local Authorities: strengths, weaknesses, opportunities, threats with strong and objective arguments and areas for improvement. This analysis should be undertaken and discussed with the Executive Board of the National Association, particularly with regard to territorial approach to local development (TALD) and the role of Local Authorities as development actors.
- d) A state of the art concerning the territorialization of national policies and global programs, including SDGs, both at the level of policies and programs implemented within the framework of the National Development Plan.
- e) Lines and priorities of actions to consider for local authorities to promote the territorialization of public policies and global agendas as well as local development programs, and to respond to the problems revealed by the SWOT analysis.

## 1.1 Methodology of the Assignment

The main methods that were used for developing this analytical report are two. The first method used is a review of the available literature sourced from institutions and internet searches. This includes government plans, strategies and review reports as well as previous capacity assessments of the Malawi Local Government Association. The second method that was used is phone interviews with key informants from a variety of organisation and positioning. In other cases a set of questions was sent to the respondents via email. This proved to be problematic and the response rate was very low. In the end those that did not respond through email had to be engaged again through telephone.

Annex 1 summarises the list of key informants consulted. Altogether 26 male and female key informants were consulted.

## 2.0 The General Malawi Context

Malawi is a landlocked, densely populated country located in the southern part of Africa. It is one of the poorest countries in the world “with a per capita GNI of just US\$320 in 2016, one of the lowest in the world” (International Monetary Fund, 2017:1). Malawi gained its independence in 1964 and yet it is one of the least developed countries which largely depend on agriculture for its social and economic development. The first 30 years Malawi was under autocratic one-party rule of Kamuzu Banda which was marked as a frail economy. In 1994, Malawi transitioned to a democratic state and Malawi’s new constitution of 1994 introduced multi-party democracy. These changes saw the collapse of the autocratic one-party state machinery and adoption of a liberal democratic constitution in 1995 which, among other things, guarantees a full range of civil, cultural, political, social and economic rights, democracy, good governance and rule of law. According to the World Bank (2018), Malawi has over the years witnessed significant negative indicators; for instance “shortage of energy still stands out with about 10% of the population having access to electricity. Infrastructure development, the manufacturing base, and adoption of technology are low”. Based on Transparency International ranking, corruption levels have over the past two years worsened; from 112 in 2016 to 120/175 economies in 2017.

## 3.0 The Development Policy Context

For a long time after independence, Malawi's development plans had been guided by short to medium term plans, which included 10-year Statement of development policies during the one party state. After Dr. Banda, Malawi has had five other heads of states (Bakili Muluzi, Bingu wa Mutharika, Joyce Banda, Peter Mutharika and now Lazarus Chakwera) and each has championed specific development policies but not much has changed. After attaining multiparty democracy, it was considered important to develop a long term development framework upon which short and medium-term plans would be based. This was decided upon to ensure continuity of development programmes beyond any political regime that would be ushered into office through the five-year electoral cycles. The Vision 2020, which is the national long-term development plan for the country was, hence, developed in 1998 and launched in 2000 to guide sustainable development in Malawi. The aspiration of Malawians defined in 2000 as articulated in the Vision 2020 is that:

“by the year 2020 Malawi as a God fearing nation will be secure, democratically mature, environmentally sustainable, self-reliant with equal opportunities for and active

participation by all, having social services, vibrant cultural and religious values and being a technologically- driven middle income country (Malawi Government 2017:30).”

This national vision has been pursued through the implementation of 5-year medium term development strategies. Since 2000, the country has used the Malawi Poverty Reduction Strategy Paper (2001-2004), and then moved on to the Malawi Growth and Development Strategy (MGDS) I (2005-2010), then MGDS II (2011-2016). The MGDS is actually an overarching development guide for the country. Each and every government institution is meant to refer to the document when planning its activities or programmes.

#### **4.0 Government Recognition and Commitment to Territorial Approaches to Local Development**

The MGDS III is the country’s latest development framework which covers the period from 2017 to 2022. It aims at moving Malawi towards being “a productive, competitive and resilient nation” through sustainable economic growth, energy, and industrial and infrastructure development while addressing water, climate change and environmental management and population challenges. (Malawi Government 2017:14). The policy has five (5) priority areas which “were arrived at through the national wide consultations, recommendation from MGDS II comprehensive review, impact analysis, sector interlinkages and the SDG model” (Malawi Government 2017:55). These five (5) priority areas are Agriculture, Water Development and Climate Change Management; Education and Skills Development; Energy, Industry and Tourism Development; Transport and Information Communication and Technology (ICT) Infrastructure; Health and Population. These 5 key priority areas were chosen on the basis of alignment to the SDGs, the AU Agenda 2063 and Malawi’s economic and development needs with potential to spur growth and remove barriers to development in Malawi. Building on the lessons from previous strategies (MGDS I and III), MGDS III has made the territorial approach to local development very explicit and it has made it clear that the national plan will be implemented through the decentralised local authorities. The overarching principle of decentralization is that public decisions are best made at the level of authority which is closest to the people. This is a departure point from the previous years’ strategies. On decentralisation the MGDS III says:

