

Mid-Term Evaluation of the EFA Fast Track Initiative

Country Desk Study: Malawi

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Summary information for Malawi

- Currency = Malawi Kwacha (MWK)
- Exchange Rate (31 July 2009) USD 1 = MWK 144.43
- Fiscal Year = July - June
- School year = January - December
- Structure of education system: Eight years of primary education (standards one to eight), four years of secondary education (forms one to four), followed by higher education (duration depends on the type of course) or technical and vocational education (four years).
- Population: 13.1 million
- Population growth rate: 2.4%

The Ministry of Education (MOE) has had various additional responsibilities in the period from 1994 to date. These have been reflected in various name changes over the period. Its current name is the Ministry of Education Science and Technology (MOEST) and this report uses this title throughout to avoid confusion (although in the references the correct titles are used). Its previous names include the Ministry of Education Sports and Culture (MOESC) and the Ministry of Education and Vocational Training.

Preface

The Fast Track Initiative (FTI) is linked both to the Education for All (EFA) goals and to the Millennium Development Goals (MDGs). The FTI was launched in 2002, and has now been running for half its expected lifetime. The FTI partnership has recognised the need to evaluate whether it is achieving the goals it has set itself. The evaluation will provide an opportunity for reform and change if necessary.

As stated in the Terms of Reference:

The main purpose of the evaluation is to assess the effectiveness of FTI to date in accelerating progress towards achievement of EFA goals in participating countries, with particular attention to country movement towards universal primary completion (UPC). The evaluation will also assess FTI's contributions to improving aid effectiveness at both the country and global levels.

The evaluation will draw lessons learned from the FTI's strengths and weaknesses and make a series of recommendations to further improve future partnership programming and effectiveness. Most importantly it is hoped that, as a result of this evaluation, progress towards expanding and enhancing educational opportunities will be strengthened.

The evaluation is independent but is jointly supported by a consortium of donors. The evaluation is taking place between November 2008 and December 2009. The Evaluation Oversight Committee (EOC) is made up of representatives from the donor community, partner countries and civil society. It is coordinated by Joe DeStefano (email: jdestefano@futureofschooling.org). The evaluation team is a consortium of three companies Cambridge Education, Mokoro and Oxford Policy Management (OPM).

Desk study methodology

The evaluation includes nine full country case studies, in Cambodia, Kenya, Burkina Faso, Ghana, Mozambique, Nicaragua, Nigeria, Pakistan, Yemen. In addition a number of much lighter desk studies are being undertaken, of which Malawi is one. The desk studies are not researched in the same depth as full country case studies (which typically included a two-week field visit by a team of three or four evaluators). They are based on the relevant literature which can be accessed without a visit to the country (including the FTI Secretariat archives for the country in question, plus a standard set of aid data derived from the OECD DAC records). The desk study authors are individuals already familiar with the methodology of the evaluation and with the country concerned. Authors could consult one or two key informants (by phone or email) for clarification or to get the latest available documents etc. In the case of Malawi, the author was able to draw on considerable past experience of working with the Ministry of Education Science and Technology (MOEST) in Malawi on policy and planning. She also benefited from consulting with some of the key officials from the MOEST who have been closely involved in the recent education policy development process. It was also possible to hold discussions with some of the consultants and donors who have worked with the MOEST in the past five years.

For enquiries related to the evaluation please contact Anthea Sims Williams, the research coordinator, at asimswilliams@mokoro.co.uk. For regular updates about the evaluation and the most recent outputs please refer to the evaluation website at: www.camb-ed.com/fasttrackinitiative

Executive summary

Sector Context—policy, planning and financing

S1 In 1994 the Government of Malawi's (GOM) flagship policy was Free Primary Education (FPE). In 1995, the Ministry of Education, Science and Technology (MOEST) produced a new education plan: the Policy and Investment Framework 1995-2005 (PIF) to support the implementation of key developments in the sector, particularly FPE. The PIF was re-published in 2001 and covered the period 2000-2015 and articulated a long-term development strategy for the education sector encompassing a broader definition of basic education (to include Early Childhood Development (ECD), adult literacy and primary education) as well as secondary, teacher and tertiary education. The revised PIF included a set of costed strategies set in financial framework.

S2 One of the key planning processes to follow from the direction set by the PIF was the primary curriculum and assessment reform (PCAR). This was kick-started by the publication of a review report in 2001 which emphasised the need for a focus on the development of literacy and numeracy skills, and greater attention to issues related to gender equality and HIV/AIDS.

S3 In late-2006, under a new director of planning in MOEST, the National Education Sector Plan (NESP) development process (which had stalled earlier) was re-started. The NESP was approved by the President in 2008 (MOEST, 2008). It covers the ten year period 2008-2017 and includes policy statements, broad strategies and targets for each subsector including basic education (covering ECD, adult literacy, out-of-school youth education, and primary education). As of mid-2009, the NESP has not yet been endorsed by local donor partners.

S4 Notwithstanding the surge in primary enrolment in 1994 in response to the FPE policy, real levels of public recurrent spending per primary student remained roughly constant until the end of the decade. In the post-2000 period public recurrent unit costs in primary increased from 4% to 8% of GDP per capita. Despite this increase, this indicator is still lower than the SADC average and the average for Sub-Saharan Africa. The PIF financing framework identified a substantial financing gap for the primary education programme 2002-2012 (costed on the basis of universal admission to primary education and promotion rates between standards of 90-95% by 2012).

Progress towards EFA

S5 Access to the first standard of primary education is close to universal, but survival rates to the end of the cycle are very low resulting in a completion rate of roughly 35%. In other words, Malawi is far from achieving universal primary completion (UPC). As well as high dropout rates, the system is characterised by very high rates of repetition and a multiple cohort effect leading to a large proportion of over-age new entrants. In absolute terms, average annual enrolment growth in primary schools has been about 2.5% per annum in the decade since 1998, against a school-age population growth rate of 3.7%. Some 64% of adults (aged 15 and above) are literate, and there is a large gender disparity such that just over half of adult females are literate compared with three quarters of adult males. Coverage of ECD provision stands at just under one quarter of the under five population.

The FTI in Malawi

S6 Malawi was invited to join the FTI in 2004, but no major steps were taken until two years later. In late 2006, under a new director of planning in the MOEST, work re-started on developing the NESP with the aim (amongst others) of applying for FTI endorsement and using the plan as the basis for a sector-wide approach (SWAp) which would be partly funded from a pooled donor fund. One of the principal reasons for the MOEST seeking FTI endorsement was to secure finance from the Catalytic Fund (CFs) which, as well as providing additional external funding, was expected to have the advantage over bilateral funding of being under the direct control of the MOEST. The MOEST also anticipated that the move towards a pooled donor fund and a SWAp would result in an increase in funds from existing donors. As part of the NESP development process, the FTI Education Programme Development Fund (EPDF) was used to finance consultants to support work on strategic plans for the two largest universities in Malawi.

S7 The MOEST produced a draft NESP statement and operational summary in July 2007, in time for the joint annual review (JAR) held in August 2007. This draft received a critical reception from the donor partners; it was not considered to be an acceptable basis for a SWAp or for FTI endorsement. In October 2007, two consultants were hired to undertake a technical pre-appraisal of the draft NESP, based on the FTI appraisal guidelines, and to support the MOEST in further developing the NESP. They identified a number of key policy areas where new strategies would be needed if Malawi was to get close to the Millennium Development Goals (MDGs). In essence they recommended that the NESP incorporate 'fast-track' strategies to substantially increase the supply of primary teachers and classrooms, as well as explicit actions on ensuring gender equity and addressing problems caused by HIV/AIDS. They also emphasised the need to strengthen the monitoring and evaluation component of the NESP.

S8 In March 2008, the new World Bank task manager requested funds from the EPDF to finance consultants to work on some of the technical assessments (in the areas of procurement, financial management, environment and resettlement¹) that would be required for FTI endorsement and a CF application.

S9 In July 2008 the NESP statement was approved by the President, but it was not formally endorsed by the local donors, as the MOEST had expected. At the JAR in August 2008, the donors recommended that the MOEST strengthen the operational side of the NESP. This work was undertaken during the last quarter of 2008 and early 2009. At the end of 2008, consultants were hired to undertake another appraisal of the NESP based on FTI guidelines. The appraisal highlighted significant gaps in the NESP strategies for each subsector. In primary education, it noted the need for strategies and targets related to the goal of primary completion, not just access and equity, and also the omission of strategies to deal with geographical inequity in the provision of services. It questioned the robustness of the baseline data included in NESP, and raised concerns that the projections of external funding were far higher than the existing level of disbursement, and that the financing gap projections were extremely large. It suggested that some of the costs included in NESP were overestimated.

S10 By June 2009, the MOEST had produced an education sector implementation programme (ESIP) covering the years 2009-2013 to complement the NESP statement.

¹ A resettlement framework is required under Malawi law to safeguard people affected by construction projects (i.e. to set out compensation arrangements etc.). It was anticipated that CFs would be used to, at least partly, finance school construction and so this is required.

S11 A representative from MOEST and the lead donor agency (Unicef) attended the FTI partnership meeting in Copenhagen in April 2009. At this meeting the Malawi delegation sought advice from the FTI secretariat on the procedure that it needed to follow regarding endorsement and a CF application. In June 2009, the FTI secretariat sent a letter to the permanent secretary of MOEST stating the local education group (LEG) had informed the secretariat that Malawi's preparations for endorsement were close to completion, and that Malawi intended to apply for CF in the next 12-18 months.

FTI's Contribution to Education Sector Development

S12 This evaluation examines progress in six interrelated areas in education – highlighted in bold below - and seeks to establish what role FTI played in each of these. This section summarises the main findings for Malawi.

S13 **Education Policy and Planning:** The NESP 2008-2017 is more comprehensive in terms of subsector coverage than previous Education Sector Plans (ESPs) and contains an implementation plan (ESIP). The drive to develop the NESP and, in particular, the ESIP appears to be partly related to FTI. In terms of tangible FTI inputs, the local donors commissioned two assessments of the draft NESP documents (in 2007 and again in 2008) based on FTI appraisal guidelines, and it seems likely that the results of this work had some influence on the further development of the NESP. The primary education targets in the NESP targets fall slightly short of UPC by 2017, but primary education is a core priority in the plan and substantial improvements in promotion rates between standards are envisaged. The emphasis on quality aspects of primary provision was at most reinforced by FTI.

S14 **Education Financing:** The development of the ESIP as the operational component of the NESP increases the likelihood of a stronger link developing between the NESP, medium-term expenditure framework (MTEF) and annual budget process. FTI was one of the factors which encouraged the development of the ESIP. The NESP has not yet been endorsed by the local donor partners and so it is not possible to judge FTI's contribution to any increase in levels of financing for education which may occur post-endorsement. The prospect of obtaining CFs may well have contributed to the large estimated financing gap presented in the NESP financing framework 2007-2017.

S15 **Data, monitoring and evaluation:** FTI support to strengthening data and monitoring and evaluation processes in the education sector has been limited. The most tangible support is the development of the EPDF-funded Country Status Report (CSR), between 2007 and 2009, which involved key planning officials from the MOEST as well as a wide range of other stakeholders. The main system for monitoring education performance, the Education Management Information System (EMIS), has improved in recent years such that data is timelier and some statistics are reportedly more reliable. FTI did not contribute directly to the improvement in the EMIS, although the NESP development process (which was partly driven by the objective of securing FTI endorsement) probably increased demand for the data.

S16 **Capacity:** FTI support to capacity development in the education sector has been limited. The NESP acknowledges that implementation capacity is fragmented and weak at all levels. There has been ongoing work to assess capacity constraints at various levels and develop a capacity development strategy and plan. The FTI Capacity Development Guidelines have underpinned this process.

S17 **Aid Effectiveness:** The dialogue between donors and MOEST regarding FTI endorsement and the development of the NESP was integrated with the overall dialogue about the NESP and the development of a SWAp. However, the communication between the

donor group and the MOEST on the requirements for FTI endorsement has been fraught and inconsistent at times. Having said this, in general FTI provided an additional incentive for donors and MOEST to work together on the development of the NESP and in particular on the ESIP component.

S18 Cross-cutting Issues: The NESP contains more explicit and costed strategies to address cross-cutting issues related to HIV/AIDS, gender, equity and exclusion than the previous education sector plan (PIF) did. It is doubtful if FTI had much direct influence on this beyond the use of the FTI appraisal guidelines in various reviews of the draft NESP.

Overall Conclusions

S19 Relevance: The overarching objective of FTI to accelerate progress towards UPC and EFA are relevant to Malawi's development priorities. FTI's specific aims with respect to policy and planning, finance, data and monitoring and evaluation, capacity, aid effectiveness and cross-cutting issues are also compatible with identified needs in the sector. There are, however, a number of clear weaknesses in the design of FTI's pre-endorsement inputs in Malawi. These include the fact that the MOEST had little or no input into decisions on the nature of inputs to be funded from the EPDF. There was also a heavy reliance on external consultants to carry out technical inputs into the development of the NESP. The reliance on a lead donor to communicate with MOEST on FTI matters was also a weakness, given that the interest and knowledge of the various lead donors varied over time.

S20 Effectiveness: FTI has had some, but probably a fairly limited, effect on strengthening the policy and planning process, including the coordination of dialogue between donors and the MOEST. It is difficult to judge at this pre-endorsement stage how effectively the NESP will be implemented, particularly given the history of poor links between education policy and planning and the annual budget process.

Reflections

S21 FTI's relevance to Malawi has been clear since the first FTI Secretariat communication with Malawi in 2004, so why has it taken so long for Malawi to reach the point of endorsement? It is not straightforward to disentangle all of the factors which contributed to the extremely lengthy process which has taken place, but these include:

- Early EFA planning efforts, which when not supported by the expected external financing for implementation, lost momentum;
- The high turnover of MOEST technical officials, permanent secretaries and ministers since 2004;
- The poor communication and coordination between donors and the MOEST regarding the improvements which needed to be made the draft NESP in order for it to reach the standard required for FTI endorsement;
- The lack of clear communication between the FTI Secretariat and Malawi (MOEST and the lead donor) since 2004, which does not appear to have improved substantially over time.

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Abbreviations and acronyms

AfDB	African Development Bank
AfDF	African Development Fund
CABS	Common Approach to Budget Support
CBCC	Community Based Care Centres
CBE	Complementary Basic Education
CF	Catalytic Fund
CSO	Civil Society Organisation
CSR	Country Status Report
DAC	Development Assistance Committee
DAS	Development Assistance Strategy
DFID	Department for International Development
EC	European Commission
ECD	Early Childhood Development
EFA	Education For All
EMIS	Education Management Information System
EOC	Evaluation Oversight Committee
EPDF	Education Programme Development Fund
ESF	Exogenous Shock Facility
ESIP	Education Sector Implementation Plan
ESP	Education Sector Plan
EU	European Union
FPE	Free Primary Education
FTI	Fast Track Initiative
GABLE	Girls Attainment in Basic Literacy and Education
GBS	General Budget Support
GDP	Gross Domestic Product
GER	Gross Enrolment Rate
GFATM	Global Fund for AIDS, Tuberculosis and Malaria
GNP	Gross National Product
GOM	Government of Malawi
HIPC	Heavily Indebted Poor Country
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
IDA	International Development Association
IF	Indicative Framework
IFMIS	Integrated Financial Management Information System
IMF	International Monetary Fund
JAR	Joint Annual Review
JCPR	Joint Country Program Review
JFA	Joint Financing Agreement
LEG	Local Education Group
MDG	Millennium Development Goal
MCA	Millennium Challenge Account
MDRI	Multilateral Debt Relief Initiative
MGDS	Malawi Growth and Development Strategy
MOE	Ministry of Education
MOEPD	Ministry of Economic Planning and Development
MOESC	Ministry of Education Sports and Culture
MOEST	Ministry of Education Science and Technology
MOF	Ministry of Finance
MPRSP	Malawi Poverty Reduction Strategy Paper

MTEF	Medium Term Expenditure Framework
MWK	Malawi Kwacha
NESP	National Education Sector Plan
NSO	National Statistics Office
ODA	Official Development Assistance
OECD DAC	Organisation for Economic Cooperation and Development Development Assistance Committee
ORT	Other Recurrent Transactions
PAP	Poverty Alleviation Programme
PCAR	Primary Curriculum and Assessment Reform
PER	Public Expenditure Review
PETS	Public Expenditure Tracking Survey
PIF	Policy and Investment Framework
POW	Programme of Work
PRGF	Poverty Reduction and Growth Facility
PRSC	Poverty Reduction Support Credit
PS	Permanent secretary
PSLCE	Primary School Leaving Certificate Examination
SACMEQ	Southern African Consortium for Monitoring Educational Quality
SADC	Southern African Development Community
SE	Supervising Entity
STR	Student Teacher Ratio
SWAp	Sector-wide Approach
SWG	Sector Working Group
UK	United Kingdom
UDF	United Democratic Front
UK DFID	United Kingdom Department for International Development
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
Unicef	United Nations Children's Fund
UPC	Universal Primary Completion
UPE	Universal Primary Education
US	United States
USD	United States Dollar
VCT	Voluntary Counselling and Testing
WB	World Bank

1. Malawi Background

1.1 This chapter outlines key contextual factors which impinge on the education sector in Malawi: the demographic and political context, and the status of social and economic development, national development strategies, public finance and public sector reform. It mainly draws on material from the World Bank's country brief for Malawi (World Bank, 2009b) and on the draft 2008/9 Country Status Report (CSR) for the education sector (World Bank, 2009a, chapter 1). Please note that at the time of writing the CSR was still in draft form awaiting a final review from the Government of Malawi (GOM). All other sources are cited in the text. More details on political developments and national development strategies are given in the 'Malawi context' column of the timeline spanning 1964 to 2008 in Annex A.

Demographic and Political context

1.2 Malawi's population is 13.1 million according to the 2008 census. In the past two decades it grew at an average rate of 2.4% per annum, which translates into an absolute growth of nearly 40% over the period. Malawi has a comparatively low rate of urbanisation: more than 80% of its population live in rural areas compared with an average for the Southern African Development Community (SADC) of 64%.

1.3 Malawi held its fourth presidential and parliamentary multiparty elections in May 2009 with victory for the incumbent President and a parliamentary majority for his party. Following independence from Britain in 1964, Malawi was under one party rule until 1994.

Social development

1.4 Some 63% of the population lives below the United States Dollar (USD) 2 per day income poverty line and many social indicators are extremely poor. About half of children under five are malnourished, which is the highest rate in the SADC region. The adult literacy rate is nearly 70% which compares favourably with the African average but is lower than the average for SADC countries of 75%.² The adult (15 to 49 years) Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome (HIV/AIDS) prevalence rate is estimated at 12% which has far reaching social and economic consequences. Apart from the evident effect on life expectancy, mortality and infant mortality, there are complex and pervasive effects on the education sector. For example, teacher mortality and morbidity contributes to high class sizes and absenteeism. There has also been a significant increase in the number of orphans in the country and these children are less likely to go to school than their peers.

Economic development

1.5 Agriculture supports more than 80% of the population, mainly via smallholder production, and this sector is very vulnerable to weather shocks. It contributes about 35% of gross domestic product (GDP) and accounts for more than 80% of Malawi's export earnings. Partly due to favourable weather conditions for agriculture, economic growth has been strong in the past three years averaging 7.3% between 2005/6 and 2007/8 in real terms, compared with less than 4% between 2003/4 and 2004/5.³

² Data cited in the CSR is from the UNESCO Institute of Statistics (UIS). This is roughly consistent with the adult literacy rate figure cited in the MOEST's recent policy document of 64% in 2005 based on household survey data (MOEST, 2008, p7).

³ Data cited in the CSR is from the Malawian Ministry of Finance. Data from the World Bank's World Development Indicator Series are different but reflect the same trend (Table B4).

1.6 Better macroeconomic management has also been a critical factor in Malawi's improved economic performance since 2005/6. Inflation has been in single digits since 2006/7, interest rates have come down from 40% in 2003/4 to about 15% currently, and the exchange rate has stabilised in the past two years. This follows a five year period of macroeconomic instability which saw a rapid build up of domestic debt, accelerating inflation and a deteriorating foreign exchange position.

1.7 The recent increase in real economic growth rates has enabled GDP per capita to climb to about USD 250 in 2008. This is comparable to the level reached in the late 1990s prior to the sharp dip in 2001 and 2002 when there was a severe drought and widespread food shortages, coupled with macroeconomic management problems. Despite this improvement, Malawi's income per capita is relatively low. Out of the 41 lowest income countries (with data) which form the International Development Association's (IDA) category I group (as at July 2008), Malawi ranks 35 (with 41st place representing the poorest).

Public finance and public sector reform

1.8 One of the main contributing factors to the adverse macroeconomic picture during the first five years of the current decade was poor fiscal discipline. The 2006 Public Expenditure Review undertaken by the government (GOM, 2006a) states that *'One of the major problems during that period was the failure to contain public expenditure which resulted in higher than programmed fiscal deficits which were mainly financed through borrowing on the domestic market and thus led to unsustainable debt dynamics.'* This led the International Monetary Fund (IMF) to suspend its balance of payments support to Malawi in 2004 under the poverty reduction and growth facility (PRGF).

