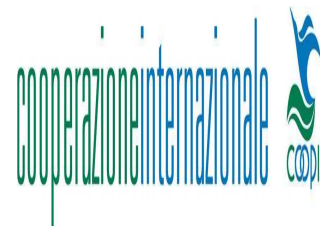




## 2011/2012 DRAFT NATIONAL BUDGET ANALYSIS WITH FOCUS ON CLIMATE CHANGE



JUNE 2011

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## List of Acronyms and Abbreviations

AIDS	Acquired Immuno-Deficiency Syndrome
CEPA	Centre for Environmental Policy and Advocacy
CPD	Country Programme Document
DHO	District Health Office(r)
DoDMA	Department of Disaster Management Affairs
EAD	Environmental Affairs Department
EU	European Union
FEWSNET	Famine Early Warning Systems Network
HIV	Human Immunodeficiency Virus
ICT	Information, Communication Technology
MEJN	Malawi Economic Justice Network
MGDS	Malawi Growth and Development Strategy
MK	Malawi Kwacha
NAPA	National Adaptation Programmes of Action
OPC	Office of the President and Cabinet
ORT	Other Recurrent Transactions
R&D	Research and Development
SADC	Southern Africa Development Community
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change

## **EXECUTIVE SUMMARY**

### **Introduction**

This report presents an analysis of the 2011/2012 draft budget with a focus on resources earmarked for implementation of activities and programs that relate to climate change, environment and natural resources management. The issues raised herein are meant to assist key stakeholders in the sector to critically scrutinize the 2011/2012 draft budget estimates. The report may further help these key stakeholders to lobby for more funding towards the sector before the budget is passed. In addition, the report will form a major input during the 2012/13 budget consultations and preparations. In terms of coverage, the analysis has concentrated on examining resources allocated to the Ministry of Natural Resources, Energy and Environment; and all eight sectors identified in the National Adaptation Programme of Action (NAPA) that include, agriculture, human health, forestry, wildlife, energy, fisheries, water, and information and civic education. Resources allocated for the greenbelt initiative were also examined.

### **Summary of major Findings**

The following are the major findings of this analysis:

1. There has been a general stagnation in the allocation of public resources to the Ministry of Natural Resources, Energy and Environment, and to the Environmental Affairs Department in particular and that the resources are inadequate;
2. While the aggregate nominal allocations to the NAPA sectors is big enough to address the NAPA aspirations, intra-sectoral allocations towards budget actions consistent with NAPA interventions has been weak;
3. The allocations to all NAPA sectors as a proportion of the national budget have been on the decrease over the last four years and that this trend is projected to continue in the next two years;
4. Lack of consistency by many sectors in capturing clearly defined indicators in their budget actions from one year to the next, which compromises effective evaluation of the continuity in implementation of critical NAPA interventions in sectoral budget actions over time;
5. While the NAPA framework is quite articulate in addressing issues of climate change, it leaves out a very critical area of disaster risk management. Similarly, the budget actions under this critical area have been crowded under the Office of the President and Cabinet vote with only Other Recurrent Transactions resources in the budget leaving operational resources within the Non-Foreseen vote under the Treasury; and
6. There is lack of adequate awareness even on the part of concerned sectors on the existence of a policy framework for addressing climate change, environment and natural resources management issues, the NAPA.

## Conclusions and Recommendations

1. There is need to enhance the capacity of the Ministry of Natural Resources, Energy and Environment in general and the Environmental Affairs Department in particular, as a coordinating institution by increasing its budgetary allocations. The Department needs to develop a clearly defined NAPA monitoring and evaluation framework in a schematic results matrix consistent with the Malawi Growth and Development Strategy (MGDS) and the NAPA aspirations under each one of the concerned sectors;
2. There is need for the Treasury to enhance sectoral budget alignment to the NAPA implementation by critically analyzing the draft budgets for all concerned sectors to ensure that they take on board all NAPA interventions under their respective jurisdictions;
3. There is need for effective sensitization campaigns for all NAPA sectors about the existence of the NAPA policy framework and its aspirations for purposes of ensuring that the sectors mainstream climate change and environment in their work plans as expected;
4. The lead institution must spearhead implementation of NAPA interventions in the budget and provide adequate resources for their implementation; and
5. There is need for proper programming for the disaster risk management activities with outputs and indicators that lead to easy monitoring. It is imperative therefore that a separate vote for the Department of Disaster Management Affairs be established and that all operational resources for the Department be pushed out of the Non-Foreseen vote under the Treasury to this Department.

## 1.0 INTRODUCTION

This report presents an analysis of the 2011/12 budget estimates for the *climate change, environment and natural resources management* sector, as presented by the Minister of Finance on 3<sup>rd</sup> June 2011 in the National Assembly. Malawi Economic Justice Network (MEJN) in collaboration with Centre for Environmental Policy and Advocacy (CEPA) commissioned this study to assess government's commitment to address the effects of climate change, environment and natural resources degradation. The assessment was made by analyzing Government's funding for programs aimed at addressing challenges that come with climate change and disaster risks. This effort is designed to bring out salient issues for advocacy, debate and budget monitoring with regard to allocations for one of the nine key priorities in the MGDS, "*Managing Climate Change, Natural Resources and the Environment*". It is particularly expected that the findings of this report will help stakeholders to lobby for sufficient financial allocation to the sector before the budget is passed as well as forming the basis for budget monitoring during the implementation period.

### 1.1 Methodology of the Analysis

The focus of this analysis was on public funds allocation to programs and activities that relate to climate change, disaster risk management and environmental management. Specifically, the study analyzed financial allocations to the Ministry of Natural Resources, Energy and Environment and the Department of Environmental Affairs as the key duty bearer and as the central coordination unit for spearheading environment, natural resources management and addressing the negative effects of climate change. The study further analyzed public resources allocated to all the eight sectors that were identified in the National Adaptation Programmes of Action (NAPA) which was submitted to the United Nations Framework Convention on Climate Change (UNFCCC) in 2006. This was in recognition of the fact that NAPA has become the major policy framework guiding implementation of programs and activities relating to climate change and environmental management. As such, allocations to the sectors of agriculture, water, human health, energy, fisheries, wildlife, forestry and gender were analyzed. Further to this, allocations for the greenbelt initiative were analyzed considering the adaptation measures associated with development of effective irrigation systems. The budget estimates for the Department of Disaster Management Affairs were also examined.

In addition, the study conducted a trend analysis of the budget allocations to the Ministry of Natural Resources, Energy and Environment and all the concerned sectors across a period of seven financial years, starting from 2007/08 through to projections for 2013/14. The interest in respect of this aspect of analysis was to establish the extent to which budgetary allocations to these programs by government have been responsive to the elevation of "*Managing Climate Change, Natural Resources and the Environment*" as one of the priority within priorities under

the MGDS in 2009. This was further aimed at assessing the extent to which sectors have so far been implementing the NAPA identified interventions.

## **1.2 Limitations**

The major limitation was with regard to the new budget framework, especially the Output Based Budget Document No 5 that has been overly summarized to the extent that it only highlights planned outputs and objectives. It was therefore difficult to determine whether some targeted NAPA interventions have been addressed within these broad outputs in the budget and if so, to what extent have they been addressed. Further to this, there was lack of consistency by many sectors in capturing clearly defined indicators in their budget actions from one year to the next. This posed a great difficulty in determining the extent to which continuity in implementation of critical NAPA interventions was being addressed in sectoral budget actions over time.

Comparability of budget allocations across programs and/or institutions was also a challenge because of frequent structural changes in the budget framework. This posed some problems in carrying out a trend analysis of budget allocations over time that could have been particularly used for implementation of climate change and environmental management specific programs and activities. For instance, there are sectors that were found to have been amalgamated in the 2011/12 financial year while others have been separated and/or changed altogether. It is for this reason that the 2011/2012 framework identifies 20 program areas and/or sector areas of emphasis as opposed to the 19 that were emphasized in the previous fiscal year. Since this was the first time such an analysis was undertaken and that it would lay a basis for subsequent similar analyses, the 2011/2012 budget structure was in almost all cases of variances adopted as the base year framework for this analysis.

## **1.3 Outline of the Report**

The next section (Section 2) of this report provides a review of the generic perspective of the 2011/2012 national budget in terms of both revenue and expenditure projections. The section further gives an overview of issues relating to climate change environmental management in Malawi and the requisite guiding policy framework. Section three focuses on the 2011/2012 budget allocations for programs relating to issues of climate change and environmental management, including a trend analysis of the same. Section four presents an assessment of the extent to which sectoral budgets have been aligned to the NAPA interventions aimed at addressing the impacts of climate change, natural resources and environmental management issues while section five concludes the analysis by drawing salient policy options for stakeholders in the sector and recommendations for the 2011/2012 budget.