MGDS III implementation will emphasize devolution of those functions that have not yet been devolved so that decisions are made at the local level for development efficiency and effectiveness. It is expected that local government councils will take active role in

putting up policy decisions that will facilitate development programmes that are inclusive and help the country attain sustainable national development (GOM, 2018)

The MGDS III is also aligned to both the SDGs and the Africa Union Agenda 2063. Agenda 2063 also focuses on local development. For instance, section 9.4.3 of the MGDSIII says that:

“Malawi has committed to implement SDGs and AU Agenda 2063. These frameworks have been localised in the national development plan for easy implementation. This implies that global reporting will be done alongside the national reporting as per the county’s obligation to report on the progress of these globally agreed targets” (Malawi Government 2017:95).

Through this acknowledgement, the country has subscribed to sustainable development goals SDGs as a global agenda for development that apply to all countries aimed at eliminating poverty, promoting peace and prosperity and protecting the earth. It has also subscribed to the AU agenda 2063 that articulates the aspirations for the African continent to be realized by African countries by 2063. The MGDS III has domesticated the SDGs, the Africa Union Agenda 2063, and the other international development frameworks with specific objectives at region, continental and global level. The core principles of SDGs include: universality, integration, transformation, and leaving no one behind.

Secondly, the Local Government Act (1998) and the National Decentralisation Policy (1998) provides the necessary legal and policy framework for the territorial approach to Local Development. Both the Act and the policy have delegated authority for planning, management, funding, and implementation of a variety of functions and services, including MGDS III priority key areas from central government to local authorities.

These include the following:

1. Education Services: (a) Nursery and kindergarten; (b) Primary Schools; and (c) Distance Education Centres;
2. Medical and Health Services including: (a) Health centres, dispensaries, maternity clinics and health posts; (b) Control of communicable diseases; (c) Health education; and (d) Environmental sanitation;
3. Environmental Services (a) Burial Services; (b) Refuse disposal; (c) Sewerage removal and disposal; (d) Environmental reclamation; and (e) Environmental education;
4. Roads and Street Services, the construction, rehabilitation and maintenance of roads not under central government including (a) district roads; (b) township roads; (c) city roads; (d) estate roads (if

done to acceptable standards);(e) street naming; (f) issuing of road permits; and (g) Issue of drivers' licences.

5. Public Amenities(a) Sports stadiums; (b) Community halls (c) Recreational parks and playgrounds; and (d) Public conveniences.

6. Buildings (a) Office space for own use of commercial purposes; (b) Housing estates including those for leasing purposes; and (c) Control of building standards. 6. Business Local authorities will promote and regulate business and local tourism including: (a) licensing of small and medium business, groceries, retail and wholesale shops, garages, motels, private schools and clinics; and (b) Inspection of the above.

7. Fisheries (a) Licensing and inspection of fishing gear i.e. nets and boats; (b) fisheries extension; and (c) community participation in fish management.

8. Forestry (a) establishment of wood lots and forests; forestry surveys; (b) inventory of forests; (c) forestry extension; and (d) forest management.

9. Agriculture, Livestock and Irrigation (a) livestock extension; (b) control of livestock diseases; (c) land husbandry; (d) crop husbandry; (e) food and nutrition; and (f) construction; rehabilitation small dams.

10. Water- the provision and maintenance of water supplies including: (a) boreholes; (b) Piped water projects; protected wells; (d) distribution of water; and (e) gravity fed piped water schemes.

11. Community Development (a) Women in Development; (b) Community Development; (c) Street children and orphans; (d) Youth Affairs; (e) Cultural Affairs; (f) District Information Services; and (g) Probation and welfare.

12. Community Police (a) Establishment and management of police services; and (b) regulation and control of municipal traffic.