1.9 Following the elections in 2004, the new government set about improving fiscal management and the IMF approved a PRGF in 2005. The following year, the international community approved significant debt relief for Malawi under the Heavily Indebted Poor Countries Program (HIPC) and the Multilateral Debt Relief Initiative (MDRI). The external debt stock reduced from USD 3bn to USD 0.5bn in 2006, releasing significant resources for poverty reducing expenditures including education. In December 2008, Malawi was the first country to benefit from the IMF's Exogenous Shock Facility (ESF).

1.10 In the four years since 2003/04, domestic tax administration has strengthened contributing to an increase in domestic government revenue (excluding external grants) as a share of GDP from 16 to 19%. This compares favourably with other countries in the SADC region with similar levels of GDP per capita. The Fast Track Initiative (FTI) Indicative Framework (IF) benchmark for this indicator is 14-18%. Over the same period external grants have increased as a share of GDP by four percentage points to reach 13% by 2007/08. At the same time, the government has exercised public expenditure control measures (particularly over the public sector wage bill and utilities) which have contained the fiscal deficit at 1% or less in the past three years. The policy of public sector wage constraint has implications for the education sector which has an acute shortage of teachers.

1.11 The Medium Term Expenditure Framework (MTEF) was introduced as a way of conducting the budget process in 1995. It started with five pilot ministries, including the Ministry of Education Science and Technology (MOEST),⁴ and was rolled out to all by

⁴ The Ministry of Education (MOE) has had various additional responsibilities in the period from 1994 to date. These have been reflected in various name changes over the period. Its current name is the Ministry of Education Science and Technology (MOEST) and this report uses this title throughout the report to avoid confusion (although in the references the correct titles are used). Its previous names include the Ministry of Education Sports and Culture (MOESC) and the Ministry of Education and Vocational Training.

1997/98. The aim of the MTEF approach was to address some of the weaknesses with the existing budget process, including the failure to link policy making and planning to the recurrent budget (which was prepared on an incremental basis), and also to address the lack of strategic linkage between the recurrent and development budgets. The MTEF was intended to introduce strategic, medium term budgeting based on costing of priority activities and projections of available resources (GOM and World Bank, 2000, p41-42).

1.12 The implementation of the MTEF approach has proved problematic. The government's 2006 public expenditure review (GOM, 2006) highlights a number of problems: (i) technical and institutional deficiencies in resource forecasting; (ii) budget preparation hampered by the absence of timely expenditure ceilings; and (iii) budget implementation based on a cash budget system with inevitable divergences between actual monthly releases and approved budgets.

1.13 An important reform in the area of monitoring public expenditure was the introduction of an integrated financial management system (IFMIS) in 2001. The IFMIS system allows expenditure and other financial data to be analysed and shared instantly over a network between various government bodies. IFMIS was introduced in order to produce more reliable accounts and financial data for improved financial management and fiscal discipline including cash management, expenditure control and financial reporting.

1.14 A decentralisation process started in the late 1990s with Cabinet approval of the National Decentralisation Policy in 1998 and the passing of the Local Government Act of 1998, which gives the legal mandate. Currently there are 40 local authorities in Malawi: 28 district assemblies, eight town assemblies, one municipal assembly and three city assemblies. Some government functions have been devolved from central line ministries to local authorities. An intergovernmental fiscal transfer formula has been developed and used to disburse general resource and development funds to local authorities. Operational guidelines have been developed for local authority management of sectoral funds. The second phase of the National Decentralisation Programme is currently under way.⁵

National development strategies

1.15 The government's current development program is set out in the Malawi Growth and Development Strategy (MGDS) covering the five years 2006/07 to 2010/11 (GOM, 2006b). This puts economic growth at the centre of the government's agenda as a key means of reducing poverty.⁶ It prioritises six policy areas: agriculture/food security, irrigation/water development, transport infrastructure, energy supply, integrated rural development, nutrition and HIV/AIDS. Education is not highlighted as a policy priority, although the recently elected president emphasised education as one of the key development areas for his second term of office to 2014.

1.16 The MGDS superseded the Malawi's Poverty Reduction Strategy Paper (MPRSP) which the government launched in 2002 (GOM, 2002). This contained a three year macroeconomic and expenditure framework covering 2002/03 to 2004/05. This paper clearly outlines education as one of the four pillars of national development, and places a specific focus on basic education. The MPRSP was rooted in a long term perspective on economic

⁵ The information on the status of the decentralisation process was taken from information on the website of the Ministry of Local Government and Rural Development [accessed August 2009] <http://www.malawi.gov.mw/LocalGovt/Home%20%20LocalGovt.htm>

⁶ It states that 'The overall objective of the Malawi Growth and Development Strategy is to reduce poverty through sustained economic growth and infrastructure development'.

growth that was set out in Malawi's Vision 2020 (National Economic Council, 1998).⁷ In effect the MPRS translated the aspirations captured in Vision 2020 into more practically defined and prioritised strategies.

⁷ Vision 2020 contains the following overarching statement: 'By the year 2020, Malawi ... will be secure, democratically mature, environmentally sustainable, self reliant with equal opportunities for and active participation by all, having social services, vibrant cultural and religious values and being a technologically driven middle-income economy.'

2. Aid relationships

Aid levels and trends

2.1 Between 1999 and 2007 some 30 bilateral and multilateral donors committed aid to Malawi. This picture is somewhat misleading, however, because aid is extremely concentrated amongst ten donors which accounted for over 90% of aid commitments made over the seven year period. The United Kingdom (UK) was responsible for about a quarter of aid commitments followed by the European Commission (EC, 15%), International Development Association (IDA, 14%), United States (US, 9%) and Norway (8%). The other five large donors each committed between three and 5% of the total (African Development Fund (AfDF), Germany, Global Fund for AIDS, Tuberculosis and Malaria (GFATM), Japan, and Canada) (Table B7).

2.2 Malawi is highly aid dependent with aid accounting for about 40% of Malawi's government budget in 2007/08. It has been at roughly this proportion since 2005/06. In the two years prior to this it stood at almost 30% (World Bank, 2009a).

2.3 The level of aid commitments to Malawi was fairly similar in 1999 and in 2007 at about USD 600m (all aid figures are in 2007 constant USD prices). In most of the interim years aid commitments stayed between USD 400 and USD 600m, but there were two very large peaks in 2000 (USD 913m) and 2005 (USD 1.1bn). In both cases the step increase in aid commitments from the UK is largely responsible, but the EC also increased its aid commitments substantially in 2005 (Figure B1 and Table B2). These large UK and EC commitments will most likely be disbursed over a number of years, and the pattern of disbursement is likely to be much smoother than the trend data on commitments.

Donor coordination

2.4 Malawi's donors have made significant strides towards closer harmonisation in recent years. Currently there is pooled funding for sector wide approaches (SWAPs) in health and HIV/AIDS. Other sectors are further behind, but SWAPs are under development in education, agriculture, and water. A group of donors provide general budget support (GBS) via a Common Approach to Budget Support (CABS). This group comprises the UK, EC, Norway and African Development Bank (AfDB). The World Bank, IMF, United Nations Development Programme (UNDP), and Germany are observer members. The World Bank made a disbursement of its first Poverty Reduction Support Credit (PRSC I) through CABS in 2007 (World Bank, 2009b). As a proportion of total aid commitments to Malawi each year, GBS accounted for 12% on average between 1999 and 2007, although there are fairly large annual fluctuations in this measure (Table B5)

2.5 As signatories of the Paris Declaration on Aid Effectiveness (Organisation of Economic Cooperation and Development (OECD), 2005) the government and its development partners agreed on the need to strengthen the impact of aid via the strategies laid out in the agreement. To follow up on this agreement the government developed a Development Assistance Strategy (DAS) (MOF, 2007) which aims to ensure that external resources are effectively utilised to implement Malawi's development strategy (MDGS). The DAS defines the principles, roles, and structures, needed for the government and its development partners to implement the Paris agreement. It contains an action plan and a monitoring framework. In line with the DAS, the government led a Joint Country Program

Review (JCPR) process in March 2007 which involved all donors in Malawi. In November 2008, the government launched sector working groups (SWGs) to provide a '*forum for negotiation, policy dialogue and agreement of plans and undertakings among stakeholders at sectoral level...and to provide a mechanism to monitor the attainment of the DAS*' (MOF and MOEPD, 2008). The composition of SWGs includes government institutions, donor partners, civil society organisations (CSOs) and private sector organisations. This arrangement gives new impetus and direction to the many existing mechanisms for sector stakeholder consultations which have been taking place since (at least) the start of the current decade.

Aid to education

2.6 More than twenty donors have committed funds to education and basic education in Malawi since 1999. Like the overall aid pattern for Malawi, these commitments are concentrated amongst a few donors, although the UK stands out as having committed by far the largest proportion of funds to the sector. The UK is responsible for over 30% of commitments to education and nearly 40% of commitments to basic education over the eight year period to 2007. Other large donors to education in the period (in order of magnitude) were Germany, Canada, Denmark, AfDF, IDA, EC, Netherlands and the US. Taken together these donors accounted for a further 60% of commitments to education (Table B8). Apart from the UK, the prominent donors to basic education over the period were Germany, the US, Netherlands and Canada; individually these donors accounted for between 8% and 13% of commitments to basic education (and 40% collectively) (Table B9).

2.7 As mentioned above, there is a SWAp under development in education. The objective is to have an agreed policy framework, strategic plan and annual implementation plans in place for the sector underpinned by a joint donor financing mechanism. As of mid-2009 this was still not in place although significant steps have been taken in this direction since 2006, when the impetus for this reform came from three large donors to education: UK, Canada and Germany. More details on this process are given in the aid effectiveness part of the next chapter.

3. Education in Malawi

3.1 This chapter aims to provide a background to FTI activities and contribution to education sector development in Malawi. It starts by outlining the structure and management of the education system. It then summarises key developments in the education sector from the period prior to FTI involvement to the current situation. In line with the focus of FTI objectives and activities, it provides an overview of recent performance in basic education and contains sections on policy and planning, financing and aid effectiveness, data and monitoring and evaluation, capacity development, and cross-cutting issues. The section on policy and planning is more detailed than the others because Malawi is at pre-endorsement stage and so the focus of FTI efforts has been in the area of policy and planning.

Education system

3.2 The formal education system in Malawi comprises eight years of primary education (standards one to eight), four years of secondary education (forms one to four), followed by higher education (duration depends on the type of course) or technical and vocational education (four years). Primary teacher education courses can be pursued after the first two years of secondary education and after the full secondary cycle.

3.3 At the end of the eight year primary cycle, students take the Primary School Leaving Certificate Examination (PSLCE) which determines their eligibility for secondary schooling. Public examinations also take place after two years of secondary schooling and at the end of the secondary cycle.

3.4 In Malawi responsibility for basic education as defined in its latest policy document (MOEST, 2008, p5) rests with a number of different ministries. The MOEST is responsible for formal primary education. Early childhood development (ECD) and adult literacy programmes fall under the Ministry of Women and Child Development. Out-of-school youth education is the purview of the Ministry of Youth Development and Sports.

3.5 The state is the main provider of education at all levels. MOEST figures for 2007 show that roughly 1% of primary students, 23% of secondary students and 11% of University students are enrolled in private institutions. The state also provides nearly 90% of adult literacy places, and there is a mixture of public and private provision of ECD (World Bank, 2009a).

3.6 The management and public financing of pre-higher education in Malawi is highly centralised, although some steps have been taken towards decentralisation in line with the 1998 decentralisation policy. In the 2005/06 financial year the non-salary budget (other recurrent expenditure (ORT)) for primary education was allocated directly to the district level by the MOF (GOM, 2006a). If the decentralisation policy is implemented in full, significant responsibilities in the areas of school management, material management, teacher management, teaching contents and quality assurance, information management and planning, and financing and accounting will be devolved.

Basic education performance

3.7 Access to the first standard of primary education is close to universal, but survival rates to the end of the cycle are very low resulting in a completion rate of roughly 35% (in

2007). In other words, Malawi is far from achieving universal primary completion (UPC). Since 2004 the survival rate has improved from 23% to 32%, but the most recent data on promotion rates between standards do not predict imminent improvements in survival rates. As well as high dropout rates, the system is characterised by very high rates of repetition and a multiple cohort effect leading to a large proportion of over-age new entrants. This helps to explain why the primary gross enrolment ratio (GER) is roughly 100% in 2007, despite the poor completion rate. In absolute terms, average annual enrolment growth in primary schools has been about 2.5% per annum in the decade since 1998, against a school-age population growth rate of 3.7%. This has resulted in a declining trend in the GER which was about 120% in 2000 (World Bank, 2009a; MOEST Education Statistics 2008).

3.8 Results from standardised regional tests (Southern African Consortium for Monitoring Educational Quality (SACMEQ)) given to standard six students in reading (in English) and mathematics, reveal that Malawi's performance in both subjects is very poor and reading performance has deteriorated in the period 1999 to 2004. In the 2004 tests, only 9% of students reached minimum level of mastery in English, and in mathematics 98% of students did not possess skills beyond basic numeracy. Malawi ranked lowest of all fourteen participant countries in reading, and second lowest in mathematics in 2004 (World Bank, 2009a, p105-106).

3.9 There has been a very large expansion in enrolment in ECD in the past decade. In 1998, enrolment stood at 38,000 and by 2007 it had reached 683,000. Coverage stands at just under one-quarter of the under five population in 2007, which means that the majority of children enter primary school without any experience of ECD services (World Bank, 2009b).

3.10 Some 64% of adults (aged 15 and above) are literate according to household survey data (2005) cited in the MOEST's recent policy document (MOEST, 2008). There is a large gender disparity such that just over half of adult females are literate compared with three quarters of adult males. Enrolment in adult literacy programmes has increased markedly since 1998 from 63,000 then to 146,000 in 2006. Nonetheless, the latter is equivalent to just 1,078 learners per 100,000 inhabitants, which is far from the targeted coverage rates (World Bank, 2009b).

3.11 There is little information available on the coverage of non-formal basic education to out-of-school youth. The MOEST's recent policy document states that the provision of this type of education is relatively new and that the current programme is not large (MOEST, 2008, p8).

Education policy and planning

3.12 Malawi's first formal education plan, post-independence, covered the period 1973-1980. This plan covered primary, secondary and teacher education and emphasised the need to link post-primary education with the requirements of the labour market. The second education plan spanned 1985 to 1995, and covered all levels of formal education. The goal of universal primary education (UPE) was mentioned as an explicit objective for the first time.

3.13 Despite steady improvements in primary enrolment rates during the 1980s, by 1990 primary education coverage was far from universal: the GER stood at just under 80% and the net enrolment rate at 60%. In accordance with the Jomtien declaration in 1990 on Education For All (EFA), the government sought to improve primary enrolment rates by implementing a staggered policy of removing tuition fees in the first four standards of primary education. This did not have the anticipated effects on demand for primary education,

perhaps partly because other fees and uniform requirements remained (MOESC & Unicef, 1998, p10 & 24).

3.14 In 1994 the new government's flagship policy was Free Primary Education (FPE). This policy abolished tuition fees, uniform requirements and various other charges, for all primary students. FPE was heavily publicised and enrolment in primary schools soared from 1.9m in 1993/4 to 2.9m in 1994/5 resulting in a GER of 140%. This dramatic increase in the scale of provision of primary education was largely unplanned for and created many implementation challenges, not least in the supply of teachers, materials and classrooms. Apart from various government-supported interventions to deal with the expanded primary education subsector, many donor-supported projects were established in the period following FPE.

3.15 In 1995, the MOEST produced a new education plan: the Policy and Investment Framework 1995-2005 (PIF) to support the implementation of key developments in the sector, particularly FPE. The PIF was comprehensively revised during the two year period from 1999, and re-published in 2001 (MOESC, 2001). The revised PIF covered the period 2000-2015 and articulated a long-term development strategy for the education sector encompassing a broader definition of basic education (to include ECD, adult literacy and primary education) as well as secondary, teacher and tertiary education. One key motivation for revising the PIF was to provide a policy framework for the increasing number of donor-supported projects in the education sector to try to ensure a more systematic approach to education investment⁸. It contained a set of costed strategies for each subsector, set in a financial framework. Unlike the first PIF, which was largely developed by the MOEST, the revised PIF development process involved extensive consultation with key donor partners and to a limited extent some civil society groups and representatives from private sector providers.

3.16 The education sector PIF was explicitly linked to the national planning process which took place to develop the MPRSP (GOM, 2002). Education was identified as one of the key elements of the MPRSP, and basic education was given a high priority. The MOEST took the lead in developing the education component of the national strategy, but other ministries and private bodies responsible for ECD and technical and vocational education participated in the planning sessions, as well as the stakeholders who had been involved in developing the PIF. The expenditure framework underpinning the MPRSP covered the period 2002/03 to 2004/05.

3.17 One of the key planning processes to follow from the direction set by the PIF was the primary curriculum and assessment reform (PCAR). This was kick-started by the publication of a review report in 2001 which emphasised the need for a focus on the development of literacy and numeracy skills, and greater attention to issues related to gender equality and HIV/AIDS. Three main donors provided financial and technical support for this process: UK, Germany and Canada.

3.18 Malawi participated in the World Education Forum in 2000 where 164 governments adopted the Dakar Framework for Action which contained six EFA goals, as well as affirming the statement that 'no country seriously committed to EFA will be thwarted in their achievement of this goal by lack of resources'. Following an EFA assessment exercise which

⁸ Moreover, it attempted to fill some of the gaps acknowledged in the original PIF, namely the lack of a clear set of costed policy priorities set in a financial framework, insufficient attention to the implementation issues arising from the FPE policy, and the lack of clear policy direction in secondary and higher education (MOESC, 2001, p5).

took place prior to the international forum (MOESC, 2000); Malawi developed a draft EFA Plan of Action in 2002 to follow up on its commitment to Dakar. In December 2002, African education ministers attended a conference in Tanzania where they expected there to be some financing to back up the EFA plans on the back of the Dakar commitment, but at this stage there was no financing mechanism available. Malawi's EFA Plan of Action was finalised some two years later (MOE, 2004).

3.19 In parallel to the work on the EFA plan from 2002 onwards, which was coordinated by the basic education directorate in the MOEST (and involved the other ministries responsible for basic education), a sector-wide planning process began to develop a new National Education Sector Plan (NESP) under the direction of the planning directorate in the MOEST. After some initial policy development and costing work on the primary, secondary and teacher education subsectors, which was largely carried out by a long-term consultant (supported by the US), the process stalled until late-2006.

3.20 In late-2006, under a new director of planning in MOEST, the NESP development process was re-started with the explicit aim (amongst others) of applying for FTI endorsement and subsequently catalytic funds (CFs). The NESP was approved by the President in 2008 (MOEST, 2008). It covers the ten year period 2008-2017 and includes policy statements, broad strategies and targets for each subsector including basic education (covering ECD, adult literacy, out-of-school youth education, and primary education). See Box 3.1 for details on the priorities for basic education. Note that the targets for primary education fall slightly short of UPC by 2017.

3.21 The NESP contains cost projections for each subsector, projections of estimated funding from domestic and existing external sources, and an estimated residual financing gap. It is not clear if the costing framework comprehensively covers the parts of basic education which are not delivered by the MOEST; in a footnote on p3 it points out that the '*EFA Plan of Action gives comprehensive details and their related costs for ECD, primary, out-of-school youth and adult literacy as per responsible ministry*'.

3.22 As of mid-2009, the NESP has not yet been endorsed by local donor partners, although most informants reported that this is likely to occur in the next few months. The government and its partners have been working on a detailed implementation plan to complement the NESP, as well as preparing for an application to the CF.

Box 3.1 Basic education priorities in NESP 2008-2017

Primary education: key targets include a significant increase in promotion rates between standards (to 90% by 2017) and a reduction in repetition rates (to 5% by 2017). Some of the priority actions are identified as:

- increasing the quality and quantity of teaching and learning materials;
- strengthening the quality of teacher education;
- reducing class sizes particularly in the early years (the overall pupil teacher ratio stood at 80:1 in 2007);
- implementing the PCAR;
- strengthening inspection and supervision;
- introducing various teacher incentives and support including access to voluntary counselling and testing (VCT) for HIV positive teachers;¹
- a rapid expansion of classrooms and other educational infrastructure (the pupil classroom ratio stood at 88:1 in 2007, with 15% of classes double shifting)

ECD: the overarching aim is to provide 80% of children under five years old with access to ECD by 2017. A large expansion of community based care centres (CBCC) is planned.

Adult literacy: a significant expansion of adult literacy classes is envisaged via the use of primary schools as learning centres as well as the construction of additional specific facilities.

Out-of-school Youth: the aim is to significantly increase access to education for out-of-school youth (aged 9-17) via various approaches such as interactive radio instruction and complementary basic education (CBE). A pilot CBE programme is under way in four districts.

