

**Malawi
National Assembly**

REPORT ON THE 2003/04 BUDGET

BY

**THE BUDGET AND FINANCE
COMMITTEE OF PARLIAMENT**

Wednesday, 23rd JULY, 2003

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1. TERMS OF REFERENCE

1.1 Composition of the Budget and Finance Committee

1.1.1. The Budget and finance Committee is appointed by the House pursuant to Section 56(7) of the Constitution. Members of the committee are appointed by their respective political parties represented in parliament, and are confirmed by the National Assembly. The Committee currently consists of 13 members as follows:

- Honourable Louis Joseph Chimango, MP, Chairman
- Honourable Ali Sikelo, MP, Vice Chairman
- Honourable Felix Leo Chome, MP
- Honourable Nelson Chuthi, MP
- Honourable Ramsey Kadango, MP
- Honourable H.M. Kapenda, MP
- Honourable Thomas J.M. Mnesa, MP
- Honourable Situdi Nkhoma, MP
- Honourable Y. Osman. MP
- Honourable Dindi Gowa Nyasulu, MP
- Honourable C.L. Banda, MP
- Honourable Roy Commsy, MP
- HonourablePatrick Katsanga, MP

The Committees' terms of reference are:

- To familiarise itself with the budget, published reports and economic issues, statistical information, international agreements, financial reports and economic and policy statements;
- To sharpen public awareness on the Budget and government's financial and economic policies and therefore encourage informed debate on the budget;

- To advise Parliament on government's local and international borrowing policies;
- To study government's taxation policies and advise accordingly;
- To examine the estimates of expenditure;
- To seek advice from the Minister of Finance and officials on financial and other matters; and
- To report its findings to the National Assembly

ACKNOWLEDGEMENTS

We received all the understanding and support from Hon. Friday Jumbe, the Minister of Finance to whom we are grateful. Among the many who also deserve mention are:

- Officials from Treasury, Economic Planning and Development and Ministries of Agriculture, Health and Education.
- Dr A. Mwase and Dr Khwima Nthara who served as Consultants during periods in the year.
- The Chairpersons of Parliamentary Committees on Agriculture, Health and Social Affairs.
- Civil Society, notably the Economic Justice Network.
- Professional groups e.g. ECAMA, SOCAM and the Chamber of Commerce and
- The National Democratic Institute for International Affairs who besides being technical advisors also administered the resources put at our disposal by donors.

The Committee also received support and encouragement from a number of regional and international organisations.

Mr J.L Mwenyaheli served as Secretary for the Committee.

INTRODUCTION

1. The committee is pleased to present this revised report on this year's budget. The report follows the referral back to the Committee last week Tuesday. It is hoped that this modest

contribution will help honourable members in their contributions on the budget motion.

2. In carrying out its work, the committee is assisted by a consultant who provides insights into various issues. But the final responsibility of any report presented in the House lies with the committee itself.

3. This report represents the committee's quick response to the budget that was presented in the House on Friday the 4th of July, 2003. It touches on a number of topical issues that the committee would like to bring to the attention of the House, and ultimately of the Government.

4. In every mature democracy, the role of select committees is to transcend party politics and take a lead in acting as watchdogs of good governance and sound economic management. As such, while the committee's response undertakes to commend the Government where necessary, the greater orientation is towards highlighting areas of concern.

THEME OF THE BUDGET

5. This year's budget theme, "**Macroeconomic Stability: A Precondition for Economic Growth and Poverty Reduction in Malawi**" is a fitting one in that it rightly recognises the challenge that the Government faces. We welcome the Government's recognition that high interest rates have arisen from high levels of domestic borrowing, and that the Government will therefore "limit expenditures to available resources without recourse to domestic borrowing." However, we have heard this many times before, but are yet to see the Government live up to its word. Deficiencies in the old Finance and Audit Act were blamed for the lack of fiscal discipline in Government. With the new Public Finance Management Act, the Public Audit Act, and the Public Procurement Act, we hope that for once, the theme of the budget could become a reality.

FORMAT AND CONSISTENCY OF FIGURES

6. The committee is concerned that some votes have not conformed to all the requirements of budget presentation. For example:

(a) Votes, such as the Department of District and Local Government Administration, Department of Information Systems and Technology Management Services, Anti Corruption Bureau, Malawi Revenue Authority, and the Accountant General's Department have not produced an activity-based budget.

(b) 14 votes have not provided a breakdown of their planned expenditures on memorandum items i.e. internal travel, external travel, and public utilities. It is important that members of the House know how much funds are being allocated to such expenditure items.

