

## **Chapter 1 - Introduction**

The Malawi Poverty Reduction Strategy Paper (MPRSP) is Government's overarching statement of strategy. It will form the basis for all future Government activities and provides a guiding framework for Government's development partners. It is the product of a highly consultative process involving a broad range of stakeholders. It represents a consensus about how Malawi can develop and achieve its core objective of poverty reduction.

### **1.1 Distinguishing features**

The Malawi Poverty Reduction Strategy (MPRS) is a major departure from previous plans and strategies. Firstly, the MPRS differs in its underlying philosophy. The overall goal of the MPRS is to achieve "Sustainable poverty reduction through empowerment of the poor". This empowerment is social, economic and political. It moves away from seeing the poor as helpless victims of poverty in need of hand-outs and passive recipients of trickle-down growth. Instead, the poor are seen as masters of their own destinies. Government and development partners' role is to create the conditions whereby the poor can reduce their own poverty. This change in philosophy is reflected across the MPRS.

The second distinguishing feature of the MPRS is its focus on implementation. At the heart of this focus is the emphasis on prioritisation and action. In the past, Malawi's development objectives have not been met because Government has tried to do too much and as a result has spread itself too thinly and has achieved too little. Previously Government plans have not been implemented because of lack of action planning, broad ownership and realism. The MPRS has been designed to address these problems.

A third and related distinguishing feature is the participation involved in the MPRS Preparation Process. A broad range of stakeholders were involved in the formulation of the strategy, through national level consultations, district consultations and Thematic Working Groups (TWG). This participation will continue during the monitoring, evaluation and reviewing of the MPRS.

Finally, the MPRS differs in its comprehensiveness. Rather than treating poverty reduction as an issue separate from the bulk of Government operations, the MPRS covers the whole of Government. It is the starting point for a reorientation of Government towards meeting its core objective of poverty reduction so that all Government activities are poverty focussed (either directly or indirectly). As such, Government will ultimately implement **only** the MPRS, through various supporting mechanisms of which the Budget is the most important.

## **1.2 The Malawi Poverty Reduction Strategy**

MPRS outlined in this paper has four pillars. These are:

1. *Sustainable Pro-Poor Economic Growth* – economically empowering the poor by ensuring access to credit and markets, skills development and employment generation.
2. *Human Capital Development* – ensuring the poor have the health status and education to lift themselves out of poverty.
3. *Improving the Quality of Life for the Most Vulnerable* – providing sustainable safety nets for those who are unable to benefit from the first two pillars.
4. *Good Governance, Political Will and Mindset* – ensure that public and civil society institutions and systems protect and benefit the poor.

In addition, there are four issues that cut across these pillars: HIV/AIDS, Gender, Environment, and Science and Technology.

## **1.3 The content of the MPRS**

The paper gives essential background information and outlines the strategy itself. Chapter 2 answers the question: “Who are the poor and why?” by giving a situational analysis of poverty. This analysis sets the stage for the rest of the paper by defining what the problem is that needs to be solved.

Chapter 3 gives some overall background of Malawi’s developmental efforts and performance. It discusses why Malawi has in the past failed to meet its objectives and outlines lessons from this experience.

Chapter 4 is the core of the MPRS, since it outlines the underlying philosophy and approach of the MPRS based in part on the lessons learned from Chapter 3. It then summarises the strategies

under each pillar of the MPRS, justifying the strategies with reference to their impact on poverty and to lessons from past and present experience.

Chapter 5 outlines the economic framework and expenditure framework within which the MPRS will operate. In particular, it provides a macroeconomic framework and targets and the associated resource availability. It then provides the expenditure framework and resource gap for the PRS. It presents a summary of the cost implications of the strategies summarised in Chapter 4 and compares them to resource availability.

Chapter 6 summarises the modalities for implementing the MPRS. In particular, it outlines the relationship between the MPRS and the annual Budget, presents the institutional framework for the monitoring and evaluation of the MPRS, and describes the process for reviewing the MPRS.

The document also contains two annexes. The first presents a summary of the MPRS Preparation Process. The second contains the Action Plan matrices, which contain a summary of all the activities in the MPRS, together with associated targets, monitoring indicators and costs. This is the main statement of the Poverty Reduction Strategy, which is summarised in Chapter 4.

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