Thirdly, a variety of national policies also reflect the commitment to the territorial approach to development. For example, the national health policy provides for health service delivery to be decentralized to district and city councils and empowers communities to be responsible for their own health and healthcare services. It also mandates the Ministry of Health and Population to be responsible for health-related policies, training and supervision. In the policy the Ministry of Local Government and Rural Development will be responsible for the implementation of health and population interventions at the district and lower levels. The National Education policy outlines the role of local government as to integrate education activities into district development plans to promote decentralization. It seeks to enhance governance and management of primary education by

devolving finances, teaching and learning materials, human resource management and development, planning, infrastructure development and management, Monitoring and Evaluation (M&E) to local authorities. Both the National agriculture and The National Irrigation Policy goal recognise the role of the Ministry of Local Government and local authorities in facilitating public awareness and mobilize communities for irrigation development; plan and coordinate the implementation of extension services, irrigation development at local council; and assist in the settlement of disputes in irrigated areas.

The 2020 Voluntary National Review (VNR) on the SDGs carried out by the National Planning Commission noted that the national government relies upon a healthy working relationship with local authorities to deliver the SDGs. It therefore recommended a need to enhance the roles of Local authorities in the implementation of SDGs by ensuring that government is committed to the decentralization process and fiscal devolution in particular by making sure that plans and priorities generated through the local government structures such as District Development Plans (DDPs), Village and Area Development Committees (VAPs and ADP) are funded.

## **5.0 Central Government consideration of Local Authorities as a development actor**

This section discusses the extent to which central government recognize the added value of territorial approaches to local development, spearheaded by the local authorities on the basis of their general mandate. Are local authorities considered as development actors own right and an essential partner to be associated in the implementation of public policies at the territorial level? Or are they just implementing agencies of the central government?

The main finding here is that on paper there is strong recognition by the Central Government of the added value of territorial approaches to local development, spearheaded by the local authorities on the basis of their mandate. In addition to the MGDS III and SGS, the available legal and Policy frameworks i.e. the Constitution of the Republic of Malawi, the Local Government Act, and Decentralisation Policy recognize local authorities as catalysts and delivery vehicles for sustainable development. They create local authorities as entities on their own firstly as implementing bodies of public policy and development programmes, and secondly as development authorities at the local level. The local government authorities (LGAs) were created as independent bodies with 'body corporate' status and existing in their own right. Thus local authorities can sue and be sued and can also source finance on their own and use it to finance their programmes.

The Local Government Act (1998) and the Decentralisation Policy (1998) clearly spell out the purpose and functions of Local Government in Malawi. The Local Government Act (Section 6) outlines the functions of Local Governments which among other things include making policy and decisions on local governance and development for the local government area. Decentralisation Policy provides for the devolution of power and authority, functions and responsibilities to the local councils. In so doing, it intends to create a democratic environment for governance and development at the local level which will facilitate the participation of the grassroots in decision-making. To ensure that the decentralization process is adequately resourced, Section 150 of the 1995 Constitution requires the government to ensure that there is adequate provision of resources necessary for the proper exercise of local government functions. Further, according to the Decentralization Policy, Government is supposed to transfer to Councils 5% of national revenue, excluding grants, to be used for the development of the districts.

The District Development Planning System (DDPS) that government adopted in 2001 emphasises a bottom up and people centered approach to local development. The DDPS system demonstrates the recognition by the central government of the territorial approaches to local development. To date local authorities have well established local development structures and processes which are used in implementing development projects right from initiation level to execution. Some of these structures include the Village Development Committees and Area Development Committees in the rural districts and Neighbourhood and Ward Development Committees in the urban areas. Every Local Authority is supposed to produce a District Development Plan (DDP) which outlines development priorities of the Local Authority over a period of five years. From the DDP an Annual Investment Plan is prepared as a way of prioritizing from the DDP due to the limited resources. The AIP covers development interventions to be implemented within a particular financial year. The intention is that when central government or other non-state actors are coming up with development interventions in a particular district, the DDP is used as a shopping list for development projects and implementation of such projects following the established local structures.

However over the 20 years since the enactment of the Local Government Act and the Decentralization Policy, a lot of studies, reviews and evaluations supported by both government and a variety of non-state actors have been undertaken. They all point to one key finding: the decentralization progress has been mixed and the rate of devolution has been piecemeal with some areas moving forward while others lagging behind. A number of underlying factors have been identified. Firstly, there has been a weak link between decentralisation policy reforms and the broader public service reforms agenda of the various government; Second, there have been shifting political interests about decentralisation over the 20 year period. Depending on the interests of the ruling elite, this has for some periods

contributed to limited political and bureaucratic championship and oversight over the implementation process but also selective implementation of decentralisation reforms that appear not to threaten the regime's interests. The office of the President and Cabinet was supposed to be the administrative champion but its role has not been strong during some years especially during periods where the ruling regime was not keen on devolution. Similarly the oversight role of Parliament over the implementation of the decentralisation policy has not been evident.