7. There is need to clean up the budget:

(a) There are a number of variations between the revised figures that were presented in the Supplementary Budget (Budget Document No. 6) and those that have been presented in the 2003/04 Financial Statement (Budget Document No. 3) (See Table 1 in the Annex). Which figures are we supposed to use?

(b) A number of figures provided in the summary of vote allocation in Budget Document No 4 do not tally with those in the detailed presentations in the main text of the same document. Some of the differences are clearly mistakes in adding up the figures, while others are quite substantive, and require an explanation.

8. The performance analysis of the previous year's budget in Budget Document No 4 should extend to outputs.

Recommendation 1: All votes that have not produced an activity based budget should be asked to submit an addendum to their write-ups in Budget Document 4A. The same applies to those votes that have not provided a breakdown of their planned expenditures on memorandum items.

Recommendation 2: The performance analysis of the previous year's budget in Budget Document No 4 should also include outputs.

THE BUDGET AND THE MPRSP

9. It has been indicated in Budget Document No 1 (the Budget Statement) that the MPRSP is the first guiding principle of this year's budget. We would have been concerned if it was otherwise. Since its adoption, the MPRSP is supposed to provide a framework for the national budget.

10. While the committee hails Government for emphasising the role of the MPRSP in the formulation of this year's budget, it would have liked to see an explanation of how the costings presented in the MPRSP differ from this year's budget. The MPRSP had projected that, subject to certain assumptions holding, this year's total budget was going to be K43.9 billion, with K32.7 billion (74.3% of the total) allocated to MPRSP activities. Last year, analysis of how the budget compared with the costings of the MPRSP was done in Budget Document No 4A. Comparisons were made between the MPRSP's recommended allocations to each pillar, and how much had actually been allocated in the budget. The analysis showed that 63% of the total ORT allocations went to MPRSP activities. The committee notes that this year's budget does not provide such an analysis. We may be moving backwards as far as implementation of the MPRSP is concerned. Although not all the assumptions made in the MPRSP are holding, it was still essential for the budget to explain any deviations in the assumptions, and how these have affected allocations to the various MPRSP activities.

11. The Government commissioned an annual review of the MPRSP which in turn made several recommendations. The review

was done early enough to provide the Government with an opportunity to incorporate the recommendations in this year's budget. The committee is concerned that some of the recommendations have been ignored. For example:

- (a) The review recommended that in "crafting the budget, a worst scenario should be adopted by excluding donor funds." However, this year's budget has included K10.8 billion of Budgetary Support, when we know that it is not yet certain whether or not budgetary support will resume since the IMF board it yet to meet to assess the situation.
- (b) The review also recommended that ministries and departments should be encouraged to mainstream cross-cutting issues. Although cross-cutting issues are mentioned in this year's budget, there is no indication as to whether or not this year's budget improves on last year's efforts.

Recommendation 3: There is need for the Government to provide an analysis of how far this year's budget has gone in implementing the MPRSP.

THE PROPOSED EXPENDITURES

12. While we welcome the Government's announcement that more resources have been allocated to the growth sectors, the matter has been overstated:

- (a) The four sectors singled out (Agriculture, Tourism, Commerce and Industry, and Mining) have been allocated a total of K409.8 million more than they got last year. Commerce has received K163.8 million more, while Agriculture has received K129.3 million more. But at the same time, some non-growth sectors have received much more. For example, Foreign Affairs has received K407.4 million more while OPC has received K385.5 million more!
- (b) A preliminary analysis of allocations to PPEs gave the impression that the budget may not be for pro-poor growth

(i) Table 6 shows that PPEs that fall under Pillar 1 (which concerns growth) have received less funding this year than last year. A total of K911.9 million has been allocated, compared to K1,491.0 million last year, representing a 38.4% decrease.

(ii) Table 7 shows that in terms of sectors, only the PPE in commerce has got more resources than last year, and even in its case, only K30.1 million more. The PPEs in agriculture, and tourism have got less than last year.

(iii) Table 8 shows the PPEs disaggregated by activity. The following activities have received more funding: small scale and medium enterprise promotion (+K30.1 million), agriculture extension (+K103 million), small scale mining (+K11.2 million), and conservation and protection of wildlife (+K2.0 million). On the other hand, some of the crucial pro-growth PPEs received less funding as follows: tourism services (-K2.4 million), the targeted inputs programme (-K53.6 million), small-scale irrigation (K-174.8 million), and small-scale fishing (-K75.6 million)

13. The committee welcomes increases in funding to the crucial social sectors of education and health. Education has received K1,360.3 million more than last year, while the ministry of Health has received K125.2 million. However:

(a) In Budget Document No 1 (The Budget Statement) it is indicated that more resources have been allocated to education in order to improve the quality of education. In particular, on page 31 of the speech, it is said that “As a way of addressing the issue of quality, K400 million has been provided for the purchase of teaching and learning materials.” There is need for further clarification on this statement. It is true that K400 million has been allocated to teaching and learning materials (K300 million to primary education, and K100 million to secondary education). But while the allocation for secondary education has been increased from K61.9 million over last year’s allocation, that of primary education has actually been reduced from the K436.3 million that was allocated last year.