Source: MOEST, 2008, p11-12. Note: (1) Anti-retroviral drugs for HIV-positive teachers are provided under a national programme.

Education financing and aid effectiveness

Financing

3.23 In response to FPE, the government prioritised education in its recurrent spending such that the share taken by education rose from 22% in 1993/94 to 28% by 1999/00. Within education recurrent spending, the share devoted to primary education also increased over the same period from about 50% to 60%. Set against the very large rise in primary enrolment experienced over the period, the prioritisation of primary expenditures enabled absolute levels of recurrent spending on primary education per student to remain roughly constant in real terms. Over the same period, real unit recurrent expenditure fell at secondary level and increased by nearly 30% at university level. Despite the increase in recurrent budget share going to primary education, at the end of the 1990s there was still a very large disparity between the level of per student recurrent spending on primary compared with secondary and university subsectors. The ratio between primary, secondary and university unit recurrent expenditures was 1:8:200, far higher than regional norms. In terms of development expenditure, the shift towards primary education was evident both in the government's development budget and in the composition of bilateral donor-supported projects (GOM and World Bank, 2000, p82-86).

3.24 In the post-2000 period, public recurrent unit costs in primary increased from 4% of GDP per capita in 2000 to 8% of GDP per capita in 2007. Despite this increase, this indicator is still lower than both the SADC average and the average for Sub-Saharan Africa. In contrast, Malawi has the highest ratio of secondary public recurrent unit costs to GDP per capita among SADC countries (with available data), and by far the highest ratio of higher

education public recurrent unit costs to GDP per capita among African countries (with available data). The ratio between primary, secondary and university recurrent unit costs stood at 1:10:259 in 2007 (World Bank, 2009a, p82-83). In other words, the public funding of education in Malawi is still heavily skewed towards higher levels of education on a per student basis, and the situation may well have worsened since the late 1990s.⁹

3.25 In 2007/08 the share of the overall government recurrent budget going to education was 19% and the share of the education recurrent budget devoted to primary education was 44%. Within the primary recurrent budget, 82% was allocated to teachers' salaries (World Bank, 2009a, p74-79).¹⁰ Despite the dominance of teachers' salaries in the primary recurrent budget, Malawi faces an acute shortage of primary teachers with an average pupil teacher ratio of 80:1, and far higher ratios in some rural areas. This ratio has worsened considerably since 1999 when it stood at 63:1 (GOM and World Bank, 2000 p94). Enrolment has grown at roughly 2.5% p.a. since then but the number of teachers has not kept pace. Part of the reason for this is attributed by some (Global Campaign for Education, 2009, p15) to the limit set on the public sector wage bill, under PRGF arrangements, which the government agreed to in the mid-2000s as a means of restoring macroeconomic stability. There are also other constraints on teacher supply which include insufficient output from teacher education institutions.

3.26 Overall real growth in education recurrent spending averaged 7% per annum between 2000/01 and 2006/07, but the pattern of growth was far from even (Table C1) with negative real growth rates in two of the six years.

3.27 Although the FPE policy is in place, household survey evidence reveals that parents still make direct financial contributions to their children's primary education. Private financing accounts for 8% of total expenditure on primary education. At secondary level private contributions account for about 30% of total expenditure, while in higher education the proportion of private contributions is the same as at primary. This clearly demonstrates the inequity in the current system of public financing of education, since higher education students are nearly all from the wealthiest income quintiles in the country and private investment returns are comparatively high (World Bank, 2009a, p88-89).

External aid and modalities

3.28 Between 1993/94 and 2000 there were more than 30 separate donor-funded projects supporting the education sector, the majority in primary education. A snapshot analysis of education expenditure in 1999/00 found that development expenditure accounted for 35% of sector expenditure (65% was recurrent) and this was mainly funded by donor contributions. Out of total development expenditure, 65% was funded by bilateral donors, 31% by multilateral donors (in the form of loans) and 4% by government. Projects supported by bilateral funds were generally not included in the government's development budget estimates, and they used parallel accounting and financial management systems. In other words, a considerable proportion of education sector expenditure was off-budget at the end of the 1990s (GOM and World Bank, 2000, p84-85).

⁹ It is not possible to make a definitive statement on this because the data in the two periods are taken from different sources. The data discussed in the earlier period (1990s) is taken from the Malawi Public Expenditure Review 2000 (GOM and World Bank, 2000), while the post-2000 data is taken from the draft Country Status Report (World Bank, 2009a). It is not possible to verify if they are comparable.

¹⁰ It is not possible to verify if the value of these indicators can be compared with those cited in the pre-2000 period. See previous footnote for details.

3.29 The latest figures available suggest that donor funding still dominates development expenditure, accounting for an average of 86% of the total. It appears that the practice of excluding bilateral projects from the government's development budget estimates still occurs (although some projects are sometimes included), and most aid to education is still in the form of stand-alone projects. None of the major donors use the government's IFMIS system to process expenditures (World Bank, 2009a, p91). Furthermore, donors do not appear to be systematically providing comprehensive data on their commitments and disbursements to the MOF or MOEST. The recent analysis of education sector financing in the CSR relies on a survey of donor financing carried out by the UK Department for International Development (DFID). Moreover, the projected financing tables in the MOEST's NESP document covering 2008-2017 do not contain any specific projections of donor financing beyond 2008 (it is simply assumed that it will remain at its 2008 level until 2017).

3.30 There has, however, been some progress towards more harmonised aid modalities in the education sector during the post-2000 period. Three donors, Canada, Germany and the UK, contributed to the PCAR reform programme which started in 2001. In 2006, building on their cooperation under PCAR, the same donors signalled their intention to pool their funding and to align the funded programme with the NESP and its work programme that was under development. Over the next two years, a consultative process took place between donors to develop a joint financing agreement (JFA) to underpin the operation of the pooled fund. The JFA is currently being finalised and has been signed by most of the donor partners. In addition to the three bilateral donors who started the process, other donors have joined including Unicef and the World Bank. Some large donors will continue to use alternative modalities. Another development is the use of a silent partnership by the Netherlands which channels its funds via UK DFID.

3.31 Since the early 2000s, a donor group (including a representative from civil society) has held regular meetings. The lead donor from this group held monthly meetings with the MOEST. The appointment of the lead donor was somewhat ad-hoc and the position was sometimes held by the same donor for several years. In 2008, a formal donor development group was set up with a rotating chair to be appointed every six months. One of the roles of the chair is to meet weekly with the PS from MOEST. Also in 2008 (November), the MOF and MOEPD launched Sector Working Groups (SWGs) as one of the means of implementing the Paris Declaration in Malawi (MOF and MOEPD, 2008). The membership of the education SWG includes twelve government institutions, nine donor partners, seven civil society organisations and two private sector bodies.

Public financial management

3.32 The MOEST was one of the first pilot ministries to introduce an MTEF approach to the budget process in 1995. Partly as a result of the government-wide problems with the implementation of the MTEF overall, the MOEST's budget process is still characterised by many of the weaknesses that the MTEF was intended to address. A review of MTEF implementation in education carried out at the end of the 1990s found that the central weakness was the lack of a close linkage between the long-term education sector plan (the PIF), the MTEF and the budget process (Oxford Policy Management, 1999). This disjoint between education sector plans and the annual budget appears to have persisted into the current decade. The MOEST's budget for 2008/09 was prepared in parallel to the process of developing an annual programme of work (POW) for 2008/09 linked to the NESP; and budget preparations for 2009/10 were well advanced while the 2009/10 POW was being finalised.

Education data and monitoring and evaluation

3.33 Since the late 1990s there has been an education management information system (EMIS) unit in the planning directorate of the MOEST. The EMIS unit is equipped with computer software to analyse the data collected from its annual school census which is subsequently published by the MOEST. Some of the problems with the EMIS at that time included serious delays in the collection and processing of data, a poor questionnaire return rate from some parts of the education system, and a lack of capacity within the EMIS unit to validate and analyse the data.

3.34 Between 2005 and 2008, the EMIS was strengthened via support from a US funded project including a long-term consultant. EMIS statistics are now produced much more quickly, for example the 2008 statistics were published in November 2008. In terms of reliability, a recent CSR on the education sector stated that calculations of the primary GER using EMIS data showed a high degree of consistency with available household survey data (World Bank, 2009a, p56). However the same report highlighted the large discrepancy between EMIS and household data on primary repetition rates, which is a critical policy area in Malawi. Other weaknesses in the EMIS which have persisted since the start include a lack of detailed information on higher education and very scanty financial information on the sector. In the 2008 education statistics there is one financial table which sets out the MOEST's budget for 2008/09.

3.35 In terms of monitoring public expenditure on education, the MOEST was one of the first ministries to participate in the IFMIS in 2001, but as noted above the majority of donor expenditure on education is not part of this system and so the information is partial. A pilot public expenditure tracking survey (PETS) was carried out by the NSO in 2004.

3.36 As well analysing data from the three sets of public examinations, Malawi participates in SACMEQ as a means of monitoring learning achievement (at primary level in reading (English) and mathematics). There have been three rounds of SACMEQ tests, the first and second in 1999 and 2004 respectively; the third round is currently under way.

3.37 Education performance and financial data has been used in several key analytical exercises since 2000. Two public expenditure reviews (PERs) have been carried out by the government (supported by the World Bank), the first in 2000 and the second in 2006. There is a section in the 2006 PER which assesses the extent to which the recommendations set out in the previous PER have been implemented. Two CSRs have also been compiled (2004 and 2009), and both use EMIS and government financial data on education in conjunction with other sources. The use of these sources of data is also evident in policy planning. The current NESP (and the previous PIF) draws on base information from these sources to set targets for the various subsectors. However, as noted above, the links between education plans and the annual budget are not strong and hence it is not clear if education data is being used to feed into the budget allocation or execution process.

3.38 It is equally unclear whether the joint annual reviews (JARs) which started in 2000 have any influence on budget planning and allocations in education. The JAR is a forum where government, donor partners and other stakeholders gather to review the previous year's performance in the education sector. Since 2007, the MOF has formalised the requirement for a JAR to take place.

3.39 Apart from monitoring of the education sector by government and donors, civil society also plays a key role. Since the early 2000s a coalition of civil society groups has been tracking pro-poor expenditure in the government budget, including several education budget

lines, and publishing results in the press. They also carry out and publish a full analysis of the budget when it is approved by parliament.

Capacity development in the education sector

3.40 The NESP states (p28): *'it is recognised that implementation capacity in the sector is fragmented and weak at all levels. This is partly a result of the significant impact of HIV/AIDS and lack of holistic understanding of the sector by key prime movers in education. Current teacher attrition rates run at 6% much of which is attributed to the effects of HIV/AIDS'*.

3.41 In the primary education subsector, the supply of trained teachers has not kept pace with demand which has contributed to the considerable increase in the Student Teacher Ratio (STR) from 63:1 in 1999 to 80:1 in 2007. Over 90% of primary teachers have a teaching qualification, but it is clear that with such a high STR and a teacher absenteeism rate that may be as high as 20%, there are serious constraints on teachers in delivering a reasonable standard of education to their students. This is a key capacity constraint. (World Bank, 2009a p122; GOM, 2006 p62). There is also an acute shortage of primary classrooms.

3.42 At the MOEST there has been a very high turnover of ministers and permanent secretaries (PSs) in the past six years (four ministers and nine PSs), as well as key technical staff. This has created obvious continuity problems, hampered decision making and further weakened management and technical capacity at ministry level.

3.43 To date there has not been a systematic capacity development strategy in place for the education sector, although the key policy documents (PIF and NESP) make clear references to capacity constraints and have articulated (and costed) some strategies to address these. Work on a more comprehensive and coherent strategy for capacity development started in 2007 and since mid-2008 has gained momentum. A capacity gap analysis has taken place at primary education level and this approach will be followed for other subsectors as a starting point for developing a strategy.

Cross-cutting issues in the education sector

3.44 There are several cross-cutting issues which constrain progress towards primary education goals in Malawi. These include inequity in the provision and financing of education in relation to gender, geographical location and income status. There are also specific groups in the population which are often excluded or seriously under-represented in the education system. The high prevalence of HIV/AIDS in the population has had a very large impact on the education sector. Some significant steps have been taken to address some of these issues.

3.45 The removal of primary school fees and other charges in 1994 led to huge progress in increasing access to primary education for girls, children from poor backgrounds and other previously excluded groups. A seven-year US-funded Girls Attainment in Basic Literacy and Education (GABLE) project started in 1991 with the objective of encouraging girls to attend school. It began by providing financial support for primary-school aged girls, but when fees were abolished in 1994 it funded a large social mobilisation campaign to promote girls' education, gender-related curriculum reform and financial support for secondary school girls.

3.46 The PIF 2000-2015 articulated policies on equity and the need to make education more inclusive. It cited target groups as orphans (especially those whose parent have died of HIV/AIDS), children with special needs, girls, & out-of-school youth. It also highlighted the

rural/urban inequality in the standard of provision. It contained costed strategies to address some of these policy priorities but these were not comprehensive. The impact of HIV/AIDS on the sector is mentioned in relation to teacher attrition and children who have been orphaned. There are few costed HIV/AIDS related strategies, although it states the need to include HIV/AIDS awareness and coping strategies into the curriculum at all levels. The extent to which the strategies related to cross-cutting issues were backed by resources and implemented is questionable, given the links between the PIF and the annual budget process were found to be weak.

3.47 Education sector analytical work which has taken place since 2000 (PERs and the CSRs) has continued to highlight inequity in the provision and financing of education and the impact of HIV/AIDS as critical constraints on sector development.

3.48 The NESP contains more explicit and costed strategies to address cross-cutting issues related to HIV/AIDS, gender, equity and exclusion than the previous education sector plan (PIF) did. In primary education, these include financial support for teachers in rural areas, nutritional support for teachers who are HIV-positive (anti-retroviral drugs are provided under a national programme), school feeding and micronutrient supplements, specific financial and social support for girls, and financial support for orphans.

4. The FTI in Malawi

FTI endorsement process & EPDF inputs

4.1 Malawi was invited to join the FTI in 2004, but no major steps were taken until two years later. In late 2006, under a new director of planning in the MOEST, work re-started on developing the NESP with the aim (amongst others) of applying for FTI endorsement and using the plan as the basis for a SWAp which would be partly funded from a pooled donor fund. One of the principal reasons for the MOEST seeking FTI endorsement was to secure CFs which, as well as providing additional external funding, was expected to have the advantage over bilateral funding of being under the direct control of the MOEST. The MOEST also anticipated that the move towards a pooled donor fund and a SWAp would result in an increase in funds from existing donors.

4.2 The development of NESP in 2006 did not start entirely from scratch, some work had been undertaken, mainly by consultants, in the previous few years, but this had only covered some subsectors. Tertiary had been omitted and funds from the FTI's Education Program Development Fund (EPDF) were used to hire consultants to support work on strategic plans for the two largest universities in Malawi.

4.3 The MOEST produced a draft NESP statement and operational summary in July 2007, in time for the JAR held in August 2007. This draft received a critical reception from the donor partners; it was not considered to be an acceptable basis for a SWAp or for FTI endorsement. Some of the main criticisms were the omission of ECD and other critical policy areas, a weak costing framework which was not underpinned by a comprehensive cost simulation model, and a lack of prioritisation. There was a perception among some stakeholders that there had not been sufficient consultation beyond the planning directorate in the MOEST.

4.4 In October 2007, two consultants were hired (funded by UK DFID) to undertake a technical pre-appraisal of the draft NESP, based on the FTI appraisal guidelines, and to support the MOEST in further developing the NESP. The consultants echoed the views of the donor partners that the NESP required further work on the costing framework and on spending priorities. They also identified a number of key policy areas where new strategies would be needed if Malawi was to get close to the Millennium Development Goals (MDGs). In essence they recommended that the NESP incorporate 'fast-track' strategies to substantially increase the supply of primary teachers and classrooms, as well as explicit actions on ensuring gender equity and addressing problems caused by HIV/AIDS. They also emphasised the need to strengthen the monitoring and evaluation component of the NESP.

At the same time as the pre-appraisal work was being undertaken, the World Bank started the preparations for work on a CSR. This was funded from a request to the EPDF for USD 250,000. The first CSR had been completed in 2004 by the World Bank together with a small team of Malawian government officials who participated in a training programme in Washington DC. The first CSR report was financed by the World Bank, with contributions from the governments of Malawi and Norway through the Norwegian Education Trust Fund. One of the aims of the second CSR was to provide a more in-depth analysis of ECD, adult literacy, technical and vocational education and tertiary education. The Malawian technical team was much larger and broader than the first CSR team. It involved about 25 people from the three ministries involved in delivering basic education, the MOF, the National Statistical Office (NSO), and representatives from civil society. The consultants undertaking the NESP

pre-appraisal work saw the CSR analysis as valuable to the process of modifying the NESP, providing information needed for FTI appraisal and also in resolving data problems.

4.5 At the end of 2007, representatives from the MOEST together with the World Bank and UK DFID attended the FTI regional workshop in Tunis. The participation of the MOEST officials was funded from the EPDF.

4.6 In the first six months of 2008, there was a lot of debate between the MOEST and the donor partners about what was required to improve the NESP. In particular there were concerns from various donors about the omission of specific costed strategies to deal with some key policy issues, and the lack of prioritisation of spending programmes. Linked to this was the concern among some donors that the estimated external resource requirements were too high. The views of the various donor partners, as expressed to MOEST, were somewhat fragmented and partly reflected the policy priorities of individual donors.

4.7 In March 2008, the new World Bank task manager, requested USD 80,000 from EPDF to finance consultants to work on some of the technical assessments (in the areas of procurement, financial management, environment and resettlement¹¹) that would be required for FTI endorsement and a CF application.

4.8 During mid- to late-2008, the MOEST supported by consultants used the FTI's capacity development guidelines to conduct a capacity gap analysis for primary education. The aim of this work was to develop a short-term capacity development plan linked to an overarching long-term capacity development strategy to underpin the implementation of the NESP.

4.9 In July 2008 the NESP statement was approved by the President, but it was not formally endorsed by the local donors, as the MOEST had expected. At the JAR in August 2008, the donors requested the MOEST to strengthen the operational component of the NESP by making more explicit links between the NESP and the POWs which underpin the education sector budget (although as noted in the previous chapter there is some disjoint between these). This entailed reworking of the 2008/09 POW (despite the fact that the 2008/09 budget had already been approved by parliament) and developing POWs for forward years and a performance assessment framework.

4.10 During the last quarter of 2008, the MOEST worked on the operational side of NESP. In November 2008, consultants were hired (funded by UK DFID) to undertake another appraisal of the NESP based on the FTI guidelines. The appraisal highlighted significant gaps in the NESP strategies for each subsector. It pointed out that many of the objectives and targets needed to be more specific and costed. In primary education, it noted the need for strategies and targets related to the goal of primary completion, not just access and equity, and also the omission of strategies to deal with geographical inequity in the provision of services. It also questioned the robustness of the baseline data included in NESP. Regarding the financial framework, it raised a number of concerns. First, that the assumptions underpinning the forward domestic financing estimates for education (recurrent budget share of 20% to education, and a recurrent budget share in the total education budget of 65%) are considerably different to the base situation (18% and 75%-85%). Second, that the projections of external funding to education of USD 70m p.a. in constant terms are more than twice the level of current disbursements. (Note: the NESP estimated

¹¹ A resettlement framework is required under Malawi law to safeguard people affected by construction projects (i.e. to set out compensation arrangements etc.). It was anticipated that CFs would be used to, at least partly, finance school construction and so this is required.

that 2008 disbursements would be USD 70m and it is not clear why actual disbursements were so much lower.) Third, the residual financing gap is extremely large, at USD 136m p.a. on average in constant terms, which represents about one-third of the total cost of NESP and would require a large step-increase in current levels of external financing. As a means of reducing the financing gap, it suggests a number of cost areas that may have been overestimated and could be revisited (Bellew, 2008). The financial tables underpinning the NESP are in Annex C.

4.11 In the early part of 2009, technical working groups (one for each subsector) consisting of MOEST officials from various directorates, donors and representatives from the private sector and civil society continued to work on implementation plans for the NESP. It is not clear how or whether the appraisal work on the NESP fed into this work. By June 2009, the MOEST had produced an education sector implementation programme (ESIP) covering the years 2009-2013 to complement the NESP statement. It includes annual POWs and a performance assessment framework. This appears to have addressed many of the concerns raised by the donors regarding the NESP, and there is impetus to take the final steps towards FTI endorsement.

4.12 A representative from MOEST and the lead donor agency (Unicef) attended the FTI partnership meeting in Copenhagen in April 2009. At this meeting the Malawi delegation sought advice from the FTI secretariat on the procedure that it needed to follow regarding endorsement and a CF application. In June 2009, the FTI secretariat sent a letter to the PS of MOEST stating the local education group (LEG) had informed the secretariat that Malawi's preparations for endorsement were close to completion, and that Malawi intended to apply for CF in the next 12-18 months.