If anything since 2010, Parliament itself has been in the forefront of diluting the local government legislation. In 2010 deliberate amendments were made to the Local Government Act which introduced measures to favour powers of decision making centred on Members of Parliament and low allocation of development resources to local authorities. Attempts have been made to reverse these amendments but they have faced huge resistance from interested actors, mainly MPs. These amendments still hold to date and they have stifled the ability of the LGAs to fully meet their mandatory requirements as agents of development. With the passage of time this has created a limited shared understanding and unity of purpose of decentralisation as a way of doing business with actors pulling in different directions. There have been evident cases of lack of confidence in local authorities by Cabinet queries and even by Members of Parliament who have raised concerns in their parliamentary deliberations. This is coupled with some controlling officers in the central ministries who have openly expressed their misgivings about giving full mandate to local authorities to manage development programmes and other aspects of the decentralisation process. This lacuna and politicisation has contributed to deprofessionalisation in the employment of the local authority key staff with perpetual transfers of District Commissioners (DCs). This has made it difficult for the DCs to deliver local government mandates and have created an instability that make them unable to strategically guide the implementation of District Development Plans. Thus while local authorities are gradually taking charge of programmes and interventions of decentralized services in key social sectors such as health, education, and the provision of key infrastructure. Much more needs to be done to strengthen the territorial approach to development spearheaded by local authorities as development actors in their own right. The status of decentralisation as of 2020 is follows:

**a) Incomplete sectoral devolution and mismatch with MGDS III Priority Areas.**

Government's implementation of the decentralization phase been well demonstrated since the 2005/2006 financial year when functions and Other Recurrent Transactions (ORT) budget for only three sectors of Health, Education and Agriculture were devolved to Local Authorities. Since then a further fifteen sectors have had their functions devolved to Local Authorities with the most recent one being the devolution of some Disaster Risk Management functions which were previously under

the Department of Disaster Management Affairs in the just ended financial year of 2019/2020. However, out of the 18 sectors that have been devolved only 3 sectors health, education, and agriculture are within the MGDS III key priority areas list. The rest water development, Climate Change Management; Energy, Industry and Tourism Development; Transport and Information Communication and Technology (ICT) Infrastructure are still with the central government. In addition even among the 18 sectors claimed to be devolved, not all earmarked functions within each sector have actually been devolved. This means that while the Decentralisation Policy identifies many functions to be transferred to local authorities, there are very few MGDSIII key priority ones that Malawian local authorities have mandate over.

In order to enhance the implementation of the territorial approach to local development, The MGDS III has raised the need to devolve the remaining sectoral functions that are its key priority areas. This means that all the sectors not yet devolved should in fact be devolved to the councils in order for them to fully drive the development process. Sector devolution plans guiding the devolution process were done 20 years ago and there is need to review them to ensure that the priority sectors devolve the necessary functions. What is MALGA doing to push the central government to fully devolve and deal with the observed resistance to devolve functions to the district level?

#### **b) Limited Fiscal devolution and Management of Finances**

Although the central Government has devolved some functions to Local Authorities, the requisite financial resources to enable Councils perform such functions have not been fully devolved to Councils. The LAs in Malawi in particular the rural councils (district councils) significantly rely on the transfers from the Central Government (80 percent for rural councils and 20 percent for urban councils) for their operations and development and in most cases the approved budget transfer estimates from the Central Government are normally cut. The LAs' heavy reliance on the Central Government for financing, compromises the autonomy of the LAs as development act in their own right as they saying goes "He who pays the piper calls the tune". Although the legal framework mandates central government to provide adequate resources to local authorities, in practice few resources go to local government for development. For example, in the 2019/2020 fiscal year, Government allocated about K8.5 billion to councils for development out of national (domestic) revenue of around K1.4 trillion, representing around 0.6%. If Government was to comply with the decentralisation policy (5%), it would have transferred about K71 billion. With this funding gap, one would argue that local governments are just implementing agencies of the central government because they cannot make their own decisions regarding development. The heavy reliance of local

government on Central Government for financing compromises their autonomy as ‘development actors’ in their own right.