(b) Much of the increase in the allocation to education will go to teachers' salaries in primary education. Funding for salaries has gone up by K785.0 million, representing 57.7% of the increased funding for the whole ministry of education. Up to now, no concrete measures have been put in place to reduce wastage of funds to ghost teachers. We would have been happier if some funds were allocated specifically to tackle the problem of ghost teachers.

(c) We are concerned that the increase in funding to the Ministry of Health of K125.2 million is minimal. While we welcome the increase by K277.5 million in the allocation to drugs (from K1,002.0 million last year, to K1,279.5 million this year), this has been at the expense of other crucial health sector PPEs. Specifically, there have been reductions in allocations to Health Worker Training (-K18.2 million), Primary Health Care (-K80.3 million), and Preventive Health Care (-K8.9 million).

14. Generally, the committee got the impression that there have been reductions in allocations to 17 out of 29 PPEs (58.6%). Apart from the growth oriented PPEs referred to earlier, there have been reductions in some other very crucial PPEs such as boreholes and dams, rural feeder roads, and rural water supplies.

15 Last year, Parliament approved an allocation of K821.2 million for the Ministry of Foreign Affairs. This was increased by K355.2 million to K1,176.4 during the supplementary budget, and now we are being asked to approve an allocation of K1,228.6 for the coming financial year. In its activity based budget, the ministry has indicated that close to a billion kwacha (K995.7 million) will be used to "establish and strengthen international cooperation." The Committee sought, and obtained sufficient information from the Minister of Finance, and hopes that this information will be directly communicated to the House in the Minister's winding up speech.

16 The Committee was also encouraged to learn from the Minister of Finance that there is no intention to denigrate on the promise in the matter of pro poor expenditure items. More specifically, the Committee was assured that the overall provision for the PPES is

not K10.7 billion as compared with the K10.3 billion in the 2002/03 financial year. This year's provision, we were told, is close to K12 billion. The Minister referred to printing omissions in the budget documents in respect of health workers' salaries and secondary school teachers' salaries for example. He emphasised that on the contrary, these were not being ignored or undermined and that adequate cover would be available in corrected tables.

17 The Minister also explained the sequencing of activities in this matter, which is often negatively affected because of lack of institutional and absorptive capacity. This was particularly the case with small scale fishing projects. He also stated that the parent ministry's prioritisation varies from one year to another. Thus the allocation for primary health care was lowered this year because the parent Ministry identified the provision for drugs as more critical for this year. He explained that a number of the PPES were in the field in which donors were very active and singled out teaching and learning materials, police officers' training, and the targeted input supply programme. The Minister lamented that donors did not come up in time to enable the Ministry of Finance build the contributions into the budget figures.

Recommendation 4: The Committee has noted the modest increases in the allocations to such sectors as agriculture and health. The Committee however, recommends that these sectors as well as rural infrastructures and Parliamentary Committees should always be allocated more funds

18. The committee welcomes this year's allocation of K23.5 million for the work of Parliamentary Committees. This represents an increase in funding over last year when only K2.7 million was allocated in the original budget, and then revised upwards to K10.9

million in the supplementary budget. However, although more funds have been made available, this year's allocation is still only half of the estimated requirement of K47.5 million. Parliamentary Committees are critical in overseeing the executive and in promoting transparency and accountability so as to ensure sound economic management.

19. The 2003/04 estimates for the memorandum items (internal travel, external travel, public utilities, maintenance of capital assets) of the National Assembly are exactly the same as the 2002/03 revised estimates, which may not be correct. The committee would like to know what the correct figures for 2003/04 are.

20. Last year some 17 votes did not allocate any funds for HIV/AIDS mainstreaming. It is disappointing that again, some 17 votes have not made any provision this year. Some of the ministries that have not indicated any allocations to HIV/AIDS issues include Ministry of Health and Population, and Malawi Defence Forces. The Malawi National Assembly too has not indicated any funds for HIV/AIDS mainstreaming. The committee recommends that all departments and ministries should allocate at least 5% of their ORT allocation to HIV/AIDS mainstreaming, and this should be protected. Further, we recommend that departments and ministries submit quarterly reports to Treasury and the Health Committee of Parliament on progress in utilising the funds.

