

# **THE ROLE OF PARLIAMENT IN THE IMPLEMENTATION OF THE POVERTY REDUCTION STRATEGY PAPER**

by:

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## ***Introduction***

The recent hunger has devastated lives in a number of countries in the region. Zambia, Zimbabwe and Malawi are notable examples and this has raised the debate on poverty to profiles never before heard of. At policy levels the question of agriculture has become a high profile concern to the extent that unlike in the past it is sometimes being said that agriculture is the engine of growth. Hunger resulted into a number of deaths because it weakens resistance and disease takes advantage of this. The defence mechanisms in the body collapse. A hungry person is sleepless, and loses his dignity. Women in particular are the worse off. In this equation the Member of Parliament is in the frontline of defence. He articulates the suffering of the people in parliament and in important forums. Quite often the predicament requires that he participate in the search of support mechanisms for the affected families.

The question is, what has been the role of members of parliament in the debates on poverty? Certainly parliamentarians were almost forgotten during the period of Structural Adjustment Programmes (SAPs).

In the last three years, the dialogue on poverty has moved from Structural adjustment to the Poverty Reduction Strategy Paper (PRSP), a very intensive dialogue indeed. Introduced in September 1999, the Poverty Reduction Strategy Paper gave the hope of debt relief to poor countries, although partially, and according to many, inadequate compared to the preferred total debt forgiveness. PRSPs challenge decision-makers to put money where their mouth is, that is to allocate resources for poverty interventions. It should be remembered that the “seed money” in the PRSP processes is money out of debt relief. PRSPs challenge bureaucrats to realise that for poverty reduction to succeed a total war must be waged. There must be no spectators. All including the poor themselves must participate in the process of identifying what hurts and in the search for solutions to those problems. The PRSP process (some 70 countries are participating at various stages) is intended to be a model of development dialogue where the rich, the donors, the poor, the aid recipient and the national institutions meet. Participation by stakeholders is critical for qualification by a country to completion point because staff of the World Bank and the International Monetary Fund report to their Boards on the intensity of the dialogue. The level of participation determines whether or not a country qualifies for debt relief.

## ***Parliament and PRSP Process***

Modern constitutions on the African Continent require that the authority to exercise power of State be conditional on the sustained trust of the people. Trust can only be maintained through open, accountable and transparent government and informed choices (see section 12 (iii) of the Malawi Republican Constitution). Systems are therefore supposed to be open, transparent and accountable. Development processes themselves are not spared of this requirement. The legislator variously referred to as a watchdog, advocate and intermediary of constituents in the context of parliament which is also an agent of change and builder of alliances with various stakeholders needs to be taken on board. He shares the responsibility of ensuring that the executive performs to the

standard. The parliamentarian is the authentic representative of the poor and frequently now one of the providers for constituents. In the formulation of strategies to reduce poverty, he refuses to be a mere rubber stamp of a *fait accompli*. He demands a role in the implementation and in the monitoring and evaluation of PRSP processes. This is the experience out of contacts with legislators throughout the African continent.

In Malawi legislators have not had an active involvement in the poverty Reduction Strategy Paper process. However, at least a beginning has been made in that a number of chairmen of Parliament committees were invited to join some of the nineteen thematic groups preparatory to the PRSP. The Chairman of the Budget and finance Committee for example chaired the Public Expenditure Thematic Group. A limited number of Parliamentarians also participated in the district consultations at the invitation of the PRSP Technical Committee. Experience shows that it takes some initiative from the legislators themselves to crown the participation process. It is a situation that we have to encourage since the PRSP process is the best in terms of the participatory approach to date.

Elsewhere on the continent the executive have not consulted Parliamentarians in a meaningful way. In Nigeria for example, it was reported during a video conference which the writer participated in that meetings were held in constituencies during the week beginning 18<sup>th</sup> February 2002 but that the appropriate members of Parliament were not invited. Similarly it was revealed that in Niger, members of Parliament were invited at different stages in the PRSP “in a token or ceremonial way”. In Ghana participation of Parliamentarians was more involving through individual MPs who participated in core teams. The Ghanaian legislators were more forward looking in hoping that they would approve a final PRSP although at the time of the video conference when this was stated, the international electronic media was already reporting that Ghana had successfully reached completion point and had qualified for substantial debt relief.