4.13 Discussions among the donor group are also well advanced regarding preparations for a CF application. A decision was taken in June 2009 that the World Bank will act as the supervising entity (SE), after one of the bilateral donors (Germany) withdrew its candidacy. The reasons behind this decision are not fully known, but one informant suggested that transaction costs would be higher for an alternative SE since the World Bank already has the necessary specialist skills in place (e.g. procurement specialists). It was also suggested that the need for the World Bank to sign a transfer agreement with an alternative SE could delay the process of obtaining CFs. As explained in the previous chapter a JFA between several of the large donors has almost been finalised. Since the World Bank will be a signatory, this paves the way for CFs to be disbursed via the pooled mechanism if this modality is agreed with government.

5. Developments in education, and FTI's contribution

5.1 This chapter assesses the contribution (if any) which FTI has made to developments in education policy and planning, financing, data and monitoring and evaluation, capacity development, aid effectiveness, and support for addressing cross-cutting issues, in the period since FTI activities started in Malawi (assumed to be mid-2006). These assessments draw on the detailed analytical summary matrix which is presented as Annex D.

FTI and education policy and planning

5.2 The NESP 2008-2017 is more comprehensive in terms of subsector coverage than previous ESPs and contains an implementation plan (ESIP). This includes detailed POWs and a performance assessment framework. This type of implementation instrument was lacking in previous plans. The drive to develop the NESP and, in particular, the ESIP appears to be partly related to FTI. In general the MOEST's objective of securing FTI endorsement for NESP as a precursor to securing CFs provided an additional incentive to develop the NESP, and to ensure that the process involved consultation with local donors. NESP development was also influenced by other factors though, including the parallel intention by several key donors to move towards a SWAp underpinned by pooled funding, on the basis of a new ESP.

5.3 In terms of tangible FTI inputs, the local donors commissioned two assessments of the draft NESP documents (in 2007 and again in 2008) based on FTI appraisal guidelines, and it seems likely that the results of this work had some influence on the further development of the NESP. The draft CRS, which was funded from the EPDF, was a useful source of information and analysis in developing the ESIP according to some informants involved in the process.

5.4 The primary education targets in the NESP targets fall slightly short of UPC by 2017, but primary education is a core priority in the plan and substantial improvements in promotion rates between standards are envisaged. The emphasis on quality aspects of primary provision was at most reinforced by FTI, but this has been a policy priority since (at least) 2001.

5.5 A range of key education stakeholders participated in NESP development, but there is no evidence to suggest that participation has broadened since the previous policy development process, and some front-line stakeholders were not routinely represented, such as primary education advisors, parents and students.

FTI and education financing

5.6 The development of the ESIP as the operational component of the NESP increases the likelihood of a stronger link developing between the NESP, MTEF and annual budget process. FTI was one of the factors which encouraged the development of the ESIP. In general, there is little evidence to suggest that the education budget process has become more comprehensive, transparent or efficient.

5.7 The NESP has not yet been endorsed by the local donor partners and so it is not possible to judge FTI's contribution to any increase in levels of financing for education which may occur post-endorsement.

5.8 The prospect of obtaining CFs may well have contributed to the large estimated financing gap presented in the NESP financing framework 2007-2017 (Table C3). This assumes that: (i) domestic recurrent financing for education increases as a proportion of total recurrent financing (from 18% to 20%); (ii) external donor contributions remain at USD 70m p.a (2008 estimate); and (iii) the residual financing gap is USD 136m p.a. on average over the period. The size of the financing gap presented in the NESP has been controversial. The FTI appraisal study (Bellew, 2008) suggested that some of the costs of the programmes had been overestimated. Various donors were of the opinion that the programmes in the NESP had not been adequately prioritised leading to an excessive financing gap. It thus remains to be seen if the financing gap which is eventually agreed as part of the endorsement process is substantially lower.

FTI and education data and monitoring and evaluation

5.9 FTI support to strengthening data and monitoring and evaluation processes in the education sector have been limited. The most tangible support is the development of the CSR between 2007 and 2009, which involved key planning officials from the MOEST as well as a wide range of other stakeholders. The resulting analysis and data collected was reported to be useful in developing the ESIP component of the NESP, which contains a performance assessment framework.

5.10 The main system for monitoring education performance, the EMIS, has improved in recent years such that data is timelier and some statistics are reportedly more reliable. Despite this positive development the EMIS still lacks comprehensive financial information on the sector. FTI did not contribute directly to the improvement in the EMIS, although the NESP development process (which was partly driven by the objective of securing FTI endorsement) probably increased demand for the data.

5.11 The use of EMIS and financial data is evident in policy planning, but since the links between education sector plans, the MTEF and the annual budget process are weak, it is not clear that data is being used systematically in the budget process. Likewise, the effectiveness of the JAR process is questionable in terms of feeding into the budget process.

FTI and capacity development in education

5.12 FTI support to capacity development in the education sector has been limited. The NESP acknowledges that implementation capacity is fragmented and weak at all levels. There has been ongoing work to assess capacity constraints at various levels and develop a capacity development strategy and plan. The FTI Capacity Development Guidelines (EFA FTI Capacity Task Team, 2008) have underpinned this process.

5.13 It seems unlikely that the Malawian technical team which worked on the CSR would be able to repeat the exercise in future without external support, although it is highly possible that individuals have gained skills in education sector analysis.

5.14 In general capacity constraints in the delivery of primary education appear to have worsened in recent years. Some of the key constraints identified in the previous ESP (the PIF) such as the acute shortage of trained teachers (particularly in rural areas) and classrooms still persist.

FTI and aid effectiveness in education

5.15 Harmonised mechanisms are in place for sector dialogue between donors and the MOEST, as they have been since the early 2000s although they are more formalised now. The dialogue between donors and MOEST regarding FTI endorsement and the development of the NESP was integrated with the overall dialogue about the NESP and the development of a SWAp. Despite the formal mechanisms for dialogue, however, there was some fragmentation between donors in their communication with MOEST on NESP (particularly around policy priorities and the size of financing gap projections), which added to the MOEST's transaction costs in developing the NESP. The communication between the donor group and the MOEST on the requirements for FTI endorsement has also been fraught and inconsistent at times. Having said this, in general FTI provided an additional incentive for donors and MOEST to work together on the development of the NESP and in particular on the ESIP component.

5.16 Many of the large donors have agreed on a pooled financing modality for future support to the NESP. The JFA which will govern the functioning of the pool has been developed via a long and consultative process between the various donor parties. The World Bank's active input into the design of the JFA was partly influenced by its probable future role as the supervising entity (SE) for CFs.

5.17 It is notable that there does not appear to be an effective reporting or accountability mechanism in place for donor commitments to education. In terms of reporting, the majority of donor expenditure on education is not part of the government's IFMIS system and there is no well-functioning parallel system in place.

FTI and cross cutting issues

5.18 The NESP contains more explicit and costed strategies to address cross-cutting issues related to HIV/AIDS, gender, equity and exclusion than the previous education sector plan (PIF) did. It is doubtful if FTI had much direct influence on this beyond the use of the FTI appraisal guidelines in various reviews of the draft NESP.

6. Conclusions

6.1 The conclusions give an overall assessment for Malawi against each of the high level questions set out in the terms of reference for the evaluation. It then comments on the relevance, effectiveness, efficiency and sustainability of FTI's contributions so far in Malawi. The overall conclusions draw on the detailed analysis of policy and planning, finance, data and monitoring and evaluation, capacity, aid effectiveness and cross-cutting issues which are presented in the form of the analytical summary matrix at Annex D.

High level evaluation questions

Is what the FTI aims to accomplish consistent with current needs and priorities of Malawi?

6.2 FTI's overarching aim to accelerate progress on UPC and EFA is consistent with Malawi's development priorities. Despite having close to universal access to primary education, Malawi is still far from achieving UPC or the other EFA goals. UPE has been a clear policy priority since 1994 with an increasing emphasis on improving quality ever since. The broader EFA goals have also been embraced by the GOM, following the Dakar declaration in 2000. Each of the narrower FTI aims in the areas of policy and planning, finance, data and monitoring and evaluation, capacity, aid effectiveness and cross-cutting issues are also consistent with identified needs in the sector.

To what extent is FTI accomplishing what it was designed to do, accelerating progress on EFA

6.3 Malawi's NESP has not yet been endorsed and so FTI is highly unlikely to have had a direct effect on accelerating progress towards UPC and EFA goals. FTI is one of the contributing factors to the development of the NESP and ESIP, which if implemented should facilitate improvements in the provision of basic education. Implementation is a key question, however, because of the history of poorly integrated policy planning, budgeting and execution in education. It is not clear that these weaknesses have been addressed.

Has the FTI helped mobilise domestic and international resources in support of EFA and helped donor agencies to adopt more efficient development assistance based on Paris Declaration ideals?

6.4 Since Malawi is at the pre-endorsement stage, FTI is highly unlikely to have influenced actual resource levels in education. FTI has been one of the contributing factors in the development of the NESP financing framework which assumes an increase in the proportion of the government's recurrent budget allocated to education and projects a very large financing gap which would require a step increase in the level of external aid to education. Whether the existing donors intend to make this type of step-increase is unclear, and recent work on the ESIP may have superseded the NESP financing framework.

6.5 The FTI provided an additional incentive for donors and MOEST to work together on the development of the NESP and in particular on the ESIP component. There has also been an ongoing consultative process to develop a pooled financing mechanism for donor support to the sector. This is a considerable step towards the use of more a more harmonised modality in the sector. Many of the large donors have already signed the JFA which will govern the pooled fund. The World Bank's decision to participate, and its active contribution

to the consultative process to develop the JFA, was partly influenced by its probable future role as the supervising entity for CFs.

Relevance, effectiveness, efficiency and sustainability

Relevance

6.6 The overarching objective of FTI to accelerate progress towards UPC and EFA are relevant to Malawi's development priorities. The priority of UPE dates back to 1994 and the emphasis on improving quality (which is required to move towards UPC) has been an increasingly explicit aim since then. FTI's more specific aims with respect to policy and planning, finance, data and monitoring and evaluation, capacity, aid effectiveness and cross-cutting issues are also compatible with identified needs in the sector.

6.7 In terms of the design of FTI's pre-endorsement inputs in Malawi, there are a number of clear weaknesses. These include the fact that the MOEST had little or no input into decisions on the nature of inputs to be funded from the EPDF. There was also a heavy reliance on external consultants to carry out technical inputs into the development of the NESP. The reliance on a lead donor to communicate with MOEST on FTI matters was also a weakness, given that the interest and knowledge of the various lead donors varied over time.

Effectiveness

6.8 FTI has had some, but probably a fairly limited, effect on strengthening the policy and planning process, including the coordination of dialogue between donors and the MOEST. It is difficult to judge at this pre-endorsement stage how effectively the NESP will be implemented, particularly given the history of poor links between education policy and planning and the annual budget process.

Efficiency

6.9 It is difficult to comment on efficiency at this pre-endorsement stage because FTI inputs have been fairly limited and the main effects have not had time to occur. It is difficult to separate some of the preparations for FTI endorsement from the general NESP development process, but the whole process has taken about three years. Both MOEST and donor informants have commented on how time consuming the process has been. Poor communication between the FTI secretariat, the local donor group and the MOEST has hampered progress at various stages.

Sustainability

6.10 The key risks to the sustainability of gains made in the policy and planning process, and the coordination of sector dialogue between donors and MOEST, include the extent to which the NESP and ESIP can be successfully integrated into annual budget process, and the high turnover of both MOEST and donor representatives. Future collaboration between the GOM and donors is also vulnerable to political factors such as the degree to which the GOM tackles corruption and strengthens its public financial management systems. One donor to the education sector (Denmark) withdrew its support partly on these grounds in the early part of the current decade.

Reflections

6.11 FTI's relevance to Malawi has been clear since the first FTI Secretariat communication with Malawi in 2004, so why has it taken so long for Malawi to reach the point of endorsement? It is not straightforward to disentangle all of the factors which contributed to the extremely lengthy process which has taken place, but these include the following.

6.12 **Early EFA planning efforts:** The GOM put considerable effort into the preparation of the EFA Plan of Action between 2002 and 2004 on the understanding that additional external financing would be forthcoming to support its implementation. When this did not occur, there was understandably little appetite to develop another education plan when the invitation to join FTI came in 2004.

6.13 **Leadership and capacity in MOEST:** There has been a high turnover of MOEST technical officials, permanent secretaries and Ministers since 2004. While the strength of technical leadership in the key planning directorate has significantly improved over the period, technical capacity is fairly weak generally and is concentrated in a few highly skilled individuals who have many competing demands on their time. In addition, the capacity to take difficult decisions regarding policy and spending priorities was undoubtedly hampered by the frequent change of high-level leadership in the Ministry, and the limited ministerial time available for education decision making when the President was Minister of Education.

6.14 **Donor coordination:** The communication between the donors and the MOEST regarding the improvements which needed to be made the draft NESP in order for it to reach the standard required for FTI endorsement (and to underpin a SWAp) have not been well coordinated at times. At key points in the NESP development process, the MOEST received inconsistent views from individual donors on policy priorities and the feasible size of the financing gap. This fragmentation of communication took place despite the fact that there was a local donor group and a channel for lead donor dialogue with the MOEST.

6.15 **Communication between FTIS and Malawi:** There was very little written correspondence from the FTI Secretariat to Malawi between 2004 and 2009. Several informants also commented on the apparent lack of knowledge of the FTI endorsement process and its requirements on the part of the different lead donors over the period, although this varied to some extent. Not surprisingly this led to some confusion in the MOEST about the preparations it needed to undertake. For example, the MOEST could probably have benefited from clearer guidance on the preparation of an implementation framework for the NESP far earlier in the process (work on this part of the NESP has been undertaken intensively in the latter part of 2008 and in early 2009). There are also signs that communication between the FTI Secretariat and Malawi has not improved substantially over time. At the FTI partnership meeting in April 2009, the MOEST and the lead donor were still unclear on exactly what additional steps Malawi needed to take to prepare for endorsement and had to seek clarification from the FTIS during the meeting.

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[Assessed 14/07/09; page last updated June 2009]

Annex A Malawi timeline: 1964 to 2008

Date	International Context	Malawi Context	Education Policy in Malawi	FTI in Malawi
1960s		<p>1964: 6 July - Nyasaland declares independence as Malawi from Britain</p> <p>1966: Hastings Banda becomes president of the Republic of Malawi. The constitution establishes a one-party state. Opposition movements are suppressed and their leaders are detained. Foreign governments and organisations raise concerns about human rights. Banda also was a close ally of Western governments during the cold war.</p>	<p>After independence, the main objective of education policy was to provide adequate numbers of trained personnel in all professions to fill posts left by colonial administrators and to replace expatriates in a programme of 'progressive localisation'. Therefore in the years immediately following Malawi independence education policy emphasised on secondary and tertiary education. But since then, there has been a shift to primary education in line with changes in international priorities.</p> <p>1964: the American Council of Education to conduct a survey and thereafter advance approaches (plans) for attaining certain targets besides stating financial commitments and new projects. The survey's main objective was to determine Malawi's education needs for social and economic progress. The survey, which assessed all levels of formal education, influenced the development of Malawi from 1964 until 1972 and subsequent planning exercises up to 1994.</p>	

Date	International Context	Malawi Context	Education Policy in Malawi	FTI in Malawi
1970		<p>1971 - Banda is voted president-for-life of Malawi through the Malawi Congress Party. The paramilitary wing of the Malawi Congress Party, the Young Pioneers, helped keep Malawi under authoritarian control until the 1990s</p>	<p>1973: First Education Development Plan (1973-80):</p> <p>EDP I, among other objectives aimed at (i) the fulfilment of specific needs of the labour market; (ii) Development of a school curriculum with relevance to the socio economic needs and environmental needs of the country; (iii) the improvement of efficiency in the utilization of existing facilities and resources; and (iv) the achievement of more equitable distribution of educational facilities and resources.</p>	
1980s		<p>1980s - Several ministers and politicians are killed or charged with treason. Banda reshuffles his ministers regularly, preventing the emergence of a political rival</p>	<p>1985: Second Education development Plan: the priority was on equity and relevance of primary education with the goal of universal primary education mentioned as an explicit objective for the first time. The overall objective¹² of this plan was to consolidate policies so that a proper balance is maintained in the levels of physical and human resources allocated to all levels of education system.</p>	

¹² Precisely the plan aimed at: (i) Equalizing educational opportunities, (ii) Promoting education systems efficiency, (iii) Improving physical and human resources, and Judiciously utilizing the limited resources to the education sector.

Date	International Context	Malawi Context	Education Policy in Malawi	FTI in Malawi
1990s	<p>March 1990 World Conference on Education for All, in Jomtien, Thailand adopted the World Declaration on Education for All, which stated that all have a right to education. The conference recognised the setbacks experienced in the 1980's by many South nations and made a commitment to meeting basic learning needs of every citizen.</p>	<p>1992 -Many donor countries suspend aid over Malawi's human rights record.</p> <p>1993 – Increasing domestic unrest and pressure from Malawian churches and from the international community led to a referendum in which the Malawian people were asked to vote for either a multi-party democracy or the continuation of a one-party state.</p> <p>1993 June 14 – Voters in the referendum reject the one-party state, paving the way for members of parties other than the Malawi Congress Party to hold office.</p> <p>1994 - Presidential and municipal elections: Bakili Muluzi, leader of the United Democratic Front (UDF), is elected president. The UDF won 82 of the 177 seats in the National Assembly. He immediately frees political prisoners and re-establishes freedom of speech.</p>	<p>1991: USAID funded programme: 'Girls' Attainment in Basic Literacy and Education' (GABLE) was initiated with the aim of improving access, persistence and achievement of girls in primary schools. At the time when GABLE was implemented girls' education was not a priority of the government and gender disparities were not targeted in education policies and plans.</p> <p>1994: Free Primary Education (FPE) policy introduced result of an election pledge in 1994. The main objectives of FPE were to increase access, eliminate inequalities in participation between groups and sensitise the community to the importance of education¹³. Under the FPE initiative the government promised to undertake the following:</p> <ul style="list-style-type: none"> Annex B Assume the financing of unassisted primary schools by merging them with government assisted schools. Annex C provide sufficient learning materials and teachers Annex D abolish all forms of fees Annex A provision of classrooms, furniture, teacher houses, sanitation facilities and boreholes Annex B introduce community schools Annex C encourage the participation of girls in primary education 	

¹³ Although enrolment had increased steadily over the 1980s, a massive expansion was evident following the implementation of FPE: enrolment increased by over 50% between 1993/94 and 1994/95 (from approximately 1.9 million to nearly 3 million) with UPE attained for the first time.⁷ This increase was, to a large extent, due to children (particularly boys) above the school going age re entering,

Date	International Context	Malawi Context	Education Policy in Malawi	FTI in Malawi
		<p>1994: Poverty Alleviation Programme (PAP): The policy framework for the PAP identified low enrolment due to school fees and limited facilities, and poor quality due to inadequate resources and inappropriate curricula amongst the causes of poverty</p> <p>1995- 98: Government formulate 'Policy Framework Paper that defined policies promoting economic stabilization, broad based economic growth, and a higher rate of economic growth.</p> <p>1998: Vision 2020: Long term perspective on growth. Study identified the main challenges facing Malawi's education system as improving access; quality and equity in primary, secondary and tertiary education; strengthening the science, technical, vocational and commercial components of the school curriculum; improving special education; improving the performance of supporting educational institutions; and developing an effective and efficiently managed national education system (Malawi Government, 1998).</p>	<p>Annex D be responsible for the 1995: Education Policy and Investment Framework (PIF)¹⁴: (1995-2005) Addresses the challenges in the education sector including free primary education. Specifically, the PIF aimed at:</p> <ol style="list-style-type: none"> 7. Increasing access to educational opportunities for all Malawians at all levels of the system, 8. Ensuring that Malawi's education system does not intensify existing inequalities across social groups and regions, 9. Maintaining and improving the quality and relevance of education, 10. Developing an institutional and financial framework that will sustain Malawian schools and students into the future, and 11. Intensifying financing pathways and strengthening of financial managerial capacity within the education sector and at all levels. <p>1997: The proportion of government recurrent expenditure allocated to education increased dramatically from 11% in 1990/91 to 24% in 1997. And the percentage of education expenditure allocated to primary education increased from 45% to 65%</p>	

¹⁴ But PIF has several short comings (i) tertiary education was completely ignored (ii) In addition, it was criticised by donors for a lack of a critical analysis of the current situation in each sector which was required to justify the policy priorities proposed by the PIF (iii) Furthermore, the investment framework, which was supposed to be at the heart of the PIF, was lacking. Above short comings led to a revision of the PIF in 1998. However, most of the issues raised in the first PIF remained unanswered, resulting in further development of the PIF in the year 2000 (See below) Unlike the first two drafts of the PIF, the most recent PIF was developed in close collaboration with major donors to education, in particular USAID, DFID, DANIDA and JICA.

