



NARRATIVE AND FINANCIAL REPORT

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Acronyms

ADC	Area Development Committee
CSOs	Civil Society Organizations
DCS	Development Cooperation Strategy
DDC	District Development Committee
DPs	Development Partners
EU	European Union
F4D	Finance for Development
GoM	Government of Malawi
GRB	Gender Responsive Budgeting
IATI	International Aid Transparency Initiative
IPMIS	Integrated Performance Management Information System
JP	Joint Programme
M&E	Monitoring and Evaluation
MASEDA	Malawi Socio Economic Database
MDAs	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
MFEPD	Ministry of Finance, Economic Planning and Development
MGDS	Malawi Growth and Development Strategy
MPs	Members of Parliament
OPC	Office of the President and Cabinet
PBB	Programme Based Budget
PC	Performance Contract
PED	Performance Enforcement Department
PFEM RP	Public Finance and Economic Management Reform Programme
RBM	Results Based management
SWAPs	Sector Wide Approaches
SWG	Sector Working Group
UN	United Nations
UNDAF	United Nations Development Action Framework
UNDP	United Nations Development Programme
UNICEF	United Nations Children Fund

Executive Summary

This report provides implementation progress against the 2017 Annual Work Plan for the Development Effectiveness and Accountability Programme (DEAP) whose main Implementing Partner (IP) is the Ministry of Finance, Economic Planning and Development. DEAP is a joint programme funded by the European Union (EU) and United Nations (UNDP, UNICEF and UN Women) aimed to achieve the following outcome: By the end of the project, “*Public Institutions are better equipped to manage, allocate, and utilize resources for effective development and service delivery*”. DEAP supports national institutions to become more results-oriented and to improve the synergies between planning, M&E and aid management functions in supporting the realization of national goals and priorities and in line with the Busan commitments.

In 2017 Malawi finalized its new national development strategy – Malawi Growth and Development Strategy III, successfully integrating global Agenda 2030 and regional Agenda 2063. Both agendas call for a renewed global partnership to support their respective ambitious targets for Africa’s socio-economic transformation and for leaving no one behind in national development. This underscores the need for development effectiveness, with particular focus on greater result-orientation of public institutions, maximizing development impact and making effective use of partnerships. To this end, DEAP provided a series of catalytic inter-related initiatives supporting greater result-orientation in public management, programme-based budgeting, better national planning, accountability and improved management of development cooperation.

Overall, the implementation of DEAP in 2017 focused on consolidation of the work conducted in previous years. Some of the key highlights include the following:

- (As mentioned above) The *Malawi Growth and Development Strategy III* (MGDS III) has been developed through a wide consultative process. The process was also informed by the modelling of Sustainable Development Goals (SDGs), setting priorities in the context of SDGs implementation. MGDS III built upon extensive analysis of the lessons learnt of the implementation of the previous strategies and additional analytical work, such as national Human Development Reports.
- *National Planning Commission* was established as an apex advisory body to the Government of Malawi, responsible for strategic planning in the country. It will be an important institution for operationalization of MGDS III. Besides it will serve as a hub for knowledge and innovation for development.
- A series of initiatives consolidated Malawi’s framework for multi-stakeholder development dialogue and mutual accountability. *High Level Forum (HLF)* was held for the third consecutive year under the theme “Towards an Inclusive and Accelerated Implementation of the Third Malawi Growth and Development Strategy (MGDSIII)” 2017 HLF centered on three areas, namely: (i) update on the MGDS III; (ii) unleashing the potential of decentralization to support MGDS III implementation; and (iii) managing population for development.
- Following adoption of the Agenda 2030 and the Sustainable Development Goals in 2015, DEAP supported a series of initiatives on domestication of the agenda in Malawi. Following the integration of the SDGs in the national development strategy, DEAP supported events focusing on the public awareness, showing the relevance of the goals for Malawi, such as the *SDG fair*.
- In a push to enhance and institutionalize public sector accountability, the *Performance Evaluation Report* was prepared by the Office of the President and Cabinet Performance Enforcement Division. The report will be uploaded on the website to enhance public access to performance information. It includes the ranking

of various MDAs in terms of performance. Comprehensive training on Performance contracting of all MDAs has been conducted.

- In May, a national dialogue on corruption was held with key stakeholders, where consensus on key recommendations on what needs to be done to make progress in the fight against corruption was reached.
- A number of forward-looking interventions have been initiated. It included the start of the Development Finance Assessment to review changing trends in development finance: domestic and external, public and private. This analysis will be important to inform further reforms that will allow Malawi make better use of available resources.

Alongside development results, implementation of DEAP also focused on ensuring efficiency. The resources that were saved in the year 2017 will be instrumental to finalising some of the strategic activities in 2018 such as launch and dissemination of MGDS III, building capacity of the National Planning Commission and the awareness and localization of the SDGs.

Challenges: One strategic challenge was the delayed approval of 2017 Work Plan and Budget by the Steering Committee which led to lower than expected utilization of resources. Therefore, implementation started late and that led to loss of first quarter without implementing any substantive activity in the programme. The introduction of new staff slowed implementation of most of the activities since there was no adequate institutional memory. The delay in the advance toward DAD activities had negative impacts towards the implementation of its activities. The challenges in coordination between the implementing partners and UNICEF also delayed the implementation of some activities.

Lessons learned: During the year, the programme noted the positive benefits of collaboration particularly when new concepts or approaches are introduced. For instance, UN and government officials and other relevant stakeholders jointly discussed the challenges in handling the Sustainable Development Goals (SDGs) and jointly participated in several courses. The programme noted the positive benefits of strengthening dialogue structures on effective development cooperation.

There is a need of joint planning of key activities that include more than one stakeholder. For example, while building IPMIS required active engagement by different stakeholders, their participation and ownership of the process was insufficient. This led to the need of revising the original concept

Situational Background of DEAP

As Malawi begins to implement MGDS III, there are outstanding capacity gaps that need to be addressed to enhance development effectiveness and accountability, such as better alignment of policies, programmes and budgets and prioritization of development interventions vis-a-vis available resources. Results-Based Management (RBM) needs to be utilized to address the weaknesses in planning as well as monitoring and evaluation (M&E) systems at all levels. There is inadequate collaboration framework for development cooperation as some Sector Working Groups (SWGs) are not operational and some key players inside and outside government are not engaged. Coordination among the SWG members is also a challenge.

To build effective public institutions, the Government brought together all capacity development initiatives under a unified Public Financial and Economic Management Reform Program (PFEM RP). The PFEM RP's overall goal is to achieve fiscal discipline; resource allocation according to a well-presented government strategy; and value for money in terms of effective, efficient and regulated use of resources to achieve service delivery. The DEAP Programme assists Government in implementing several PFEM RP components and is executed within the PFEM structures. It aims to support national institutions to become more results-oriented, and improve the synergies between planning, M&E and aid management functions. The Programme is built on the premise that achievement of development results will depend on availability and proper management of resources both domestic and external, thus, necessitating the strengthening of national capacities in central ministries and at the levels of districts and among non-state actors.

The Joint Programme Support is developed in order to attain United Nations Development Assistance Framework outcome 4.2 and states that *“By 2016, Public Institutions are better equipped to manage, allocate, and utilize resources for effective development and service delivery”*. This outcome will be realized through the following Joint Programme outputs, which are also UNDAF outputs:

Output 4.2.1 National Institutions utilize RBM systems for planning, monitoring and evaluation to enhance ownership and leadership for achievement of development results.

Output 4.2.2 National Institutions have the capacity to align policies, programmes and budgets with national development strategies and MDGs for efficient achievement of development results.

Output 4.2.3 Government has sufficient capacity to effectively negotiate, manage and account for development assistance

Key Joint Programme beneficiaries are institutional stakeholders, policy makers, civil servants, non-state actors and service providers.

Strategic Approach

The Joint Programme Output (JP) 1 is intended to promote and institutionalize RBM systems in all ministries and at district level as a means of enhancing ownership and leadership for achievement of development results. It supports strengthening of the National Statistical and M&E System and the practical application of Results-Based Management, Performance-based Budgeting, Human Rights Based Approach, and implementation of National Development Strategies, Integrated Performance Management Information System, Community Based Monitoring (interface with CSOs), Public Tracking Surveys, Public Sector Investment Programme, District Data Bank and links to budgeting, the establishment of sustainable in-country capacity for delivery of capacity building on RBM, and the development of capacities and instruments for the Organizational Performance Assessment process (OPA) in public sector institutions.

The support under JP Output 2 is geared towards improved alignment of policies, programmes and budgets with national development strategy and Agenda 2030, including the Sustainable Development Goals (SDGs). Government guidelines and procedures have been updated to ensure an integrated and results oriented national planning and M&E system that uses the PBB/MTEF as a tool to help Government shape its budget in line with its development agenda. This is supported by introducing the Programme Based Budgeting (PBB), strengthening the functionality of the SWGs (including planning and management guidelines) as a key dialogue and delivery mechanism for the national development strategy.