Out of the 300 delegates from 31 countries that attended the September 10-13, 2001 Dakar Conference on PRSPs in Africa only 5 were members of Parliament out of which two were Malawians. Therefore it is obvious that the process has a long way to go before it can accommodate legislators.

### ***Can Parliament Deliver on the PRSP?***

“The greatest challenge is to actually get results from projects and programmes so that they have a positive effect on the poor. Oversight on programme effectiveness is one of the most important Parliamentary programmes in the fight against poverty”, concluded the moderator of the World Bank e-mail discussions group on the Role of the Parliamentarian in the fight against poverty which was conducted recently.

This is not to say that budget oversight is the only avenue to ensure successful implementation for PRSP. It is simply to emphasise that budgetary oversight is a major input and one which parliament is suitably positioned to perform. In this context, the inchoate experience of the budget and finance

committee in Malawi may be useful. This committee was established by section 56(7) of the Constitution. It is one of the 3 committees that are specifically mentioned in the constitution. All the political parties in parliament are represented in the committee in proportion to their numerical strength in the House. Periodically invitations are extended to the chairpersons and the vice chair persons to sister committees of the House such as Agriculture, Education and Health. The ripple effect of this is that at least 25 percent of the total membership of the House can be reached and be expected to make informed contributions when issues which the committee considered are discussed in the full House.

The Terms of Reference the Committee include sharpening public awareness of the budget as well as encouraging informed debate on the budget and on economic issues. In its formative stages, (1995/96) the Committee advised Parliament on judicial salaries and packages which were seen as critical for judicial independence. It also initiated contacts with major economic operators such as the tobacco industry, and professional bodies such as the Society of Accountants, and the Economics Association of Malawi. The committee periodically engaged consultants to advise on inflation, the budget deficit, gender equity concerns and, analysed the National Assembly budget. Towards the end of 2001 the committee established a task force on poverty reduction having decided to devote its energies to poverty reduction concerns.

The committee held exhaustive consultations with officials on the Public Expenditure Review (PER) in order to understand how efficiency could be built into expenditure. It also examined the Phase II Overview of the Medium Term Expenditure Framework (MTEF). Members further participated in numerous workshops where the poverty concerns were examined using in the main the government publication: profiles of poverty in Malawi, Poverty Analysis of Malawi, Integrated Household survey, 1998 and drafts which later became the Malawi Poverty Reduction Strategy Paper.

### ***Prioritisation***

The committee identified priority sectors, which require funding in order to optimally impact in the effort to reduce poverty. Fortunately the committee's priorities closely reflected what was later to come out of the district consultations by the Technical committee of the PRSP as reported in the Findings to Date Document of the PRSP. These priorities largely assumed more prominence when civil society produced their list of what was called priority poverty expenditures, PPEs. Here again no major differences were observed in the categorization of priority concerns of the poor. An impression of the priority poverty expenditures may be obtained from the list in the annex to the 2001-2002 Pre-Budget Report of the committee that is appended to this paper.

### ***Pre-Budget Report, 2002-2003 Financial Year: Monitoring the PRSP?***

In all these exercises there is need for choices. Because of the numerous constraints the committee decided that not all the priority expenditures could be monitored with the same intensity. What was important was to tap on parliament's comparative advantage. Surely parliament's comparative

advantage is in the fact that it approves the budget. Parliament accesses the budget documents. Budget documents for the 2001/2002 financial year add to some 4,401 pages, with expenditure on Agriculture and Irrigation alone covering some 1,020 pages. The economic Report and the Financial Statement add up to an additional 290 pages. These are a maze. There is need to track expenditure lines down to district levels to ensure that objectives spelt out in the Estimates of Expenditure (output based) were being made. This, the committee decided was its comparative advantage even if it meant that it had to be complemented by a consultant.