## **2.0 BACKGROUND INFORMATION**

### **2.1 The 2011/2012 Budget General Overview**

The 2011/2012 expenditure budget of MK304 billion is compared with MK310 billion of the revised 2010/2011 budget, representing a decline in expenditure of 1.9 percent. Domestic revenues are projected to amount to MK242.5 billion while MK65 billion will come as grants, making total revenue and grants to be MK307.7 billion.

As reflected in the figures above, the striking aspect of the 2011/2012 budget is the significant reduction in grants as a source of budget financing from about 30 percent in 2010/2011 down to 21 percent in the current budget. This is further projected to go down in the next subsequent years to 17 percent and 13 percent, respectively. This trend is reflective of the zero-deficit budget principle that Government has adopted in the 2011/2012 financial year. Recurrent expenditures are projected to amount to MK234 billion, representing an increase by 5 percent over the 2010/2011 revised budget. Development budget on the other hand is projected to amount to MK69 billion, of which MK40.4 billion is under part II while MK29.4 billion is for part I projects. Compared with the 2011/2012 fiscal year, the development budget has contracted by MK8 billion mainly on account of reduction in development partners I component which is funded by development partners, which has been reduced from MK48.9 billion to MK29.4 billion in 2011/2012. The locally financed projects under the part II component has however been substantially increased by MK8.5 billion.

In terms of vote allocation, the 2011/12 budget maintains the usual emphasis on the core sectors of education, agriculture and health, which have together been allocated 34.3 percent of the total budget. In particular, the ministry of education, science and technology has been allocated the highest share of the total budget amounting to MK39.8 billion, representing 13.1 percent compared to 11.8 percent in the 2010/11 revised budget. The Ministry of Agriculture is second at MK37.7 billion, representing 12.4 percent of the total compared to 11.5 percent in the 2010/11 revised budget while the Ministry of Health has got MK26.8 billion which is 8.8 billion of the total compared to 8.4 percent in the revised budget.

The striking decline in the 2011/12 allocations has been that for the National Roads Authority, which stands MK13.7 billion (4.5 percent of the total) down from MK27.4 billion (8.9 percent) in the 2010/11 revised budget. The other major reduction is with respect to the Nutrition, HIV/AIDS and National Aids Commission vote which has been allocated MK5.6 billion which is 1.8 percent of the total compared to MK11.6 billion (3.78 percent) in the 2010/11 revised budget.



## 2.2 Malawi's Climate Change and Environmental Management Sector

Malawi's economic development and social well-being greatly depends on the country's natural resource base. The country's arable lands, the vast Lake Malawi and Shire River provide the springboard for Malawi's main source of livelihood and economic development. However, Malawi has been experiencing the highest rate of deforestation in the Southern Africa Development Community (SADC) region with deforestation standing at 2.8 percent per year<sup>1</sup>. The depletion of forest resources in Malawi is not only one indicator of the unsustainable relationship that the nation has with the environment but also issues of charcoal burning and wanton cutting down of trees remain a significant challenge for the country.

Progress in attaining crucial indicator targets under the Millennium Development Goal Number 7 on "Sustainable Environment" has been slow, demonstrating outstanding challenges in management and conservation of natural resources. Evidence also shows that forest coverage is decreasing and that the continuous unsustainable natural resource base costs Malawi around US\$191 million, or 5.3 percent of GDP each year<sup>2</sup>. This negative environmental outlook is likely to be exacerbated by the effects of climate change. It is also feared that agricultural productivity may be negatively affected by changing temperatures and rainfall pattern. Climate change is also increasing the country's vulnerability to natural disasters.

The Government of Malawi acknowledges the importance of natural resource management and the impacts of climate change in a situation where endemic poverty in rural areas and a general lack of capacity for good environmental stewardship have seriously depleted soil fertility, forestry reserves and the fish-stocks. In this regard, the Government of Malawi recognizes that in order to secure the environmental conditions for prosperity, stability and equity, timely responses that are proportionate to the scale of the environmental challenges will be required. In creating such responses, there is need for concerted efforts among all key stakeholders including Government, the international community, the private sector, civil society and the general public. With support from United Nations Development Programme (UNDP) and United Nations Environment Programme (UNEP), the Government adopted *Managing Climate Change, Natural Resources and the Environment* as the 9<sup>th</sup> priority in the MGDS.

This policy direction by the Government of Malawi is consistent with international trends on the same. For instance the G8 declaration on climate change is to halve global emissions by 2050<sup>3</sup>. As such, the United Nations Development Assistance Framework (UNDAF) Outcome 1.3 and UNDP Country Programme Document (CPD) Outcome 1 requires "Enhanced conservation of natural resource base by 2011". United Nations Development Programme in Malawi has been providing policy instruments and baseline studies that enable Malawi to mainstream environment concerns into national planning and policies. Furthermore, UNDP Malawi is also sensitizing the importance of sustainable development and environment conservation at local level and introducing energy saving measures to the communities.

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<sup>1</sup> <http://www.undp.org.mw/index>

<sup>2</sup> <http://www.undp.org.mw/index>

<sup>3</sup> <http://www.guardian.co.uk/environment/2007/june/07/politics.greenpolitics>

It was expected that the elevation of issues of climate change, natural resources and the environment within the national development agenda would accordingly be translated into increased funding for requisite activities and programs within the national budgets from 2009/2010 financial year. In particular, significant allocations were expected for the Ministry of Natural Resources, Energy and Environment and its Environmental Affairs Department as the coordinating institution among others.

### **2.3 Sub-Sectoral Policy Declarations**

The major policy framework guiding government and stakeholders in implementation of interventions aimed at abating the negative effects of climate change is the NAPA and the National Programme for Managing Climate Change in Malawi. The NAPA was developed in 2006 under the leadership of the Environmental Affairs Department within the Ministry of Natural Resources, Energy and Environment after evaluating the impacts of climate change in eight key sectors, including agriculture, water, human health, energy, fisheries, wildlife, forestry and gender. The NAPA preparation process was triggered by Government's desire to put in place an operational framework to guide implementation of climate change adaptation measures in line with the UNFCCC agreements. At the same time, Government recognized that for effective attainment of the country's long term aspirations as stipulated in the Vision 2020, the narrow economic base needed to be supported by proper natural resource stewardship. It was felt vital that effective adaptation interventions are identified in all critical sectors of the economy.

The NAPA identifies thirty-three priority areas of interventions for adaptation in all the eight sectors, out of which fifteen were ranked as being immediate and expected to be implemented urgently so as to reduce the vulnerability of rural communities to the adverse impacts of extreme weather events caused by climate change (*see Appendix 1 for details of the sectoral areas of intervention under the NAPA*).

The NAPA has not attempted to define the concept of climate change. However, the framework is clear in suggesting that other than restricting climate change to the traditional categorization of it being an environmental issue, the framework adopts the broader view. In this case and for purposes of this analysis, climate change entails the broader developmental concept that relates it to the desire for poverty reduction, to attain food security, and sustainable socio-economic development for the medium and long term.

### 3.0 THE 2011/2012 BUDGET ON CLIMATE CHANGE AND ENVIRONMENTAL MANAGEMENT

#### 3.1 Overall and Institutional Allocations for Climate Change

Out of the total MK304 billion expenditure budget for the 2011/2012 financial year, 29.7 percent (MK90.3 billion) has been allocated to the Ministry of Natural Resources, Energy and Environment and all the eight sectors identified in NAPA, including the Greenbelt Initiative. The total budget allocation to the Ministry of Natural Resources, Energy and Environment is only MK2.7 billion, representing 0.90 percent of the total national budget for the year. At this level, the allocation to this Ministry is considered to be very limited considering that this Ministry is expected to spearhead the implementation of the NAPA interventions in all the other sectors (*see details in Table 3.1 below*). It must also be noted that the allocation for this Ministry includes those for the two NAPA sectors of energy and environment. **There is need for Government to quickly consider increasing the nominal and proportional budget for the Ministry of Natural Resources, Energy Environment so as to enhance its capacity to facilitate implementation of the identified prioritized adaptation interventions in the NAPA framework.**

*Table 3.1: 2011/12 Budget Allocations to Ministries and Departments engaged in Climate Change and Environmental Management Programs*

Sector Description	2011/12 Estimate	As % of Total National Budget
Natural Resources, Energy and Environment	2,742,540,000	0.90
Agriculture (includes Fisheries)	37,715,020,000	12.42
Human Health	26,766,460,000	8.81
Wildlife	2,149,530,000	0.71
Water	7,270,420,000	2.39
Gender	1,675,870,000	0.55
Greenbelt Initiative	200,000	0.07
Information and Civic Education	915,120,000	0.30
Local Councils – Agriculture	517,102,666	0.17
Local Councils – Gender	127,120,096	0.04
Local Councils – Health	9,992,388,280	3.29
Local Councils – Water	33,478,961	0.01
Local Councils – Fisheries	70,330,959	0.02
Local Councils – Environment	51,897,175	0.02
Local Councils – Forestry	35,333,571	0.01
<b>Aggregate for Climate Change and Environment</b>	<b>90,262,611,708</b>	<b>29.72</b>
<b>National Total</b>	<b>303,724,220,000</b>	<b>100.00</b>