In terms of development funding some movement was made when government in 2015/16 started devolving the District Development Budget (DDB). The establishment of DDB which is a fund for local development managed by local authorities is an important signal of that central government’s recognition and commitment to the added value of territorial approaches to local development. However, this remains a small portion as most funding such as other funding modalities such as Constituency Development Fund are not under the full control of the local authorities. Current central government fiscal decentralisation approaches embody different rules and pull in different directions. As a result mega development projects are done by Central Government, with local authorities carrying out small, micro projects that also compete on resource envelope available. Worse still the large development projects determined by the central government usually do not into account local needs based data to guide inter or intra-district allocation but are largely driven by political interests and priorities. The fact that central government does not commit to full fiscal devolution does not ensure that projects are planned and implemented by local councils. The Central government is also yet to devolve assets to the local govt. Thus, in practice local authorities are in most cases serving as implementation agencies of the central government and not as development actors in their own right. They mostly behave as an appendage of central government because of lack of funding. Transfers made by the Central Government are not matching with the expenditure responsibilities of the local authorities. A recent study has observed that a major factor contributing to this state of affairs is that there is no fiscal decentralization policy in Malawi despite the Decentralization Policy being in force since 1998. The objective of the fiscal decentralization policy would be to provide sufficient resources, and also build the capacity of local governments to mobilize resources in order to implement their decentralized functions. This Policy is supposed to provide guidelines on the implementation of fiscal decentralization in Malawi.

An enduring observation has related to local authorities’ limited accountability and transparency in the management of their resources. Govt has also moved to strengthen the National Local Government Finance Committee to oversee financial management in councils. It is also hiring more staff for the councils to oversee the financial management capacity of the Councils.

### **c) Patchy Implementation of District Development Planning System**

There is limited attention to ensure that local authorities have up-to-date plans and are being utilised to make financial allocation decisions. While the guidelines, structures and systems are in place, most of the local authorities do not have valid District Development Plans except for those districts that

have been supported by non-state actors to do so. Others do not have even possess the plans at all (see current LAPA report). So this leads to haphazard implementation due to lack of systematic funding for these outputs. In some cases District Development plans exist but they do not speak to the national policies and the local political actors such as councillors and Members of Parliament do not favour the use of such tools. Thus in practice the funding that goes to the local authorities is not aligned with District Plans. Over the years, the executive as well as parliamentarians from both ruling and opposition parties have taken a selected set of decisions that have shaped a compromised pattern of intergovernmental fiscal transfers strategically conceived to shore up their political interests and visibility in delivering local public goods and services. For example, funding from World Bank in the name of Local Development Fund does not reflect the needs of the local authorities. Similarly funding channeled through the Constituency Development Fund, Community Development Fund, and Constituency Borehole Funding is not in tandem with the DDP but was carefully crafted to shore up the interests of national political leaders, particularly Members of Parliament.

## **6.0 A SWOT Analysis of the National Association of Local Authorities:**

The Malawi Local Government Association (MALGA) is an umbrella organization which brings together all Local Government Authorities in Malawi. It is an independent body incorporated under the Trustees Act. It is a body with membership drawn from all political and technical arms of local government authorities in Malawi. The main objective of MALGA is to represent and promote the interests of all Local Government Authorities by advocating good local governance, improving financial base and service delivery in order for Local Government Authorities to be democratic, sustainable, effective and efficient. Over the years there have been a number of assessments on MALGA and I have noted that most of them zero on similar issues but not much has actually been addressed. In the course of this assignment, I held discussions with key informants bordering on the SWOT of MALGA. The findings from these consultations also pointed to similar issues and an overwhelming consensus on the nature of issues that previous assessments have raised.

### **6.1 MALGA Strengths**

All key informants agree a key strength of MALGA is that it is an umbrella body and represents and speaks on behalf of all local authorities in Malawi. This gives them a platform that makes them to be better placed to speak on behalf of local authorities because they have the command of both political and administrative actors of the local governments. Over the past few years, MALGA has gone through reforms to position itself in order to serve its members better. Now MALGA can also incorporate urban mayors and its composition has incorporated technocrats. Previously it was like a body of councillors only, but since 2016 technocrats have also been incorporated. As a result,

currently MALGA has 2 technical teams within its membership - Directors of Finance team, District Commissioners and Chief Executives team. These teams meet frequently to look at technical issues which are raised from the MALGA Assembly or Executive Committee. The technical teams provide an oversight process. They critically synthesize the issues coming from the Assembly and submit the recommendation to MALGA secretariat for advocacy and lobbying purposes.