Joint Programme Output 3 is intended to strengthen the capacity of Government to effectively negotiate, manage and account for development assistance. It focuses on provision of capacity building support for strengthening functions of the Debt and Aid Management Division to manage the Aid Management Platform and produce regular reports, lead the development and implementation of the Development Cooperation Strategy, and effectively prepare and support dialogue structures such as High Level Fora meetings and Common Approach to Budget Support (CABS) meetings. This output also supports learning and information exchange with a broader group of stakeholders from government, CSOs, academia, media, Members of Parliament and the private sector.

Implementing Institutions

The main Implementing Partner (IP) is the Ministry of Finance, Economic Planning and Development (MFEPD). The department of Economic Planning and Development is the responsible party for Outputs 1 and 2 with some activities under Output 1 and Output 2 falling under the Performance Enforcement Department (PED) in OPC and Budget Divisions in Treasury respectively. The Debt and Aid Management Division (DAD) is responsible party for Output 3.

Other key partners: National Statistics Office (NSO), Ministry of Local Government and Rural Development, Line Ministries, Office of the President and Cabinet (OPC), Auditor General, ODPP, NAC, District Councils, Malawi Institution of Management (MIM), Chancellor College, Bunda College of Agriculture, Staff Development Institute (SDI), Malawi Polytechnic, Malawi Confederation of Chambers of Commerce and Industry (MCCCI) and selected non-state actors.

PART I: Narrative Reporting/Implementation Progress

Output 1

“National Institutions utilize Results-Based Management (RBM) systems for planning, monitoring and evaluation to enhance ownership and leadership for achievement of development results”

Activity 1.1: Strengthen RBM capacity and practice

In terms of strengthening RBM capacity and practice, the programme did not register much progress in the year 2017 as compared to the previous project years where one could see strong efforts towards institutionalization of RBM in the public service. A joint learning event on RBM experiences with RBM pilot institutions from selected ministries and districts was planned in 2017, but later postponed to take place in 2018 and to be done in conjunction with a study to establish the status of RBM and recommended way forward for RBM in Malawi. Findings from this study are expected to inform a review and update process of the RBM modules used for the induction of government staff at SDI and MIM.

SEP and District Development Planning Framework for Lilongwe District was developed with support from Unicef, with printing to be done in 2018. The DDP in Mangochi could not be completed

Operational costs for the Department of Economic Planning and Development are charged to this activity, as is reflected in the financial report. EP&D were adequately supported with fuel, vehicle maintenance, communications, office supplies and a project accountant in 2017, which facilitated the implementation of activities in the 2017 AWP.

Activity 1.2: Support to Statistical Systems

19 officers from the National Statistics Office (NSO) were supported to continue their studies at Chancellor College in the 2017/2018 school year. The officers are scheduled to graduate with a Diploma in Statistics in 2018. NSO senior management has noted a marked improvement in the skills and performance of the officers following the training they have received so far¹. This has been particularly evident during university vacation periods, when the officers have returned to work full-time. So far, there has been a 100% retention, and NSO is confident that they will be able to retain the trained officers for a number of years through improved job motivation and bonded contracts. NSO requested DEAP to sponsor another cohort of students from 2017-2019, but as the project is ending in October 2018, this request was turned down.

In 2017, SDG indicators were reviewed to identify data needs. Reportable SDG Targets were identified and EP&D discussed with Ministries for follow up activities. Despite slow progress, a draft SDG Baseline report was developed in 2017, and it is currently under review. NSO was also supported for the preparation of the National Statistical Strategy . This work is being done by EP&D in collaboration with NSO and Unicef.

The Unicef supported MASEDA system was institutionalized at the NSO regional office

¹ This was noted in the request letter for tuition fee payment from the NSO commissioner to UNDP and later in bilateral meetings.

Leading up to the 2018 National Census, the NSO conducted a pre-test exercise in mid-2017. Following the pre-testing in Phalombe district, NSO was able to develop the final questionnaire, final enumerators' manual and CAPI application to be used in the upcoming census.

DEAP further provided technical and financial support in the development of chapters for the 2015-2016 Malawi Demographic Health Survey (MDHS) report, to ensure that it was gender responsive.

NSO was also trained in the development of infographics, to improve effective communication data, disaggregated by gender and other variables.

The availability of timely, reliable data for evidence-based decision making is crucial to solid planning and efficient implementation of national priorities. As such, DEAP has initiated a process of mapping what needs to be done to develop a robust Malawian data eco-system and have a holistic, systematic approach to strengthening national data systems. This work will continue in 2018.

Activity 1.3: Support M&E Systems at all levels

The design and installation of the Integrated Performance Management Information System (IPMIS) was completed in 2016. In 2017, the majority of data collection forms were entered in the system, and some district profiles were customized. To become functional, the system will need to have all profiles created and all forms for data collection entered in the system. There is need to have standard reports and organization units, as well as integration of IPMIS with other government databases. To make IPMIS fully functional, will require comprehensive user consultations and review, and rigorous testing following population of data. It was found that the scope of IPMIS had gone beyond what the system was originally intended to do, and that the system as conceptualized in 2016 and 2017 might be too ambitious compared to the capacity of the system. As such, in 2018, the OPC-PED performance evaluation data will be entered in IPMIS, as per the originally intended scope. There will be need to further revise the concept and functionality of the system to be make it able to serve as an effective M&E tool for MGDS III.

The formulation process for a Monitoring and Evaluation Policy was initiated in 2017. An international consultant was recruited in December to support the process scheduled for 2018, and an internal committee to coordinate the production of the policy was formed.

The 2015 Public Expenditure Tracking Survey (PETS) report in the Education and Health sectors was finalized in July 2017, following the resolution of an outstanding data gap from the Central Medical Stores Department. PETS is undertaken in order to bring about accountability and prudence in the use of public resources. The planned PETS exercise for the Cash Transfer programme was not done due to the delays in completion of other PETS surveys. The 2015 Education and Health PETS has not yet been printed, launched or disseminated to relevant stakeholders, and it is hoped that this can be done in 2018, as the recommendations of the report are still relevant to the financial performance of the health and education sectors.

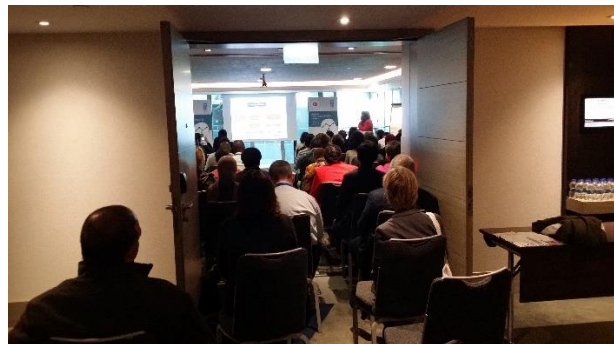
In October 2017, two Malawian representatives attended the fifth global National Evaluation Capacities (NEC) Conference in Istanbul, Turkey. The Conference provided a platform for information exchange on lessons, experiences, challenges and progress made since 2015 in establishing and strengthening national evaluation systems. It was organized and sponsored by the Independent Evaluation Office (IEO) of UNDP in Turkey. Both Victoria Geresomo, from EP&D and Amos Misomali, from the National Evaluation Platform, gave presentations in Istanbul that were well received. Mrs. Geresomo's presentation on the MGDS III M&E framework, aligned to SDG indicators, was one of the most well attended break away presentations of the conference.

Despite some challenges early in the year, the national M&E association was trained on professionalization of the evaluation function, supported to develop a constitution and new strategic plan and provided with secretariat support in 2017.



Left: Amos Misomali presenting on the Malawian National Evaluation Platform during NEC conference in Istanbul

Below: Director Victoria Geresomo from EP&D pulled a crowd for her presentation on the MGDS III formulation process and related M&E framework, fully aligned to SDG indicators, at the NEC conference in Istanbul.



Activity 1.4: SDGs, MGDS II Reviews and Evaluations

The annual SDG progress report development was put on hold pending the finalization of the baseline national indicator framework and also the MGDS III launch process. The annual SDG progress report will now be brought out in 2018.

Work was initiated in reviewing the national indicator framework to align and further strengthen it to report on the SDGs targets. NSO has been working on this activity and also setting baselines. The work is comprehensive in scope and is ongoing.

The gender strategy for MGDS II was not reviewed but DEAP ensured that gender considerations were addressed during the development of MGDS III. UN Women, the UN Gender group and the Ministry of Gender, Children, Disability and Social Welfare, supported by a consultant, gave gender input to the draft MGDS III, based on recommendations from the MGDS II review report, sectoral policies and forthcoming policies and strategies.

Activity 1.5: Support to the Performance Contracting System

Performance contracting aims to enhance public sector performance and delivery of public services through provision of oversight, coordination and supervisory functions of tracking, evaluating and enforcing performance of MDAs and other related institutions in the execution of the national development agenda. Implementing MDAs are assessed on their performance based on their specific targets committed to at the beginning of each financial year.