Date	International Context	Malawi Context	Education Policy in Malawi	FTI in Malawi
1999	Education For All (EFA) Assessment 1999-2000 , involving six regional conferences revealed that the EFA agenda had been neglected.	1999 - President Muluzi is re-elected for a second and final five-year term. He tries to push through an amendment to the constitution, which would allow him to stand for a third term.		
2000	United Nations Millennium Summit in 2000 , 189 world leaders signed up to try and end poverty by 2015 when they agreed to meet the Millennium Development Goals. World Education Forum, 164 governments, adopted the Dakar Framework for Action in which they promised to commit the necessary resources and effort to create a comprehensive and inclusive education system for all.	2000 December - In December 2000, the IMF and World Bank agreed to support a debt reduction package for Malawi under the enhanced HIPC initiative. Total debt service relief from all of the country's creditors was announced to amount to USD 643 million in Net Present Value (NPV) terms. World Bank says it will cancel 50% of Malawi's foreign debt	2000: Policy and Investment Framework (PIF from 2000 – 2015) . It proposes policies and the Ministry of Education, Science and Technology's priority programmes that will guide the development of the education sector for the period between 2000 and 2015. This PIF identifies and addresses seven main educational challenges facing Malawi in the following areas of access, equity, quality, relevance, management, planning and finance at all three levels of the education system. PIF still lacks a critical analysis of the issues affecting the education sector to justify the policies proposed.	
2001	G8 Meeting - Genoa, Italy. July 2001 : G8 countries establish an EFA Task Force, to be led by Canada		2001 November : Launch of Primary Curriculum Review (PCAR) report. The recommendations emphasised on the development of literacy and numeracy skills, and other emerging issues like gender equality and HIV/AIDS.	

Date	International Context	Malawi Context	Education Policy in Malawi	FTI in Malawi
2002	<p>G8 Washington, DC USA. April 2002: The Development Committee endorses the proposed EFA Action Plan and approves the Fast Track Initiative (FTI), amid overwhelming support from the international community.</p> <p>Education for All (EFA) Amsterdam, Netherlands. April 2002: Developing countries and their external partners agree at a Dutch-World Bank sponsored conference on broad principles for scaling up EFA efforts; the Netherlands commits 135 million Euro to set the process in motion.</p> <p>G8 Kananaskis, Canada. June 2002: agreement to significantly increase bilateral assistance for the achievement of EFA and to work with bilateral and multilateral agencies to ensure implementation of FTI.</p> <p>EFA Global Monitoring Report was established to monitor progress towards the six EFA goals.</p>	<p>2002 April: Launch of PRSP. The PRSP was drafted with input from civil society, cooperating donors and government after months of consultation. The strategy clearly outlines education as one of the four pillars of national development, and places a specific focus on basic education.</p> <p>2002 - Drought causes crops to fail across southern Africa. Government is accused of worsening crisis through mismanagement and corruption, including selling off national grain reserves before drought struck. Three million people are threatened by starvation. The IMF admitted that it advised the government to reduce the reserve by two thirds, but denies that it instructed Malawi to sell all of it.</p>		

Date	International Context	Malawi Context	Education Policy in Malawi	FTI in Malawi
2003	<p>Rome Declaration on the harmonisation of aid, Rome, Feb 2003. The development community committed to work towards aligning its assistance around country development priorities and to harmonize donor policies and priorities around country systems</p> <p>FTI Donors Meeting - Paris, March 2003: Donors agree on modus operandi for FTI that is country driven, secure funding for the seven countries and agree on an operating framework for FTI.</p> <p>The FTI Catalytic Fund (CF) was established. It aims to provide transitional grants over a maximum of two to three years to enable countries lacking resources at country level but with FTI endorsed education sector plans to scale up the implementation of their plans.</p> <p>FTI Partnership Meeting Oslo Meeting, November 2003: Ministers and senior officials from the first FTI countries, Civil Society and donors meeting together for the first time. Discussion of the definition, modalities, instruments, and governance of the FTI partnership. Agreement that FTI should be opened to all low-income countries.</p>			

Date	International Context	Malawi Context	Education Policy in Malawi	FTI in Malawi
2004	<p>Education Programme Development Fund (EPDF) was established in November 2004 as a funding window under the FTI to support low income countries improve the quality and sustainability of their education sector planning and program development.</p> <p>FTI Partnership Meeting, Nov 2004, Brasilia, Brazil, third meeting of the FTI partnership. There was agreement on the FTI Framework document and the need for more formal Assessment Guidelines.</p>	<p>2004: Bingu wa Mutharika, ruling United Democratic Party (UDF) candidate, declared presidential election winner. The UDF also did not win a majority of seats in parliament, as it had done in 1994 and 1999 elections.</p> <p>2004: Economic Growth Strategy: A joint response by the government and the private sector to low growth trend that has been registered in Malawi.</p>		<p>2004: Invitation to join FTI.</p> <p>2004 November: Letter from USAID and Sida telling Malawi about FTI and encourages Malawi to participate. The letter also elaborates on the benefits of participating in FTI.</p> <p><i>Response to invitation delayed due to turn over of both Ministers (three since that time) and Principal Secretaries (also three since that time) without proper hand over and take over this matter has taken a back seat</i></p>
2005	<p>March 2005, Paris Declaration, was endorsed by over one hundred Ministers, Heads of Agencies and other Senior Officials. Who committed their countries and organisations to continue to increase efforts in the harmonisation, alignment and management aid for results with a set of monitorable actions and indicators.</p> <p>UN World Summit New York, September 2005: delegates were accused of producing a 'watered-down' outcome document which merely reiterates existing pledges.</p>	<p>2005 February - President Mutharika resigns from the UDF over what he says is its hostility to his anti-corruption campaign. He forms the Democratic Progressive Party (DPP).</p> <p>2005 November - Agriculture minister says five million people need food aid as Malawi bears the brunt of failed crops and a regional drought</p>		

Date	International Context	Malawi Context	Education Policy in Malawi	FTI in Malawi
2006	<p>Committee on the Rights of the Child (41st session), Geneva, Switzerland.</p> <p>Educational Roundtable, held during World Bank/IMF Annual Meetings, September 2006, Singapore. The meeting focused on the progress that Finance Ministers from developing countries have made in preparing long term plans to achieve the education millennium development goals.</p> <p><i>FTI Catalytic Fund Strategy Committee meeting that took place in Cairo on the 12th of November 2006.</i> In this meeting the eligibility criteria regarding accessing the Fund were changed, allowing countries with large number of in-country donors, such as Mozambique, to qualify. **</p>	<p>2006 July - Ex-president Bakili Muluzi is arrested on corruption charges.</p> <p>2006 August: Malawi reached the HIPC Initiative Completion Point and therefore qualified for the Multilateral Debt Relief Initiative (MDRI). Over USD 2 billion in debt has since been cancelled, enabling the government to increase expenditures for development.</p>	<p>2006 May: Joint Sector Review of the education sector.</p>	<p>2006 August: EFA- FTI Malawi update on Malawi Education Sector Plan: DFID have financed consultants to work on education sector plan. The work is under way. Several workshops aimed and finalizing the plan have already been held, but progress on the incorporation of higher education into the Plan has now been stalled due to lack of funding to hire the required consultants.</p> <p>2006 November: EPDF regional Annex: The Ministry of Education and Vocational Training in Malawi is using the funds to acquire technical assistance to develop the higher education portion of the education sector plan so that the priorities in that sub-sector are incorporated in the overall plan.</p>

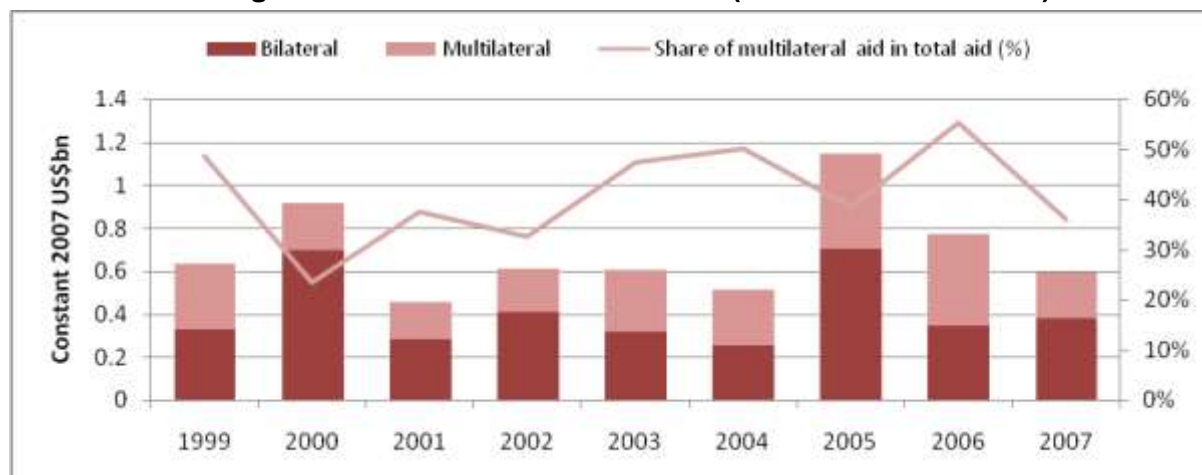
Date	International Context	Malawi Context	Education Policy in Malawi	FTI in Malawi
2007	<p>Committee on the Rights of the Child (45th Session).</p> <p>Keeping our Promises on Education, May 2007, Brussels, organised by the EC, the UK and the World Bank. The objective was to seek concrete proposals and commitments for action to deliver on the promise to give all the world's children a full primary education by 2015.</p> <p>In Oct 2007, the German Federal Ministry for Economic Cooperation and Development organised an international forum on "Capacity Development for Education for All: Putting Policy into Practice." Participants recommended more strategic use of the EPDF to support capacity development activities, and to harmonise and align donor support for technical assistance and capacity development in all low-income countries.</p> <p><i>Catalytic Fund's Strategy Committee meeting, Bonn, Germany, on May 23, 2007: CF funding for Mozambique approved</i></p> <p><i>Catalytic Fund's Strategy Committee meeting, Dakar, December 10 2007</i></p>	<p>2007: The poverty headcount was measured at 40% according to the 2007 Welfare Monitoring Survey Real GDP growth of 8.6% was recorded in 2007 with a low inflation of 7.9%, and declining interest rates which currently are at 15% down from 40% in 2003/4. These achievements have been due to continued fiscal discipline, favourable weather conditions complemented by increased access to subsidized fertilizers, and a supportive international environment.</p> <p>2007 July-August - Political row over defecting MPs delays approval of new budget in parliament.</p> <p>2007 December: Malawi qualified for the Compact Stage of the Millennium Challenge Account (MCA)</p>	<p>2007: National Education Sector Plan (NESP 2007-2017):</p> <p>National Education Sector Plan – Statement sets out the Government's view of Malawi's education sector goals, objectives and proposals on how such goals and objectives will be realized over the coming decade (2008-2017). The goals and objectives relate to expanded Equitable Access to education, Improved Quality and Relevant education and improved Governance and Management of the same education as three key factors for making a positive difference in education for its citizens and the nation. In turn the intervention in education is expected to lead to the realization of the Malawi Growth Development Strategy as the pillar for all socio-economic and industrial growth for Malawi.</p>	<p>2007 December: CF status report: The Ministry of Education in Malawi has been working on the National Education Sector Plan now for over 5 years and this has been a hard and long process. Good progress has been made in the past year with a draft document in place; but partners feel that more work is required to meet the rigorous requirement for FTI endorsement. Agreement has been reached to hire a Consultant who will review this first draft. Financial support has also been requested from the EPDF Bridge-Funding amounting to USD250,000. In addition to analyzing new administrative and survey data, this support will help update the Country Status Report for Education with in-depth analysis of ECDD, literacy and adult education, technical and vocational training.</p>

Date	International Context	Malawi Context	Education Policy in Malawi	FTI in Malawi
2008	<p>September 2008, Accra summit on aid effectiveness, donor countries have agreed to end the fragmentation of aid.</p> <p>Donors agreed to donate half of aid directly to governments of low-income countries, rather than to individual projects..</p> <p>Donors have also agreed to coordinate aid better.</p> <p><i>Catalytic Fund's Strategy Committee meeting, Tokyo, April 22, 2008</i></p>	<p>2008 October - President Mutharika is endorsed as his party's candidate in presidential elections scheduled for May 2009.</p>		<p>2008 July: Letter from FTI to donors in Malawi to set up a meeting. The Letter contains updates (and decisions made) from the FTI meetings in Tokyo in April.</p>

Annex B External aid to Malawi¹⁵

Total aid flows

Figure B1 Total aid commitments (constant 2007 USDbn)

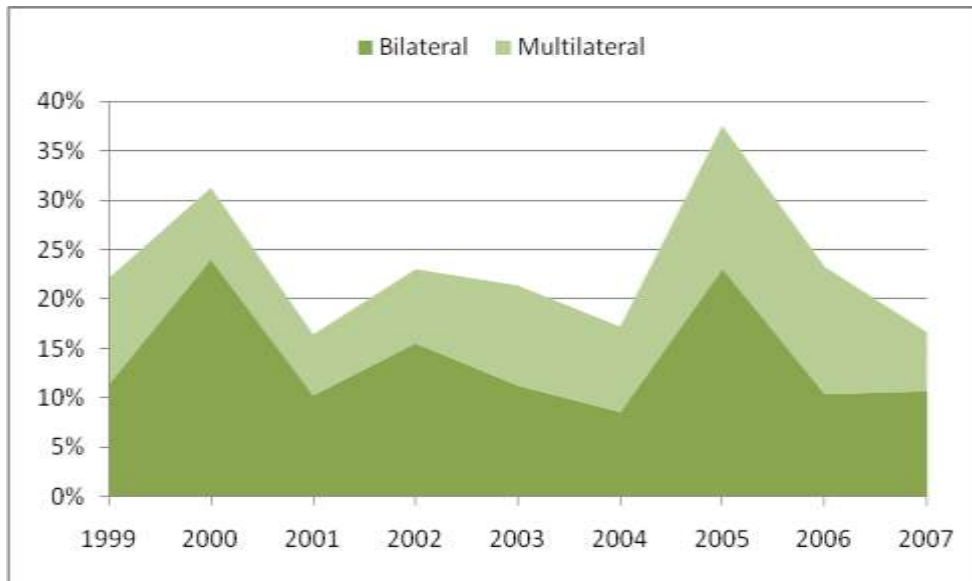


Source: Table B2

B1. Total aid commitments decreased by just over USD 41m between 1999 and 2007, with peaks in 2000 and 2005 mainly due to contributions from bilateral donors. The share of multilateral aid in total aid fluctuated, peaking at 59% in 2006. Its share in 2007 was thirteen percentage points lower than it was in 1999.

¹⁵ The following charts and tabulations rely on the data used in the 2009 GMR (which cover the period 1999-2007 in the case of commitments and the period 2002-2007 in the case of disbursements, in constant 2007 USD). The original source of these data is the OECD DAC creditor reporting system (CRS). The multilateral data in the GMR external aid database is incomplete because the EC was the only multilateral agency reporting data on disbursements to the OECD DAC secretariat (although IDA provided unofficial data). For this reason disbursements are not reported on here.

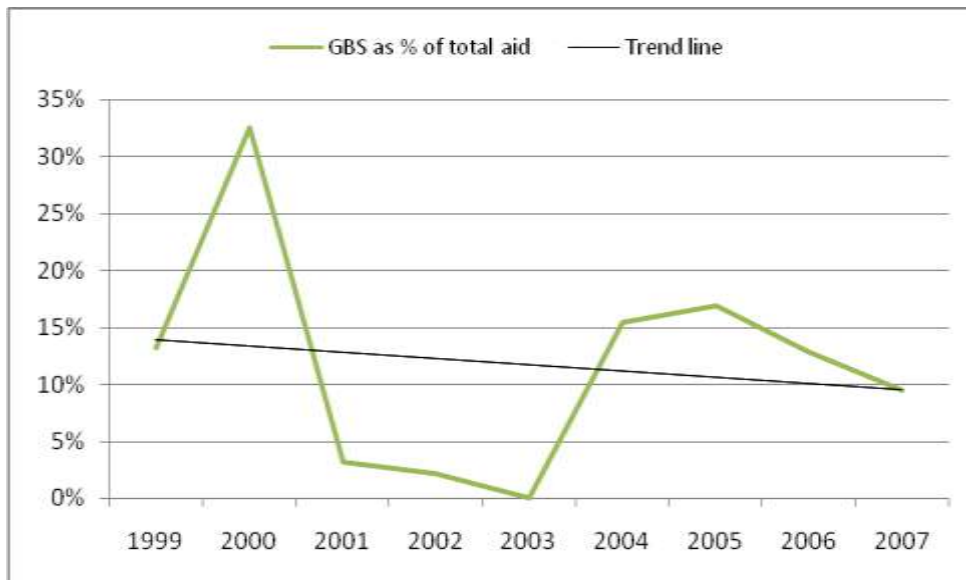
Figure B2 Aid dependency (commitments/GNP)¹⁶



Source: Table B3

B2. Aid dependency fell over the period, decreasing from 22% to 17%. In 2000 and 2005, there were dramatic jumps when aid dependency rose sharply from 22% to 31% and 17% to 38% respectively, mainly due to the general increases in aid volumes from bilateral donors. Cumulative real GDP growth over the period was 24.1%. Average growth per annum was - 2.42% (Table B4).

Figure B3 General budget support as a proportion of total aid commitments

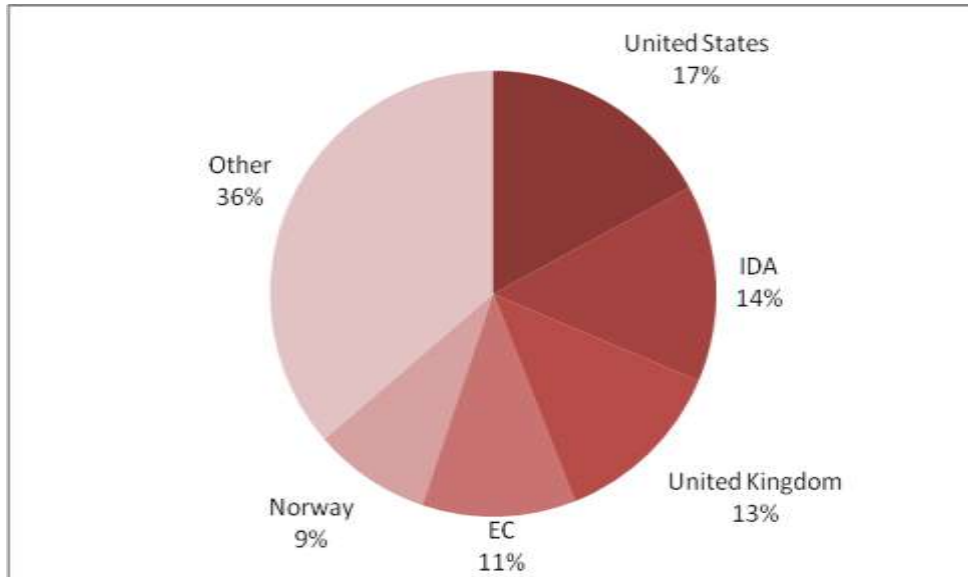


Source: Table B5

¹⁶ For reasons already stated in footnote 1, the aid dependency ratio calculated in this report relies on total aid commitments data (commitment/GNI). It is important to note that utilizing commitment data to measure this indicator risks overstating aid dependence.

B3. The general budget support (GBS) as a proportion of total aid commitments decreased over the period, dropping from 13% to 9%. Its highest peak was in 2000, at 32%, mainly due to higher levels of GBS being provided, followed by a significant drop of thirty percentage points due to a twentyfold reduction in GBS. Over the period 2004-2007, GBS as a proportion of total aid commitments returned to levels similar to 1999.

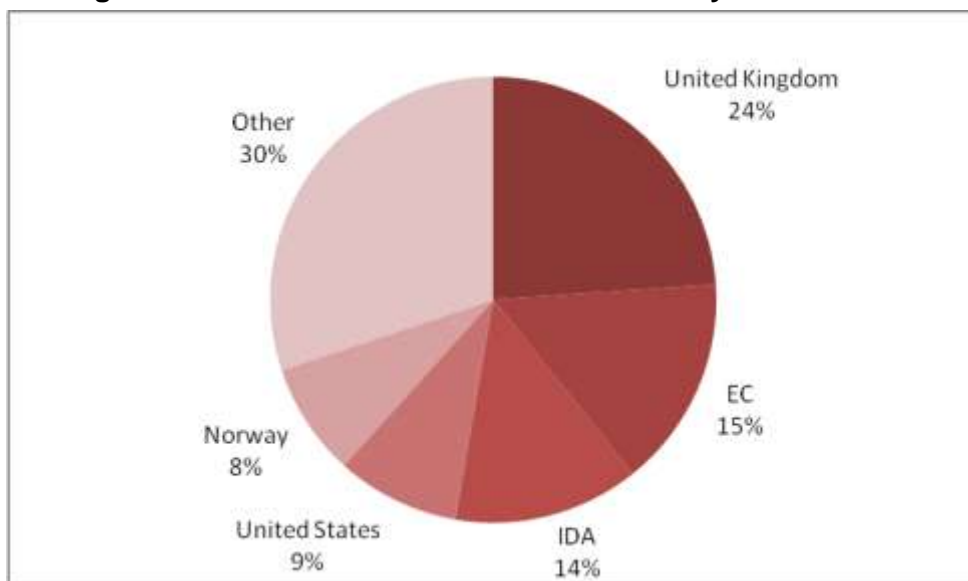
Figure B4 Share of total aid commitments by donor 2007



Source: Table B7

B4. The biggest donor to Malawi in terms of total aid commitments in 2007 was the United States, followed by contributions from the IDA, the United Kingdom, the EC, and the Norway. Over the period 1999-2007 the most significant donor was the United Kingdom, followed by the EC and IDA.