Recommendation 5: HIV/AIDS mainstreaming should be designated a pro poor protected expenditure (PPES)
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21. There is need for some votes to justify the huge percentage increases in allocations to memorandum items as follows:

- (a) **Internal Travel:** National Assembly and Ministry of Foreign Affairs
- (b) **External Travel:** Human Rights Commission, Labour and Vocational Training, and National Audit Office
- (c) **Public Utilities:** Judiciary, and Ministry of State Responsible for Persons with Disabilities.

22. There is need for an explanation as to why the budget for the General Elections activity falls under the “Special Activities” Vote and not under the “Electoral Commission” Vote. Further, there is need for a detailed breakdown of the ‘sub-activities’ on which the K1.5 billion allocated to General Elections will be spent. Also, outputs against each planned ‘sub-activity’ should be indicated in line with the principles of activity based budgeting. In any case, an undertaking was made that the “Special Activities Vote” should be scrapped in the interest of greater transparency.

Recommendation 6: A detailed, activity based budget for General Elections should be provided as an addendum to Budget Document 4A. Further, this expenditure item should be moved to the Electoral Commission’s vote.

23. The Committee noted the amount of K960 million that appears under the Special Activities Vote to be spent under the Japanese Debt Relief. There are other items under the same vote.

EXPENDITURE CONTROL MEASURES

24. The committee would have liked the minister to give a progress report on the various expenditure control measures that were instituted towards the end of last year. For example, allowances for civil servants travelling abroad were reduced. How much has Treasury been able to save? Has the effect of the measure been counteracted by an increase in trips abroad, for example?

25. The committee welcomes the Minister’s reference to the role that newly enacted Public Finance Management Act will play in ensuring fiscal discipline in Government. We hope that for once, disciplinary measures will indeed be taken against those controlling officers that flout the rules of public finance management.

TAX AND NON-TAX POLICY MEASURES

26. The committee welcomes the reduction in surtax from 20% to 17.5%. However, we feel that this does not go far enough. The reason why customers have collaborated with traders to buying goods and services without paying surtax is that the rate itself is very high. Government's surtax policy should have aimed at getting customers used to paying the tax, by starting with a low rate, and then increasing it gradually. Thus, while the surtax rate in manufacturing was already at 20%, when it was being extended to the wholesale and retail stages, the rate should have been reduced across the board, to say 10%. There have been fears that a low tax rate would result in the cost of administering the tax outweighing the benefits. The fact, however, is that more people are likely to comply with a low tax rate which would ensure positive net revenues for the Government.

27. The committee also welcomes the reduction in the withholding tax rate on supplies of goods and services from 10% to 4%. Similarly, the reduction in import duty and excise duties on Hessian sacks, and the reduction in Government service charges in the hospitality industry from 10% to 5% are also welcome gestures. With respect to Hessian sacks, clarity is needed as to whether importers other than the Tobacco Association of Malawi (TAMA) will also benefit in a liberalised importation regime.

SUMMMARY OF THE COMMITTEE'S RECOMMENDATIONS

Recommendation 1: All votes that have not produced an activity based budget should be asked to submit an addendum to their write-ups in Budget Document 4A. The same applies to those votes that have not provided a breakdown of their planned expenditures on memorandum items.

Recommendation 2: In future budgets, the performance analysis of the previous year's budget in Budget Document No 4 should also include outputs.

Recommendation 3: There is need for the Government to provide an analysis of how far this year's budget has gone in implementing the MPRSP.

Recommendation 4 The Committee noted the modest increases in the allocations to such sectors as agriculture and health. The Committee however recommends to the House that these sectors as well as rural infrastructures and parliamentary Committees should always be given more funds.

Recommendation 5: The Committee recommends that HIV/AIDS mainstreaming should be designated a pro poor poverty expenditure, ppe.

Recommendation 6: A detailed, activity based budget for General Elections should be provided as an addendum to Budget Document 4A. Further, this expenditure item should be moved to the Electoral Commission's vote.

ANNEX

Table 1. Discrepancies between 2002/03 revised figures presented in the supplementary budget and those presented in the 2003/04 financial statement to show inconsistencies in budget figures appearing in two different documents