Since its commencement in 2015, the process of Performance Contracting has been met with several challenges as highlighted in the Public-Sector Performance Evaluation Report for Financial Year 2016/2017. One of the key challenges included the lack of understanding of the process of the Performance Contracting Management System which affected the quality of the contracts. As such, OPC-PED conducted comprehensive refresher trainings for 78 officers from 40 MDAs in June, to ensure that they would have the necessary knowledge to prepare the 16/17 self-assessment and the 17/18 performance contracts on time. An evaluation of this training was done, and the participants reported that they were much more confident in performing their tasks relating to performance contracting after the refresher training than before, with 93% of participants finding the workshop excellent or very good, and 93% of participants finding the workshop content relevant to their job². It can further be seen that the process is now steadily gaining momentum as Ministries, Departments and Agencies show keen interest in improving their performance.

In August and September, OPC-PED, together with a team of independent evaluators, did a “groundtruthing” of all MDAs that had submitted performance contracts for the 16/17 financial year. Spot checks or “Groundtruthing” is a verification of the self-assessment in the progress reports submitted by MDAs, where the OPC-PED team and the independent evaluators compare the centrally reported information with the actual progress of projects at the district-level.



OPC-PED team in the field during groundtruthing

Following groundtruthing, OPC-PED scores the MDAs based on criteria in 6 categories: Finance & Stewardship; Service Delivery; Non-Financial; Operations; Dynamic/Qualitative and Corruption Eradication. In 2017, the performance evaluation report was done by the end of October, which is earlier than in previous years. Following this, target negotiations were held and performance contracts for 17/18 FY were signed. Results of the 2016/17

² OPC-PED – Report of the refresher training of MDAs on performance contract reporting, June 20th 2017

evaluation were announced on 20th December 2017 by Honorable Minister of Finance, Goodall Gondwe, with awards for the best performers³. In the overall evaluation rankings, The Ministry of Industry, Trade and Tourism scored the highest points, followed by the National Audit Office and the Ministry of Justice and Constitutional Affairs, in second and third place, respectively.



Minister of Finance, Economic Planning and Development, Honorable Goodall Gondwe congratulates one of the most improved performers, Dr. Esmie Kainja, Secretary for Gender, Children, Disability and Social Welfare

In 2017, OPC-PED worked on designing and developing content for a webpage which should be launched in early 2018. The publication of OPC-PED data on this website will further enhance transparency, public access to information and accountability of the public sector.

In 2017, a heavy-duty multi-functional printer was procured for OPC-PED which is helping to cut costs for the printing of required material.

³ See: <http://www.mw.undp.org/content/malawi/en/home/presscenter/articles/2018/02/02/working-towards-a-results-and-accountability-culture-in-the-public-sector.html>

Output 2:

“National Institutions have the capacity to align policies, programmes and budgets with national development strategies and SDGs for efficient achievement of development results.”

Activity 2.1: Support to Programme Based Budgeting:

The Programme Based Budgeting (PBB) approach was formally adopted in Parliament in the 2016/17 financial year and was rolled out to all MDAs, replacing output based budgeting. The PBB approach allocates resources to development outcomes as per strategic plan of each ministry. In addition to a full roll out of the PBB reform to all Central MDAs, Local Councils and Sub-vented Organizations were also introduced to the reform. For the 2017-18 budget, a separate PBB document highlighting the performance in Sub-vented Organizations was submitted to Parliament.

Local Councils and Sub-vented Organizations were trained in PBB structures, templates and performance indicators. In addition, Treasury Funds were also introduced to the PBB reform. This reform strengthens the linkage between resource allocations and strategic policy objectives providing a management framework with which MDAs can effectively manage resources. One other critical activity that was carried out was the review of performance indicators presented on the 2017-18 PBB Budget Document. However, the review focused mainly on Central Ministries and the plan is to do the same for Sub-vented Organizations and Treasury Funds in 2018.

A team from Malawi was supported by UN Women to participate in a Training of Trainers in Gender Responsive Budgeting (GRB) in the Dominican Republic. Members of this team included representatives from the Budget Section in the Ministry of Finance, Economic Planning and Development, Ministry of Gender, Disability and Social Welfare and Civil Society Organizations. With the knowledge acquired, the newly trained team supported the The Ministry of Finance, Economic Planning and Development; alongside the Ministry of Gender, Children, Disability and Social Welfare (MoGCDSW) with the development and finalization of the Integrated Planning and Budgeting manual. The MoGCDSW reviewed the manual to ensure that issues regarding Gender Responsive Budgeting were fully incorporated in the manual. The Budget preparation manual incorporated gender tenets so that the guidelines take on board the Gender Responsive Budgeting principles, as well as Programme Based Budgeting principles in both planning and implementation of the entire National Budget.

Furthermore, the GRB trainers lobbied for a gendered review of the Public Finance Management Act (PFM Act); and UN Women provided financial support for engaging the consultant to review and engender the Act. Presently, the consultant is reviewing the PFM Act in order to engender it.

Activity 2.2: Support to Sector Working Groups (SWGs)

The Joint learning event that was held with the SWGs in 2016 served as a platform for the SWG secretariats to learn from each other and for EP&D to learn from the sectors the successes and challenges that the sectors face. It was noted that EP&D should strive to address the concerns raised by the SWG Secretariats to contribute to more efficiency in the functionality of SWGs, whereas the SWGs Secretariats should endeavor to do more to ensure sustainability of their SWGs. In 2017, several SWGs including Economic Governance have strengthened their functionality by establishing Technical Working Groups and developing terms of reference for the SWGs. Capacity building of the SWGs Desk Officers, placed at the EP&D was carried out to ensure necessary guidance and strengthening of various sectors. This was done through discussions and reflections on the Terms of Reference for

the Desk Officers and the guidelines of the management manual. Some joint discussions with sectors were held to ensure coherence of sector planning processes and alignment with national priorities.

Sector Working Groups are key building blocks for planning, implementation, monitoring and reporting of progress for national development plans, and government has re-committed to the use of SWGs in the implementation of MGDS III. As such, work in 2018 should focus on coordinating and capacitating SWGs to effectively implement the MGDS III.

Activity 2.3: National Human Development Report and national development strategy evaluations supported

The global Human Development Report “*Human Development for everyone*” was launched in Malawi in March 2017, though unlike previous years, it was not paid for under DEAP, but covered by separate UNDP funds. The development of the National Human Development Report was postponed as the majority of EP&D staff were heavily involved in the MGDS III development process, and the National Planning Commission was not in place until late 2017. The process will be initiated in 2018, though it will not fall under the DEAP extension phase. Analysis and recommendations in reports from previous years were taken on board in the MGDS III formulation process.

Activity 2.4: Support for formulation of successor national development strategy and post 2015 development agenda

In 2017 Malawi finalized its new national development strategy – Malawi Growth and Development Strategy III (MGDS III), successfully integrating global Agenda 2030 and regional Agenda 2063 both in the main strategy and its accompanying M&E framework, where customized SDG indicators are included. MGDS III was developed through a wide consultative process – with district consultations in all districts and consultations with a broad range of other stakeholders such as the Academia, Media, Parliament, Development Partners, and Civil Society to identify national priorities. A reference group was established to assure quality of the process and final document. The process was informed by the evidence-based modelling of Sustainable Development Goals (SDGs). The Integrated SDG (iSDG) Model helped in identifying key priority areas for the MGDS III, highlighting the forward and backward linkages and possible impacts across sectors, based on Malawi-specific data and analysis conducted by the University of Malawi and the Millennium Institute in the US. The iSDG model further helps government to initiate SDG implementation in an appropriately sequenced manner. MGDS III also built upon extensive analysis of the lessons learnt of the implementation of the previous strategies and additional analytical work, such as national Human Development Reports.

MGDS III isolates the five key priority areas that the government will focus on in the next five year from 2017 to 2022. The plan also has identified a number of flagship projects, and the plan is fully costed for the reference of all stakeholders. A summary version of MGDS III has been drafted for distribution together with soft copies, to reduce on the need for printing of the large, main document, in line with the governments efforts of going green where possible. EP&D also developed a brief leaflet to offer a quick read to the public to get insight into the MGDS III to be used during the dissemination activities planned for 2018.

Due to the delays in the establishment of the National Planning Commission, EP&D took lead in the process of formulating the successor national development strategy. Later In 2017, the National Planning Commission was finally established as an advisory body to the Government of Malawi, responsible for strategic planning in the country. 6 commissioners were appointed, 5 later approved by parliament and sworn in. The NPC will be an important institution for the operationalization, implementation and oversight of MGDS III. Besides it will serve as a hub for knowledge and innovation for development. The newly sworn in commissioners were given an opportunity

to review the final MGDS III draft, and their input was taken on board in the final document. With support from DEAP, government also organized orientation meetings for the commissioners in November and December 2017, where the National Planning Commission Act was interpreted and unpacked, the NPC budget and conditions of service were discussed, a press release was developed, and initial findings from the DHRMD functional review of the MoFEPD were shared. There were major delays in the establishment of NPC, and there is urgent need to recruit a Director General so that the NPC can access their funds, employ a secretariat and begin working. In 2017, the NPC relied exclusively on DEAP funds for its operation.