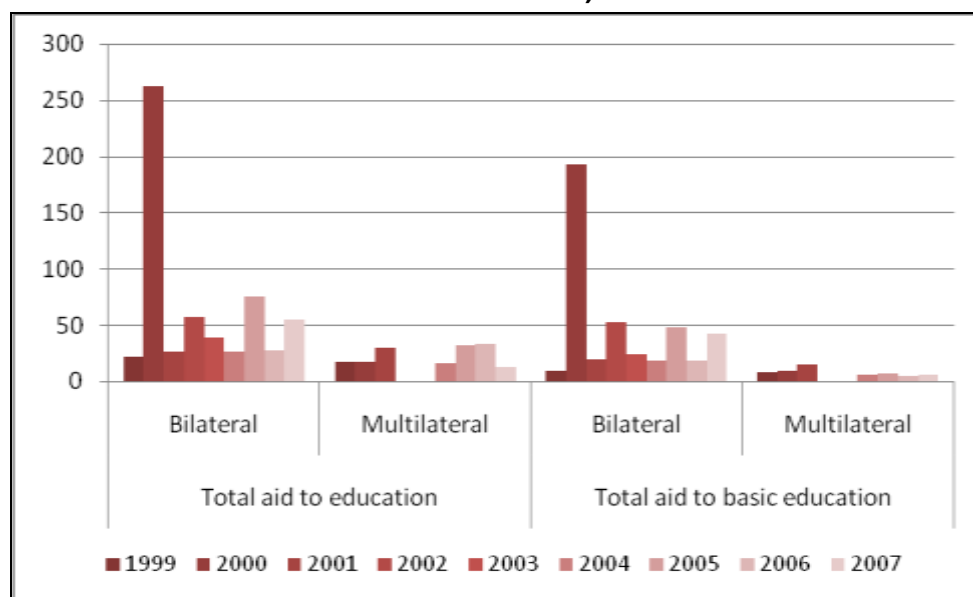
Figure B5 Share of total aid commitments by donor 1999-2007



Source: Table B7

Aid to education¹⁷

Figure B6 Total commitments to education and basic education (constant 2007 USDm)

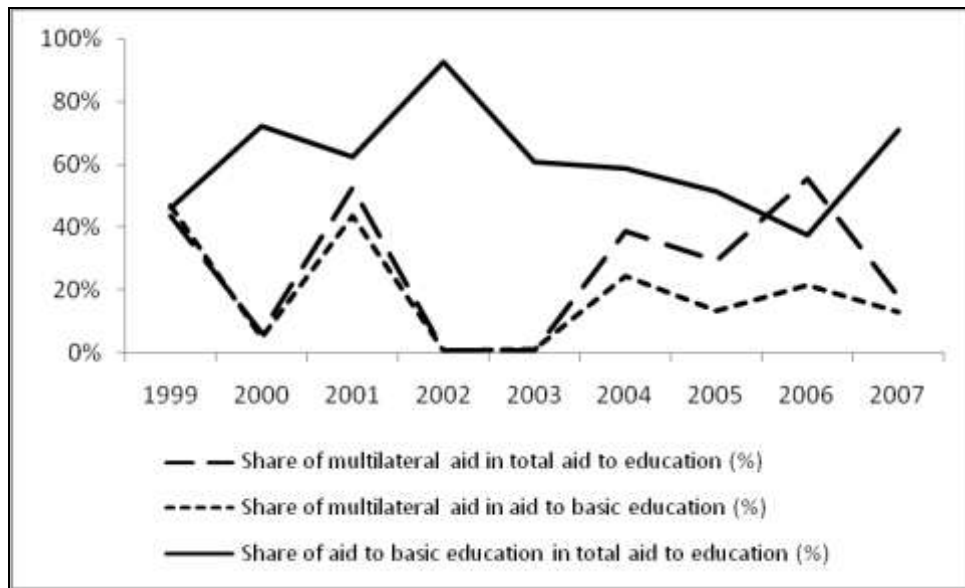


Source: Table B6

B5. Aid commitments to education and basic education have risen sporadically over the period 1999-2007, with a significant peak in 2000 mainly due to contributions from bilateral donors. There has also been an unsteady decline in the ratio of multilateral to bilateral aid; the lowest points were in 2000 and 2003. The share of aid to basic education in total aid to education has increased from 46% to 71% over the period, but only erratically; the highest peak was in 2002 when the share of basic education in total aid to education amounted to 93%.

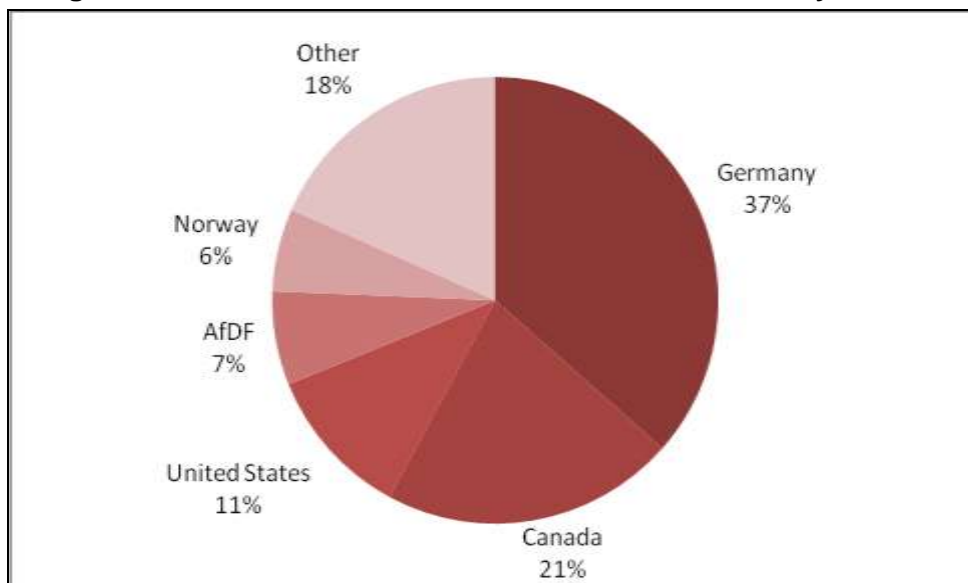
¹⁷ The following figures show total (rather than just direct) aid flows to education and basic education. These broader definitions include assumptions about the use of aid flows that are not strictly assigned to education or basic education (following the convention adopted by the GMR): Total aid to education = Direct aid to education plus 20% of direct budget support; Total aid to basic education = Direct aid to basic education plus 10% of direct budget support plus 50% of direct aid to education not specified by level.

Figure B7 Share of multilateral aid in aid to education and basic education, and of aid to basic education in total aid to education, 1999-2007 - commitments



Source: Table B6

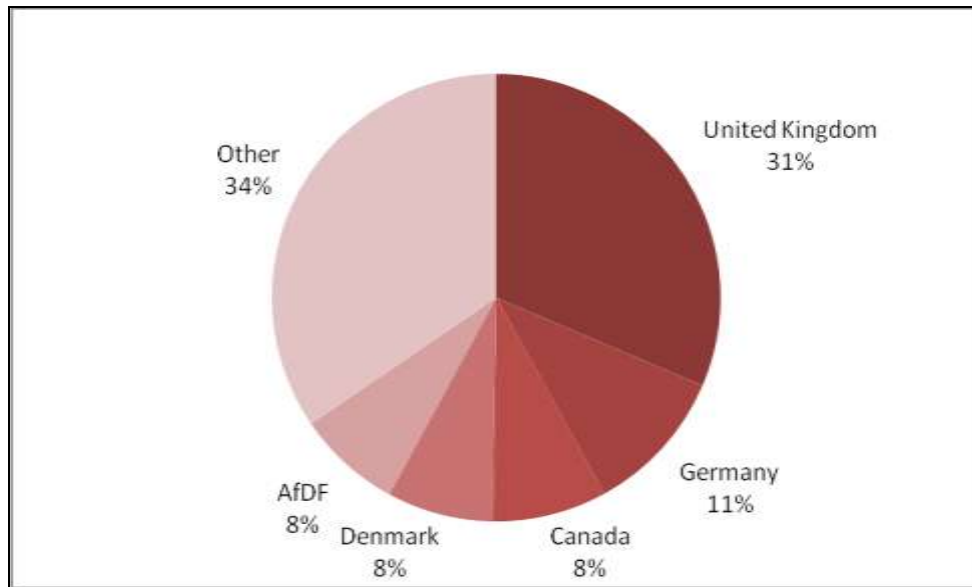
Figure B8 Share of total commitments to education by donor 2007



Source: Table B8

B6. The most significant donor in terms of aid to education in 2007 was Germany, followed by Canada. Over the period 1999-2007, the United Kingdom was the most significant donor. Germany, Canada, Denmark and AfDF also featured in the list of top five donors in 2007 making similar levels of contribution.

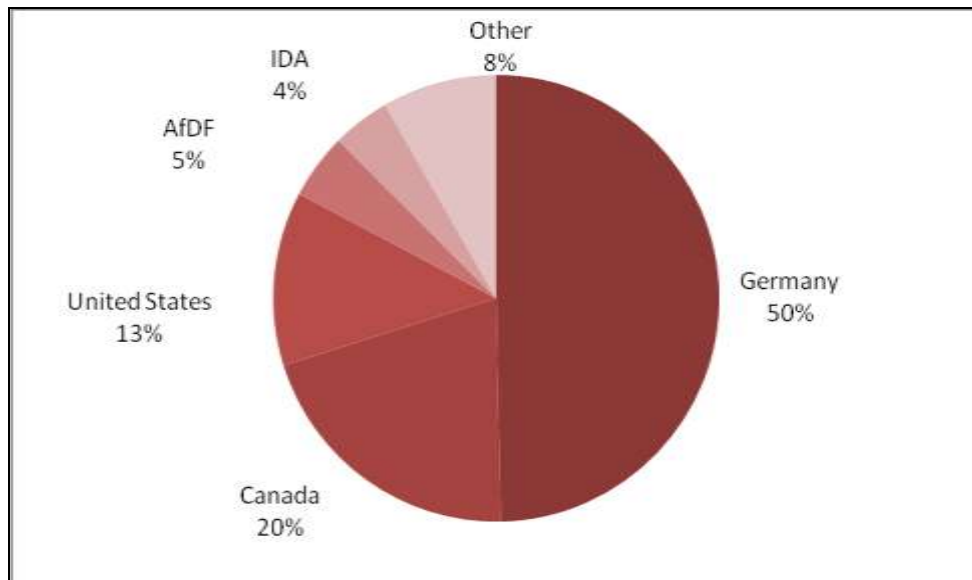
Figure B9 Share of total commitments to education by donor 1999-2007



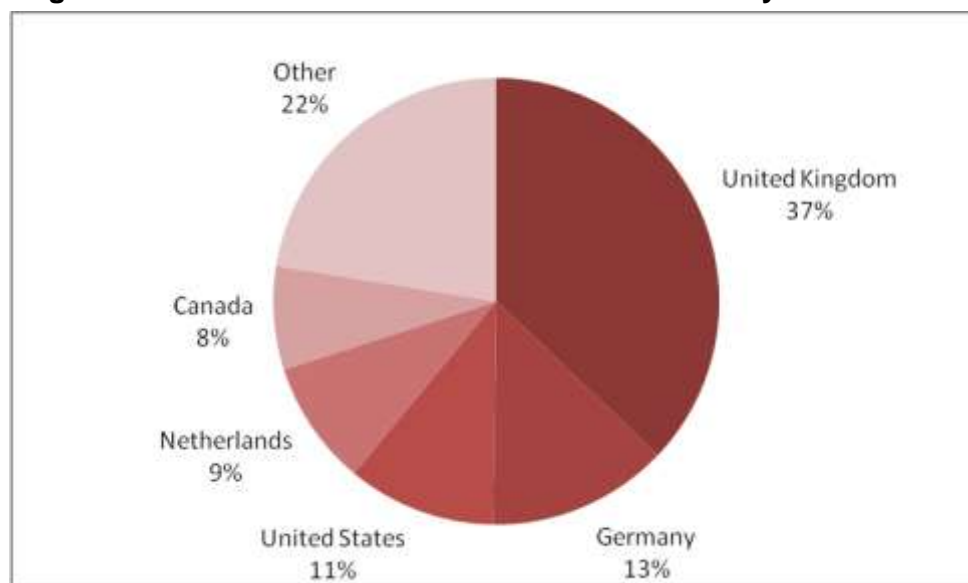
Source: Table B8

B7. In terms of aid to basic education, Germany commands a significant 50% share of aid to basic education in 2007. The Canada and the United States also feature as prime donors in 2007, making smaller but significant levels of contribution. Over the course of the period 1999-2007, the United Kingdom becomes the primary donor to basic education, but Germany increases its importance (11% of total aid to education, 13% of total aid to basic education). The United States, the Netherlands, and Canada fill out the remaining top five donors. The United Kingdom, the United States and Germany have made in the most consistent manner over time.

Figure B10 Share of total commitments to basic education by donor 2007



Source: Table B9

Figure B11 Total commitments to basic education by donor 1999-2007

Source: Table B9

Direct aid to education

B8. As elaborated in footnote 17 above, total aid to education and basic education are calculated according to the GMR conventions that apportion certain amounts of General Budget Support (GBS) and aid to education that isn't specified by level. Table B1 below details the breakdown of aid to education by category, as well as presenting the figures for General Budget support and Total aid to education and basic education.

Table B1 Direct aid to education (constant 2007 USDm) – commitments

Category	1999	2000	2001	2002	2003	2004	2005	2006	2007
Education unspecified	18.02	30.30	30.13	3.20	24.49	7.57	24.17	3.90	11.94
Basic education	0.56	157.20	18.38	50.79	11.90	13.10	23.74	10.94	36.21
Secondary education	2.65	31.59	3.63	0.32	0.91	5.21	6.57	25.40	1.19
Post-secondary education	0.83	1.61	0.82	1.06	2.50	0.38	14.03	0.68	6.58
General Budget Support	84.09	297.40	14.18	13.20	0.00	79.09	194.12	99.27	56.47
10% GBS	8.41	29.74	1.42	1.32	0.00	7.91	19.41	9.93	5.65
20% GBS	16.82	59.48	2.84	2.64	0.00	15.82	38.82	19.85	11.29
Total aid to education	38.87	280.19	55.80	58.00	39.80	42.08	107.34	60.77	67.21
Total aid to basic education	17.97	202.09	34.86	53.71	24.15	24.79	55.24	22.82	47.83

Notes: total aid to education = all direct aid to education + 20% GBS; total aid to basic education = direct aid to basic education + 50% Education unspecified + 10% GBS.

Table B2 Bilateral and multilateral aid commitments 1999-2007 (constant 2007 USDbn)

	1999	2000	2001	2002	2003	2004	2005	2006	2007
Bilateral	0.325908	0.699695	0.28438	0.411404	0.316861	0.255337	0.703596	0.343037	0.380526
Multilateral	0.310019	0.213865	0.17169	0.19955	0.286017	0.257698	0.443462	0.426626	0.214115
Total	0.635927	0.91356	0.45607	0.610954	0.602878	0.513035	1.147058	0.769663	0.594641
Share of multilateral aid in total aid (%)	48.75%	23.41%	37.65%	32.66%	47.44%	50.23%	38.66%	55.43%	36.01%

Source: GMR 2009 external aid database. Notes: deflators for resource flows from DAC donors (2008 OECD report annex table 36).

Table B3 Aid dependency ratio (commitments/GDP constant 2007 USDm)

	1999	2000	2001	2002	2003	2004	2005	2006	2007
Bilateral	11.3%	24.0%	10.3%	15.5%	11.3%	8.6%	23.1%	10.4%	10.7%
Multilateral	10.8%	7.3%	6.2%	7.5%	10.2%	8.7%	14.5%	12.9%	6.0%
Total	22.1%	31.3%	16.5%	23.1%	21.4%	17.2%	37.6%	23.3%	16.7%

Source: GMR 2009 external aid database; World Bank 2008 World Development Indicators. Notes: deflators for resource flows from DAC donors (2008 OECD report annex table 36); deflators for GDP from World Bank 2009 World Development Indicators.

Table B4 GDP (current and constant 2007 USDm) and GDP deflator

	1999	2000	2001	2002	2003	2004	2005	2006	2007
GDP (current USDm)	1776	1744	1717	2665	2425	2625	2855	3164	3563
Inflation (annual %)	39.6908	30.5340	25.6225	72.5518	8.7534	14.5067	15.5906	17.9758	7.3865
GDP Deflator (1=2007)	0.62	0.60	0.62	1.01	0.86	0.88	0.94	0.96	1.00
GDP (constant 2007 USDm)	2872	2917	2772	2649	2816	2975	3051	3302	3563
Real GDP growth (%)		1.6%	-5.0%	-4.4%	6.3%	5.7%	2.6%	8.2%	7.9%
Cumulative GDP growth over the period 1999-2007	24.1%								
Average annual growth over the period 1999-2007	2.42%								

Source: World Bank 2009 World Development Indicators. Note: Internal inflation from World Bank 2008 World Development Indicators.

Table B5 General budget support as a proportion of total aid commitments (constant 2007 USDbn)

	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total aid	0.635927	0.91356	0.45607	0.610954	0.602878	0.513035	1.147058	0.769663	0.594641
GBS	0.084089	0.297397	0.014182	0.013197	0	0.079089	0.194119	0.099266	0.056474
GBS as % of total aid	13.22%	32.55%	3.11%	2.16%	0.00%	15.42%	16.92%	12.90%	9.50%

Source: GMR 2009 external aid database.

Table B6 Total aid commitments to education and basic education (constant 2007 USDm)

	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total aid to education									
Bilateral	22.05107	262.7136	26.60412	57.59873	39.50349	25.85199	75.80259	27.18703	55.15955
Multilateral	16.81789	17.47187	29.195	0.405073	0.301396	16.22924	31.53667	33.58529	12.05039
Total	38.86896	280.1855	55.79912	58.0038	39.80489	42.08123	107.3393	60.77232	67.20994
Aid to basic education									
Bilateral	9.565856	192.5068	19.68676	53.30383	23.84912	18.79508	47.82757	17.91693	41.70547
Multilateral	8.408879	9.580666	15.17542	0.405073	0.301396	5.999343	7.408945	4.899408	6.123206
Total	17.97474	202.0875	34.86218	53.7089	24.15052	24.79442	55.23652	22.81634	47.82868
Share of multilateral aid in total aid to education (%)	43.27%	6.24%	52.32%	0.70%	0.76%	38.57%	29.38%	55.26%	17.93%
Share of multilateral aid in aid to basic education (%)	46.78%	4.74%	43.53%	0.75%	1.25%	24.20%	13.41%	21.47%	12.80%
Share of aid to basic education in total aid to education (%)	46.24%	72.13%	62.48%	92.60%	60.67%	58.92%	51.46%	37.54%	71.16%

Source: GMR 2009 external aid database. Notes: deflators for resource flows from DAC donors (2008 OECD report annex table 36).