### 3.2 Proportional Allocation by Program Areas of Emphasis

In terms of proportional allocations for the focus program areas, the 2011/2012 allocations for all but one sector in the NAPA have gone down compared to those in the previous year. As indicated in *Table 3.2 below*, the proportion of allocations to the agriculture sector; the environment, lands and natural resources sector; the tourism, wildlife and culture sector; the health sector; and gender sector are all lower than those allocated in the 2010/11 financial year. This reflects a reduction in emphasis on the sectors under which the NAPA interventions are expected to be implemented in spite of the increase in nominal budget allocation from MK86.3 billion in the 2010/2011 revised budget to MK90.3 billion in the 2011/12 estimate budget for all the concerned sectors. **There is need for the Treasury to increase the emphasis on programs and sectors that address climate change when allocating budgetary resources.**

*Table 3.2: Trends in Budget Allocation by Program (as a percentage of Total)*

Programme Area	2008/09 Approved	2009/10 Approved	2010/11 Approved	2011/12 Estimate	2012/13 Projection	2012/13 Projection
1. Agriculture and food Security	14.11%	12.57%	15.3%	14.1%	12.6%	11.6%
2. Integrated Rural Development	-	-	1.3%	1.9%	1.9%	1.6%
3. Environment, Lands and Natural Resources	1.03%	1.47%	1.0%	0.9%	0.9%	0.9%
4. Tourism, Wildlife and Cultural	0.55%	0.45%	0.5%	0.4%	0.4%	0.4%
5. Water, Sanitation and Irrigation	3.37%	2.04%	0.3%	0.3%	0.3%	0.3%
6. Trade, Industry and Private Sector Development	0.49%	0.46%	0.6%	0.7%	0.6%	0.6%
7. Vulnerability, Disaster and Risk Management	-	0.15%	0.2%	0.2%	0.2%	0.2%
8. Health	18.29%	13.24%	23.3%	19.0%	19.1%	18.3%
9. Education	8.46%	12.22%	20.3%	24.4%	24.7%	24.4%
10. Gender, Youth Development and Sports	0.69%	0.65%	1.1%	0.8%	0.8%	0.6%
11. Roads, Public Works and Transport	7.52%	14.87%	7.5%	8.3%	8.5%	8.4%
12. ICT and R&D	0.51%	0.77%	0.5%	0.8%	0.6%	0.5%
14. Energy and Mining	0.86%	0.10%	0.2%	0.1%	0.1%	0.1%
15. Economic Governance	2.61%	6.17%	6.4%	7.3%	7.0%	6.9%
17. Democratic Governance	2.92%	3.98%	11.3%	13.5%	12.2%	13.6%
18. Public Administration	28.75%	16.21%	10.2%	6.7%	8.8%	9.8%
20. Statutory and Unforeseen	8.93%	11.04%	0.1%	0.5%	1.4%	1.7%

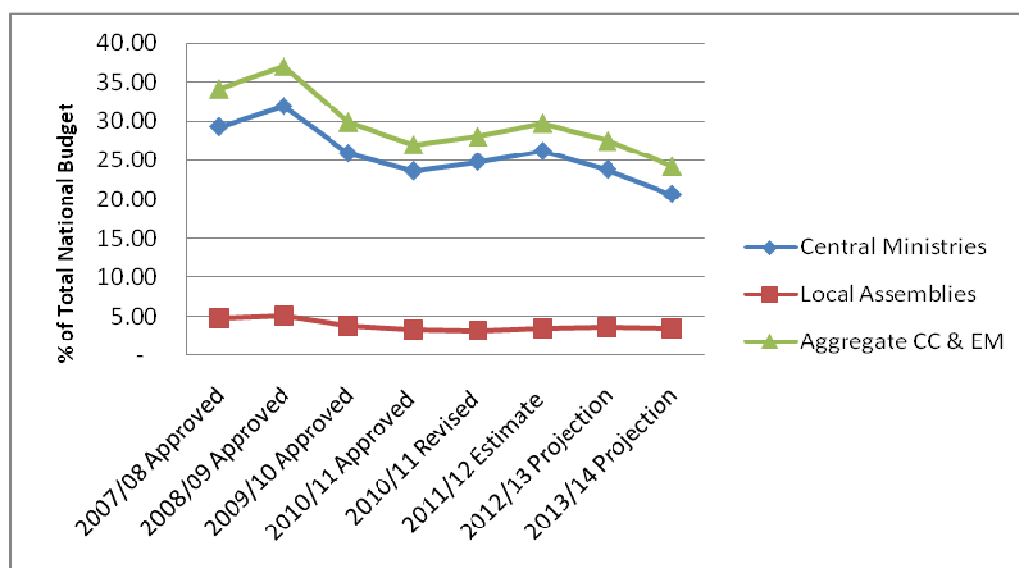
### 3.3 Distribution of Allocations by Level of Government

It is crucial to appreciate the distribution of resources in respect of the level of government considering the fact that the most vulnerable constituencies are the rural communities. Indeed the NAPA stipulates that the immediate and priority interventions identified ought to be implemented in the rural communities because these are more vulnerable to adverse impacts of climate change so that they adapt to climate change and achieve improved and sustainable rural livelihoods. In particular, the entire lower Shire Valley was identified as an area prone to disaster. While our experience over the last two decades attests to this, it does also inform us of other vulnerable districts such as Karonga, Salima, Phalombe, and Mulanje which have along with Chikhwawa and Nsanje been frequently affected by natural disasters.

Of the MK90.3 billion allocation to all sectors involved in climate change and environmental management programs and activities, only MK10.8 billion is allocated to Local Assemblies for implementation of the same programs, representing 12.0 percent of the total for climate change provision and 3.56 percent of the national expenditure budget for the year. However, about MK10.0 billion of this allocation is for District Health Officers (DHOs), implying that only MK0.84 billion (0.9 percent of total) will be used for implementation of direct climate change interventions in all the other sectors. Like in many other devolving sectors, low funding to the local assemblies for implementation of devolved activities has been an established pattern ever since the devolution process started. This raises questions on Government commitment to effective implementation of the decentralization policy.

In terms of climate change and environmental management, this allocation is much lower than what is ideally required considering the facts raised above to the effect that the highest rate of environmental degradation and forest reserves depletion occurs in rural and peri-urban areas. In fact this trend is projected to persist in subsequent financial years as shown in *Figure 3.1* below.