NPC Commissioners from the left: Phillip Madinga, Graham Chipande, , Chairperson Richard Mkandawire, Mercy Masoo and Evance Mwanthunga



The swearing in of the NPC chairperson Prof. Mkandawire.

Following adoption of the Agenda 2030 and the Sustainable Development Goals in 2015, DEAP supported a series of initiatives on domestication of the agenda in Malawi. Following the integration of the SDGs in the national development strategy, DEAP supported events focusing on the public awareness, showing the relevance of the goals for Malawi, such as the SDG fair. The SDG fair was held at Mtsiliza Primary School Ground in Lilongwe on 24th October, and provided a platform for SDGs advocacy and for partners to showcase the impact of their work in contributing towards achievement of the SDGs in Malawi. The theme of the SDGs Fair was: My Community's Development, My Responsibility. An analytical paper on Leaving Noone Behind was later developed, but the planned debates and round table did not take place. The Ministry of Local Government and Rural Development and Malawi Local Government Association (MALGA) facilitated integration of SDG elements in the district development planning process of 3 districts of Lilongwe, Mchinji and Blantyre, with support from DEAP.



Pictures from the SDG Fair on 24th October 2017 at Mtsiliza Primary School Ground in Lilongwe.



In 2017 DEAP supported the development of a concept note for the Development Finance Assessment (DFA) for Malawi. Its purpose is to serve as an analytical basis to strengthen policies and actions for mobilizing different types of development finance. DFA will include quantitative analysis of various finance flows (domestic and external, public and private) as well as qualitative analysis of policy and institutional structures for mobilization and

management of different type of finance. In 2017, an oversight team for the DFA was established, comprising representatives of the key government institutions. DFA core team members from DAD and EP&D attended a meeting in Addis Ababa where they exchanged experiences with their peers across the region (see report for Output 3).

With support from DEAP, the Ministry of Justice and Constitutional Affairs organized a National Dialogue on Corruption on 27 and 28 May, 2017. The dialogue aimed to source views of key stakeholders in the fight against corruption and build consensus on what needs to be done to defeat the vice and make headway in its eradication. The meeting was the culmination of a number of stakeholder consultations undertaken between January and March, 2017. The two-day Conference was presided over by the President of Malawi, and among the key note speakers was Prof. Lumumba from Kenya who spoke on current issues that fuel corruption in Africa. Outcomes from the meeting included recommendations with regard to: the need to review effectiveness of instruments to aid in the fight against corruption; Promotion of a culture of whistleblowing; Reviewing the role of the Judicature vis-a-vis issuance of injunctions; Role of Access to Information Act; Improving effectiveness of lead institutions in the fight against corruption; Improving the quality and capacity of Malawi Police Service to tackle corruption and role of politicians in corruption and impunity challenges⁴.

⁴ There were severe delays by government in sharing the final conference communique, despite numerous follow ups. Finally, a conference report was shared by MoJCA in March 2018.

Output 3:

“Government has sufficient capacity to effectively negotiate, manage and account for development assistance”

Activity 3.1: Strengthen debt and aid management functions

The implementation of the 2017 Programme included support to both strategic and operational aspects of debt management. To strengthen debt and aid management capacities, the Programme supported the participation of 2 DAD Officers who were trained in Medium Term Debt Strategy (MTDS) and 2 officers in Commonwealth Secretariat Debt Recording and Management System (CS-DRMS), provided by the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI). The aim of the MTDS training was to train participants on elements of strategic planning of how to implement sound national debt management in the medium-term. The CS-DRMS training aimed at orienting participants on new version of CS-DRMS which countries are expected to adopt to improve debt recording and reporting. These officers will train other officers in the Division and relevant institutions like Reserve Bank of Malawi in these areas. The officers who were trained in MTDS contributed to the formulation of Malawi’s MTDS during the drafting of the Strategy in November 2017. The strategy operationalizing the Government medium-term debt management objectives, is currently in draft form.

The 2015/16 Fiscal Year Development Cooperation Atlas (DCA) report has been produced and publication of the report has been pended due to a technical error which was noted when finalizing the report, involving double counting of support towards Agriculture Sector Wide Approach (ASWAp) in the AMP. Introducing necessary changes in AMP data had implications for the entire dataset. The drafting team is reviewing the data. In the process it was suggested to combine the 2015/16FY Atlas with the 2016/17FY Atlas as the 2015/16 Atlas alone might be outdated. In support of the Development Cooperation Strategy and international aid transparency principles, the Atlas is expected to enhance better development planning, harmonization as well as alignment of development cooperation activities with the national development priorities and systems. For the public, the Atlas provides a basis for holding the Government and DPs accountable for development results in different sectors.

The Aid Management Platform (AMP) continues to be an important tool providing information for Government planning and budgeting. Using the AMP generated data, DAD provides input into the budget process for both on and off budget support. The AMP data is also meant to facilitate coordination and division of labor among development partners. It is Government expectation that other stakeholders use the AMP, particularly the Public Portal, as an accountability tool. However, it is important that these stakeholders are aware of its existence and how to use it. It is also important to include other providers of development support in addition to traditional development partners, these include International Non-Governmental Organizations, foundations and others. In this regard, the programme supported NGO Board of Malawi to conduct awareness campaigns for International NGOs including nomination of AMP Data Focal Agents (DFAs) in all regions of the country. Out of 205 targeted INGOs, 163 participated in the meetings and nominated DFAs. What remains is to develop a dedicated reporting workspace for NGOs in the AMP, develop user manual for NGOs and train NGO Data Focal Agents in data recording in the AMP. The current AMP contract which will be signed with Development Gateway includes these developments. During the reporting year, DAD also continued regular portfolio reviews to improve data quality and accuracy in the AMP.

Initial module for AMP integration with International Aid Transparency Initiative (IATI) was developed in 2014, but not yet implemented because of technical problems that were still outstanding like absence of single project codes to allow data exchange between the platforms. IATI can be used to track aid inflows to Malawi which are reported on IATI but are, currently, not reported on AMP. In 2017, DEAP supported subscription to IATI for the next two years. The payment of the subscription will allow integration of the IATI with AMP under the new contract to be signed with Development Gateway (DG). The contract with DG has been discussed and drafted in 2017, it will be signed once it is vetted by Ministry of Justice and Government Contracting Unit.

Under this activity, a heavy-duty multi-function printer was procured for DAD in 2017, the running and maintenance cost of project vehicles were covered, airtime and office supplies were provided.

Activity 3.2: Support to effective Development Cooperation

During the implementation period, the Government hosted a Development Cooperation Group (DCG) meeting on 30th March 2017. Due to delays in accessing DEAP funds, the DCG meeting was funded by the Government. The outcome of the DCG fed into discussions at the third High Level Forum on Development Effectiveness (HLF) which was held on 20th September 2017. As the working arm of the HLF, the DCG prepared the agenda for the HLF and deliberated on prioritization of development plans and effective implementation of the same. The DCG also stressed on the importance of linking of the National Development Strategy with Agenda 2063 and the Sustainable Development Goals.

In support of implementation of the country's Development Cooperation Strategy (DCS, 2014-2018), the aim of the HLF3 was to draw consensus, provide guidance and accelerate action on the National Development Agenda - Implementation of the Third Malawi Growth and Development Strategy (MGDS III). Specifically, the HLF3 spurred dialogue on: (i) funding and opportunities available to support implementation of MGDS III; (ii) linking National Resilience Strategy to MGDS III; (iii) unleashing the potential of decentralization in support of MGDS III implementation; and (iv) managing population growth for full realization of MGDS III aspirations. The third High-Level Forum on Development Effectiveness (HLF3) was held under the theme "*Towards an Inclusive and Accelerated Implementation of the Third Malawi Growth and Development Strategy*".

From the HLF3 discussions, an Action Plan was developed for implementation by relevant stakeholders. Progress on implementation of agreed actions will be reviewed during the next DCG meeting and reported at the next HLF (HLF4).

The Development Finance Assessment (DFA) focal persons from DAD and EP&D were sponsored to attend a regional training on DFAs in Addis Ababa.



Pictures from the High Level Forum on 20th September 2017

Activity 3.3: Learning and Information Exchange on Development Effectiveness

To support learning and information exchange on development effectiveness, DEAP supported 2 Malawian youths' participation in the 2017 People's Summit of Southern Africa People's Solidarity Network (SAPSN) in Johannesburg, South Africa. The SAPSN People's Summit is an annual event for Southern Africa Development Community (SADC) member countries. It provides a platform for people to voice their concerns and development constraints which are taken to the SADC leadership for consolidation and action. The main output of the People's Summit was a communiqué that was submitted to SADC heads of State and Government through the SADC Secretariat. The 2017 Communiqué featured issues affecting youth and children and how these groups feature in SADC declarations and country development strategies.

The Malawian representatives who attended the Summit were expected to lead in development of Country Strategy for implementation of SADC Declarations on youth and children as well as follow-up at country level issues featured in the Communiqué. So far, the Malawi representatives held youth engagement meeting to disseminate the outcome of the Summit to fellow Malawian youth. They plan to hold meeting with relevant Government Ministries to reach out to policy makers with the messages from the Summit to ensure political support in implementation of youth-centered initiatives.