Secondly, it was known that in education for example a powerful lobby, the Teachers Union of Malawi (TUM), would be fighting for reasonable teacher's salaries and packages. The committee therefore decided that it would leave out that priority line of expenditure and settle for teaching and learning materials and teacher training.

Thirdly, the committee was aware that civil society networks were also positioned to monitor outputs of the budget but at the grassroots level. The committee therefore decided that it would benefit from the inputs from civil society, which was working from the bottom-up, while the committee was moving from treasury to Ministries, through Departments to the district levels of expenditure.

### ***Hearing with the Civil Society held by the Committee***

Although the findings of the civil society networks were at most tentative some issues were already coming out clearly and contributed to the committee's understanding of the problems of implementing a pro poor budget. The committee had also invited representatives from ministries concerned in order to seek explanations in respect of some of the findings. But at the outset, the constraints need to be spelt out. The three networks on agriculture, health and education did their surveys on a voluntary basis. Resource constraints included lack of transport and time. Quite often their samples were limited because they had to work in areas where their members were already operating. In case of health, only a limited number of rural health clinics (36 in 6 districts), were visited. In case of education only 51 schools in 6 districts out of the 4,600 schools or so countrywide were visited in January 2002. All of them could only report on budget performance for half of the year, namely July to December 2001, and at that stage they had no information on the trends for the remaining half of the year.

In the case of the agriculture network, CISANET, it is indisputable that agriculture was allocated more money in the 2001/2002 financial year than was the case in the year before. This does not mean that one must be blind to its dwindling share relative to the overall budget. However, a survey of 9 Extension Planning Areas (EPAs) covering 53 field assistants reveals that this increase in budget allocation was not necessarily translated into more field visits by extension workers. Findings of CISANET can be summarized as follows:-

- Government in the 2001/02 budget indicated an intention to fill 3,900 extension posts. The Ministry of Agriculture admitted that this had not happened and that there were approximately

1,400 extension posts filled. Based on CISANET'S sample, it appears that the Ministry would need over 1,628 additional field Assistants to provide the most basic services to all villages.

- The number of Field Assistant visits to villages did not increase during the year under review. Given shortages of staff, 6 Field assistants in an EPA must visit an average of 79 villages outside their assigned sections in order to cover all villages in the EPA.
- 75% of Field Assistant stated that they were unable to reach villages, due to lack of transport. 22% of the respondents had not received
- transport and travel allowances (T&T) in 6 months and 11% had never received any T&T. At the EPA level, District Officers faced the same problem causing them to achieve only half of their planned follow-up visits to their Field Assistants.
- Almost 50% of the Field Assistants interviewed said that after the distribution of targeted input packs (TIP) participation in all agricultural programmes dropped among farmers who did not receive TIP packs.
- There was lack of motivation for the farmers to attend training sessions, as the program neither provides snacks nor stipend allowances. Most of the EPAs have training facilities that they do not use due to attitudinal problems.
- All EPAs visited had land for demonstration purposes (average of 3.35 hectares) each. However, most of the land was not utilized because of lack of labour and inputs.
- There were a lot of vacancies for all subject-matter specialist positions. Of concern is the fact that there was no irrigation officer at the EPA level in all the sampled EPAs.

The limitations of the survey have already been mentioned. The important consideration therefore is not whether these findings were full proof but that some models are being developed in a collaborative manner between parliament and civil society.

Secondly, since the parent ministries were always invited to the hearings of the committee the opportunity to verify the findings was afforded. The Ministries were set on alert because they were made aware that expenditure was being tracked. Ultimately the issue would be raised on the floor of parliament and there was need to anticipate hostility.

The Budget and Finance Committee views extension as crucial in the effort to reverse the stagnation in production of food crops and exportables. An extension programme that delivers is a necessary input in the fight against hunger. In this respect it is most gratifying to note that both the Zambian and the Malawian PRSP emphasize agriculture as one of the strategies in the fight against the poverty.

