Overall Budget for the Ministry of Gender, Children, Disability and Social Welfare (MoGCDSW) declined by 15% in nominal terms and 38% in real terms from the 2015-16 allocation. In 2016-17 the Ministry was allocated MK 3.1 billion. The allocation is insufficient for the Ministry to fulfil its core objectives.

Given the central role of the MoGCDSW in alleviating child poverty, delivering social protection, supporting livelihoods and coordinating all child services among others, the Government should ensure the MoGCDSW budget allocation increases correspondingly with overall changes in government expenditures and to inflation in order to ensure there is no regression in the enjoyment of rights by children.

Government contribution to the Social Cash Transfer Program almost doubled from MK 279 million in 2015-16 to MK 550 million in 2016-17, but remains low. The contribution accounted for 17% of the MoGCDSW’s budget in 2016-17, up from 8% in the previous year. This contribution covered one of the eighteen districts in which the SCTP was implemented in 2016. The rest of the districts were funded by development partners (DPs).

The Government should increase its contribution in line with the ongoing efforts to scale up the SCTP to all 28 districts of Malawi in order to improve the reach and sustainability of the program. At the same time, the Government should ensure timely disbursement of cash to beneficiaries in its target district.

The MoGCDSW is engaged in various efforts to improve planning, budgeting, accountability and reporting in line with program based budgeting (PBB) guidelines, but some challenges still need to be addressed. These include compliance with Ministry of Finance PBB guidelines, disaggregation of non-financial data to effectively track results, effective categorization of outputs and activities and ensure strong linkages between MoGCDSW policy frameworks, strategic plans and budgets.

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The Government of Malawi is commended for drafting a policy on Early Childhood Development (ECD) and for introducing a dedicated sub-program on this under the MoGCDSW. Regrettably, the ECD budget for 2016–17 was cut by 20 percent, compared to the 2015–16 allocation. Whilst ECD funding decreased, the Government contribution to the SCTP, which donors had stipulated as a condition of their funding to social protection increased. ECD is central to a child’s development.

Thus, the Government should ensure progressive increase in budget allocations to ECD in line with overall changes in available resources.
Allocations to Primary Child Protection Services do not match the immense protection risks that children in Malawi face. Children in Malawi continue to experience various forms of abuse, neglect, exploitation and violence, from which they need protection. Each case of violence cost Malawi an estimated US$22. Unfortunately, the 2016-17 PBB did not articulate specific performance targets on violence against children nor is there a clearly identifiable budget allocation to tackle violence against children.

The Government should increase allocations towards strengthening of the national child protection system in order to ensure effective prevention and response to protection risks. The 2017-18 budget should also contain specific performance targets on child protection.

Structural changes in the Ministry are not fully reflected in the Program Based Budget. In 2014-15, the Ministry took over functions of the Ministry of Disability and Elderly Affairs. This led to an increase in personnel emoluments (PE) and other recurrent costs. At the same time, the Department of Community, Youth and Sports is set to move to Civic Education in 2017.

With the transition to Program Based Budgeting, Cabinet should carefully consider the implications of restructuring Ministries, Departments and Agencies (MDAs). Restructuring exercises may require MDAs to review their strategic plans, structures and budgets.

1. Introduction

The Ministry of Gender, Children, Disability and Social Welfare has a huge mandate which is not reflected through its budget allocation. The mission of the MoGCDSW is “to promote social economic empowerment and protection of women and children using community and welfare approaches.” The Ministry drives the social-inclusion agenda for the Government of Malawi. Specifically, it is responsible for child protection, the Social Cash Transfer Program (SCTP) – a flagship program of Malawi’s Social Protection (SP) system, Early Childhood Development, livelihoods and a range of empowerment programs for children, women, people with disabilities and other marginalized groups. The National Social Support Policy [2012] and the National Social Support Program (2012-2016) are the main guiding documents for Malawi’s SP programs. SP Programs in Malawi are mainly funded by grants from development partners with limited Government contribution. Programs being implemented by the MoGCDSW directly contribute to reduction of child poverty and to equitable development in Malawi.

To consolidate and scale up these programs there is need for increased, equitable, age specific and effective public spending on girls, boys, women and men. In light of this, two questions immediately arise when looking at budget allocations to the MoGCDSW. First, is the budget allocated to the Ministry commensurate with its mandate and needs of different demographic groups, especially those most deprived and vulnerable, scattered across the country? Second, and lastly, how efficiently and effectively are resources allocated to the Ministry utilized?