Vote	2002/03 Revised (Supp. Budget Document)	2002/03 Revised (2003/04 Financial Statement)	Discrepancy
State Residences	315.6	347.7	32.1
National Audit Office	45.0	49.3	4.3
The Judiciary	222.7	231.6	8.9
National Assembly	491.9	491.4	-0.5
Office of the President and Cabinet	673.1	485.2	-187.9
District and Local Government Administration	114.8	11.3	-103.5
Department of Statutory Corporation	16.5	16.8	0.2
Human Resource Management and Development	73.5	93.2	19.7
National Local Government Finance	242.9	184.9	-58.1
National Intelligence Bureau	122.9	61.6	-61.4
National Statistical Office	77.1	77.1	0.0
Civil Service Commission	0.0	0.0	0.0
Ministry of Defence	32.6	32.7	0.0
Malawi Defence Forces	1,003.8	1,202.6	198.8
Ministry of Economic Planning and Development	45.4	46.6	1.2
Ministry of Lands, Physical Planning and Survey	93.3	93.3	0.0
Ministry of Sports and Culture	45.0	24.2	-20.8
Ministry of Agriculture and Irrigation	1,529.2	1,074.6	-454.6
Ministry of People with Disabilities	25.0	18.9	-6.1
Ministry of Water Development	139.6	172.2	32.6
Ministry of Housing	343.3	679.8	336.5
Office of the First Vice President	69.2	86.0	16.8
Ministry of Education, Science and Technology	5,979.3	1,719.9	-4,259.4
Ministry of Foreign Affairs and International Cooperation	1,176.4	1,176.4	0.0
Ministry of Finance and Economic Planning	165.4	165.4	0.0
Accountant General	100.5	88.9	-11.7
Department of Information Systems and Technology Management services	43.4	64.2	20.8
Malawi Revenue Authority	552.1	420.0	-132.1
Subvented Organisations	1,779.0	1,802.1	23.1
Special Activities	4,534.9	1,310.0	-3,224.9
Unforeseen expenditures	0.0	0.0	0.0

Vote	2002/03 Revised (Supp. Budget Document)	2002/03 Revised (2003/04 Financial Statement)	Discrepancy
Office of the Second Vice President	11.4	0.0	-11.4
Ministry of Poverty Alleviation	26.6	28.4	1.8
Ministry of Health and Population	3,548.7	3,777.7	228.9
Ministry of Gender Youth and Community Services	300.4	222.6	-77.7
Ministry of Information	58.1	76.2	18.1
Ministry of Home Affairs	27.7	28.2	0.4
Police	1,135.0	1,135.0	0.0
Prisons	157.3	166.4	9.2
Immigration Department	83.7	107.4	23.7
Ministry of Justice	69.1	70.0	0.9
DPP & state advocate	0.0	0.0	0.0
Registrar General	18.7	19.3	0.6
Administrator General	7.4	8.3	0.9
Legal aid	0.0	0.0	0.0
Ministry of Labour and Vocational Training	237.7	239.6	1.9
Ministry of Commerce and Industry	96.9	95.0	-1.9
Ministry of Transport and Public Works	438.4	483.0	44.6
National Roads Authority	1,031.7	1,653.5	621.8
Human Right Commission	38.7	37.8	-1.0
Electoral Commission	86.4	83.1	-3.3
Ministry of Natural Resource and Environmental Affairs	583.1	530.3	-52.8
Geological Survey Department	46.9	47.0	0.1
Department of Mines	0.0	53.3	53.3
Anti-Corruption Corruption Bureau	70.5	73.3	2.8
Office of the Ombudsman	27.7	30.1	2.3
Law Commission	31.2	31.2	0.1
Ministry of Tourism, Parks and Wildlife	143.4	143.4	0.0

Source: Budget Documents

Table 2. Comparison of the percentage shares of various votes in the Total recurrent budgets for the 2002/03 and 2003/04 budgets

Rank (based on 2002/03 share)	Vote	2002/03 Total	% of total	2003/04 Total	% of total
1	Ministry of Education, Science and Technology	5,051.9	20.7%	6,412.2	22.0%
2	Ministry of Health and Population	3,529.1	14.4%	3,654.3	12.5%
3	Special Activities	1,926.9	7.9%	3,185.1	10.9%
4	Subvented Organisations	1,672.0	6.8%	1,830.4	6.3%
5	Ministry of Agriculture and Irrigation	1,507.1	6.2%	1,636.4	5.6%
6	National Roads Authority	1,431.7	5.9%	1,152.3	4.0%
7	Police	972.3	4.0%	1,084.5	3.7%
8	Malawi Defence Forces	954.5	3.9%	1,098.0	3.8%
9	Malawi Revenue Authority	845.0	3.5%	692.5	2.4%
10	Ministry of Foreign Affairs and International Cooperation	821.2	3.4%	1,228.6	4.2%
11	Ministry of Natural Resource and Environmental Affairs	602.7	2.5%	493.3	1.7%
12	Office of the President and Cabinet	485.2	2.0%	868.7	3.0%
13	Ministry of Transport and Public Works	450.1	1.8%	456.4	1.6%
14	National Assembly	387.3	1.6%	493.9	1.7%
15	Ministry of Lands, Physical Planning and Survey	358.8	1.5%	130.0	0.4%
16	Ministry of Gender Youth and Community Services	312.6	1.3%	231.5	0.8%
17	National Local Government Finance	298.6	1.2%	241.9	0.8%
18	State Residences	256.9	1.1%	327.6	1.1%
19	Ministry of Labour and Vocational Training	237.9	1.0%	235.3	0.8%
20	The Judiciary	209.9	0.9%	292.7	1.0%
21	Ministry of Water Development	187.5	0.8%	148.6	0.5%
22	Ministry of Finance	154.7	0.6%	154.0	0.5%
23	Prisons	150.7	0.6%	170.4	0.6%
24	Ministry of Tourism, Parks and Wildlife	142.1	0.6%	172.4	0.6%
25	District and Local Government Administration	112.8	0.5%	115.6	0.4%
26	Immigration Department	106.9	0.4%	141.4	0.5%
27	Ministry of Commerce and Industry	106.2	0.4%	270.0	0.9%