With support from the Programme, DAD conducted a stakeholders' workshop with the aim of strengthening its Debt and Aid Management functions. During the workshop, stakeholders provided feedback on how DAD delivers on its mandate and provided recommendations on how to improve on the same. During the workshop, DAD developed a Strategic Plan for the Division which will inform DAD operations for the next five years (2017-2022). The DAD Strategic Plan fed into the overall Strategic Plan for the Ministry of Finance, Economic Planning and Development.

One Programme Steering Committee and one Programme Management and Coordination meetings were held to ensure effective coordination and implementation of the Programme. In view of the upcoming expiration of the programme initial consultations were conducted on the areas requiring further support and a draft programme document has been formulated.

Challenges

The major challenges during the reporting period have been:

- (1) Late signing of the 2017 Annual Work Plan and Budget which resulted in delay in implementation as well as disbursement of funds. As a result, some of the activities which were supposed to be supported under DEAP were supported by Government funds, consequently reducing the absorption rate of DEAP resources.
- (2) Introduction of new staff in several key project positions (coordinator, analyst/technical advisor) slowed down implementation in 2017, as staff were appointed late in quarter 1, contributing to the above-mentioned delays, and further the loss of institutional memory.
- (3) Late finalization and management approval of strategic documents to be published with DEAP funds. This also affects utilization of resources as funds for printing of such documents were not used in 2017. For DAD, it also affected their ability to clear their advances from UNDP on time.
- (4) Lack of coordination among implementing agencies. During 2017, it has been difficult to get implementation activity reports from implementing partners and agencies for consolidation. In addition, government perceived UNICEF as working in isolation, with little involvement of the Department of Economic Planning and Development (EP&D) who should be working closely with them.

Lessons learned

During the year, the programme noted the positive benefits of collaboration particularly when new concepts or approaches are introduced. For instance, UN and government officials and other relevant stakeholders jointly discussed the challenges in handling the Sustainable Development Goals (SDGs) and jointly participated in several courses. The programme noted the positive benefits of strengthening dialogue structures on effective development cooperation.

There is a need of joint planning of key activities that include more than one stakeholder. For example, while building IPMIS required active engagement by different stakeholders, their participation and ownership of the process was insufficient. This led to the need of revising the original concept

Table 1: Detailed Progress per Output for 2017

Table 1 below provides an overview of project results as per approved Annual Work Plan for 2017. The following colour coding is used: **green** = achieved, **yellow** = partially achieved during the reporting period including work in progress, **red** = Not Achieved.

Specific Annual Targets	Activities	Target	Status	Colour Code	Remarks
JP Output 1: National Institutions utilize RBM systems for planning, monitoring and evaluation to enhance ownership and leadership for achievement of development results					
Indicator 1: Number of public institutions practicing RBM Baseline: 0 (2010) Status 2016: 4 Target 2017:16 Indicator 2: Number of staff in ministries and districts trained in RBM Baseline: 56 at district level; 25 in line ministries Status 2016: 446 district level; 41 in line ministries Target (2017): 159 in line Ministries Indicator 3: Number of staff within learning and training institutions who have RBM skills and knowledge and are delivering RBM training Baseline: 4 Status 2016: 6 Target 2017: 30 Indicator 4a: % of Ministries	1.1 Strengthen RBM capacity and practice				
	1.1.1 Joint learning on RBM experiences with RBM pilot institutions from selected ministries and districts and recommendations for the way forward (to be organized by the joint RBM team)	Train 159 staff in line ministries on RBM, conduct Joint learning event	Not done	Red	Joint learning event to be done in 2018.
	1.1.2 Hands on support and training in RBM to districts M&E officers for the development of their DDP M&E Frameworks based on the NDS M&E Framework (Ensuring adherence to RBM&E), Targeted support to the process for the development of district development plans in 2 districts.		Not done	Red	To be done in 2018
	1.1.3 Support MIM and SDI to include RBM in the induction of new government staff.		Partially done	Yellow	RBM modules are included in the induction programme, but need to be reviewed in 2018
	1.1.4 EP&D Operational costs		Done	Green	EP&D adequately supported for operational and project management costs

<p>with functional M&E System Base line: 60% (2010) Status 2016: 80% Target 2017: 90%</p> <p>Indicator 4b: % of district councils with functional M&E systems Baseline (2012): 25 % Status (2016): 40% Target (2017): 80%</p>	1.2 Support to National Statistical System				
	1.2.1 Continuation of scholarship support to 19 officers completing Diploma in Statistics at Chancellor College	19 Students	Achieved		Tuition fees were paid in full for the 2017/18 academic year for the 19 officers graduating in 2018.
	1.2.2 Continued support to data for NDS, SDGs and agenda 2063. Monitoring and refinement of national plan/SDG indicators. Support to NSO for maintaining MASEDA. Roll out of DATA quality assurance system in selected pilot NSS Ministries.		Partially Achieved		
	1.2.3 Continuation of NSO gender statistics training and pre-testing		Achieved		Pre-testing and gender statistics training was done.
	1.3 Strengthen M&E Systems at all levels				
	1.3.1 Support to capacity building and training in Integrated Performance Management Information System (IPMIS) for data entry and data user staff, both at local and national levels to promote integrated reporting development of forms and indicators, roll out of IPMIS to new districts and do a proof of concept in 3 districts to demonstrate how IPMIS works. Upgrade district databanks to be compatible with IPMIS.		Partially Achieved		Design and installation of the IPMIS System finalized, collection forms developed, except for the customization of data, standard reports and organization units. There is a need to agree on the way forward of the system.

	1.3.2 Formulate M&E Policy, taking into account recommendations and principles from the M&E study (Policy formulation will involve consultative meetings)	M&E Policy Formulated	Partially Achieved		ToRs developed and a consultant to develop the policy was hired. The task of developing the policy will be done in -2018
	1.3.3 Start up support for the national M&E Association secretariat to become fully operational and provide them with training and capacity building in evaluation	M&E Association Established	Achieved		Support to the establishment of the M&E Association was provided.
	1.4 SDGs, MGDS II Reviews and Evaluations				
	1.4.1 Produce SDG Annual Report including stakeholder consultations	Report and print 100 copies	Not done		
	1.4.2 Review gender strategy for the National Development Strategy	MGDS II and MGDS III gender reviewed	Partially Done		Gender Strategy for MGDS II not reviewed, but the MGDS III has been fully engendered
Indicator 5: Number of institutions reviewed for performance and provided with feedback. Baseline 0 (2011); Status 2016: 25 Target 2017:38	1..5 Support to the Performance Contracting System				
	1.5.1. Comprehensive refresher training to 80 officers from 40 MDAs on Performance Contracting (including training of new staff)	80 Officers from 40 MDAs	Achieved		78 Officers from 38 MDAs were trained.
	1.5.2. Support to a team of independent evaluators (paid by government) and PED core team members to conduct quarterly groundtruthing exercise across the country to support evaluations and verify progress reports from MDAs, contributing to the year end assessments and performance rating reports.	Verification of progress reports by MDAs on the ground	Achieved		Progress reports from MDAS were verified , through visits to a representative sample of projects.

	1.5.3. Undertake year end assessments, policy dialogue with stakeholders and dissemination of PC results.	Year End Assessment for All MDAS	Achieved		Assessment done. Report done and results released on 20 th December 2017.
Indicator 6: Percentage of MDAs that have implemented at least 70 % of PC evaluation recommendations Baseline: 0; Status 2016: 25 Target 2017: 38	1.5.4. Inter-institutional negotiations on performance contracts and target setting	37 MDAs including 7 Parastatals	Achieved		Negotiations on performance contracts and target setting were held.
	1.5.5. Development of the PED website for performance contracting, operational support to OPC-PED, including procurement of one heavy duty printer with toners, stationary and office supplies	Website developed	Achieved		The website is done, waiting to be launched. OPC-PED was adequately supported operationally and a heavy duty printer was procured.
Output 2: National Institutions have the capacity to align policies, Programmes and budgets with national development strategies and MDGs for efficient achievement of development results.					
Indicator 1: Programme based budgeting piloted in institutions. Baseline: 2012: 0 Status 2017: 46 Target 2017: 63 (new ones); 109 (cumulative)	2.1. Support to Programme Based Budgeting:				
	2.1.1 Build capacity of Subventions, Treasury Trust Funds and Local Councils on PBB budget formulation and reporting, ensuring integration of gender responsive budgeting in PBB.	All ministries	Partially Achieved		Subventions, Treasury Funds and Local Councils oriented on the PBB reform
	2.1.2 Finalize and publish the PBB manual, templates and budget guidelines. Gender responsive budgeting to be included as integral part in manuals, templates and guidelines	Finalized	Partially Achieved		The PBB manual has been finalized. Management has approved it and it is ready for publishing
	2.1.3 Review of PBB indicators to include gender responsive budgeting	Performance indicators reviewed	Partially Achieved		Central Ministries' indicators reviewed. Gender perspective was included.