Box 1: Key Statistics

- Proportion of women in wage employment in non-agricultural sector: 16.9% (JSSP 2013)
- Proportion of women in parliament: 16.6%
- Percentage of children accessing integrated Early Childhood Development services: 40%
- Number of persons with disabilities accessing vocational skills training: 616
- Percentage of trained caregivers: 51%
- Percentage of children deprived of 2 or more basic needs: 63% (Unicef, 2016)
- Number of Community child protection workers trained and deployed in 2016: 801 (PBB 2016)
- Each case of violence against children cost Malawi approximately usd$22 (Unicef, 2016)
- Proportion of children who are orphaned: 9.9 (IHPS 2013)

Sources: UNICEF, JSSP, IHS

2. How much of the national budget goes to the MoGCDSW?

In 2016-17 the MoGCDSW was allocated MK 3.1 billion, which amounted to 0.28% of the total government budget. This allocation represents a 15% decrease in nominal terms and 38% decrease in real terms from the 2015-16 budget. This is largely due to declining donor contributions to the Ministry’s budget. DPs provided for more than half of the Ministry’s budget between the years 2011-12 and 2014-15. A very large contribution to the SCTP in 2012-13 saw the development II budget reach a high of 91%. In financial year 2016-17, the MoGCDSW did not receive any budget support from DPs compared to 2015-16 when the MoGCDSW got 28% from DPs. DPs’ support to social development activities is now mainly off-budget.

Figure 1 shows the budget allocation to MoGCDSW compared to other Ministries. Compared to other ministries, departments and agencies (MDAs), the Ministry was ranked 32 out of 64 in terms of share of the total budget allocated to it.
Figure 2 below shows that the budget for the MoGCDSW as a percentage of total government budget significantly declined from 2.46% in 2012-13 to 0.28% in 2016-17. In absolute terms the budget for the Ministry decreased by approximately 70% from about MK 10 billion in 2012-13 to MK3.1 billion in 2016-17. This decrease is mainly due to withdrawal of on-budget support by DPs. However, government’s own contribution increased from 2013.

Figure 2  Proportion of MoGCDSW allocation as % of total government budget
3. How does MoGCDSW allocate its budget?

An estimated 40% of the Ministry’s budget is allocated to Community and Child Development, 27% to social protection and development (of which 17% is for the SCTP), 19% to Management and Administration Services and the remaining 13% to Gender Equality and Women Empowerment. Figure 3 below shows composition of the MoGCDSW by program areas in financial year 2016-17. Gender equality and women empowerment program is the least funded program. Each of the four programs in Figure 3 below has various sub-programs. For example, the SCTP is under the social protection and development program while ECD is under community and child development program.

The largest single activity under the Social Protection and Development Program is the Social Cash Transfer program, making up 64% of the respective program budget and 17% of MoGCDSW overall budget. The SCTP is currently targeting 10% of the ultra-poor in 18 of the 28 districts of Malawi. The process of scaling up to the remaining districts has started. In financial year 2016-17, donor contributions to the SCTP accounted for 71% of the total budget. The main financiers for the SCTP are World Bank (38%), the Government of Germany (23%), the European Union (21%) and Irish Aid (8%). In 2016, the annual social protection budget (US$28 million) was estimated at 0.6 percent of Malawi’s GDP.

The SCTP provides an average MK7000 per household, targeting the labour constrained and ultra-poor (less than US$.40 a day). The program currently reaches 170,000 households or 700,000 people, which amount to 34% of the total poverty incidence rate.1 The transfer amount is equivalent to 38% of the ultra-poverty line. Thus, it is important to ensure the cash transfer level is periodically adjusted for inflation.

Figure 4 below shows how much is allocated to specific functions and programs for the MoGCDSW.

<table>
<thead>
<tr>
<th>Category</th>
<th>2015/16 Approved Estimates</th>
<th>2016/17 Estimates</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Cash Transfer Program</td>
<td>279,000,000</td>
<td>550,000,000</td>
<td>271,000,000</td>
</tr>
<tr>
<td>Early Childhood Development (ECD)</td>
<td>500,000,000</td>
<td>400,000,000</td>
<td>(100,000,000)</td>
</tr>
</tbody>
</table>

Source: Ministry of Finance, Budget Ceilings Sheet 2016-17.