*Figure 3.1: Trends in Nominal Budget Allocation by NAPA Sector*

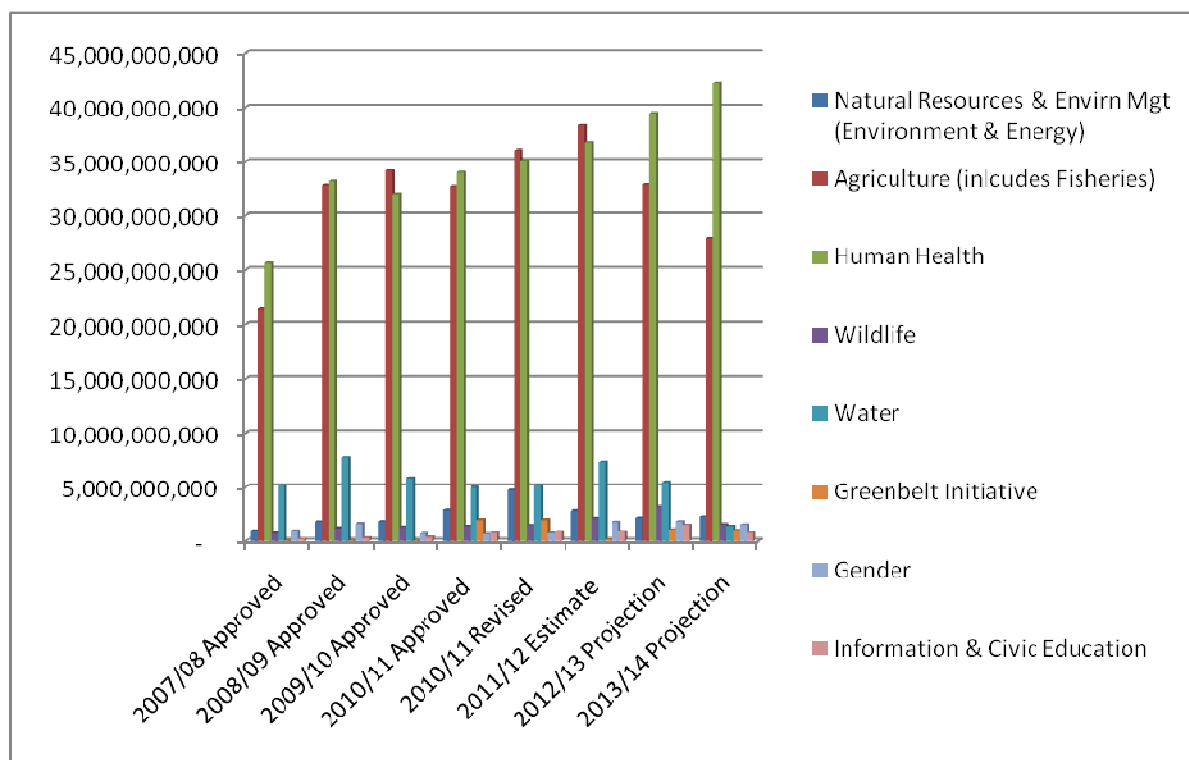


There is need for Government to ensure that allocation of resources pays attention to the decentralization policy, and that local assemblies are provided with adequate public resources for implementation of environmental management activities and programs aimed at addressing the negative effects of climate change at that level where much of environmental depletion occurs. This would be in line with the NAPA policy prescription to target the most vulnerable communities.

### 3.4 Trend Analysis of the sector’s budget allocations

The nominal aggregate budget allocation to sectors with NAPA interventions has generally been increasing over the last four years (*see Figure 3.2 below*). In terms of adequacy, it is noted that the nominal budgetary allocations are potentially sufficient to effectively address the identified NAPA interventions. However, effective intra-sectoral allocation to budget actions that directly address these NAPA interventions in their respective sectors has been weak.

*Figure 3.2: Trends in Nominal Budget Allocation by NAPA Sector*



It is also important to point out; that the aggregate allocation to NAPA sectors as a proportion of the national budget has been on the decline and that this trend is projected to continue in the subsequent financial years (*see Figure 3.1 above*). This trend is of particular concern to both, MEJN and CEPA because government elevated issues of “*Managing Climate Change, Natural*

*Resources and the Environment*” in 2009 and the expectation was that subsequent public resource allocation would take this into account. Otherwise, the finding of a declining trend in proportional allocations to NAPA sectors suggests that the resource allocation process seem to pay little or no attention to this policy decision by government.

The other area of concern has been the absence of the Department of Disaster Management Affairs (DoDMA) in the NAPA framework. In line with global trends, the Department is changing its operational focus to address issues of adaptation and mitigation which are very crucial in attaining the country’s aspirations with respect to climate change. The Department ought to be taken on board in this policy framework. In addition, the 2011/2012 budget does not have critical actions for addressing these effects apart from MK31.3 million that has been earmarked for ORT expenses in respect of raising awareness in disaster risk management. Besides, this single and vague budget action in the budget has been lumped under the OPC recurrent budget estimates for the planning year without any clear indicators for monitoring. As has been the practice, the resources for their response are always retained by the Treasury under the Un-foreseen vote. Although the allocation for the Un-foreseen vote has increased from MK270 million in the 2010/11 revised budget to MK1 billion in the 2011/12 estimate, these resources are not only earmarked for implementation of disaster response activities. In terms of implementation, the challenge is that timely response to natural disasters is usually compromised. Secondly, efficiency in resource utilization has always been a challenge because resources are centralized while the services are required in the rural communities. As such, the experience has been that irrespective of the amount of goods and services required either in the lower shire or any other place, these have to be physically transported from Lilongwe which tends to be costly at times.

**There is need for Government to align the resource allocation process to approved government policies and, in particular the NAPA policy framework. Department of Disaster Management Affairs needs to have its own vote with adequate resources for their activities other than waiting for the same from the Treasury. This would enhance their programming as some of the disasters have actually become very predictable of late.**

**The NAPA framework itself needs to be reviewed so that critical areas that were left out at the preparatory stage such as issues to deal with disaster risk management are taken on board.**

## 4.0 ALIGNMENT OF SECTOR BUDGETS TO THE CLIMATE CHANGE AND ENVIRONMENTAL MANAGEMENT INTERVENTIONS

The assessment of performance of the climate change, environmental and natural resources management sectors was based on the identified NAPA interventions under each sector and the extent to which sector budget actions in the last five years were aligned to the same. The target performance for 2007/08 and 2008/09 on the one hand was compared to those during the 2009/2010, 2010/2011 and the planning year on the other. This is consistent with the 2009 elevation of the climate change issues as a priority within priorities. *See summary indicators in Table 4.1 below and appendices 1 and 2 for details of the sectoral performance in the last four years and targets for the 2011/2012 financial year in respect of NAPA interventions.*

The following is a summary of the findings by sector.

### 4.1 Agriculture

The agricultural sector has generally performed satisfactorily because in three of the four identified NAPA interventions, the sector has been implementing some tangible budget actions and requisite targets (*see details in appendix 1 below*). There is however lack of tangible progress in the critical area of implementing actions aimed at addressing early warning systems in the sector budget. It is important to note that through the Ministry's collaboration with the Department of Meteorology, a European Union funded Joint Task Force on Food Security Programme, and the Famine Early Warning Systems Network (FEWSNET), the sector is implementing some early warning activities that even inform the crop estimates surveys. However, these initiatives and requisite indicator targets are not reflected in the sector budgets.

In addition, there appears to be little indication of the sector deliberately accelerating its efforts in implementing actions aimed at addressing climate change post 2009 declaration by government that these issues are one of the nine national priorities. For instance, there has been a number of initiatives in the area of promoting recommended and/or improved varieties and breeds, but with inadequate targets vis-à-vis the huge volumes of soil lost through unsustainable land use practices on an annual basis.

For the 2011/2012 fiscal year, the sector has allocated up to MK33.1 billion (86.4 percent) of the MK38.3 billion to actions that relate to the sectoral NAPA interventions when the allocation for procurement of inputs under the subsidy programme and logistics thereof are taken into account. When we net off subsidy allocations, the NAPA budget actions in the sector attract only MK10.6 billion (27.8 percent) of the sector budget for the year. It is important to note that the subsidy programme can be argued to contribute in abating climate change effects in as far as the programme encourages use of improved crop varieties and enhances food security at household level. However, other pundits have argued against it in as far as use of inorganic fertilizers is the major product of the programme.

Notwithstanding these arguments for and against the programme, it must be pointed out that implementation of the subsidy programme has not resulted from the NAPA itself, neither the current position of Government in respect of issues of climate change and environment. **It is**



**important to note that all the NAPA interventions under the sector have been on-going and that they do not purely reflect any accelerated effort in NAPA implementation program.**

## **4.2 Human Health**

Of the four identified NAPA interventions under human health, the sector's budget actions have been quite impressive in the area of disease prevention where targets for this NAPA relevant output have actually been increasing over the past three years. There is very little progress on provision of safe water such that since 2007/08, only the 2011/2012 sector budget has targeted some action in this area. The sector budget has however shown no major progress in targeting activities that address provision of improved nutrition for infants and vulnerable groups and those for provision of food supplementation to under five.

In terms of the budget estimates for the 2011/12 fiscal year, the sector has allocated about MK11.7 billion (32.2 percent) of its annual provision of MK36.7 billion to actions that in some way relate to NAPA interventions in the sector. However, the fact that these are but very broad budget interventions does compromise the extent to which the same are directly addressing NAPA interventions. Secondly, these are on-going and in many cases core activities under the sector such that one may not safely attribute the said allocation to deliberate efforts by the sector in addressing NAPA interventions.

## **4.3 Energy**

Over the past four years, little progress has been registered in diversification of energy sources, restoration of forests in the Upper, Middle and Lower Shire Valleys catchments, and completely no action on efficient use of charcoal and expanded use of the ethanol stove. In general, the sector budget does not appear to have paid any sensitivity to the coming into force of the new policy even though energy is one of the major areas within which forest depletion was expected to be addressed. For the 2011/12 budget, the sector has been allocated MK103.9 million compared to MK525.8 million in the 2010/11 revised budget, representing a decline of 80% on account of a significant reduction on development allocation from MK461 million down to MK60 million. During the planning year, the sector has earmarked implementation of some NAPA relevant actions on energy diversification, reduction of wood fuel reduction and the restoration of forests in the Upper, Middle and Lower Shire Valleys catchments, albeit inadequately so because only MK19.83 million has been allocated for all these interventions.