Rank (based on 2002/03 share)	Vote	2002/03 Total	% of total	2003/04 Total	% of total
28	Electoral Commission	82.7	0.3%	81.7	0.3%
29	Ministry of Justice	75.4	0.3%	42.2	0.1%
30	Human Resource Management and Development	67.8	0.3%	75.0	0.3%
31	Accountant General	67.0	0.3%	69.7	0.2%
32	Office of the First Vice President	64.7	0.3%	75.1	0.3%
33	Anti-Corruption Corruption Bureau	61.4	0.3%	82.0	0.3%
34	Ministry of Information	60.7	0.2%	78.6	0.3%
35	National Intelligence Bureau	60.3	0.2%	158.0	0.5%
36	National Statistical Office	57.8	0.2%	64.3	0.2%
37	Ministry of Sports and Culture	55.5	0.2%	77.4	0.3%
38	Ministry of Housing	52.7	0.2%	361.1	1.2%
39	Compensation and Refunds	50.0	0.2%	190.0	0.7%
40	Ministry of Defence	45.5	0.2%	38.0	0.1%
41	Department of Information Systems and Technology Management services	44.2	0.2%	106.8	0.4%
42	National Audit Office	37.0	0.2%	62.0	0.2%
43	Ministry of Economic Planning and Development	36.5	0.1%	92.0	0.3%
44	Ministry of Home Affairs	31.7	0.1%	32.4	0.1%
45	Human Right Commission	30.6	0.1%	41.7	0.1%
46	Office of the Ombudsman	28.1	0.1%	31.9	0.1%
47	Ministry of People with Disabilities	27.3	0.1%	28.1	0.1%
48	Law Commission	25.7	0.1%	31.8	0.1%
49	Geological Survey Department	23.3	0.1%	49.1	0.2%
50	Registrar General	20.8	0.1%	25.7	0.1%
51	Ministry of Poverty Alleviation	19.1	0.1%	27.0	0.1%
52	Department of Statutory Corporation	19.1	0.1%	18.5	0.1%
53	Administrator General	7.7	0.0%	13.5	0.0%
54	The Presidency	0.8	0.0%	6.6	0.0%
55	Unforeseen expenditures	0.0	0.0%	62.0	0.2%
56	Office of the Second Vice President	0.0	0.0%	64.3	0.2%
57	Legal aid	0.0	0.0%	16.9	0.1%
58	DPP & state advocate	0.0	0.0%	25.3	0.1%
59	Department of Mines	0.0	0.0%	86.4	0.3%
60	Civil Service Commission	0.0	0.0%	35.0	0.1%

Source: Budget Documents

Table 3. Rankings of votes on the basis of percentage change in total recurrent expenditure allocations (Shaded area covers votes whose provisions have decreased while votes in bold are the growth sectors)