Early Childhood Development makes up 12.7% of MoGCDSW budget followed by the Department of Disability and Elderly Affairs (8.8%), Probation and Rehabilitation (4.2%), and Adult Literacy (3.9%). Table 1 shows that whilst the SCTP allocation increased, possibly because of donor conditions, the budget to ECD decreased. Faced with severe fiscal constraints it is likely that budget increases in one program will come at the expense of other worthwhile programs.

Primary child protection services, which were allocated a paltry MK4.6 billion (approximately US$6,400), representing about 1.63% of the total budget of the sub-program on ‘Social Protection and Development’ and 0.0015% of the total budget for the Ministry are significantly under-funded. The Ministry however acknowledges the importance of child protection services for all children. One of its strategic outcomes is to ensure “improved equitable access to quality child development and protection services”. Regrettably, the commitment to provide equitable child protection services has not been accompanied by allocation of adequate resources to ensure children in all parts of Malawi are protected from all forms of abuse, neglect, exploitation and violence. The sub-program for rehabilitation of juvenile offenders was allocated MK3.8 million as ORT budget. The sub-program aimed at ending gender based violence was allocated MK1.3 million in the 2016-17 budget. It is not clear how much of the budget allocated to tackling gender based violence will benefit children, in particular girls, who continue to suffer sexual and other forms of violence. With limited allocations to child focused programs, it may be difficult for the MoGCDSW to achieve all desired outcomes.
It can be concluded, therefore, that the MoGCDSW is one of the MDAs hardest hit by withdrawal of DPs’ on-budget support following the 2013 public finance management scandal. Development I Expenditures sharply declined from an all-time high of 91% in 2012-13 to 28% in 2015-16.

4. To what extent are the strategy documents for the MoGCDSW in line with Program Based Budgeting Requirements?

The MoGCDSW has embraced program based budgeting, but challenges still exist concerning articulation of performance targets and grouping of activities. For example, the sub-program ‘Primary Child-Protection Services’ did not include performance information or targets. The ‘Gender Mainstreaming’ sub-program only had one output indicator. Grouping key activities into a program or sub-programs helps to show government spending in a simple and easy to understand manner. For example, with the creation of an ECD sub-program it is clear what resources are being provided. Ultimately, it becomes easy to see if resources to this specific issue are increasing or decreasing over time. When implemented fully, Program Based Budgeting improves transparency and accountability.

The program structure for MoGCDSW PBB is not fully in line with budget guidelines issued by the Ministry of Finance. According to the guidelines, for example, programs are to have no more than four sub-programs. The MoGCDSW also has several sub-programs which attract very small provisions. Gender based violence and gender mainstreaming, for example, receive 0.1% and 0.2% of the Ministry’s ORT budget respectively, with a combined total budget of approximately US$5,662. Such small allocations could be merged with other sub-programs.

Development Partners and the Ministry of Finance should work with MoGCDSW to address identified gaps. These include supporting improvements in reporting for results and ensuring data disaggregation by gender, age, geographic location, disability and other relevant factors.

5. Conclusion

The MoGCDSW has fundamental responsibilities critical for the inclusion, rehabilitation and development of vulnerable and marginalised groups in Malawi, including children. Its current level of funding prevents it from providing country-wide services for the ultra-poor, young children, persons with disabilities, the elderly and women. The GoM of Malawi should therefore ensure that the Ministry receives an equitable share from available resources commensurate with its mandate. On its part, the Ministry should ensure that its program based budget, progress reports and financial accountability are robust and in line with guidelines from Ministry of Finance.
Glossary of terms

Development expenditure - is defined by the Public Sector Investment Program as significant (over MK 100 million) project expenditure with a completion date. Development spending provides returns in lowering operating costs or generating revenue. Development spending is divided into Part I (project support from external aid) and Part II (project support from domestic resources).

Economic Classifications - presentation of the budget according to economic inputs such as wages, operations and capital. The production of goods and services requires a mix of inputs.

Nominal Increase in budgets – Changes in allocations which are not adjusted for inflation.

Other Recurrent Transactions (ORT) - Refers to items such as office supplies, fuel, utilities, routine maintenance, meetings and other program costs as well as acquisition of fixed assets.

Personnel Emoluments (PE) - spending on wages and allowances.

Real Increases in budgets – Changes in allocations which are adjusted for inflation.

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