

MALAWI EXPERIENCE IN THE DRAFTING INFF



Integrated National
Financing Frameworks



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CONTENTS

- Introduction
- Background
- DFA Development
- LLFA
- INFF
- Challenges
- Conclusions

INTRODUCTION

- Malawi is in the process of drafting the INFF, with the help of a consultant.
- We started with the in 2018 with technical support from UNDP and EU,
- Malawi Vision 2020 was succeeded by the Malawi Vision 2063, this necessitated the review of the 2018 DFA form the basis for development o the INFF.

DFA DEVELOPMENT

The process of developing the DFA

- identifying all relevant stakeholders as part of scoping process.
- The stakeholders were taken from public and private sectors while considering domestic and international financiers.
 - MDAs, Local Government,
 - International Development organizations including cooperating partners,
 - international Non-Governmental Organizations (INGOs)
 - Civil Society Organizations (CSOs) and

ASSESSMENT

- The assessment process focused on the key financing sources of finance flows and pieces of legislation that govern each of them.
 - Foreign Direct Investment, Official Development Assistance,
 - External Debt, Domestic Debt,
 - Domestic Public Revenue, Personal Remittances
 - Pension Fund and FDI stocks.

ASSESSMENT CONT..

- The DFA has mapped the finance flows available to Malawi and explored how they can be leveraged and aligned to anchor the implementation of development strategies.
- The DFA also looked at how to leverage private investment for development, in line with the Malawi Vision 2063 and detailed information on three priority sectors that can ignite the development of the Malawi economy as: Energy, Agro-processing and Tourism.

LOCAL LEVEL FINANCE ASSESSMENT (LLFA)

- The Malawi DFA uniquely does includes the elements of the Local Level Finance Assessment (LLFA).
- As a lower level of the DFA, the LLFA brings in the inclusivity of marginalized poor people

PREPAREDNESS FOR INFF

- In line with each of the INFF building blocks, the DFA further analysed:
 - The key institutions to implement the INFF in financing national development and operationalize the Addis Ababa Action Agenda at National Level.
 - It looked at the readiness and efficiency of planning, budgetary and institutional systems in line with the INFF building blocks.
 - Policy and capacity gaps were identified both at DFA and LLFA levels,

CONNECTING THE NATIONAL AND SUBNATIONAL RELATED FINANCING REFORMS IN THE DRAFTING OF THE FINANCING STRATEGY (DFA VS LLFA).

- The Central Government and Local Councils are fully connected.
- All Local councils are financed from the National budget. So an alignment to INFF, has a direct bearing on the activities at Local Councils.
- MIP-1 Has development projects which mentions source of funding

FINANCING OF LOCAL COUNCILS

Three modes

- **Constituency Development Fund CDF**
- **Bore Hole Fund (BHF)**
- **District Development Fund (DDF)**

STATUS INFF

- Inception report approved
- Various stakeholders have been consulted
 - MDAs, Local Government
 - International Development organizations including cooperating partners,
 - international Non-Governmental Organizations (INGOs)
 - Civil Society Organizations (CSOs) and
- Outline of the Framework has been commented by stakeholders

CHALLENGES & THREATS

- Not easy to collect data from various Cooperating Partners
- Full Alignment of Donor support to National Priorities

Threats

- Change of Policy Direction that come with change of leadership
- Global crisis ie. COVID-19, Russia vs Ukraine War

CONCLUSION

- The DFA has identified both policy and capacity gaps
- There is a deliberate efforts to ensure the recommendations in the DFA are well crafted to deliver the INFF that supports the Malawi Vision 2063.
- Malawi delegation expect to learn more from this conference how other countries operationalized the INFF.
- Malawi appeals to Development Partners to align their support to the Vision 2063.

thank you

Bondia

zikomo kwambiri