For completeness sake it is necessary to refer to only a few major findings of the civil society networks on health and education. A critical concern in Malawi over the years has been inadequacy

of drugs compounded by the problem of pilferage in and out of the Medical Stores. In the Budget Statement therefore government decided to improve the per capita spending target. During the survey though this looked unattainable due to the following findings:-

- District Health Officers did not always receive the drugs they request from Central Medical Stores and that twenty-six vital drugs were out of stock at one or more of the fifty-one clinics surveyed.
- Of thirty-six clinics surveyed all had at least one vital drug out stock, and one clinic had fifteen vital drugs out of stock out of the required sixteen. Drugs for asthmatics were commonly out of stock.
- Further, record keeping was poor and tally cads were not serving their purpose. The result was that drugs were transported in boxes that allowed for pilferage. In other words, the dispatches did not necessarily tally with what was received.
- To compound the situation the 2002/2003 budget ceilings communicated to the Ministry of Health by Treasury on the day of the hearing indicated that the Drug Vote, admittedly from only local resources, would not exceed K500 million. This was less than the K1.38 billion allocated for the financial Year 2001-2002. The fear which was expressed was that if donor resources did not improve the situation significantly Malawi would not qualify for completion point since substantial rises in the drugs vote was a policy condition in the interim PRSP.
- Finally the Ministry did not produce information to the network on the number of health workers to be trained during the year. Much to the credit of the Ministry, however, monthly salaries and benefits for frontline health workers had gone up, the highest average by 113 per cent and the lowest by 43 per cent. Needless to say these changes continue to be grossly inadequate to attract the most qualified and committed candidates of health care delivery.

In respect of civil society coalition for quality basic education survey, critical finding were:-

- Only 51 per cent of the schools surveyed received teaching and learning materials during the period July to December 2001. 49 percent did not receive any learning materials.
- There were also gross inequalities in the distribution. Urban schools and schools near highways reportedly received more than rural and remote schools. One school in the sample reportedly accounted for half the deliveries to the 51 schools that had received deliveries.
- Finally the survey revealed that at the present pace the Ministry's target to reduce the number of untrained teachers to 10 percent by the year 2015 would not be achieved until the year 2040. Much to Government's credit, however, there was over performance in respect of allowances and basic salary increases for teachers. Salaries rose by an average of 68 percent, well and above 35.5 per cent targeted by the Minister of Finance.

### ***Implementation of the PSRP, the Role of Parliamentary Committees***

The PSRP in Malawi has been completed so far as internal processes are concerned. It will be brought to the Boards of the International Monetary Fund (IMF) and the World Bank towards the



end of 2002 and, depending on whether or not performance of the budget is within the targets set Malawi would qualify for debt relief at completion point. The PRSP contains costings by objectives and these will form the basis of budgets starting with the 2002-2003. It will be important for the poverty reduction agenda to ensure that the expenditures are followed up and are seen to reach the targeted activities effectively. The PRSP process is not a once and for all process. It is a continuing effort since poverty reduction is an ongoing effort. The IMF and the World Bank will require annual projection reports. A new PRSP will be submitted every 3 years for review by the World Bank and IMF staff who prepare a joint staff assessment of the document for their Boards. Part of the effort is monitoring. Monitoring is what holds government to its promises and makes implementers sensitive to the cries of the poor. The question is whether Parliament has the capacity to follow through the budget in a sustained manner.

In this paper, it is argued that parliament through its oversight and standing committees could be critical to budget implementation and make budgets pro poor. The Malawi experiment though only a recent one has shown determination to follow up outputs of budget lines with the help of the civil society but it is obvious that the task is monumental, and calls for capacity building. Resources and technical support are required not only for civil society but also for parliamentary committees. The PRSP in Malawi recognizes this when it states in Chapter 6 on Implementation, Monitoring and evaluation:

“In particular, Parliament will play a crucial role in ensuring the implementation of the Budget by providing on-going scrutiny of budget implementation through the various committees, especially the Budget and Finance Committee and the Public Accounts Committee”.