Another strength is that MALGA has developed a new strategic plan which identifies key areas of interventions for the benefit of its members. In the new strategic plan, MALGA positions itself as a focal point for the capacity building of local authorities. MALGA's strategic plan covers the period 2019-2024. MALGA has a good mission and vision which creates a shared understanding with its stakeholders. The strategic plan affirms MALGA'S mission or reason for being as "championing and defending the interests of Local Government Authorities through representation and advocacy". The vision of the strategic plan is towards a louder unified voice for service delivery in local government authorities in Malawi. The values of the Association are: integrity, dedication, transparency and accountability, service excellence, creativity and innovation, teamwork and all-inclusive participation, professionalism and assertiveness. The key aspirations of the strategic plan include that MALGA is known and appreciated, a stronger and louder voice, achieve operational independence, interests of member secured, better service delivery and enhanced transparency and accountability.

MALGA has a cordial working relationship with various non-state actors as European Union, the USAID Local Government Accountability Project, civil society organisation who have supported and funded some of their projects.

## 6.2 MALGA Weaknesses

Four key weaknesses stood out. Identity crisis is the first and most widely cited weakness of MALGA is what I summarise as identity crisis. The second relates to limited recognition of the role of MALGA by its members. The third is about limited budgetary finance and the fourth and last one is about limited human resource capacity in both quantity and quality.

### a) Identity Crisis

MALGA is supposed to be an independent body that is supposed to take various central government ministries, departments and agencies including the MLGRD to task. Most stakeholders hold the view that MALGA has an identity crisis which limits its capacity to effectively work as a lobby organisation. Stakeholders feel that sometimes it behaves like an affiliate or a department of the Ministry of Local Government and Rural Development (MLGRD) in the same category like National Local Government Finance Committee and Local Government Service Commission. Other key actors in the local

government sector perceive it as an independent lobby organisation like any mainstream CSOs. Other informants feel that MALGA does not have independence or total autonomy in its operations because the Ministry of Local Government seems to control the operations of MALGA. For example, sometimes the MALGA executive has to get certain things vetted first by the MLGRD before moving forward engaging higher level offices like OPC on its own lobbying for policy issues. Others observe that MALGA prefers to be attached to the MLGRD. Over the years, it has enjoyed the subservient position because it has benefits. MALGA has been attending the management meetings of the MLGRD. They have been comfortable taking this approach until a few years ago when the new controlling officer of the MLGRD has challenged it.

The majority of the stakeholders consulted are of the view that as a lobbying institution, MALGA should get out of the comfort zone and demonstrate its independence. MALGA should be operate as a strong pressure group on local government matters that analyses issues and challenges (even seek legal redress) the central political leaders and various central government ministries, departments and agencies over central government failures like the incomplete process of sector and fiscal devolution. Stakeholders expect a MALGA that should stand up to challenge the persistent local governance policy reform bottlenecks and get decentralisation back on its intended path to make sure that local authorities are able to deliver on their mandates. They also believe that its programming should be such that it should change the landscape of local authorities so that they should focus more on local development and livelihoods of communities.

#### **b) Limited Recognition and Participation of MALGA members**

One of the weaknesses of MALGA is the lack of its members' understanding of the objectives of the Association. Previous and even more recent assessments reveal that there is poor understanding about MALGA by most of its members - members do not understand what MALGA is and what it is supposed to do. If members are clueless of why the Association of which they are members exists it means they do not really appreciate the services of the organisation and is very difficult for them to participate effectively in the execution of its mandates. A low level of participation of women in local governance was also noted to be another weakness where participation is concerned. There is low number of female councillor's in Malawi as well as in management positions in all councils. There is inadequate participation of women in local governance structures at council level. Most of them, being first time Councillors, do not really know what they are supposed to be doing, as they seem not to have not fully grasped the operations of the council, and are not able to understand and articulate the issues in the English language. The chair of Women Caucus only sits at MALGA meetings as an ex-official member with no voting rights.

### c) Limited Budgetary Finance

MALGA has weak financial capacity which makes it difficult to meet its obligations. MALGA largely depends on council membership funds, yet the local authorities are also struggling financially. Over the years, the trend as illustrated in table 1 has shown that although there has been some improvement, the flow of the resources has been erratic and unreliable because the contributions are usually in arrears.