**Energy requires urgent attention in terms of adequate financing for energy diversification, reduction of wood fuel use and expanded use of ethanol stoves, among others.**

## **4.4 Fisheries**

The budget for the sector does not address any of the four NAPA interventions in the entire five-year span. These include the following; fish breeding to restock lakes and rivers; improving

knowledge and understanding on how temperature profiles in the lake disrupt fish breeding and survival, establishing climate observations or monitoring systems on Lake Malawi, Mainstreaming climate change into fisheries strategies. The major concern is that the sector does not even plan to start doing anything in these areas during the 2011/2012 fiscal year with the MK217.6 million that has been allocated to the Department of Fisheries compared to MK260.5 million in the 2010/11 revised budget, representing a decline of 16.5 percent. **It is noted that the sector budget was found to be declining when it is supposed to be prioritized. The Department of Fisheries budget allocations need to be increased and aligned to NAPA interventions.**

#### 4.5 Wildlife

This is a strategic sector and NAPA identified five priority interventions for immediate implementation. The assessment of the sector budget establishes that most of the activities under the budget are on-going with no clear and measurable indicators that would suggest forward or backward movement over the past four years. For the 2011/2012 financial year, the sector has been allocated about MK680.6 million compared to MK450.0 million in the 2011/12 revised budget, reflecting a 51 percent increase. Only about MK287.8 million has been provided for interventions aimed at improving fire management in game reserves, representing 42 percent of the sector total budget and action in only two of the five NAPA interventions under this sector. **The Department of National Parks and Wildlife budget allocations need to be further aligned to NAPA interventions and improve targets for the interventions.**

#### 4.6 Water

The pre and post 2009 assessment of budget actions in the water sector establishes that some impressive progress has been registered in implementation of NAPA relevant actions under this sector. In fact, in all the five NAPA interventions under the water sector, the budget targets were none-existent prior to 2009 but have progressively been taken on board in the years after in terms of both targeting and resource provision. For the 2011/2012 fiscal year, the Ministry of Irrigation and Water Development has been allocated MK7.3 billion compared to MK5.14 billion in the 2010/11 revised budget, representing 41.3 percent increase. Of this total annual provision, MK4.4 billion (60.2 percent) has been earmarked for implementation of NAPA relevant budget actions. However, the allocations for such NAPA interventions as water resource management are quite lower and inadequate. **This sector has performed quite impressively and needs to be encouraged especially on being consistent in targeting tangible outputs from one year to the other.**

#### 4.7 Forestry

The sector has intensified providing resources for improved forest extension services along with annual targets after the 2009 benchmark. In the 2011/12 fiscal year, the Department of Forestry has been allocated MK1.8 billion compared to MK1.3 billion in the 2010/11 revised budget, representing 40.1 percent increase on account of an increase in the development budget from

MK150 million in the 2010/11 revised budget to MK776.5 million in the 2011/12 draft budget. It was noted however that the bulk of the Department's allocation is under the development budget (MK776.5 million) which is largely donor financed and ring-fenced. The recurrent budget has declined from MK1.2 billion in the 2010/11 revised budget down to MK1.0 billion in the 2011/12 estimate. It was further noted that the Forest Management Fund is not yet accessible to the Department, rendering it incapable of implementing any tangible activities in the plantations. This is a serious concern considering the rate at which forest depletion is taking place in the rural Malawi and in view of the on-going harvesting activities which calls for effective re-forestation programs.

In the planning year, the Department continues to provide resources only for budget actions under improved forest extension services, which includes management of existing forest reserves and plantation and carrying out monthly environmental and pollution control inspections. However, there continues to be completely no action in the other two areas of NAPA intervention that include community level forestry management programs and monitoring of endangered species even after the coming into force of the NAPA framework.

**There is urgent need for Government to operationalize the Forestry Management Fund to enhance the capacity of the Department of Forestry to deliver on community level forestry management programs and step-up its targets on tree planting to replace the reserves currently being harvested. It is also paramount that the newly introduced Re-afforestation levy on tobacco buyers is really channelled to more tree planting and management.**

#### **4.8 Gender**

Since the 2010/2011 fiscal year, the sector has started implementing some activities to attain women empowerment through micro-finance access to diversity their earnings. However, the sector budget does not suggest any tangible movement in the other two NAPA interventions. A closer assessment of the two interventions (i.e. ensuring easy access to water by drilling boreholes and planting trees in woodlots and use of electricity provided through the rural electrification program) found out that the two interventions are in fact cross-cutting and that the sector may not in itself have the capacity to implement them. Rather, the sector must have been expected to facilitate effective mainstreaming of these interventions in the sectors mandated to deliver these services. In terms of borehole construction, the water sector has progressively accelerated the provision in its budget, just like the forestry sector has maintained the plantation of trees on an annual basis, albeit without accelerating the targets thereof. The rural electrification programmes is also on-going and on average seven trading centres are targeted and electrified every year.

The sector has in the 2011/12 budget been allocated MK1.7 billion, up from MK716.6 million in the 2010/11 revised budget, representing 133.8 percent increase; largely on account of a significant increase on development budget from MK173 million in 2010/11 revised budget to MK1.119 billion in 2011/12 budget.

While the gender sector NAPA interventions have been progressively implemented, the sector itself needs to enhance its monitoring role and that a proper reporting database is developed for all the interventions under the sector. Currently, there is no evidence that the sector has taken any

effort to facilitate implementation of such activities. Otherwise the line sectors have coincidentally been found to have been implementing the same.

#### **4.9 The Greenbelt Initiative**

The greenbelt initiative does not fall within the NAPA, but was found to be very relevant in attaining effective adaptation goals and objectives. In terms of the allocations, about MK200 million under the OPC vote has been allocated in the 2011/12 budget for preparatory activities, including feasibility studies and design development, for three irrigation schemes in the Lower Shire Valley, Salima and Karonga districts. It was also noted that the initiative has other extra-budgetary financing support but these could not be taken on board because they are not reflected in the 2011/12 national budget. The major point of concern is that about MK2 billion was also provided for the same during the 2010/11 budget and no proper target achievements have been reported in the budget.

#### **4.10 Information and Civic Education**

The information and civic education sector is largely expected to raise awareness on the NAPA policy framework to all stakeholders and relevant sectors. To date, nothing tangible has been done under the sector budget. The Ministry has to be lobbied to start working on this during the 2011/12 budget within the MK102.3 million that has been set aside for the formulation of civic education policy, strategic plan and conducting public meetings and debates on topical issues.

The general observation is that apart from the water sector, and to some extent the agriculture sector, NAPA sectors' performance has not been impressive in terms of aligning their annual budgets to the framework and responding to Government's declaration of "managing climate change, natural resources and environment" as one of the nine priorities in 2009. There is particularly little (in some cases) or no (in most of the cases) indication that some effort was made to do so. It was noted that where some alignment is observed, such alignment is merely coincidental than strategic. Besides, consistency in budget actions and requisite targets is lacking in most of the sector budgets, rendering it difficult to assess progress over time.

It was also observed that awareness of the NAPA policy framework, let alone the entire government decision to elevate climate change as one of the priority within priorities, is weak in most of the key stakeholders including the relevant sectors.

**Table 4.1: Summary of Annual Budget Performance Indicators on Climate Change in all NAPA sectors**

Sector	Intervention (NAPA)	Budget Action	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Agriculture</b>	i) Improved early warning systems	weather stations with modern equipment	0	0	0	20	20
	ii) Recommended improved livestock breeds	Procure improved breeds of dairy animals (crosses of breeds)	180	170	No target	100	115
	(iii) Recommended improved crop varieties	Farmers trained in seed multiplication <b>(farmer groups)</b>	100	100	0	600	600
	(iv) Improved land husbandry management practices	construct irrigation schemes (ha of schemes)	10,952	2,914	1,282	1,408	3,559
		train farmers in low cost soil fertility management techniques (farmers trained)	9,167	40,000	40,000	100,000	100,000
<b>Human Health</b>	ii) Prevention of diseases, such as malaria through increased distribution of insect treated bed-nets (ITNs), and diarrhea	Increased proportion of immunized children against measles <b>(89%)</b> , and distribution of ITNs <b>(1,800,000)</b>	No target	No target	1,800,000 nets	1,885,670 nets	1,800,000 nets
		TB patients cure rate increased <b>(88%)</b>	81	85	85	86	88
		Increased access to HTC and reception of sero-status results among persons aged 15-49 <b>(2,200, 000)</b> and increased access by HIV positive persons to ART <b>(250,987)</b>	140,000 ARV	245,225 ARV	No target	510,995 HTC	250,987 ARVs & 2,200,000 HTC
		Construct sanitation and hygiene units (no of villages triggered with community led total sanitation)	No targets	No targets	798	1,400	1,266
<b>Energy</b>	Reducing dependence on wood fuel	Finalization of electrification of trading centres and villages (number of electrified centres)	6	10	54	10	47
<b>Fisheries</b>	Fish breeding to re-stock the lakes, rivers and dams	Fish ponds constructed and structures	5	221	No longer	110	50
		Fingerings produced	2,500,000	300,000	0	2,000,000	2,000,000