Rank	Vote	2002/03 Total Provision	2003/04 Total Provision	Change	% Change
1	The Presidency	0.8	6.6	+5.8	779.9%
2	Ministry of Housing	52.7	361.1	+308.4	585.4%
3	Compensation and Refunds	50.0	190.0	+140.0	280.0%
4	National Intelligence Bureau	60.3	158.0	+97.7	162.0%
5	Ministry of Commerce and Industry	106.2	270.0	+163.8	154.1%
6	Ministry of Economic Planning and Development	36.5	92.0	+55.5	152.4%
7	Department of Information Systems and Technology Management services	44.2	106.8	+62.6	141.7%
8	Geological Survey Department	23.3	49.1	+25.8	110.8%
9	Office of the President and Cabinet	485.2	868.7	+383.5	79.1%
10	Administrator General	7.7	13.5	+5.8	74.7%
11	National Audit Office	37.0	62.0	+25.0	67.4%
12	Special Activities	1,926.9	3,185.1	+1,258.2	65.3%
13	Ministry of Foreign Affairs and International Cooperation	821.2	1,228.6	+407.4	49.6%
14	Ministry of Poverty Alleviation	19.1	27.0	+8.0	41.7%
15	The Judiciary	209.9	292.7	+82.8	39.4%
16	Ministry of Sports and Culture	55.5	77.4	+21.9	39.4%
17	Human Right Commission	30.6	41.7	+11.0	36.0%
18	Anti-Corruption Corruption Bureau	61.4	82.0	+20.6	33.5%
19	Immigration Department	106.9	141.4	+34.4	32.2%
20	Ministry of Information	60.7	78.6	+17.8	29.4%
21	National Assembly	387.3	493.9	+106.5	27.5%
22	State Residences	256.9	327.6	+70.7	27.5%
23	Ministry of Education, Science and Technology	5,051.9	6,412.2	+1,360.3	26.9%
24	Law Commission	25.7	31.8	+6.1	23.7%
25	Registrar General	20.8	25.7	+4.9	23.3%
26	Ministry of Tourism, Parks and Wildlife	142.1	172.4	+30.3	21.3%

Rank	Vote	2002/03 Total Provision	2003/04 Total Provision	Change	% Change
27	Office of the First Vice President	64.7	75.1	+10.4	16.0%
28	Malawi Defence Forces	954.5	1,098.0	+143.5	15.0%
29	Office of the Ombudsman	28.1	31.9	+3.8	13.4%
30	Prisons	150.7	170.4	+19.7	13.1%
31	Police	972.3	1,084.5	+112.3	11.5%
32	National Statistical Office	57.8	64.3	+6.5	11.3%
33	Human Resource Management and Development	67.8	75.0	+7.3	10.7%
34	Subvented Organisations	1,672.0	1,830.4	+158.4	9.5%
35	Ministry of Agriculture and Irrigation	1,507.1	1,636.4	+129.3	8.6%
36	Accountant General	67.0	69.7	+2.7	4.0%
37	Ministry of Health and Population	3,529.1	3,654.3	+125.2	3.5%
38	Ministry of People with Disabilities	27.3	28.1	+0.8	3.1%
39	District and Local Government Administration	112.8	115.6	+2.8	2.5%
40	Ministry of Home Affairs	31.7	32.4	+0.7	2.2%
41	Ministry of Transport and Public Works	450.1	456.4	+6.4	1.4%
42	Ministry of Finance	154.7	154.0	-0.7	-0.5%
43	Ministry of Labour and Vocational Training	237.9	235.3	-2.6	-1.1%
44	Electoral Commission	82.7	81.7	-1.0	-1.2%
45	Department of Statutory Corporation	19.1	18.5	-0.6	-3.1%
46	Ministry of Defence	45.5	38.0	-7.5	-16.6%
47	Malawi Revenue Authority	845.0	692.5	-152.6	-18.1%
48	Ministry of Natural Resource and Environmental Affairs	602.7	493.3	-109.4	-18.2%
49	National Local Government Finance	298.6	241.9	-56.7	-19.0%
50	National Roads Authority	1,431.7	1,152.3	-279.4	-19.5%
51	Ministry of Water Development	187.5	148.6	-38.9	-20.8%
52	Ministry of Gender Youth and Community Services	312.6	231.5	-81.1	-25.9%
53	Ministry of Justice	75.4	42.2	-33.2	-44.1%
54	Ministry of Lands, Physical Planning and Survey	358.8	130.0	-228.8	-63.8%
NA	Department of Mines	0.0	86.4	86.4	NA
NA	Office of the Second Vice President	0.0	64.3	64.3	NA
NA	Unforeseen expenditures	0.0	50.0	50.0	NA
NA	Civil Service Commission	0.0	35.0	35.0	NA
NA	DPP & state advocate	0.0	25.3	25.3	NA
NA	Legal aid	0.0	16.9	16.9	NA

Source: Budget Documents

Table 4: Changes in rankings of the four selected growth sectors

Vote	2003/04 Total Recurrent Expenditure	% of total recurrent expenditure	2002/03 rank by % of total	2003/04 rank by % of total	Change in rank
Ministry of Agriculture and Irrigation	1,636.4	5.6%	5	5	No change
Ministry of Commerce and Industry	270.0	0.9%	27	18	+9
Ministry of Tourism, Parks and Wildlife	172.4	0.6%	24	23	+1
Department of Mines	86.4	0.3%	NA	33	NA