Table 1: Local Authority Subscription Payment Trends for past 5 years

Fiscal Year	Total Amount of Membership Fees	Percentage of Membership Fees Paid
2019/2020	49, 149, 672,67	86%
2018/2019	49 351 526,37	83%
2017/2018	38 942 650,96	81%
2017/2016	37 540 000,00	71%
2016/2015	37 540 000,00	51%

Although there is some improvement, these subscription resources are able to finance only 30% of MALGA's operational costs. Currently about 70% of MALGA's operational costs are met by projects supported by various donor and other non-state actors projects. In addition, the rentals of offices that house MALGA are paid for by the central government.

### d) Limited Human Resource Capacity

The current major human resource weakness of MALGA is its staff compliment. Currently, MALGA does not have enough staff at its secretariat. Apart from the Executive Director, the office has one generalists programme officer. This affects its effectiveness in terms of the volume of programmes it can implement at a given point in time. As a result they have tended to rely on consultants for the implementation of some of their work

MALGA's organisational structure does not include lobbying and advocacy structures and does mirror the structure and functions on local authorities as they relate to local development. As a result, it lacks capacity in other key governance disciplines. As a voice of local authorities they were supposed to have comparative advantage in such areas as local development Planning, lobbying advocacy and research etc.

In addition, the low levels of education of the councillors affect the capacity of MALGA to become a vibrant lobbying and advocacy organisation. The majority of their members are not well qualified to advance many issues. Its political leadership requires a lot of capacity building as oftentimes they concentrate on discussing their personal benefits (conditions of service) other than local development processes and the needs of citizens

### 6.3 Opportunities

The trust that Development Partners have developed in supporting Local Development initiatives through MALGA is an important opportunity. Willingly supported by Development Partners and in some cases gets preferences in funding than the Ministry itself.

It is recognised by the Ministry of Local Government and Rural Development (MLGRD) and other central government as a credible voice of local authorities

Greatest opportunity is the regime change and the rising to power of a new government since June 2020 that is keen on advancing public sector reforms and strengthening key governance institutions. Regime change is an opportunity for MALGA as a policy window has opened.

There is commitment from UCLGA to support national associations including MALGA. MALGA can utilize this to reposition itself and raise the issues before new political regime before the policy window closes.

### 6.4 Threats

The greatest challenge is lack of independence. The MLGRD treats MALGA as a department of the Ministry. This is the greatest threat to the operations of MALGA as it becomes difficult for MALGA to turn around and challenge the MLGRD on the issues it needs to reform.

Another threat is the overreliance on donors and no-state actors due to of lack of resources. This compromises the ability of the Association to fully deliver its mandates, its strategic plan and fully respond to the needs and concerns of its members. Consequently most of the Association's activities revolve around capacity building and other activities that reflect the donor's interests and priorities.

Party politics and politicisation of local government reform is another threat that can compromise the objectivity and independence of MALGA's members.

## 7.0 Key Conclusions and Recommendations

The foregoing analysis has shown that since 2006, Malawi has utilised the Malawi Growth and Development Strategy as the overarching development guide for the country. Each and every government institution is meant to refer to the document when planning its activities or programmes. The MGDS III is the country's latest development framework which covers the period from 2017 to 2022. It aims at moving Malawi towards being a productive, competitive and resilient nation through sustainable economic growth, energy, and industrial and infrastructure development while addressing water, climate change and environmental management and population challenges. MGDS III has made the territorial approach to local development very explicit and it has made it clear that the national plan will be implemented through the decentralised local authorities. The MGDS III is also aligned to both the SDGs and the Africa Union Agenda 2063. Agenda 2063 also focuses on local development. Secondly, the Local Government Act (1998) and the National Decentralisation Policy (1998) provides the necessary legal and policy framework for the territorial approach to Local Development. Both the Act and the policy have delegated authority for planning, management, funding, and implementation of a variety of functions and services, including MGDS III priority key areas from central government to local authorities. A variety of national policies such as education, health and agriculture also reflect the commitment to the territorial approach to development.

The analysis has also shown that on paper there is strong recognition by the Central Government of the added value of territorial approaches to local development, spearheaded by the local authorities on the basis of their mandate. In addition to the MGDS III and SGS, the available legal and Policy frameworks i.e. the Constitution of the Republic of Malawi, the Local Government Act, and Decentralization Policy recognize local authorities as catalysts and delivery vehicles for sustainable development. They create local authorities as entities on their own firstly as implementing bodies of public policy and development programmes, and secondly as development authorities at the local level. The District Development Planning System (DDPS) that government adopted in 2001 emphasizes a bottom up and people centered approach to local development and demonstrates the recognition by the central government of the territorial approaches to local development.