Sector	Intervention (NAPA)	Budget Action	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Wildlife</b>	Improved fire management in game reserves	Awareness campaigns; Collaborative management promoted, and; Undertaking of law enforcement operations	Formation of CBOs on nature awareness and conservation. Support those with IGAs	Formation of CBOs on nature awareness and conservation. Support those with IGAs	Formation of CBOs on nature awareness and conservation. Support those with IGAs	Formation of CBOs on nature awareness and conservation. Support those with IGAs	Formation of CBOs on nature awareness and conservation. Support those with IGAs
<b>Forestry</b>	Improved extension services to ensure sustainable land and forest management	Planting trees (hectares)	3,000	3,207	-	42,000	50,000
		Encourage protection of forest cover (hectares)	0	1,100,000	0	1,100,000	1,100,000
<b>Gender</b>	Empowerment of women through access to micro-finance to diversify earning potential	Groups of women supported with livelihood and income generation activities (district groups)	No specific target	No specific target	No specific target	20	20
<b>Information and civic education</b>	Raising awareness, understanding and popular participation for adaptation and mitigation	Formulation of civic education policy, strategic plan, conduct public meetings and debates on topical issues	no clear outputs	no clear outputs	No clear outputs	No clear outputs	To be done this year

## 5.0 CONCLUSIONS AND RECOMMENDATIONS

This analysis has evaluated the 2011/2012 draft budget vis-à-vis the allocation to sectors involved in implementing activities and programs that are aimed at addressing the adverse impacts of climate change, environmental and natural resources management degradation. The exercise was guided by a number of key policy and legal frameworks, which included the decision by Government to elevate “*Managing Climate Change, Natural Resources and the Environment*” as one of the nine priorities in 2009, stipulations of the NAPA, the National Environmental Action Plan (1994) and Environment Management Act (1996). On the basis of the foregoing, a number of observations were drawn. It was particularly encouraging to note the following:

1. That there exists a clear policy framework to guide government on priority interventions that are aimed at addressing and/or adapting to climate change effects through integrated approaches which harness synergies than with sector-compartmentalized approaches;
2. That the concerned sectors have been allocated substantial amounts of budgetary resources by the Treasury, leaving the challenge of effective intra-sectoral allocations to the sectors themselves;
3. That there has been considerable attempt by most of the concerned sectors to indicate some actions to be implemented within the national budget in relation to the NAPA priority interventions;
4. That some few notable actions were found to be consistently implemented over the past three to four financial years, pointing to some effort by concerned sectors to achieve the NAPA aspirations;
5. That the sectoral budget actions were observed in both, the recurrent and development components of the budget indicating that commitment to the sector cuts across the government and development partners; and
6. That “*Managing Climate Change, Natural Resources and the Environment*” was declared by Government as one of the nine priorities within priorities and that the same is reflected in the MGDS II. This demonstrates high level commitment by government to issues of climate change, environmental and natural resources degradation.

Notwithstanding the above positive findings of the analysis, the following were also observed to be teething constraints that need urgent attention:

1. That in as much as resources have been nominally increased to sectors that deal with climate change, the proportion of the same to the national budget has been on the decline and that this trend is projected to continue in the next two years;
2. That some of the key sectors such as energy, forestry, wildlife, fisheries, information and civic education appear to have either very few or no actions included in their respective budgets despite their crucial position in attaining the aspirations of the NAPA framework;
3. That for most of the sectors, annual budget targets are inconsistent from one year to the next and where the magnitude of measurement exists, the same is not consistent over time, as such it was difficult to ascertain whether such efforts will eventually derive incremental benefits which may signify lack of effectiveness in attaining the desired targets;
4. That there appears to be no major increase in allocations of resources to the programs and activities directly linked to the NAPA interventions, neither do physical action in accelerating annual targets is evident pre- and post declaration of climate change as a priority;
5. That in most of the sectors, some strategic interventions for addressing climate change have no tangible corresponding actions in their budgets, which is at variance with the prioritization of *“Managing Climate Change, Natural Resources and the Environment”*;
6. That in almost all NAPA sectors, resources continue to be concentrated within the central government, leaving very little for implementation of programs in the Local Councils which are closest to the rural communities most vulnerable to risks associated with climate change;
7. That the absence of the Department of Disaster Management Affairs in the NAPA framework and the associated fragmentation of the disaster management component in the budget framework, whereby ORT resources falls under the OPC vote while operational resources fall under the Un-Foreseen vote within the Treasury, to the extent that requisite targets are virtually out of sight does not augur well with the position for which such an institution was expected to play in the NAPA framework;
8. That in the NAPA framework, there are no clearly defined roles and responsibilities for the Ministry of Natural Resources, Energy and Environment in general and Environmental Affairs Department in particular which greatly compromises the coordinating roles that ought to be required of the same; and
9. That lack of consistency in the national budget framework, structure and targeting poses significant challenges in establishing links between resources allocated for specific actions



from one year to the other. It further poses a threat of loss of valuable information on continuity of actions in focus areas and following the same over time.

It is in view of the foregoing that the following summary of recommendations has been made:

1. There is need to enhance the coordination role of the Environmental Affairs Department within the Ministry of Natural Resources, Energy and Environment, by putting in place clearly defined results matrix framework consistent with the MGDS and the NAPA aspirations by sector. This matrix will have to have clear facilitative targets for every sector to guide implementation of the interventions in the medium term;
2. There is need for effective sensitization campaigns for all NAPA sectors about the existence of the NAPA policy framework and its aspirations for purposes of ensuring that the sectors mainstreaming of climate change and environment in their work plans is not accidental but well planned and focused as expected;
3. The Treasury should not only be encouraged to continue allocating increased budgetary resources towards all NAPA sectors but also ensuring that the same are re-allocated to targeted NAPA interventions by analyzing the draft budget submissions from these sectors to ascertain progressive alignment of their budgets to NAPA interventions;
4. There is need for maintaining consistency in the budget framework and structure by the Treasury for ease of comparing and tracing budget targeting and performance. The current changes significantly erode the institutional capability to maintain and trace records of performance over time;
5. Sectors must be advised to be consistent with indicators to enhance accountability of annual plans every financial year. The change of sector indicators from one financial year to the next is bringing a lot of confusion when one attempts to meaningfully assess the performance of sector budgets, let alone appreciate forecasted actions and their link with the past;
6. There is need to progressively increase the proportion of resources allocated to Local Assemblies to ensure that more resources are available to the constituencies most vulnerable to the impacts of climate change while being in line with the Decentralization Policy at the same time. It is further recommended that within the Local Councils, priority must be given to those Councils most vulnerable to natural disasters such as in the Lower Shire Valley, Phalombe, Salima, and Karonga districts;
7. There is need to consider reviewing the NAPA policy framework in order to take on board those critical issues that might have been left out at the initial preparatory stage such as the

disaster risk management issues. This should include development of a monitoring and evaluation system to track implementation of the NAPA, its impact on community vulnerability and trends in annual budgetary allocations; and

8. There should be strong mechanisms for monitoring performance of climate change interventions by the implementing sectors to generate meaningful reports. Currently most of the set targets and reports of accomplishment attest to serious lack of meaningful planning, program implementation and progress monitoring.



## APPENDIX 1: 2011/2012 Budget actions for the NAPA sectors and requisite allocations

Sector	Proposed Interventions according to NAPA	Proposed Interventions according to Draft Budget (2011/12)				
		Recurrent Budget Output -2011/12	Allocation MK 000'000	Development Budget Outputs	Allocation MK 000'000	Comment
1. Agriculture	(i) Improved early warning systems	No action	0.00	No action	0.00	This is a serious anomaly considering that early warning systems are vital to cushioning risks associated with agriculture and that this is the priority area in the ADP. It was also noted however that some initiatives outside the budget are on-going
	(ii) Recommended improved livestock breeds	No action	0.00	Procure 115 dairy crosses, 5 tons of liquid nitrogen, straws of semen, vaccines and dip and doses of rabies	100.0	The target is not adequate enough to address medium to long term animal protein challenges as Malawi is presently at the very bottom in terms of per capita consumption of 6kgs compared to an average of 13 kgs within the SADC region.
	(iii) Recommended improved crop varieties	Increased smallholder farmers output per unit area through farm input subsidy program (1.4 million smallholder farmers)  Farmers trained in seed multiplication (600 farmers)	22,450.1  1,285.7	Farmers (353) put on conservation farming research led trial and 120,096 farmers put on farmer try outs for selected varieties and districts  Improved cotton varieties promoted (200,000ha)  Basic seeds of OPV for maize, rice, sorghum, millet and wheat produced (30-80 tons)	2,766.3  1,600  20.00	Subsidy is a good initiative to improve productivity of resource poor farmers. However, the number of farmers being tested with other forms of good agriculture practices is very low. 353 farmers represents less than 1% of the farmer population, hence trickle-down effect would be very minimal