	2.1.4 Develop PBB database for MDAs currently using PBB.	Not done	Not achieved		It was decided that this should be part of a larger database, such as IPMIS, and the process was put on hold.
	2.1.5 Sensitization workshops across the country on PBB budget tracking and analysis for key stakeholders (especially MPs and Councilors)	Workshops conducted	Not achieved		Only central ministries' indicators were reviewed
	2.1.6 Hold consultative workshop to harmonise reporting and monitoring activities among key stakeholders (Treasury, Economic Planning and Development, Department of Statutory Corporations and Performance Enforcement Department)	Workshops conducted	Not achieved		
	2.1.7 Continuation of training in gender responsive budgeting for key stakeholders	Study tour conducted	Achieved		Key stakeholders were trained in gender responsive budgeting.
Indicator 2: Number of functional SWGs Baseline: 6 (2012); Status 2016: 11 Target 2017: 16	2.2 Support Sector Working Groups				
	2.2.1 Organise joint discussions with sectors to ensure coherence of sector planning processes and alignment with national priorities. Develop an implementation and coordination mechanism for the national development plan.		Partially Achieved		Some discussions undertaken, more to be done in 2018.
	2.2.2 Support the strengthening of economic governance Sector Working Group		Partially Achieved		Some support provided, more needed
	2.3 National Human Development Report and national development strategy evaluations supported				
	2.3.1 Initiate Development of Malawi National Human Development Report	Report produced	Not done		Will be done in 2018
	2.4 Support National Development Strategy formulation and post-2015 development agenda.				

<p>Indicator 3: National development strategy formulated through a participatory process by Dec 2016: Baseline: 0 Status 2016: 0 Target 2017: 1</p> <p>Indicator 4: Sector and district plans aligned with MGDS priorities and linked to MTEF process Baseline: 0 (2011); Status 2016: 11 Target 2017: 5 sectors and 10 districts</p> <p>Indicator 4: Sector and district plans aligned with MGDS priorities and linked to MTEF process Baseline: 0 (2011); Status 2016: 11 Target 2017: 5 sectors and 10 districts</p>	2.4.1 Support the development of the NDS and mainstreaming the SDGs and agenda 2063 in successor strategy		Achieved		The MGDS III was formulated in 2017.
	2.4.2 Support the development of an M&E indicator framework for the NDS. Evaluation and inclusion of SDG indicators and agenda 2063 in NDS Framework. Validation workshop for the finalisation of the indicator framework.		Achieved		M&E framework with SDG indicators integrated developed
	2.4.3 Support successor strategy validation meetings, and consultation meetings with stakeholders such as parliamentarians, SWGs, some development partners and political parties		Achieved		All validation meetings held.
	2.4.4 Support printing, launch of successor strategy and development of communication strategy.		Partially Achieved		MGDS III to be printed and launched in 2018.
	2.4.5 Localisation of SDGs-Building capacity for a bottom-up, decentralized approach to integrate the Sustainable Development Goals (SDGs) into local development plans.		Not done		To be done in 2018
	2.4.6 Prioritisation and adaptation of SDGs (including support to Integrated SDGs modelling)		Achieved		iSDG modelling done and report produced.
	2.4.7 Build capacity of EP&D officers in SDG mainstreaming, policy planning, implementation for the SDGs and reporting of progress at all levels		Partially done		To be continued in 2018
	2.4.8 Support National Planning Commission for effective development planning, implementation and monitoring of national development strategy		Partially done		Some support provided to the establishment of the NPC in late 2017, more to be done in 2018

	2.4.9 Raising awareness on SDGs and agenda 2063 through an SDG fair in addition to outreach to and capacity building of stakeholders e.g. CSOs, parliamentarians, private sector, communities etc.		Achieved		SDG fair was successfully conducted.
	2.4.10 Debates on inequality and leaving no-one behind		Not done		A report on leaving no one behind was developed, but debates were not held.
	2.4.11 National Dialogue on Corruption to consolidate issues from consultation paper and later inform the review of the National Anti Corruption Strategy (NACS), the Corrupt Practices Act and other related legislation.		Achieved		National Dialogue on Corruption was successfully held
Joint Output 3: Government has sufficient capacity to effectively negotiate, manage and account for development assistance					
Indicator 1: 2015/16 and 2016/17 FYs Development Cooperation Atlas produced by October 2017. Baseline: No (2014) Status 2016: Yes Target 2017: Yes	3.1 Strengthen debt and aid management functions:				
	3.1.1 Support to DAD: Debt management training for disbursement and debt servicing section and planning and information section, provided by Macro Economic and Financial Management Institute of Eastern and Southern Africa (MEFMI). (2-3 officers for 2 weeks.) Debt management peer review sessions for Eastern and Southern Africa. Maintenance of DAD computers and printers, procurement of a printer/photocopier with toner, maintenance and insurance for 2 project vehicles, airtime and office supplies.	Train 3 DAD Officers	Achieved		6 officers were supported with various trainings in Debt Management organized by MEFMI
	3.1.2 Production of the Development Cooperation Atlas (DCA) for 2015/16 and 2016/17 (500 copies and courier costs)	Development Cooperation Atlas Report	Partially Achieved		The Development Cooperation Atlas for 2-015/16FY is still in draft form

	3.1.3 Production of Development Cooperation (DC) Calendar for 2018 (400 wall hung calendars and some desktop calendars)	Develop Development Cooperation Calendar	Not Achieved		The 2018 DC calendar was formulated; printing of the calendar was delayed by internal procurement processes.
	3.1.4 Printing of Medium Term Debt Strategy (MTDS)	MTDS	Partially achieved		MTDS training and formulation were done. Strategy is in draft form
	3.1.5 Printing and dissemination to parliamentarians of the Debt Sustainability Analysis (Dissemination to include the DCA as well)	DSA report	Not achieved		Debt Sustainability Analysis report is still in draft form, awaiting management clearance
Indicator 2a: Number of visits to the AMP Public Portal Baseline (Sep-Nov 2015): 1296 Status 2016: N/A Target 2017: 5000 Indicator 2b: Number of DPs reporting on the online AMP: Baseline 2014: 6, Status 2016: 23 Target 2017: 35	3.1.6 DAD officers provide sensitization and training on Aid Management Platform (AMP) Public Portal for Academia and Media across the country	Academia and Media trained on use of AMP public portal	Partially Achieved		Focus in 2017 was on sensitization of NGOs on the AMP system.
	3.1.7 AMP Public Portal -dissemination and training to users (e.g., DPs managers, line ministries)	All DPs, All Ministries and Districts	Not achieved		Some support provided to users, more needs to be done in 2018
	3.1.8 AMP portfolio review with DPs data focal points	Review Sessions with DPs	Achieved		AMP Portfolio review with DP focal points was done
	3.1.9 Technical support for AMP including hosting (Payment to Development Gateway for hosting and development of AMP)	AMP contract signed	Partially achieved		New contract has been negotiated, but not signed yet.
	3.2. Support to effective Development Cooperation:				

<p>Indicator 3: Functional arrangements for mutual accountability in place;</p> <p>Baseline: 1 DCG meeting (2014);</p> <p>Status: 1 HLF, 1 DCG meeting (2016)</p> <p>Target 2017: 1 HLF, and 2 DCG meetings</p>	<p>3.2.1 Print and disseminate the Development Cooperation Strategy (DCS). Dissemination and distribution to be done in conjunction with AMP training. (200 copies)</p>	<p>All DPs, All Ministries and Districts</p>	<p>Not Achieved</p>		<p>A decision was made not to do this, as the DCS expires in 2018, and focus should be on review and formulation of a new DCS in 2018.</p>
	<p>3.2.2 End-term review of DCS and preparation for formulation of the successor strategy.</p>	<p>Develop ToRs and engage consultants</p>	<p>Partially Achieved</p>		<p>Activity to be done in 2018</p>
	<p>3.2.3 Develop Technical Assistance/ Capacity Building Guidelines and Division of Labour Terms of Reference. (Consultative workshops)</p>	<p>TA guidelines and DoL ToRs</p>	<p>Not achieved</p>		<p>To be done later</p>
	<p>3.2.4 Effective preparation of HLF and DCG meetings</p>	<p>HLF and DCG meetings held</p>	<p>Achieved</p>		<p>1 HLF and 1 DCG meetings were successfully held</p>
	<p>3.2.5 Support Malawi's participation in Global Partnership for Effective Development Cooperation initiatives and IATI, including localisation of the Nairobi HLF Outcome document. (Workshops, external travel and IATI subscription)</p>	<p>IATI Subscription</p>	<p>Partially achieved</p>		<p>IATI subscription was paid. Localization of Nairobi HLF Outcome document was not done. Government was supported to attend regional workshops on Development Finance Assessment (DFA)</p>
<p>3.3 Learning & Information Exchange on Development Effectiveness</p>					
	<p>3.3.1 Support learning and information exchange on development effectiveness (for government, CSOs, Academia, Media, Private Sector, and MPs) and support stakeholder initiatives on development effectiveness</p>	<p>All Stakeholders</p>	<p>Achieved</p>		<p>Supported the Youth to attend People's Summit organized by SADC.</p> <p>Held stakeholder's consultation workshop for the development of DAD's Strategic Plan (2017-2022).</p>