Table B7 Total aid commitments by donor (constant 2007 USDm)

donor	1999	2000	2001	2002	2003	2004	2005	2006	2007	Total aid commitments 1999-2007
AfDF	42.62578	21.5954	45.96552	17.499	37.81544	23.68053	19.64196	71.76967	22.785	0.303378
Australia	1.331827	1.321803	1.588742	2.648259	0.464269	0.066542	0.188416	3.296803	0.793275	0.0117
Austria	0.022247	0.026671	0.046033	0	0	0.010415	0.034666	9.335999	22.80023	0.032276
Belgium	0.084484	0.068447	1.366077	0.101564	2.58906	0.151118	0.649376	2.826553	6.64538	0.014482
Canada	20.81948	46.25509	27.31575	7.775635	25.71451	5.595613	12.44885	4.682354	15.02462	0.165632
Denmark	1.440608	80.8682	9.079062	0	3.838471	2.746704	4.551922	0.374679	4.666703	0.107566
EC	216.9161	65.70419	74.23174	97.90924	11.97383	84.60078	235.4877	105.1909	66.26383	0.958278
Finland	1.480158	0.6432	0.059341	0.242025	0.406549	1.200458	1.631184	1.319137	1.602029	0.008584
France	2.877048	2.414968	2.401768	0.47796	7.769201	2.868822	9.877275	1.996092	0.916265	0.031599
Germany	38.42379	28.50718	32.01443	36.19959	31.16357	14.20511	40.81429	19.81584	50.24605	0.29139
Global Fund	0	0	0	0	51.71573	0	20.85968	181.2939	0	0.253869
Greece	0	0	0	0.032186	0.093211	0.361405	0.150387	0.020276	0.402464	0.00106
IDA	40.25024	122.1553	21.97148	74.99024	172.8668	134.8362	139.3098	49.91659	85	0.841297
IFAD	0	0	19.72453	0	0	0	8.865673	0	16.702	0.045292
Ireland	0	0.033769	0.27499	4.551612	5.563563	5.421122	8.705057	8.731401	10.23424	0.043516
Italy	0	0.09165	0	3.061023	0.396446	1.001672	0.302561	0.300711	1.188446	0.006343
Japan	21.13985	21.93182	11.05145	15.01899	31.88876	37.19659	35.90827	39.77267	37.00576	0.250914
Luxembourg	0	0	0.207443	0.583865	0.506238	1.557601	1.249332	0.597883	0.102094	0.004804
Netherlands	25.10312	0.128789	13.24006	49.18666	0.576311	5.972386	5.635753	0	0.0622	0.099905
New Zealand	0	0	0	0.152011	0.076397	0.113407	0.259932	0.382654	0.138432	0.001123
Norway	30.04436	14.96334	51.89462	86.40179	51.32621	61.73387	120.1743	45.23729	50.72706	0.512503
Spain	0.319154	0.117899	0.227343	0.744229	0.383021	0.103329	1.388112	1.601086	0.483208	0.005367

Sweden	1.200115	25.60139	39.25382	0.132677	0.134953	0.185558	9.455219	2.174055	0.676138	0.078814
Switzerland	0.02403	0	0.30469	0.777711	0.147983	0.036786	0.22177	0.038633	0.05751	0.001609
UNAIDS	0	0	1.122224	0.38622	0.64928	0.174226	1.120065	0.62744	1.023534	0.005103
UNDP	10.2266	0	0	0	0	6.353932	8.931694	7.226	8.235624	0.040974
UNFPA	0	0	2.406744	1.814135	4.552032	2.348403	2.413674	2.122801	2.227193	0.017885
Unicef	0	4.410236	6.267877	6.950766	6.444246	5.703491	6.831638	8.478484	11.87804	0.056965
United Kingdom	139.0562	424.0905	54.22007	138.001	105.8718	62.5111	361.2048	132.0883	75.14275	1.492187
United States	42.5414	52.62983	39.8341	65.31561	47.95045	52.29747	88.74471	68.44476	101.611	0.559369
Total	635.9266	913.5596	456.0699	610.954	602.8783	513.0347	1147.058	769.6629	594.6411	6.243785

Source: GMR 2009 external aid database. Notes: deflators for resource flows from DAC donors (2008 OECD report annex table 36).

Table B8 Total commitments to education by donor, 2007 (constant 2007 USDm)

donor	1999	2000	2001	2002	2003	2004	2005	2006	2007	Total commitments to education 1999-2007
AfDF	0	0	28.03915	0	0	0	0	23.92322	4.557001	0.056519
Australia	0.167469	0.160538	0	0	0	0	0	0	0.254013	0.000582
Austria	0.022247	0.026671	0.03221	0	0	0	0.0285	0.012592	0.011366	0.000134
Belgium	0	0	0	0	0	0	0	0.236716	0	0.000237
Canada	17.36929	0	6.554152	1.63172	22.22921	0	0.061201	0	14.34329	0.062189
Denmark	0	56.5348	1.063951	0	0	0	0	0	0	0.057599
EC	16.81776	1.05382	0	0	0	0.005952	11.84377	9.525325	2.737851	0.041984
Finland	0	0.596015	0	0	0	0.631227	0.958965	0	0.737388	0.002924
France	0.773019	0.244603	0.27919	0.125876	0.101094	0.035287	0.160024	0.042646	0.007702	0.001769
Germany	3.281859	12.72381	9.399076	1.279702	7.633144	8.404995	9.068888	2.919565	24.55327	0.079264

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Greece	0	0	0	0	0	0	0.019722	0.020276	0.016427	5.64E-05
IDA	0	15.52419	0	0	0	15.90854	18.91979	0	4	0.054353
Ireland	0	0	0.025144	0.271706	0.090071	0.256599	0.364807	0.071557	0.070161	0.00115
Italy	0	0.085256	0	0	0.007523	0.007311	0.008581	0	0.008214	0.000117
Japan	0	1.564368	0	0	2.732821	7.198356	4.629362	2.470187	2.471143	0.021066
Luxembourg	0	0	0	0	0	0.00075	0	0	0	7.5E-07
Netherlands	0	0	0	43.69638	0	0.006718	0	0	0	0.043703
New Zealand	0	0	0	0	0	0	0	0.058593	0.078471	0.000137
Norway	0.070206	0.392452	1.728412	3.205023	3.560678	2.499974	13.62512	0.72017	4.032937	0.029835
Spain	0	0	0	0	0	0.0189	0.023722	0.027405	0	7E-05
Sweden	0	1.335284	0.000718	0	0	0.004388	1.238916	0	0	0.002579
Switzerland	0	0	0	0	0	0	0	0	0	0
UNDP	0.000132	0	0	0	0	0	0	0	0.056649	5.68E-05
Unicef	0	0.893859	1.155846	0.405073	0.301396	0.314746	0.773103	0.136746	0.698885	0.00468
United Kingdom	0.366978	184.796	2.835657	0.786497	0	2.818402	32.47118	10.32784	1.185309	0.235588
United States	0	4.253737	4.685608	6.601827	3.148955	3.969083	13.1436	10.27949	7.38986	0.053472
Total	38.86896	280.1854	55.79911	58.00381	39.80489	42.08123	107.3393	60.77233	67.20994	0.750065

Source: GMR 2009 external aid database. Notes: deflators for resource flows from DAC donors (2008 OECD report annex table 36).

Table B9 Total commitments to basic education by donor, 2007 (constant 2007 USDm)

donor	1999	2000	2001	2002	2003	2004	2005	2006	2007	Total 1999-2007
AfDF	0	0	14.01958	0	0	0	0	0	2.2785	0.016298
Austria	0	0	0	0	0	0	0.0285	0.001399	0	2.99E-05
Canada	8.684644	0	5.866846	0.81586	11.1146	0	0.0306	0	9.773807	0.036286
Denmark	0	20.80805	0.723836	0	0	0	0	0	0	0.021532
EC	8.408879	0.924712	0	0	0	0.002976	5.921887	4.762662	1.368925	0.02139
Finland	0	0.298008	0	0	0	0.631227	0.741599	0	0.461781	0.002133
France	0.062309	0.007266	0.020411	0.010811	0.011946	0.010044	0.047827	0	0	0.000171
Germany	0.613299	11.37148	5.243458	0.055396	4.996914	7.733215	8.291173	1.33538	23.76829	0.063409
IDA	0	7.762096	0	0	0	5.681621	0.713954	0	2	0.016158
Ireland	0	0	0	0.132152	0.090071	0.12803	0.289851	0.035778	0.037857	0.000714
Italy	0	0.042628	0	0	0	0	0	0	0	4.26E-05
Japan	0	0.782184	0	0	1.068182	3.416678	1.446423	0.683897	0.741088	0.008138
Luxembourg	0	0	0	0	0	0.000375	0	0	0	3.75E-07
Netherlands	0	0	0	43.69638	0	0.006718	0	0	0	0.043703
Norway	0.022115	0.130288	1.728412	1.598148	3.418445	1.478863	6.93925	0.389666	0.418963	0.016124
Spain	0	0	0	0	0	0.00945	0.013695	0.027405	0	5.06E-05
Sweden	0	0.667642	0.000359	0	0	0.002194	0.619458	0	0	0.00129
UNDP	0	0	0	0	0	0	0	0	0.028325	2.83E-05
Unicef	0	0.893859	1.155846	0.405073	0.301396	0.314746	0.773103	0.136746	0.447456	0.004428
United Kingdom	0.183489	154.1456	1.417829	0.393248	0	1.409201	16.23559	5.163918	0.471822	0.179421
United States	0	4.253737	4.685608	6.601827	3.148955	3.969083	13.1436	10.27949	6.03186	0.052114
Total	17.97474	202.0875	34.86218	53.7089	24.15051	24.79442	55.23651	22.81634	47.82867	0.48346

Source: GMR 2009 external aid database. Notes: deflators for resource flows from DAC donors (2008 OECD report annex table 36).

Annex C Public expenditure on education and NESP projections

Table C1 Education Public Expenditure, 2000-2008

	2000/01 Actuals	2001/02 Actuals	2002/03 Actuals	2003/04 Actuals	2004/05 Actuals	2005/06 Actuals	2006/07 Budget	2007/08 Budget	2008/09 Budget
TOTAL EDUCATION (MWK billions)	5.0	8.5	10.8	12.9	15.2	18.0	21.5		26.1
Constant 2000 MWK billions	4.4	5.2	5.1	5.4	5.5	5.6	5.9		6.1
Total USD (millions)	75.5	113.7	124.2	125.4	133.9	141.5	156.0		179.0
Annual real growth		17	-2	6	2	1	7		
% of GDP	4.4	5.2	4.9	5.0	4.9	4.7	4.6		4.2
% Government financed	66	71	70	72	76	71	69		
% of Domestic Revenue	24	37	34	30	27	27	26		22
% Total Public Expenditure	13	20	18	16	16	15	14		11
% Public Expenditure (excl. debt service)	15	23	21	21	20	18	16		12
EDUCATION RECURRENT (MWK billions)	3.2	5.9	7.3	9.3	11.6	12.8	14.8	18.4	22.1
Constant 2000 MWK billions	2.9	3.6	3.4	3.9	4.2	3.9	4.1		5.2
Total USD millions	48.7	79.2	83.5	90.0	101.8	100.6	107.2		151.5
Annual growth (2000 constant)		27	-5	13	8	-5	3		
As % of GDP	2.8	3.6	3.3	3.6	3.7	3.3	3.2		3.5
As % of Public Recurrent Expenditure	12	18	15	16	16	14	15		13
As % Recurrent Expenditure (excl. debt service)	16	23	19	24	22	17	18		14
As % of Total Education Expen	64	70	67	72	76	71	69		85
EDUCATION DEVELOPMENT (MWK billions)	1.8	2.6	3.5	3.7	3.7	5.2	6.7	8.3	4.0
EDUCATION DEVELOPMENT On Budget (MWK billions)	0.5	1.2	1.4	0.9	0.1				
Constant 2000 MWK billions	1.6	1.6	1.7	1.5	1.3	1.6	1.9		0.9
Total USD millions (current)	26.8	34.5	40.7	35.4	32.1	40.9	48.8		27.5
Domestic Financing	0.1	0.1	0.4	0.1	0.1				
External financing total	1.7	2.4	3.2	3.6	3.6				
External financing (on budget)	0.5	1.1	1.1	0.8	0.0				

	2000/01 Actuals	2001/02 Actuals	2002/03 Actuals	2003/04 Actuals	2004/05 Actuals	2005/06 Actuals	2006/07 Budget	2007/08 Budget	2008/09 Budget
External financing (off budget)	1.2	1.4	2.1	2.8	0.0				
Domestic As % of domestic development expenditure	3.4	7.7	17.1	3.1	2.1	0.0	0.0		
Development As % of GDP	1.6	1.6	1.6	1.4	1.2	1.4	1.5		0.6
Development as % of Total Education	35.5	30.3	32.8	28.2	24.0	28.9	31.3		
% Externally Financed	27	41	31	23					

Source: Bellew, 2008

Table C2 NESP Cost Projections 2007-2017

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Average 2008-17
Total NESP Cost (constant 2007 MWK million)	32,167	49,334	48,623	51,772	54,896	56,554	59,627	62,134	62,725	63,819	65,429	55189
Recurrent	27,325	32,854	31,711	33,554	36,149	38,847	41,350	44,741	45,673	47,375	49,692	39025
Development	4,842	16,480	16,912	18,218	18,747	17,707	18,277	17,393	17,052	16,444	15,737	16164
Total NESP Cost (current USD million)	230	377	382	413	447	471	513	542	553	569	589	462
Recurrent	195	251	249	268	295	324	356	390	403	422	447	327
Development	35	126	133	145	153	148	157	152	150	147	142	135
Percent of GDP	6.5	9.3	8.6	8.6	8.6	8.4	8.3	8.1	7.7	7.4	7.2	8.1
Recurrent	5.5	6.2	5.6	5.6	5.7	5.7	5.7	5.9	5.6	5.5	5.4	5.7
Development	1.0	3.1	3.0	3.0	2.9	2.6	2.5	2.3	2.1	1.9	1.7	2.4
Recurrent Expenditure												
Percent of total	85	67	65	65	66	69	69	72	73	74	76	71
Percent of Government Recurrent net of interest	27	27	29	29	29	29	29	30	29	28	28	29
Total by level of Education (%)	100	100	100	100	100	100	100	100	100	100	100	100
ECD	4	3	4	4	5	5	5	5	6	6	6	5
Basic	56	59	58	58	56	57	56	53	53	53	51	55
Secondary	11	15	13	13	17	16	17	20	19	18	21	16
Teacher Education	5	5	7	8	5	5	4	4	4	3	3	5
TVET	1	1	1	1	1	2	2	3	3	3	3	2

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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Average 2008-17
Higher Education	18	12	12	11	11	10	10	10	10	10	10	11
Administration	6	6	6	5	5	5	5	5	6	6	6	6
Recurrent by level of education (%)	100	100	100	100	100	100	100	100	100	100	100	100
ECD	4	4	5	5	6	6	7	7	7	7	8	6
Basic	50	55	53	53	51	52	51	47	48	48	44	50
Secondary	12	13	14	14	17	15	15	19	17	17	21	16
Teacher Education	4	5	6	6	5	5	5	5	5	5	4	5
TVET	1	1	1	1	1	2	3	4	4	4	4	2
Higher Education	21	15	14	13	12	12	12	11	11	11	11	13
Administration	7	7	8	8	8	7	8	7	8	8	8	8
Recurrent Expenditure Per Student (MWK 2007 constant)												
Basic	4,206	5,345	4,814	4,945	4,949	5,366	5,580	5,513	5,812	6,065	5,969	5324
Secondary	22,847	25,614	26,714	28,140	36,443	30,851	30,784	38,411	31,841	30,748	36,597	30817
Recurrent Expenditure Per Student (USD constant)												
Basic	29	37	33	34	34	37	38	38	40	42	41	37
Secondary	158	177	184	194	251	213	212	265	220	212	252	213
Secondary as a multiple of primary	5.4	4.8	5.5	5.7	7.4	5.7	5.5	7.0	5.5	5.1	6.1	5.8
Distribution of Recurrent Expenditure												
Basic Education	100	100	100	100	100	100	100	100	100	100	100	100.0
Teacher pay and incentives	51	42	50	51	54	53	54	57	56	56	58	53
Books and materials	31	38	27	26	22	24	24	21	23	22	19	25
Transfers and subsidies	18	18	20	21	22	20	20	20	19	19	19	20
School feeding and micro-nutrients	18	14	16	16	17	15	15	15	14	14	14	15
Administration and Support Services	0	2	2	2	2	3	3	3	2	3	3	2.2
Secondary Education	100	100	100	100	100	100	100	100	100	100	100	100
Teacher pay and incentives	78	53	50	46	34	38	38	30	36	36	29	43
Books and materials	0	27	27	21	39	28	24	40	28	24	39	27
Transfers and subsidies	6	8	10	20	17	22	26	20	25	28	22	19
Administration and Support Services	16	12	13	13	10	12	12	10	11	12	9	12

Source: Bellew, 2008

Table C3 NESP financing projections 2007-2017

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Average 2008-17
Domestic financing (constant 2007 MWK million)	19509	22769	23464	23087	24541	26062	27678	29394	31216	33152	35206	
Recurrent	19115	22457	23131	22732	24164	25662	27253	28943	30737	32643	34666	
Development	394	312	333	355	377	400	425	451	479	509	540	
External disbursements (constant 2007 MWK million)	8303	10175	10175	10175	10175	10175	10175	10175	10175	10175	10175	
External disbursements	8303	10175	10175	10175	10175	10175	10175	10175	10175	10175	10175	
Total estimated funding available (constant 2007 MWK million)	27812	32944	33639	33262	34716	36237	37853	39569	41391	43327	45381	
Total programme cost (constant 2007 MWK million)	32,167	49,334	48,623	51,772	54,896	56,554	59,627	62,134	62,725	63,819	65,429	
Funding gap (constant 2007 MWK million)		16390	14984	18510	20180	20317	21774	22565	21334	20492	20048	19659
Funding gap (USD million)		113	103.3	127.7	139.2	140.1	150.2	155.6	147.1	141.3	138.3	136

Source: MOEST, NESP 2008-2017, Table 7 p35

Annex D Analytical Summary Matrix

SUMMARY – MALAWI
<p>Context: <i>What was the situation at level zero? What was happening in country before FTI?</i></p>
<ul style="list-style-type: none"> • A costed education sector plan (the Policy and Investment Framework (PIF)) was in place since 2001, and there was a costed Education for All (EFA) Plan of Action developed between 2002 and 2004, but there were weak links between policy plans and the annual budget process/MTEF, resulting in a poor implementation record. • The PIF identified a substantial financing gap for the primary education programme 2002-2012 (and for the sector overall). Almost all education development expenditure (about 35% of total public expenditure on education) was financed externally via separate projects. • Several large donors signalled their intention to improve harmonisation by contributing to the same programme. Most of the major donors participated in the PIF development process and the Joint Annual Review (JAR) process started in 2000. A local donor group has been meeting regularly since the early 2000s. • Key capacity issues in the delivery of primary education included the acute shortage of qualified primary teachers (particularly in rural areas) and classrooms, and weaknesses in planning and management by the Ministry of Education, Science and Technology (MOEST) and its institutions. • An Education Management Information System (EMIS) was in place since the late 1990s and provided basic performance information on the sector, but financial information on the sector was lacking and there were other problems with coverage, timeliness and reliability. Despite the instigation of the JAR process, monitoring was generally weak and not well integrated into the annual budget process. • The key cross-cutting issues were inequity in the provision and financing of education in relation to gender, geographical location and income status, exclusion or underrepresentation of certain groups and the high prevalence of HIV/AIDS in the population.
<p>Inputs: <i>What did FTI do? What problems did it identify and how did it address them? What non-FTI inputs and processes took place over the same period?</i></p>
<ul style="list-style-type: none"> • Development of new costed education sector plan (the National Education Sector Plan (NESP) 2008-2017) and its operational component (Education Sector Implementation Plan (ESIP) 2009-2013) which includes a performance assessment framework. • Several of the largest donors developed a Joint Financing Agreement (JFA) with a view to pooling their future funding under a Sector-wide approach (SWAp) based on an agreed NESP and ESIP. • Support to the EMIS from a United States (US) funded project, including a long-term consultant. • The local donor group continued to meet regularly internally and with MOEST; in 2008 a formal donor development group was launched with specific rules governing its operation, and the Ministry of Finance/Ministry of Economic Planning and Development (MOF/MOEPD) launched Sector Working Groups (SWGs) as a means of implementing the Paris Declaration—membership includes government institutions, donors, civil society and the private sector. <p>Main FTI inputs:</p> <ul style="list-style-type: none"> • Technical requirements for Fast Track Initiative (FTI) appraisal have been used in the NESP development process; there is some reported use of the FTI Indicative Fund (IF); FTI Capacity Development (CD) guidelines used to conduct a capacity gap analysis. • Education Programme Development Fund (EPDF) funded various inputs: consultancy support to work on gaps in the draft NESP (university strategic planning); preparation of a Country Status Report (CSR); support for representatives from MOEST to attend a regional FTI meeting in 2007; consultancy support to prepare various technical assessments required for FTI appraisal.