	(iv) Improved crop and livestock management practices	<p>-Increase livestock and fish production through disease control, vaccination and dipping <b>(5,000 dairy animals treated)</b></p> <p>-farmers trained in good agricultural practices <b>(200 farmers)</b></p>	<p><b>512.8</b></p> <p><b>715.6</b></p>	<p>Hectares of land put under conservation farming (683 ha)</p> <p>Rehabilitate and develop irrigation schemes</p> <p>Hectares of land under irrigation <b>(506 ha)</b></p> <p>Farmers trained under in various technologies <b>(438)</b></p> <p>Animal drugs procured <b>(100kg)</b> and detecting machines sourced <b>(3)</b></p>	<p><b>590.00</b></p> <p><b>3,045.2</b></p> <p><b>13.1</b></p>	<p>A good number of initiatives have been proposed, but major problem is inadequacy of the targets considering that huge volumes of soil are lost through bad agriculture practices on annual basis</p>
<b>Subtotal</b>			<b>24,964.20</b>		<b>8,134.60</b>	
<b>2. Human health</b>	(i) Improved nutrition for infants and other vulnerable groups	<b>No action</b>	<b>0.00</b>			
	(ii) Prevention of diseases, such as malaria through increased distribution of insect treated bed-nets (ITNs), and diarrhea	<p>Reduced prevalence of schistosomiasis to 10%</p> <p>Increased proportion of immunized children against measles <b>(89%)</b>, and distribution of ITNs <b>(1,800,000)</b></p> <p>TB patients cure rate increased <b>(88%)</b></p> <p>Increased access to HTC and reception of sero-status results among persons aged 15- 49 <b>(2,200, 000)</b> and</p>	<p><b>1,312.12</b></p> <p><b>3,825.8</b></p> <p><b>6,497.07</b></p> <p><b>71.75</b></p>			<p>Quite comprehensive outputs in terms of actions proposed in NAPA. Resource allocation seems adequate to match the targets.</p>

		increased access by HIV positive persons to ART <b>(250,987)</b>				
	(iii) water treatment	Facilities accredited in infection prevention and control practices <b>(5%)</b>	<b>64.98</b>			The proposed actions to be implemented are very few and unlikely to be effective considering the large sections of people still accessing unsafe water
	(iv) Crop diversification and food supplementations for the under-fives	<b>No action</b>				Area of great concern and yet actions are not visible in the budget
<b>Subtotal</b>			<b>11,771.72</b>			
<b>3. Energy</b>	(i) Diversification of energy sources			Completion of both quantification of local reserves and environmental impact assessment by consultant	<b>95.00</b>	<b>It seems the actions are too few the whole year.</b>
	(ii) Reforestation of the Upper, Middle and Lower Shire Valleys catchments			Planting of trees <b>(10, 000 hectares) - COVAMS</b>	<b>15.00</b>	<b>Commendable considering the problem in the area, and yet its strategic for electricity generation in the country</b>
	(iii) Arresting siltation	Management of the existing forest reserve and plantations <b>(1,100,000 hectares)</b>	<b>997.40</b>	Planting of trees <b>(600 hectares)</b>	<b>10.00</b>	<b>Action not adequate considering the targeted area of forest cover to be protected, and the 2040 target.</b>
	(iv) Reducing dependence on wood fuel	Finalization of electrification of trading centres <b>(47)</b> and distribution of energy saver bulbs to the public <b>(2, 000,000)</b>  Rehabilitation of Nkula A Hydro Power Station and distribution of	<b>19.83</b>  <b>18.24</b>			<b>The target is unrealistic considering that past accomplishments have only been less than 10 Trading Centres annually.</b>

		Compact Fluorescent Lamps (2,000,000)				
	(v) Efficient use of charcoal and expanded use of ethanol stoves	No action				No action and yet its important priority area
<b>Subtotal</b>			<b>1035.47</b>		<b>120</b>	
<b>4. Fisheries</b>	(i) Fish breeding to restock the lakes, rivers and dams	No action		No action		Strategic action but no action
	(ii) improving knowledge and understanding on how temperature profiles in the lake disrupt fish breeding and survival,	No action		No action		No action and yet its important priority area
	(iii) Establishing climate observations or monitoring systems on Lake Malawi, and,	No action		No action		No action and yet its important priority area
	(iv) Mainstreaming climate change into fisheries strategies	No action		No action		No action and yet its important priority area
<b>Subtotal</b>						
<b>5. Wildlife</b>	(i) Improved fire management in game reserves,	Awareness campaigns promoted; Collaborative management promoted, and; Undertaking of Law Enforcement Operations	<b>287.8</b>			Commendable action but no targets have been set for proper assessment of performance
	(ii) Construction of watering points,	No action				No action indicated
	(iii) A Nyala breeding programme in Lengwe National Park,	No action				
	(iv) Ability to translocate animals as needed			Construction of Kasungu National Park breeding sanctuary and translocation of different animal species (110 species)	<b>150.00</b>	Commendable action

	(v) Community based ranching	<b>No action</b>				No action
<b>Subtotal</b>			<b>287.8</b>		<b>150.00</b>	
<b>5. Water</b>	(i) Demand side management through water allocation,			Installation of Non Revenue water equipment, production of a tariff calculation model, establishment of water users associations for the LIAs of Lilongwe and Blantyre <b>(2)</b> and construction of Kiosks <b>(165)</b> and recruitment of Local operator	<b>2,758</b>	Commendable actions and strategic action for the result area
	(ii) Construction of boreholes	Rehabilitation of boreholes <b>(15 boreholes)</b>	<b>110.98</b>	Finalization of preparations for rehabilitation of <b>20</b> gravity fed schemes, rehabilitation of <b>1000 boreholes</b> , construction of community water points in 14 districts <b>(1,050)</b> and testing of water points for quality <b>(2150 water points)</b>	<b>432.00</b>	Priority action in accordance with NAPA
	(iii) Water harvesting,	Detailed study of old dams <b>(3 dams)</b> , Maintenance of Ground water monitoring stations and database, borehole construction and rehabilitation supervisory visits <b>(5 visits)</b> and collection and analysis of samples <b>(2000 samples)</b>	<b>98.07</b>	Construction of Licheza Dam	<b>250.00</b>	Priority action in accordance with NAPA
	(iv) Water resource management			Designs for water reticulation produced  Production of water supply designs	<b>30.56</b>  <b>30.00</b>	Too little action for the whole year.



	(v) Flood management			Establishment of coordination unit for the development of Songwe River Basin	<b>690.65</b>	Too little action for the whole year
<b>Subtotal</b>			209.05		4,191	
<b>6. Forestry</b>	(i) Improved extension services to ensure sustainable land and forest management	Conducting of monthly environmental and pollution control inspections	<b>67.92</b>	Planting of trees <b>(10,000 hectares)</b>		A good number of tangible actions proposed, however there is need for resource specification for the development part of the budget
		Development of country position papers on Land Resources	<b>21.76</b>			
		Management of the existing forest reserves and plantations <b>(1, 100,000 hectares)</b>	<b>997.4</b>			
	(ii) Forest fire management at the community level	<b>No action</b>				Could replicate some actions suggested as above
	(iii) Periodic monitoring of plant development to identify species that may be in danger of dying back or are facing serious reproductive ability with diurnal & seasonal climate changes	<b>No action</b>				Issue of concern, we need actions for purposes of following up progress of activity implementation
<b>Subtotal</b>			<b>1,087.08</b>		<b>000</b>	
<b>7. Gender</b>	(i) Empowerment of women through access to microfinance to diversify earning potential,	Business groups trained in entrepreneurship and credit management	<b>49.23</b>	Provision of beneficiaries with social cash transfers <b>(105, 732)</b>	<b>662.00</b>	Tangible actions but not sufficient for the focus area
	(ii) Ensuring easier access to water and energy sources by drilling boreholes and	<b>No action</b>				Actions already proposed above

	planting trees in woodlots, and					
	(iii) Use of electricity provided through the rural electrification programme	<b>No action</b>				Actions already proposed above
<b>Subtotal</b>			<b>49.23</b>		<b>662.00</b>	
<b>8. Ministry of Information and Civil Education</b>	(i) Raising awareness, understanding and popular participation for adaptation and mitigation	Formulation of civic education policy, strategic plan, Conduct public meetings and debates on topical issues	<b>102.32</b>			No specific actions for climate change, hence the need for the sector to aggressively plan for information and civic education activities to address climate change.
<b>Subtotal</b>			<b>102.32</b>		<b>0.00</b>	