However over the 20 years since the enactment of the Local Government Act and the Decentralization Policy, decentralization progress has been mixed and the rate of devolution has been piecemeal with some areas moving forward while others lagging behind. As of 2020, the status of decentralisation includes limited sectoral and fiscal devolution that mismatches with the MGDS III priority areas and patchy implementation of the planning system. Amidst this background, MALGA is widely recognised as a credible voice of local authorities. A key strength of MALGA is that it is an umbrella body and

represents and speaks on behalf of all local authorities in Malawi. This gives them a platform that makes them to be better placed to speak on behalf of local authorities because they have the command of both political and administrative actors of the local governments. Four key weaknesses stand out: identity crisis, limited recognition of the role of MALGA by its members, limited budgetary finance and limited human resource capacity in both quantity and quality. The trust that Development Partners have developed in supporting Local Development initiatives through MALGA is an important opportunity. Despite these weaknesses, MALGA has some opportunities. It is willingly supported by Development Partners. Perhaps the greatest opportunity is the regime change and the rising to power of a new government since June 2020 that is keen on advancing public sector reforms and strengthening key governance institutions. Regime change is an opportunity for MALGA as a policy window has opened.

Based on the foregoing, the next section provides tentative suggestions for priorities of actions to consider for local authorities to promote the Territorialization of public policies and global agendas as well as local development programs, and to respond to the problems revealed by the SWOT analysis:

- The MALGA executive should devise specific strategies on how to engage with its members on a continuous basis to sensitize them of this EU programming initiative so that MALGA can work and move together with its members on these processes.
- The MALGA should synthesize information on the status of decentralization and together with its members develop a lobbying and advocacy strategy to engage the following actors on accelerating sectoral and fiscal devolution: the new political regime leadership; Office of the President and Cabinet Parliamentary members including the Committee on Decentralization; Ministry of Finance, National Local Government Finance Committee and the Planning Commission on local development Fiscal Decentralization select key areas
- MALGA should improve the staff complement by ensuring the filling of posts for the programme officers that are vacant. The target should be to ensure that the recruited staff have local development planning and lobbying and advocacy skills.
- MALGA should consider decentralising its services to the regions so that local authorities can easily be supported in. Regional offices which report to the umbrella body are needed to improve service delivery to its members.

## Annex 1: List of People Consulted

	Name	Gender	Organisation	Position
1	Dr. Blessings Chinsinga	M	Chancellor College	Professor and Director of Centre for Social Research
2	Dr. Mustapha Hussein	M	Chancellor College	Associate Professor
3	Dr. Michael Chasukwa	M	Chancellor College	Associate Professor
4	Mr Emmanuel Bulukutu	M	Dedza District Council	District Commissioner
6	Charles Kalemba	M	MLGRD	Principal Secretary
7	Alifeyo Banda	M	National Local Government Finance Committee	Executive Director
8	Macloud Kadammanja	M	Balaka District Council	District Commissioner and former CEO of Mzuzu City
9	Virginia Chitanda	F	Local Government Accountability Project	Chief of Party
10	Wild Ndipo	M	Blantyre City Council	Mayor and President of MALGA
11	Sphiwe Mauwa	F	MLGRD	Director of Local Government Services
12	Winston Khamula	M	Local Government Accountability Project	Decentralisation Manager
13	Darwin Pangani	M	MLGRD	Deputy Director for Decentralisation
14	Moses Chimphepo	M		
15	Grace Chirwa	F	Salima District Council	District Commissioner
16	Reinghard Chavula	F	Chiradzulu District Council	District Commissioner
17	Walusungu Kayira	M	MLGRD	Director of Planning

18	Humphrey Mndaka	M	Staff Development Institute	Head of Local Government Department
19	Agness Chimbiri, UNDP	F	UNDP	Portfolio Manager
20	Gertrude Chirambo	F	Women Councillors Caucus	President
21	Amina Salimu	F	Women Councillors Caucus	Deputy President
22	Brenda Kacheche	F	Local Government Accountability Project	Institutional Capacity Development Specialist
23	Hudson Mkandawire,	M	MALGA	Programme Officer
24	Arthur Liwonga	M	National Local Government Finance Committee	Director of Corporate Affairs
25	Berlings Kumpata	M	Local Government Service Commission	Immediate former Executive Secretary
26	Charles Lumanga	M	Operations Manager	EU National Authorising Unit Operations Manager

Annex II: Full Reference List for all documents included in the report

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