Source: Budget Documents

Table 5. Percentage increases in total recurrent expenditure allocations to the four Selected growth sectors

Vote	2002/03 Total	2003/04 Total	Change	% Change
Ministry of Commerce and Industry	106.2	270.0	+163.8	154.1%
Ministry of Tourism, Parks and Wildlife	142.1	172.4	+30.3	21.3%
Ministry of Agriculture and Irrigation	1,507.1	1,636.4	+129.3	8.6%
Department of Mines	0.0	86.4	+86.4	NA
Total	1,755.4	2,165.2	+409.8	23.3%

Source: Budget Documents

Table 6. PPEs ranked by percentage change in provision by pillar

Rank	Pillar	Approved 2002/03	Draft 2003/04	Change	% change
1	Pillar 2: Human Capital Development	8,034.0	9,538.6	+1,504.6	18.7%
2	Pillar 4: Good Governance	351.3	232.3	-119.0	-33.9%
3	Pillar 1: Pro-poor Growth	1,481.0	911.9	-569.1	-38.4%
4	Pillar 3: Improving life of most vulnerable	426.0	46.4	-379.6	-89.1%

Source: Budget Documents

Table 7. PPEs ranked by percentage change in provision by sector

Rank	Sector	Approved 2002/03	Draft 2003/04	Change	% change
1	Commerce	24.9	55.0	+30.1	121.2%
2	Gender, Youth and Community Services	144.3	180.9	+36.7	25.4%
3	Education	4,953.8	6,146.0	+1,192.2	24.1%
4	Health	2,767.9	3,049.4	+281.5	10.2%
5	Tourism, Parks and Wildlife	91.3	90.9	-0.4	-0.4%
6	Labour	168.1	162.3	-5.8	-3.4%
7	Agriculture	528.6	457.5	-71.1	-13.4%
8	Police	351.3	232.3	-119.0	-33.9%
9	Natural Resources	161.3	96.9	-64.4	-39.9%
10	Water	275.0	96.6	-178.4	-64.9%
11	National Roads Authority	400.0	115.0	-285.0	-71.3%

Source: Budget Documents

Table 8. PPEs ranked by percentage change in provision by activity

Rank	Activity	Approved 2002/03	Draft 2003/04	Change	% change
1	Small scale and medium enterprise Promotion	24.9	55.0	+30.1	121.2%
2	Secondary Education Teaching and Learning Materials	61.9	100.0	+38.1	61.6%
3	Children Services	9.2	13.1	+4.0	43.6%
4	Agriculture Extension	238.4	342.1	+103.7	43.5%
5	Adult Literacy Education	73.8	97.3	+23.5	31.9%
6	Drugs	1,002.0	1,279.5	+277.5	27.7%
7	Primary Education Teachers' Salaries	3,184.8	3,969.8	+785.0	24.6%
8	Secondary Curative Care	567.7	679.1	+111.4	19.6%
9	Tertiary Teacher Training	351.0	406.6	+55.6	15.8%
10	Family Welfare Services	61.3	70.4	+9.1	14.9%
11	Small Scale mining	78.3	89.5	+11.2	14.3%
12	Conservation and Protection of Wildlife	57.7	59.7	+2.0	3.5%
13	Technical and Vocational Training	168.1	162.3	-5.8	-3.4%
14	Health Worker Training	317.2	299.0	-18.2	-5.7%
15	Tourism Services	33.6	31.2	-2.4	-7.1%
16	Primary Health Care	856.8	776.4	-80.3	-9.4%
17	Community Policing	219.5	162.7	-56.7	-25.8%
18	Teachers Houses	110.0	80.0	-30.0	-27.3%
19	Primary Education Teaching and Learning Materials	436.3	300.0	-136.3	-31.2%
20	Preventive Health Care	24.3	15.4	-8.9	-36.7%
21	Police Officers Training	131.8	69.5	-62.3	-47.3%

Rank	Activity	Approved 2002/03	Draft 2003/04	Change	% change
22	Target Inputs Programme	100.0	46.4	-53.6	-53.6%
23	Small Scale Irrigation	290.2	115.4	-174.8	-60.2%
24	Boreholes and Dams	200.0	75.3	-124.7	-62.3%
25	Rural Feeder Roads	400.0	115.0	-285.0	-71.3%
26	Rural Water Supplies	75.0	21.3	-53.8	-71.6%
27	Small Scale fishing	82.9	7.3	-75.6	-91.2%
28	Secondary Education Teachers' Salaries	319.8	0.0	-319.8	-100.0%
29	Safety Nets-MASAF	326.0	0.0	-326.0	-100.0%
NA	Health Workers Salaries	0.0	0.0	0.0	NA

Source: Budget Documents