## Appendix 2: Sectoral Trend Analysis in Budget Action alignment to NAPA intervention

Sector	Intervention (NAPA)	Budget Action	2007/08	2008/09	2009/10	2010/11	2011/12
1. Agriculture	(i) Improved early warning systems	Weather stations with modern equipment	0	0	0	20	20
		Annual agriculture estimates reports produced	1	1	1	1	1
	(ii) Recommended improved livestock breeds	Agriculture technologies released	6	14	No target	18	0
		Procure improved breeds of dairy animals (crosses of breeds)	180	170	No target	100	115
	(iii) Recommended improved crop varieties	Increased smallholder farmers output per unit area through farm input subsidy program <b>(number of smallholder farmers)</b>	1,500,000	1,700,000	1,700,000	1,600,000	1,400,000
		Farmers trained in seed multiplication <b>(farmer groups)</b>	100	100	0	600	600
		Improved cotton varieties promoted (beneficiaries)	No targets	200,000	0	0	200,000
		Basic seeds of OPV for maize, rice, sorghum, millet and wheat produced (tons)	No targets	1200	No target	30	80
	(iv) Improved land husbandry management practices	Construct irrigation schemes (ha of schemes)	10,952	2914	1282	1408	3559
		Train farmers in low cost soil fertility management techniques (farmers trained)	9,167	40,000	40,000	100,000	100,000

		Undertake public awareness campaigns on land management (people reached)			2,000,000	2,000,000	
<b>2. Human Health</b>	(i) Improved nutrition for infants and other vulnerable groups	<b>No Action</b>					
	(ii) Prevention of diseases, such as malaria through increased distribution of insect treated bed-nets (ITNs), and diarrhea;	Increased proportion of immunized children against measles ( <b>89%</b> ), and distribution of ITNs ( <b>1,800,000</b> )	No targets	No target	1,800,000 nets	1,885,670 nets; 85% of under 1 children fully immunized	1,800,000 nets; 89% of children vaccinated
		TB patients cure rate increased ( <b>88%</b> )	81	85	85	86	88 percent
		Increased access to HTC and reception of serostatus results among persons aged 15-49 ( <b>2,200,000</b> ) and increased access by HIV positive persons to ART ( <b>250,987</b> )	140,000 ARV	245,225 ARV	No target	510,995 HTC	250,987 ARVs; 2,200,000 HTC
	Construct sanitation and hygiene units (no of villages triggered with community led total sanitation	No targets	No target	798	1,400	1,266	
(iii) Water treatment	Facilities accredited in infection prevention and control practices ( <b>5%</b> )	No targets	No targets	No targets	No targets	5 Percent	
(iv) Crop diversification and food supplementations for the under-fives	<b>No action</b>						

<b>3. Energy</b>	(i) Diversification of energy sources	Completion of both quantification of local reserves and environmental impact assessment by consultant					1 report
	(ii) Reforestation of the Upper, Middle and Lower Shire Valleys catchments	Planting of trees <b>(hectares) - COVAMS</b>					10,000
	(iii) Arresting siltation	<b>No action</b>					
	(iv) Reducing dependence on wood fuel	Finalization of electrification of trading centres and villages (number of electrified centres)	6	10	54	10	47
		Promote alternative energy source technologies	0	2	4		0
(v) Efficient use of charcoal and expanded use of ethanol stoves	<b>No action</b>	<b>No action</b>	<b>No action</b>	<b>No action</b>	<b>No action</b>	<b>No action</b>	
<b>4. Fisheries</b>	(i) Fish breeding to restock the lakes, rivers and dams	Fish ponds constructed and structures	5	221	No target	110	50
		Fingerings produced	2,500,000	300,000	0	2,000,000	2,000,000
		Fish farmers trained and supported with production technologies	120	50,000			

	(iii) Improving knowledge and understanding on how temperature profiles in the lake disrupt fish breeding and survival;	<b>No action</b>	<b>No action</b>	<b>No action</b>	<b>No action</b>	<b>No action</b>	<b>No action</b>
	(iii) Establishing climate observations or monitoring systems on Lake Malawi; and	<b>No action</b>	<b>No action</b>	<b>No action</b>	<b>No action</b>	<b>No action</b>	<b>No action</b>
	(iv) Mainstreaming climate change into fisheries strategies	<b>No action</b>	<b>No action</b>	<b>No action</b>	<b>No action</b>	<b>No action</b>	<b>No action</b>
<b>5. Wildlife</b>	(i) Improved fire management in game reserves	Awareness campaigns promoted; collaborative management promoted, and; undertaking of law enforcement operations	Formation of CBOs on nature awareness and conservation. Support those with IGAs	Formation of CBOs on nature awareness and conservation. Support those with IGAs	Formation of CBOs on nature awareness and conservation. Support those with IGAs	Formation of CBOs on nature awareness and conservation. Support those with IGAs	Formation of CBOs on nature awareness and conservation. Support those with IGAs
	(ii) Construction of watering points;	<b>No action</b>					
	(iii) A Nyala breeding programme in Lengwe National Park	<b>On-going</b>	On-going	On-going	On-going	On-going	On-going
	(iv) Ability to translocate animals as needed	translocation of various animal species and rehabilitation of various parks and habitat suitability assessments	Translocation of various animal species and rehabilitation of various parks and habitat suitability	Translocation of various animal species and rehabilitation of various parks and habitat suitability	Translocation of various animal species and rehabilitation of various parks and habitat suitability	Translocation of various animal species and rehabilitation of various parks and habitat suitability	Translocation of various animal species and rehabilitation of various parks and habitat suitability

			assessments	assessments	assessments	assessments	assessments
	(v) Community based ranching	<b>No action</b>	<b>No action</b>	<b>No action</b>	<b>No action</b>	<b>No action</b>	<b>No action</b>
<b>Subtotal</b>							
<b>6. Water</b>	(i) Demand side management through water allocation;	Installation of Non Revenue water equipment, production of a tariff calculation model, establishment of water users associations for the LIAs of Lilongwe and Blantyre <b>(2)</b> and construction of Kiosks <b>(165)</b> and recruitment of Local operator	No targets	No targets	No targets	1 water supply upgraded; 4 boreholes to be completed by end April, & 3 feasibility studies	
	(ii) Construction of boreholes	Finalization of preparations for rehabilitation of gravity fed schemes <b>(20 schemes)</b> , rehabilitation of boreholes <b>(1000 boreholes)</b> , construction of community water points in 14 districts <b>(1,050)</b> and testing of water points for quality <b>(2150 water points)</b>	No targets	No targets	1, 508 boreholes	18 new kiosk; 1 sanitation demonstration centre constructed and operational; 27 kiosks constructed in LIAS of Lilongwe	1, 000 boreholes; 20 schemes; 2,150 water points
	(iii) Water harvesting	Detailed study of old dams and collection and analysis of samples	No targets	No targets			3 dams; 200 samples

	(iv) Water resource management	Designs for water reticulation produced	-	-	-	3 surveys conducted; 1 project sensitization conducted	-
		Construction of Licheza Dam	-	-	-	75% of Licheza Dam constructed	-
	(v) Flood management	Production of water supply designs	-	-	-	0	-
		Establishment of coordination unit for the development of Songwe River Basin	-	-	-	Signing of MOU done; Donor (AfDB) identified; 2 national meetings and bilateral meetings conducted	-
<b>7. Forestry</b>	(i) Improved extension services to ensure sustainable land and forest management	Planting trees (hectares)	3,000	3,207		42,000	50,000
		Development of country position papers on land resources	-	-	-	-	to be done this year
		Encourage protection of forest cover (hectares)	0	1,100,000		1,100,000	1,100,000
	(ii) Forest fire management at the community level	<b>No action</b>					



	(iii) Periodic monitoring of plant development to identify species that may be in danger of dying back or are facing serious reproductive ability with diurnal and seasonal climate changes	<b>No action</b>	<b>No action</b>	<b>No action</b>	<b>No action</b>	<b>No action</b>	<b>No action</b>
<b>8. Gender</b>	(i) Empowerment of women through access to microfinance to diversify earning potential;  (ii) Ensuring easier access to water and energy sources by drilling boreholes and planting trees in woodlots, and	Groups of women supported with livelihood and income generation activities (district groups)  <b>No action</b>	No specific target	No specific target	No specific target	20	20
	(iii) Use of electricity provided through the rural electrification programme	<b>Targets as above</b>	<b>Targets as above</b>	<b>Targets as above</b>	<b>Targets as above</b>	<b>Targets as above</b>	<b>Targets as above</b>
<b>9. Ministry of Information and Civic Education</b>	(I) Raising awareness, understanding and popular participation for adaptation and mitigation	Formulation of civic education policy; strategic plan; conduct public meetings and debates on topical issues	No clear outputs	No clear outputs	No clear outputs	No clear outputs	To be done this year