	<p>3.3.2 Programme Steering Committee and Program Management and coordination meetings;</p>	<p>Programme Steering Committee and Program Management and coordination meetings held</p>	<p>Partially achieved</p>		<p>2 Project Steering Committee (PSC) meetings were held on 15th February and 7th April 2017. 2 Program Management & coordination (PMC) meetings were held on 17th July and 26th October 2017</p>
	<p>3.3.5 Technical assistance to the DEAP project through detailed assignments from UNDP global policy centre on global partnership for development</p>	<p>Technical Assistance provided</p>	<p>Achieved</p>		<p>A technical advisor was deployed to help with the development of successor program. A draft project document developed for stakeholder consultations.</p>
	<p>3.3.6 Project Monitoring, evaluation, audits and visibility</p>	<p>1 Audit; 1 Programme Evaluation Finalized</p>	<p>Achieved</p>		<p>The DEAP Mid-Term Evaluation report was finalized and accepted in 2017, with management comments provided. Audit of the project was done and EU verification of DEAP was supported.</p>

PART II: Financial Reporting

Detailed January 2017 – December 2017 Expenditure Report

During January – December 2017, the total funding available for the programme’s Annual Work Plan was \$ 1,444,596.18 (comprising of \$464,985.00 from UNDP and \$820,213.18 from the EU). Other participating UN agencies such as UNICEF and UN Women availed parallel funding for implementation of some of the DEAP activities to the tune of \$94,398 and \$76,000 respectively. The EU contribution was converted at the rate 1 EUR to \$1.12 at the time the second tranche of fund was received. When the contribution agreement was signed, the exchange rate was 1 EUR to \$1.3826. Table 2 below shows resource utilisation (combined UNDP and EU only, as Unicef and UN Women are disbursed in parallel and not managed by UNDP) per output and corresponding key activities in EURO as outlined in the EU/UNDP Contribution Agreement. Table 2 is followed by Table 3, which shows resource utilisation per output for all donors to DEAP in \$. As the resource utilisation in 2017 was lower than anticipated, UNDP sought a no-cost extension for the project from the EU, which was granted up to the end of October 2018.

Table 2: Resource Utilisation per activity

UNITED NATIONS DEVELOPMENT PROGRAMME FINANCIAL REPORT AS AT 31 DECEMBER 2016 FOR THE DEVELOPMENT EFFECTIVENESS AND ACCOUNTABILITY PROJECT					
PROJECT ID : 00071958					
	Immediate Objectives/Outputs/Activities	Total Budget as in the AWP (January 2017 - December 2017) USD	Expenditure (January 2016 - December 2016) USD	Expenditure (January 2017 - December 2017) USD	2017 Expenditure Percentage (%)
1	Results Based Management				
	1.1 RBM capacity development and practice	82,000.00	58,044.34	47,672.97	58%
	1.2 National statistical support	60,998.00	31,099.36	33,333.41	55%
	1.3 Government M & E system upgraded	88,943.00	46,180.06	1,951.01	2%
	1.4 Conduct MGDS & related reviews	38,170.00	8,932.15	-	0%
	1.5 Strengthening results assessment	103,089.50	62,146.05	102,633.40	100%
	SUBTOTAL FOR OBJECTIVE 1	373,200.50	206,401.96	185,590.79	50%

2	Alignment of Policies/Budgets				
	2.1 Budget and Programme guidelines	108,142.50	31,652.52	12,733.88	12%
	2.2 Sector working groups	30,200.00	4,208.95	4,783.79	16%
	2.3 NHDR & MGDS evaluations	29,425.00	44,899.40	5,614.02	19%
	2.4 Post MGDS II and 2015 Agenda	397,177.00	141,625.97	179,105.33	45%
	SUBTOTAL FOR OBJECTIVE 2	564,944.50	222,386.84	202,237.02	36%
3	Capacity to Manage Assistance				
	3.1 Strengthen Debt/Aid Management	176,015.00	110,654.63	200,171.01	114%

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	3.2 Development Cooperation Strategy	68,694.00	75,944.52	50,051.95	73%
	3.3 Development effectiveness learning	261,742.18	42,068.96	113,455.53	43%
	3.4 Debt/Aid policies and strategy	-	318,386.61	6,866.88	
	SUBTOTAL FOR OBJECTIVE 3	506,451.18	547,054.72	370,545.37	73%
	Total Project Direct Eligible Costs	1,444,596.18	975,843.52	758,373.18	52%
	Indirect Costs (GMS 7%)	52,939.18	19,652.32	22,798.51	43%
	GRAND TOTAL	1,497,535.36	995,495.84	781,171.69	52%

Immediate Objectives/Outputs/Activities	Budget as in the Cooperation Agreement (January 2014-December 2016, extended to November 2017)	Expenditure (January 2014-December 2014)	Expenditure (January 2015-December 2015)	Expenditure (January 2016-December 2016)	Expenditure (January 2017-December 2017)	Expenditure on 2014-2017 budget
	Euro	Euro	Euro	Euro	Euro	Percentage
					1.06	(%)
1. National Institutions utilize Results-Based Management (RBM) systems for planning, monitoring and evaluation to enhance ownership and leadership for achievement of development results						
1.1 RBM capacity and practice: (i) Comprehensive training manual including RBM, HRBA, MGDS/MGD-based planning and budgeting and guidelines for mainstreaming gender; (ii) Capacity development of learning and training institutions and MoU for delivering training in RBM; (iii) Senior management training (PSs, planning directors, DCs); (iv) Intensive training on policy and impact evaluations (v) Piloting of RBM application in selected districts and line ministries.	412,242.00	166,847.15	126,862.95	51,825.30	44,974.50	95%
1.2 Implementation of the National Statistical System Strategic Plan and MDGs End line survey supported.	251,390.00	153,316	39,058.51	27,767.29	30,128.95	100%

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1.3 Government M&E system strengthened: (i) Review of M&E architecture; (ii) Setting up integrated management information in MoEPD for monitoring development results; (iii) upgrading district databanks system.	401,371.00	84,123	76,142.28	41,232.20	1,840.58	51%
1.4 MGDS II annual; mid-term and end of term review processes supported: (i) Undertake public expenditure tracking surveys (PETS) in key sectors; (ii) produce and disseminate annual MGDS II review reports; (iii) produce and disseminate MDGs reports.	390,972.00	211,136	71,058.21	7,975.13	0	74%
1.5 The Project and Programme Implementation, Monitoring and Evaluation Department (PPIMED) in OPC strengthened in the provision of effective monitoring and oversight functions.	505,091	70,604.35	201,288.14	55,487.54	91,636.96	83%
SUB-TOTAL FOR OBJECTIVE 1	1,961,066	686,026	514,410.08	184,287.46	168,580.99	79%
2.1 Programme based budgeting pilot initiative supported, annual national budget analysis conducted and programming guidelines and technical manuals for ministries and districts upgraded to meet alignment requirements.	245,072	77,295	72,227.54	28,261.18	12,013.09	77%

2.2 Strengthened SWG process: (i) Review SWGs functionality; (ii) Support sectors to initiate SWGs; (iii) Organize joint learning events for members of SWGs; (iv) Study tour on SWGs; (v) Set up a SWG secretariat in MoEPD.	195,644	51,417	72,597.52	3,757.99	4,513.01	68%
2.3 National development strategy review and evaluations supported: 2 x NHDRs, policy and social impact assessments in selected areas, at least 3 x MGDS II based thematic evaluations by 2016 and dissemination of key reports.	294,473	151,982	46,095.06	40,088.75	5,296.25	83%
2.4 Successor strategy to the MGDS II formulation process including post-2015 development agenda supported.	494,609	747	94,148.46	126,451.76	168,967.29	79%
SUB-TOTAL FOR OBJECTIVE 2	1,229,798	281,441	285,068.58	198,559.68	190,789.64	78%
2. Government has sufficient capacity to effectively negotiate, manage and account for development assistance						
3.1 Strengthened aid and debt management functions: (i) Update description of functions in DAD and staff job descriptions; (ii) Produce and disseminate debt and aid reports; (iii) Upgrade and extend access to the Aid Management Platform (AMP) and CS-DRMS systems and link them to the budget system.	635,576	152,382	310,012.60	98,798.78	188,840.58	118%

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3.2 Development Cooperation Strategy (DCS) for 2012-2016 formulated and support effective preparation and follow up to national dialogue structures (HLF, CABS, etc.) and DCS mid-term review.	394,188	9,768	191,343.72	67,807.61	47,218.82	80%
3.3 Government Debt and Aid Management policies and Medium Term Debt Management Strategy reviewed, updated and disseminated.	51,501	20,183	48.91	37,561.57	107,033.52	320%
3.4 Learning and information exchange on development effectiveness agenda supported for government, civil society, academia, media, members of parliament and private sector including South-South Cooperation and Triangular Cooperation and participation in Global Partnership and other international meetings.	352,431	19,323	18,263.12	284,273.76	6,478.19	93%
SUB-TOTAL FOR OBJECTIVE 3	1,433,696	201,656.00	519,668.35	488,441.71	349,571.10	109%
Total Project Direct Eligible Costs	4,624,560	1,169,123	1,322,722.00	871,289	708,941.74	88%
Indirect Costs (GMS 7%)	323,719	42,148	92,591.00	17,546.71	21,508.03	54%
GRAND TOTAL	4,948,279	1,211,272	1,415,312.00	888,835.57	730,449.76	86%