However, neither Parliament nor any of its committees are located in the higher pyramidal structures for the implementation and monitoring of the PRSP. That structure lists the Cabinet Committee on the Economy. Below it there is to be established an MPRS Monitoring committee. This will consist of Principal Secretaries of relevant Ministries including Finance and Economic planning, National Economic Council, Agriculture and Irrigation, Education, Science and Technology, Health and Population. This Committee will be serviced by a Technical working committee (TWC) which will co-ordinate monitoring and evaluation efforts and provide analysis. Fortunately, representatives of relevant parliamentary Committees are included in the TWC. Additionally, Parliamentary Committees will have to monitor expenditures and performance “using any of the MPRS committees or other mechanisms as they see fit”

### ***Boys` Toys to do Men's Jobs?***

For parliamentary committees to monitor outputs effectively experience shows that the system must address the capacity needs, first at the level of the committee. Under the Financial Management, Transparency and Accountability Project (FIMTAP) the Parliament of Malawi will access funds to enable it to support work plans of two Parliamentary committees, namely Public accounts Committee and the Budget and Finance Committee. The capacity interventions must address

leadership of parliamentary committees and training of the members of the committees. A basic level of understanding of economic parameters is necessary for effectiveness in poverty reduction. Skills to access information are also necessary in the fast moving world of Internet. Minimum working facilities and an environment with capacity to follow up on issues is also critical. It is a matter of regret that the Malawi programme will not be operative this year in readiness for completion point of the PRSP.

The Malawi experience also reveals that for the committees to succeed, well-motivated and trained clerks and research staff must service committees. Consulting services are expensive. Therefore, the sustainability of the Committees` efforts lies in the recruitment of highly professional staff, hopefully those who will sympathise with the Committees zeal and mission. All too often, A committee`s enthusiasm can founder because of lack of support from Parliament staff. Monitoring tasks require agility and versatility. There are a lot of basic but regular contacts with busy public officers and others within and outside, and with civil society and donor agencies. In the context of similar endeavours the Deputy Speaker of Botswana warned that we should never attempt to do men`s jobs using boys` toys.

### ***Parliament and Law Reform to Facilitate PRSP Implementation***

Ultimately also monitoring requires a close look at legal regimes which constrain economic reform or private sector development, all important requirements for efficiency and growth of the economy. In the case of Malawi, work is underway to revamp the Finance and Audit Act. In this respect the Budget and Finance Committee took its own initiative to hire a consultant to advise it on this important legislation as soon as the first draft of the bill was released. Ultimately, there will also be need for legislation to facilitate access to public information. Without this, access to information becomes chancy, as public officials tend to treat everything as secret. Public servants will wish to clear information with their superiors before releasing it to “outsiders”. There is thus no way expenditure can be tracked without an open information regime. The experience in Malawi is that even though quarterly revenue and expenditure returns are required to be posted on the web, those are supplied at irregular periods. Often, only revenue figures are released without the corresponding expenditure returns that appear much later. When provided the figures also lack desegregation, resulting in mystification even for the consulting economists.

It is to be hoped that such initiatives as the new multi-door Trust Fund for Capacity Building for Poverty Reduction Strategies for Low Income Countries can enable Parliaments to attain some such goals. Regrettably, at this stage of the development of our parliamentary committees there may be no capacity to even fill in forms or enable them access such resources, and this is a gruesome reality in the Malawi Parliament.

With the launching of the New Partnership for Africa`s Development (NEPAD), the Canadian parliamentary Centre and others are also interested to establish partnerships to strengthen African Parliaments. NEPAD despite the many criticisms caused by lack of participation by stakeholders at the design stage has received broad support from within the continent and the G8. It seeks to

reverse economic and political marginalization of Africa which manifests itself in the poverty of the continent's masses. It is a window of opportunity for parliaments to develop "credible, rigorous and minimally bureaucratic methods of evaluating and acting on results". The Canadian Parliamentary Centre has, in cooperation with the World Bank Institute, developed cost effective models e.g. video conferencing on PRSP processes which took place among Parliamentarians from Niger, Nigeria, Malawi, Ghana and Ethiopia. This is important because we need to learn from one another but also to work in the most cost-effective manner.

