

Chapter 1 - Introduction

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

The MPRSP focuses on what Malawi as a nation can do to meet its poverty reduction targets. The strategy as a whole belongs to the nation, but many of the specific activities within it and the overall co-ordination of implementation will be done by Government⁵. The private sector and civil society⁶ will play important roles in working with Government to implement and monitor the strategy. As a statement of national strategy, the MPRSP does not go into detail on the specific actions and spatial distribution of the activities it proposes. These details will be provided by the sector specific plans (for example, the Sector Investment Programmes (SIPs) and District Development Plans (DDPs) that will be developed in line with the MPRSP.

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 socio-economic and political empowerment of the poor⁷". It moves away from seeing the poor as helpless victims of poverty in need of hand-outs and as passive recipients of trickle-down growth. Instead, the poor are seen as masters of their own destinies. Government's 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. Many previous 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 (TWGs), as detailed in Section 1.2 below. This participation will continue during the monitoring, evaluation and reviewing of the MPRS.

⁵ Government here is defined broadly as the three branches of Government: The Executive (including the Civil Service), the Legislature (parliament) and the Judiciary. This is at both national and district level.

⁶ Civil society includes NGOs, faith community organisations, labour organisations and traditional authorities.

⁷ Throughout this document the term "poor" is inclusive of women, men, girls and boys.

Fourthly, 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 of its 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. All poverty reduction and development initiatives and programmes will fall under the umbrella of the MPRS. As such, it will not only be Government that implements the MPRS – all stakeholders in Malawi have a role to play in implementation.

Finally, the MPRS will be implemented in the context of decentralisation. The devolution of functions and responsibilities to the districts represents a fundamental change in the way Government will work, bringing itself closer to the poor themselves. In future years, the strategies detailed in the MPRSP will be implemented more by local Governments than by central Government line ministries, whose role will be reduced to national policy-making, setting standards and regulations and co-ordination. In addition, the design of the MPRS itself will be based on district level poverty reduction plans as an input into national level discussions. The integration of decentralisation into the MPRSP will be achieved through the annual review process, as the process of decentralisation proceeds and as functions are devolved to the district assemblies.

1.2 The MPRSP Process

As detailed in Annex 6a, the preparation of the MPRSP was achieved through a highly consultative process involving a broad range of stakeholders⁸ over the course of 15 months. The process was iterative both between Government and other stakeholders and between the MPRSP Technical Committee and the sectoral working groups.

Many of the details of the strategy were provided by 21 Thematic Working Groups (TWGs). These TWGs were drawn from a broad variety of stakeholders, including Government, civil society, NGOs, donors, private sector, and faith communities. They drafted sectoral contributions that were prioritised and costed to reflect the focus on poverty.

The process also involved consultations on more general issues at a district level. Stakeholders in all the 27 districts and 4 cities and municipalities were consulted. Issues which emerged from these consultations are highlighted in Annex 6b. The stakeholders involved in these consultations included Traditional Authorities, Members of Parliament, Ward Councillors, political leaders of various parties, district chief executives and their staff members, local non-Governmental Organisations (NGOs) and some ordinary citizens representing the voices of the poor.

⁸ The reports on the various stages of consultations contain detailed information on participants, methodology and content of the consultations and are listed in the Bibliography. These are available from the Technical Committee or from www.finance.malawi.gov.mw

After the consultations and the completion of the sectoral contributions by the TWGs, a drafting team was formed, drawing members from the Technical Committee, civil society, private sector and NGOs. The resulting draft was discussed at a series of stakeholders' workshops, involving Government officials, Principal Secretaries, Members of Parliament, the private sector, Traditional Authorities, councillors, donors, NGOs, civil society, faith communities and trade unions. The comments arising from these workshops were then incorporated by the drafting team, with a focus on refining the costing and prioritisation in consultation with the TWGs. This revised draft was then commented on by Principal Secretaries, donors Cabinet, and civil society and subsequently this final draft was prepared.

1.3 The Malawi Poverty Reduction Strategy

The MPRS outlined in this paper has four pillars. These pillars are the main strategic components grouping the various activities and policies into a coherent framework for poverty reduction. These are:

1. *Sustainable Pro-Poor Economic Growth* – economically empowering the poor by ensuring macroeconomic stability, 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* – ensuring 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.

1.4 The Content of the MPRSP

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 MPRSP, 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 them with reference to their impact on poverty and to lessons from past and present experience.

Chapter 5 outlines the macroeconomic framework and expenditure framework within which the MPRS will operate. In particular, it provides macroeconomic targets and the associated resource availability. It then 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 seven annexes. The first presents the Action Plan for the MPRS. The second presents a summary of the costings of the MPRS activities by objective. The third presents certain large-scale infrastructure development projects. The fourth annex contains a selection of monitoring indicators. The fifth presents a glossary of terms whilst the sixth contains a summary of the MPRS Preparation Process. Finally, the seventh annex contains the bibliography. The full Action Plan matrix, with comprehensive and detailed costings and monitoring information, is available as a separate technical document.