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		EU TRANCHES RECEIVED					
		Year	EURO Amount	Type of Advance or Tranche	USD value	Exchange rate Euro to Dollar	Date of receipt
		2014	729,168.36	First tranche	990,717.88	1.36	Jul-14
		2015	1,037,139.50	Second tranche	1,160,111.30	1.12	Jul-15
		2016	699,635.85	Third tranche	742,713.22	1.06	Dec-16

Table 3: Financial Status and Utilization

UNITED NATIONS DEVELOPMENT PROGRAMME FINANCIAL REPORT AS AT 31 DECEMBER 2017 FOR THE DEVELOPMENT EFFECTIVENESS AND ACCOUNTABILITY PROJECT									
PROJECT ID : 00071958									
2017 Available Resources managed by UNDP:					2017 Available Resources Managed by UNICEF and UN Women				
	EU	820,213.00			UNICEF	94,398.00			
	UNDP CORE	464,985.00			UN Women	76,000.00			
	TOTAL	\$1,285,198.00			TOTAL	\$ 170,398.00			
Project outputs	Donor	2017 AWP Budget	2017 Expenditure January - March	2017 Expenditure April - June	2017 Expenditure July - Sept	2017 Expenditure October - December	Total Expenditure Jan - Dec 2017	Balance	Delivery
1. Results Based Management and M&E Systems	TRAC (UNDP)	133,200.00	15,054.72	23,091.25	57,083.28	32,735.31	127,964.56	5,235.44	96%
	EU	150,750.00	-	14,504.55	8,214.17	34,915.25	57,633.97	93,116.03	38%
2. Alignment of Policies/Budgets to National Development Strategy and SDGs	TRAC (UNDP)	108,000.00	5,901.58	63,804.23	459.99	1,752.98	71,918.78	36,081.22	67%
	EU	352,350.00	7,087.49	31,828.40	33,023.27	58,384.97	130,324.13	222,025.87	37%
3. Capacity to Negotiate, Manage and account for Development Assistance	TRAC (UNDP)	223,785.00	49,441.01	70,043.42	64,759.06	48,329.95	232,573.44	(8,788.44)	104%
	EU	264,174.00	6,629.94	13,234.88	56,947.79	60,935.94	137,748.55	126,425.45	52%
General Management Service Fees****	EU	52,939.18	944.09	4,185.42	6,872.81	10,796.19	22,798.51	30,140.67	43%
TOTAL		1,285,198.18	85,058.83	220,692.15	227,360.37	247,850.59	780,961.94	504,236.24	61%
Notes									
*** GMS is not applied to UNDP Core Contributions.									
*** UNICEF and UN Women funds are disbursed directly by them and are not received or managed by UNDP. These will be accounted for in a separate table									
2017 AWP Budget as above (for EU and TRAC)		1,285,198.18			2017 Unicef Budget	94,398.00		2017 UN Women budget	76,000.00
Total TRAC Expenditures Jan - Dec 2017		432,456.78			Unicef expenditure	35604.00		Un Women expenditure	?
Total EU Expenditures Jan - Dec 2017		348,505.16			Balance	58,794.00		Balance	?
2017 AWP Budget Balance		504,236.24							

Annex 1: Indicators

JP Output 1: National Institutions utilize Results-Based Management (RBM) systems for planning, monitoring and evaluation to enhance ownership and leadership for achievement of development results					
<i>Outcome Indicators</i>	<i>Baseline</i>	<i>2016 Status</i>	<i>Target 2017</i>	<i>Actual 2017</i>	<i>Project Term Target</i>
No. of public institutions practicing RBM	0 (2010);	4 institutions (Gender, NAO, EPD and MITC)	12	4	16
Number of staff in ministries and districts trained in RBM tools	56 at district level; 25 in line ministries	448 oriented in RBM at district level 41 trained at sector level	448 at district level; 200 at central level and in line ministries	446 district level; 41 in line ministries	800 at district level; 260 at central level and in line ministries
Number of staff within learning and training institutions who have RBM skills and knowledge and are delivering RBM training	4	7 officers (3 MIM and 4 Polytechnic)	30	6 officers	30
% of Ministries with functional M&E systems.	60% (2010)	15 Ministries have M&E frameworks	90%	100%	90%
% of district councils with functional M&E systems	20% (2012)	50% (14 District Councils have M&E frameworks and 16 with working District M&E coordination Committees)	80%	50% (14 districts)	80%
Number of institutions reviewed for performance and provided with feedback.	0 (2011);	33	38	33	38

Number of MDAs that have implemented at least 70 % of Performance Contracting evaluation recommendations	0 (2011)	33	38	33	38
JP Output 2: National Institutions have the capacity to align policies, programmes and budgets with national development strategies and MDGs for efficient achievement of development results					
<i>Outcome Indicators</i>	<i>Baseline</i>	<i>2016 Status</i>	<i>Target 2017</i>	<i>Actual 2017</i>	<i>Project Term Target</i>
Indicator 1: Programme based budgeting piloted in institutions.	Baseline: No (2012);	33 central MDAs added, making it 46 cumulatively	33 (Central MDAs additional), 109 cumulatively	109 cumulative	109 MDAs (Central and Local)
Indicator 2: Number of functional SWGs	Baseline: 6 (2012);	8	16	14	16
Indicator 3: National development strategy formulated through a participatory process by Dec 2015	Baseline: 0	No document. But drafting team and issues paper for successor strategy in place	1	1	1
Indicator 4: Sector and district plans aligned with MGDS II priorities and linked to MTEF process	Baseline: 0 (2011);	11 sectors	Target: 5 sectors and 10 districts	16 sectors and 28 districts were aligned with MGDS II. Work on aligning with MGDS III was yet to begin in 2018.	Target: 5 sectors and 10 districts

Joint Output 3: Government has sufficient capacity to effectively negotiate, manage and account for development assistance					
Outcome Indicators	Baseline	2016 Status	Target 2017	Actual 2017	Project Term Target
Indicator 1: 2015/16 and 2016/17 FY Aid Atlas produced by October 2017	Baseline 2012: None	No	Yes (500 copies)	Draft 15/16 Atlas produced, but Atlas not cleared for circulation yet.	Yes (500 copies)
Indicator 2a: AMP integrated with IFMIS and PSIP	Baseline 2014: No	No	No	No (Government is working on strengthening IFMIS so this should be done later. Differences in project coding between AMP and PSIP delayed the interface between the two. This was postponed as well.	Yes
Indicator 2b: Number of DPs reporting on the online AMP	Baseline: 6 (2014)	33	30	23	All (about 45)
Indicator 3: T/A Guidelines and DoL ToRs in place	Baseline 2014: 0	0	2	0 (Draft documents are in place). Contents of the documents were incorporated in the new National	2

				Development Strategy (MGDS III).	
Indicator 4: Functional arrangements for mutual accountability in place	Baseline: 1 DCG (2014)	1 HLF, 2 DCG meetings	1 HLF, 2 DCG meetings	1 DCG meeting (March), 1 HLF meeting (September)	1 HLF, 2 DCG meetings annually
Indicator 5: Number of meetings around development effectiveness issues with Targeted Stakeholders	Baseline: 1 (2014)	Ad hoc	2	2. The program supported Youth to attend SADC meeting and Stakeholders workshop for development of Debt and Aid Management Strategic Plan	6 (Academia, Parliament, CSO, institutions, Private Sector)
Indicator 6: % of Joint Programme results achieved as per the AWP	Baseline: 70% (2015)	33%	90%	33% Achieved 14% not achieved, 53% of the planned activities were partially achieved.	90%

3	Delays in financial and progress reporting by DoEPD, Budget Division, NSO, Debt and Aid and PED (OPC)	Technical and Financial	<p>Will lead to delays in signing of Annual Work Plans and Budget and transfer of quarterly advances to MoFEPD, hence potential delay in the implementation of programme activities.</p> <p>Probability: 2 Impact: 3</p>	MoFEPD to adhere to financial reporting deadlines. UNDP to facilitate advance transfers once financial reports are approved.	DEAP Management Committee, UNDP Programme Analyst	Feb 2018	<p>This risk is medium as there have been no significant delays in financial reporting during the recent years. However, there have been significant delays in finalization of 2017 Progress report and 2018 Annual Work Plan which delayed partially delayed the process of approving the 2018 AWP and Budget.</p>
4	Poor coordination between project stakeholders, in particular EP&D and UNICEF	Technical	<p>This will lead to duplication of efforts and uncoordinated approaches to implementing similar or interlinked initiatives.</p> <p>Probability: 2 Impact: 3</p>	UNICEF to liaise with EP&D when implementing activities	Steering Committee, UNICEF, EP&D	Feb 2018	<p>This risk is medium</p>