### ***The Role of Regional Parliamentary groups in the PRSP***

Poverty is a common problem and knows no boundaries. Countries at various levels of development and preparedness can learn from the experiences of others. Within the southern African Development Community (SADC) not all the countries are undertaking PRSPs for one reason or another. However we have seen that hunger does not define boundaries between HIPC eligible and non-eligible countries. Whatever the route a country follows to reduce the high levels of poverty economic status notwithstanding, the SADC region is one. Member countries of the SADC Parliamentary Forum must share experiences not only with fellow SADC member countries but also with members of sister Regional parliamentary groupings such as the ECOWAS Parliament and the East African Community Parliament.

These parliamentary groupings also have capacity needs that must be addressed. In a sense the requirements of regional parliamentary groups reflect the inadequacies in their member countries. The SADC Parliamentary Forum, for example, has a credible poverty reduction agenda. The committee on Regional co-operation and integration of the Forum aspires to rally the 1800 parliamentarians in the region so that they work together in the fight against poverty. That aspiration will be unattainable if the capacity needs of parliament at the regional and country levels are not addressed.

## **Annexure**

Pre-Budget Report of the Budget and Finance Committee to the National Assembly, June 2001

### **Recommendations**

- Refer the budget to the Budget and Finance Committees for Public hearings. Allow at least 21 days for debate, and longer if needed to consider all significant inputs.
- Include funds in the budget to enable oversight Committees to do their work professionally, and for training for members of oversight Committees whose portfolios are critical for poverty reduction.
- Designate in the budget a limited number of specific programmes that are likely to be most important for reducing poverty. Cost the inputs for these programmes realistically, and code all funds budgeted for these programmes from all sources as Priority Poverty Expenditures.
- Guarantee that total funds actually spent on programmes designated, as Priority Poverty Expenditures will not be less than the amount budgeted for them from all sources, and seek prior approval from Parliament for any change in the funding for Priority Poverty Expenditures.
- Include in the budget a complete accounting of all uses of HIPC funds for 2001/2002, and commit to use HIPC funds exclusively for designated Priority Poverty Expenditures. Commit to provide quarterly reports on uses of HIPC funds as outlined in Section 3.2.3.
- Increase membership of PRSP working groups and participation in district consultations to ensure participation by poor Malawians, Women, people with frontline service delivery experience, and MPs. Increase administrative and technical support to ensure adequate notice of meetings and assistance as needed. Include representatives from the Budget and Finance Committee and Civil Society on the Technical committee for the PRSP. Take the trouble to have MPs actively participate.
- Substantially increase the budget for Government extension services, and designate the budget as Priority Poverty Expenditure.
- Substantially increase the budget for support for programmes that provide credit and related services to poor farmers, and designate the same as Priority Poverty Expenditure.
- Substantially increase the budget for the Targeted Inputs Programme(TIP), include funds adequate to ensure proper
- distribution and associated delivery of extension services, and designate the same as Priority Poverty Expenditure.
- Substantially increase the budget for training primary school teachers, and designate the same as Priority Poverty Expenditure.
- Substantially increase the budget for personnel emoluments (salaries and benefits) for teachers, and designate the same as Priority Poverty Expenditure.

- Substantially increase the budget for teaching and learning materials for primary schools, and designate the same as Priority Poverty Expenditure.
- Substantially increased the budget for training front-line health care professionals, and designate the same as Priority Poverty Expenditure.
- Substantially increase the budget for personnel emoluments (salaries and benefits) for front-line health care professionals, and designate the same as Priority Poverty Expenditure.
- Substantially increase the budget for personnel emoluments (salaries and benefits) for front-line health care professionals including nurses, and designate the same as Priority Poverty Expenditure.
- Substantially increase the budget for drugs and medical supplies, include adequate funds for proper distribution and increased security for drug stores, and designate the same as Priority Poverty Expenditure.
- Substantially increase the budget for rehabilitating and constructing rural roads and bridges, and designate the same as Priority Poverty Expenditure.
- Substantially increase the budget for constructing safe drinking water systems, include funds for community training in maintenance, and designate the same as Priority Poverty Expenditure.
- Substantially increase the budgets for training and employment for the Police Service (to increase the number of trained officers), and for instituting community policing, particularly in rural areas. Include in the budgets adequate funds for equipment and other materials, and designate the same as Priority Poverty Expenditure.