SUMMARY – MALAWI		
Relevance - Were the objectives of FTI support relevant? Was the design appropriate?	Immediate effects and intermediate outcomes: What were the effects and intermediate outcomes on the sector in terms of effectiveness, and efficiency? (Immediate effects refer to processes, intermediate outcomes refer to changes in sector policy expenditure and service delivery)	
	Effectiveness – To what extent did FTI contribute to improving education sector policies, planning, data, budgeting, level of finance, delivery, monitoring and evaluation and aid effectiveness?	Efficiency - How economically was FTI support translated into results?
<ul style="list-style-type: none"> • FTI's overarching aim to accelerate progress on Universal Primary Completion (UPC) and EFA is consistent with Malawi's development priorities. • Design had various weaknesses: MOEST had no input into decisions on EPDF funded inputs, heavy reliance on external consultants, reliance on a (changing) lead donor to communicate with MOEST on FTI. 	<ul style="list-style-type: none"> • NESP is more comprehensive, and contains more explicit and costed strategies to address cross-cutting issues, than previous ESPs. It contains an ESIP which was lacking in previous plans. The drive to develop the NESP and, in particular the ESIP, was partly related to FTI. No evidence to suggest that participation has broadened since the previous policy development process. • Little evidence to suggest that the education budget process has improved. The identified financing gap is much larger than under the previous Education Sector Plan (ESP). This may have been partly influenced by the prospect of obtaining Catalytic Funds (CFs). • EMIS has improved in some key respects, but financial information is still lacking. Monitoring processes are weak. • Harmonised processes are in place for sector dialogue between donors and MOEST, although this has not always been effective. FTI provided an additional incentive for donors and MOEST to work together on NESP. • Many of the large donors have agreed on a pooled financing modality for future support to the NESP. FTI did not contribute directly to this development, but the World Bank's decision to participate was influenced by its probable future role as Supervising Entity (SE) for CFs. 	<ul style="list-style-type: none"> • It is difficult to comment on efficiency at this pre-endorsement stage because FTI inputs have been fairly limited and the main effects have not had time to occur. It is difficult to separate some of the preparations for FTI endorsement from the general NESP development process, but the whole process has taken about three years. Both MOEST and donor informants have commented on how time-consuming the process has been. Poor communication between the FTI secretariat, the local donor group and the MOEST has hampered progress at various stages.
Outcomes: What has been the effect on quantity, quality, access and sustainability of primary education?		
<ul style="list-style-type: none"> • Not applicable at this stage of the FTI process. 		
Sustainability: Are the changes that took place in policy and planning, finance, capacity, M&E and aid effectiveness interventions likely to survive? How resilient are the benefits to risks?		
<ul style="list-style-type: none"> • Key risks to sustainability include the extent to which the NESP and ESIP can be successfully integrated into annual budget process/Medium-term Expenditure Framework (MTEF); high turnover of both MOEST and donor representatives; the risk of key donors involved in the planned pooled financing mechanism exiting the sector as a result of changes in general aid policy. 		

STREAM 1: Policy and Planning

Context: *What was the situation at level zero with respect to policy and planning? What was happening in country before FTI?*

- A costed education sector plan (the PIF 2000-2015) was in place since 2001. In terms of subsector coverage, it was weak in the areas of Early Childhood Development (ECD), non-formal education for out-of-school youth and adult literacy, technical and vocational education and training and higher education (to some extent). Generally there were weak links between the PIF and the annual budget/expenditure and MTEF. A more comprehensive plan for basic education, covering all EFA areas (the EFA Plan of Action) was published in 2004. Again it is doubtful if this had much influence on budget allocations and expenditure for education.
- Free Primary Education (FPE) policy in place since 1994. The PIF also placed strong policy and financial emphasis on primary education. It aimed to increase the primary net enrolment rate (NER) to 95% by 2007 mainly via various supply-side measures related to classrooms, teachers and other material support. It included specific policies and strategies to improve equity in primary education including those related to HIV/AIDS, gender, rural/urban location, and children with disabilities
- The PIF development process was led by the MOEST, but involved extensive consultation with key donor partners and to a limited extent some civil society groups and representatives from private sector providers. There was not much consultation with other ministries involved in delivering basic education, lower levels of the administrative system or teachers, students and parents. The lower levels of the education administrative system had detailed involvement in the initial stages of the annual budget preparation process, but had limited influence in finalising the budget.

Inputs: *What did FTI do? What problems did it identify and how did it address them? What non-FTI inputs and processes took place over the same period?*

Non FTI inputs into country-level education policy and planning in the period since FTI came in:

- Development of new costed education sector plan (the NESP 2008-2017) between 2006 and 2008, and its operational component (ESIP 2009-2013). NESP covers all parts of basic education plus other subsectors. NESP was developed initially by MOEST with various consultancy support but later by a broader technical working groups which consisted of MOEST, donors, & representatives from the private sector and civil society.
- JARs have been used to discuss NESP drafts.

FTI specific inputs:

- Technical requirements for FTI appraisal have been used in the NESP development process; there is some reported use of the FTI IF (although there was some confusion about how prescriptive it is).
- EPDF funded various inputs: consultancy support to work on gaps in the draft NESP (university strategic planning); preparation of a Country Status Report led by the World Bank but involving a large Malawian team from different ministries (including MOF) and representatives from civil society; support for representatives from MOEST to attend a regional FTI meeting in 2007; consultancy support to prepare various technical assessments required for FTI appraisal.

STREAM 1: Policy and Planning		
Relevance - Were the objectives of FTI support to policy and planning relevant? Was the design appropriate?	Immediate effects and intermediate outcomes: What were the effects and intermediate outcomes on the sector in terms of effectiveness, and efficiency? (Immediate effects refer to processes, intermediate outcomes refer to changes in sector policy, expenditure and service delivery)	
	Effectiveness – To what extent did FTI contribute to developing quality education plans encompassing UPC targets? To what extent did FTI contribute to implementation of sector policies?	Efficiency - How economically was FTI support to country level policy and planning translated into results?
<ul style="list-style-type: none"> The objective of providing support to the MOEST to develop a new ESP was relevant, since there were acknowledged weaknesses in the previous ESP. The FTI's emphasis on UPC and EFA was in line with existing Government of Malawi (GOM) objectives. Design had various weaknesses: MOEST had no input into decisions on EPDF funded inputs; appropriate use of FTI tools and appraisal guidelines not clear to MOEST or donors (communication problems). 	<ul style="list-style-type: none"> NESP is more comprehensive than previous ESPs and contains an implementation plan (ESIP, including detailed Programmes of Work (POWs) and a performance assessment framework) which was lacking in previous plans. The drive to develop the NESP and, in particular, the detailed implementation plan appears to be partly related to FTI. NESP targets are slightly short of UPC by 2017, but primary education is a core priority. The emphasis on quality aspects of primary provision was at most reinforced by FTI, but this has been a policy priority since (at least) 2001. A range of key education stakeholders participated in NESP development, but there is no evidence to suggest that participation has broadened since the previous policy development process, and some front-line stakeholders were not routinely represented. 	<ul style="list-style-type: none"> Poor communication between FTI Secretariat, the local donor group and MOEST regarding FTI processes and requirements have led to some confusion, and probable delay, in producing the NESP.
Sustainability: Are the changes that took place in policy and planning interventions likely to survive? How resilient are the benefits to risks?		
<ul style="list-style-type: none"> Sector working groups which contain a broad range of stakeholders were established under a MOF directive at the end of 2008. This may well contribute to sustaining reasonably wide participation in policy and planning processes in education. The extent to which some of the new developments in planning such as the ESIP will be sustained depends on whether they can be successfully integrated into the annual budget process and MTEF, and systematically monitored as part of the JAR (including the monitoring of both government and donor commitments). Risks include the high turnover of both MOEST and donor representatives, and the institutional constraints related to the budget process/MTEF. 		

STREAM 2: Finance

Context: *What was the situation at level zero with respect to education finance? What was happening in country before FTI?*

- The previous ESP (the PIF 2000-2015) contained a financing framework which identified a substantial financing gap for the primary education programme 2002-2012 (costed on the basis of universal admission to primary education and promotion rates between standards of 90-95% by 2012) after taking account of projected domestic and external donor contributions.
- Key elements of the budget process were not closely integrated i.e. a lack of a close linkage between the PIF, the MTEF and the budget process. The PIF projected a substantial shift in the share of the recurrent education budget away from higher education and towards primary education; the reverse occurred during the early part of PIF implementation and has persisted since.
- Real growth in education recurrent spending averaged 7% per annum between 2000 and 2006. Recurrent spending per primary student increased from 4% to 8% of GDP per capita between 2000 and 2007, but this indicator is still lower than both the SADC average and the average for Sub-Saharan Africa.
- External funding dominates education development expenditure, this source accounted for over 85% of the total in both 2000 and 2007.
- Integrated Financial Management Information System (IFMIS) in place since 2001. Almost all bilateral donor projects are excluded from the government's budget estimates and from reported expenditure.

Inputs: *What did FTI do? What problems did it identify and how did it address them? What non-FTI inputs and processes took place over the same period?*

Non-FTI inputs into country-level financial planning and resource mobilisation in the education sector in the period since FTI came in:

- PER carried out in 2006 by the GOM; the education part contained cost simulations for basic and secondary education which were developed using a cost simulation model; this model was subsequently used by the MOEST (and various consultants) to develop the financial framework for the NESP. The process of developing the NESP's financial framework and ESIP involved consultation with local donors.
- Several of the largest donors developed a JFA with a view to pooling their future funding under a SWAp based on an agreed NESP and ESIP.
- The annual budget/MTEF process continued with increasing involvement of decentralised levels of the education administration (in 2005/06 districts became cost centres for non-salary funding for primary schools).

FTI inputs:

- Two reviews of the draft NESP and its financial framework were carried out partly using FTI appraisal guidelines to provide recommendations to strengthen the NESP. The ESIP contains elements that are required for FTI endorsement. The FTI IF indicators were calculated for Malawi and compared with bench-mark values in the GOM's 2006 PER.
- EPDF funded various inputs: consultancy support to work on gaps in the draft NESP (university strategic planning and costing); preparation of a CSR which contained a review of expenditures in the sector
- Various technical assessments (funded by EPDF), and agreement on the SE, have taken place so that Malawi will be ready to apply to the CF shortly after the NESP is endorsed.

STREAM 2: Finance		
Relevance - Were the objectives of FTI support to education finance relevant? Was the design appropriate?	Immediate effects and intermediate outcomes: What were the effects and intermediate outcomes on the sector in terms of effectiveness, and efficiency? (Immediate effects refer to processes, intermediate outcomes refer to changes in sector policy, expenditure and service delivery)	
	Effectiveness – To what extent did FTI contribute to a stronger education budget process? To what extent did FTI contribute to the increase in total funds for primary education?	Efficiency - How economically was FTI support to country level finance for education translated into results?
<ul style="list-style-type: none"> The objective of ensuring a coherent financing framework for the sector (and for primary education in particular) and leveraging additional external financing (from existing donors and the CF) is relevant for Malawi. Design had various weaknesses: MOEST had no input into decisions on EPDF funded inputs; appropriate use of FTI tools & appraisal guidelines not clear to MOEST or donors (communication problems); no formal mechanism to ensure that domestic and external financing commitments included in the NESP are met. 	<ul style="list-style-type: none"> The development of the ESIP as the operational component of the NESP increases the likelihood of a stronger link developing between the NESP, MTEF and annual budget process. FTI was one of the factors which encouraged the development of the ESIP. In general, there is little evidence to suggest that the education budget process has become more comprehensive, transparent or efficient. The NESP has not yet been endorsed by the local donor partners and so it is not possible to judge FTI's contribution to any increase in levels of financing for education post-endorsement. The prospect of obtaining CFs may well have contributed to the large estimated financing gap presented in the NESP financing framework 2007-2017. This assumes (i) domestic recurrent financing for education increases as a proportion of total recurrent financing (from 18% to 20%); (ii) external donor contributions remain at USD 70m p.a (2008 estimate); (iii) residual financing gap is USD 136m p.a. on average. 	<ul style="list-style-type: none"> Not possible to comment on efficiency at this pre-endorsement stage because the effects are not yet clear. It is difficult to separate some of the preparations for FTI endorsement from the general NESP development process, but the whole process has taken about three years. Both MOEST and donor informants have commented on how time-consuming the process has been. Poor communication between the FTI secretariat, the local donor group and the MOEST has hampered progress at various stages.
Sustainability: Are the changes that took place in the education budget process and the level of finance for primary education likely to survive? How resilient are the benefits to risks?		
<ul style="list-style-type: none"> The extent to which some of the new developments in financial planning such as the ESIP will be sustained depends on whether they can be successfully integrated into the annual budget process and MTEF, and systematically monitored as part of the JAR (including the monitoring of both government and donor commitments). Risks include the high turnover of both MOEST and donor representatives, and the institutional constraints related to the budget process/MTEF. Not possible to comment on sustainability of any increased levels of financing for education, since at pre-endorsement stage. 		

STREAM 3: Data and Monitoring & Evaluation		
Context: <i>What was the situation at level zero with respect to data and M&E? What was happening in country before FTI? Was quality and use of data relevant to the context and to the monitoring needs of the education strategies?</i>		
<ul style="list-style-type: none"> EMIS in place since late 1990s but problems include delays in the collection and processing of data, poor questionnaire return rate in some parts of the education system, lack of detailed information on higher education and on financing of the sector, and a lack of capacity within the EMIS unit in MOEST to validate and analyse the data. Most data is disaggregated by gender and district & data has been collected on the number of orphans in primary schools since 2003. MOEST has been part of IFMIS since 2001, but the majority of donor expenditure on education is not part of this system and so information is partial. Malawi participates in Southern African Consortium for Monitoring Educational Quality (SAQMEQ) to monitor learning achievement in standard 6 students in reading (English) and mathematics. The first two rounds took place in 1999 and 2004. The use of EMIS and education financial data is evident in education sector plans (PIF and the EFA Plan of Action), but the links between the PIF and the annual budget process is not strong and so not clear if data is being used to underpin budget allocations. JARs have taken place since 2000, but it is not clear if their results feed into the budget process. Most of the IF indicators are not routinely monitored, but many (not the primary completion rate) are calculated periodically as part of analytical exercises e.g. the GOM's 2000 Public Expenditure Review (PER). 		
Inputs: <i>What did FTI do? What problems did it identify and how did it address them? What non-FTI inputs and processes took place over the same period?</i>		
<p><u>Non FTI inputs</u> into country-level education data and monitoring and evaluation in period since FTI came in:</p> <ul style="list-style-type: none"> Support to the EMIS from a US funded project, including a long-term consultant. Third round of SACMEQ tests have taken place. JAR process has continued. Government conducted a PER in 2006, which contained a detailed analysis of the education sector following the same exercise in 2000. MOEST (in consultation with various stakeholders) has developed an ESIP which includes a performance assessment framework (operational component of the NESP). <p><u>FTI specific inputs:</u></p> <ul style="list-style-type: none"> EPDF funded work on a CSR which was developed between 2007 and 2009. The IF indicators were calculated as part of the GOM's PER exercise in 2006. The ESIP contains elements that are required for FTI endorsement. 		
Relevance - <i>Were the objectives of FTI support relevant to data and M&E needs? Was the design appropriate?</i>	Immediate effects and intermediate outcomes: <i>What were the effects and intermediate outcomes on the sector in terms of effectiveness, and efficiency? (Immediate effects refer to processes, intermediate outcomes refer to changes in sector policy, expenditure and service delivery)</i>	
	Effectiveness – <i>To what extent did FTI contribute to improved collection of data and better information services? To what extent is there better use of data to inform policy and funding?</i>	Efficiency - <i>How economically was support to country data and M&E translated into results?</i>
<ul style="list-style-type: none"> The objective of strengthening data and monitoring and evaluation processes in education is relevant since there are clear weaknesses. The design did not address some key parts of the objective such as the monitoring process. 	<ul style="list-style-type: none"> The EMIS has improved; performance data is timelier and some statistics are reportedly more reliable. It still lacks comprehensive financial information on the sector. FTI did not contribute directly to this process, although the NESP development process probably increased demand for the data. The use of EMIS and financial data is evident in the NESP, and the CSR was reported to be useful in producing the ESIP, but it is not clear that data is being used systematically in the budget process. The effectiveness of the JAR process is questionable in terms of feeding into the budget process. 	<ul style="list-style-type: none"> FTI inputs to data and monitoring and evaluation have been minimal and effects very limited so it is difficult to comment on efficiency.
Sustainability: <i>Are the changes that took place data and M&E management likely to survive? How resilient are the benefits to risks?</i>		
<ul style="list-style-type: none"> Risks in sustaining the EMIS system include the turnover of MOEST officials involved in the EMIS unit. 		

STREAM 4: Capacity		
Context: <i>What was the situation at level zero with respect to capacity? To what extent was the capacity adequate for EFA and UPC targets?</i>		
<ul style="list-style-type: none"> Key capacity constraints identified in the ESP (PIF 2000-2015) include the acute shortage of qualified primary teachers (particularly in rural areas) and classrooms, planning and management of cost-effective education programmes by the MOEST and its institutions. Strategies for addressing these constraints include continuing with accelerated teacher education programmes, decentralisation of teacher recruitment and deployment, a large classroom building programme, integrating HIV/AIDS issues into the teacher education curriculum, development of new tools to support planning in the sector and some limited training is mentioned for planners and managers at various levels. A specific capacity development plan did not exist for the sector and there was no specific monitoring mechanism beyond the use of data on teachers and classrooms collected as part of the EMIS. 		
Inputs: <i>What did FTI do? What problems did it identify and how did it address them? What non-FTI inputs and processes took place over the same period?</i>		
<p>Non FTI inputs into capacity assessment and capacity building since FTI came in:</p> <ul style="list-style-type: none"> Some work on capacity development was undertaken in 2007, supported by CIDA. The nature of other capacity assessment and building activities which took place during this period is not known. <p>FTI specific inputs:</p> <ul style="list-style-type: none"> EPDF funded work on a CSR which was developed between 2007 and 2009. It was led by the World Bank and involved a large team drawn from the three ministries involved in delivering basic education, the MOF, the NSO, and representatives from civil society. It started with a training programme, and a three day workshop was held in 2009 to discuss findings and policy implications. In mid- to late-2008, the MOEST, supported by consultants (not funded from EPDF but from other donors), used the FTI capacity development guidelines to conduct a capacity gap analysis for primary education with a view to developing a short-term capacity development plan and long-term capacity development strategy linked to the NESP. Similar work in other subsectors is ongoing. 		
Relevance - <i>Were the objectives of FTI support to capacity development relevant? Was the design appropriate?</i>	Immediate effects and intermediate outcomes: <i>What were the effects and intermediate outcomes on the sector in terms of effectiveness, and efficiency? (Immediate effects refer to processes, intermediate outcomes refer to changes in sector policy, expenditure and service delivery)</i>	
	Effectiveness – <i>To what extent did FTI contribute to implementation of measures to strengthen capacity? To what extent was quality capacity created to implement policy and services?</i>	Efficiency - <i>How economically was FTI support to country level capacity building translated into results?</i>
<ul style="list-style-type: none"> The objective of FTI support to capacity development focuses on support to policy development and planning. This is relevant to Malawi's needs. Design had various weaknesses: MOEST had no input into decisions on EPDF funded inputs; heavy reliance on external consultants. 	<ul style="list-style-type: none"> The NESP acknowledges that implementation capacity is fragmented and weak at all levels. There has been ongoing work to assess capacity constraints at various levels and develop a CD strategy and plan. The FTI CD guidelines have underpinned this process. It seems unlikely that the Malawian technical team which worked on the CSR would be able to repeat the exercise in future without external support, although it is highly possible that individuals have gained skills in education sector analysis. Capacity constraints in the delivery of primary education have worsened. 	<ul style="list-style-type: none"> FTI inputs to data and capacity development have been minimal and effects very limited so it is difficult to comment on efficiency.
Sustainability: <i>Are the changes that took place in capacity likely to survive? How resilient are the benefits to risks?</i>		
<ul style="list-style-type: none"> The high turnover of education sector officials is a risk to sustaining any new skills acquired in education sector analysis. 		

STREAM 5: Aid Effectiveness		
Context: <i>What was the situation at level zero with respect to aid effectiveness? What was happening in the sector before FTI? To what extent was aid for education efficiently & effectively provided?</i>		
<ul style="list-style-type: none"> Between 1993/4 and 2000 there were more than 30 separate donor funded education projects; almost all donor assistance continued using a project modality in the early 2000s & most was used to finance capital costs. The Netherlands, a new donor, started using a silent partnership with United Kingdom (UK) Department for International Development (DFID) to channel its funds. Projects supported by bilateral funds were generally not included in the government's budget estimates, and they used parallel accounting and financial management systems; a considerable proportion of education sector expenditure was off-budget at the end of the 1990s and this continued in the first half of the 2000s. Three large donors (Canada, Germany and UK) contributed financially to the PCAR reform programme which started in 2001, this signalled their intention to improve donor harmonisation. Most of the major donors participated in the ESP (PIF) development process which took place between 1999 and 2001. The JAR process started in 2000. A local donor group (including civil society representation) has been meeting regularly since the early 2000s. 		
Inputs: <i>What did FTI do? What problems did it identify and how did it address them? What non-FTI inputs and processes took place over the same period?</i>		
<p>Non-FTI specific inputs to improving of aid effectiveness during the period since FTI came in:</p> <ul style="list-style-type: none"> The 3 PCAR donors embarked on a process to develop a JFA to enable them to pool their funding. After a detailed consultation process lasting several years, the JFA is currently being finalised and has been signed by most of the donors (some large donors will continue to use other modalities). The World Bank will be a signatory. The local donor group continued to meet regularly internally and with MOEST; in 2008 a formal donor development group was launched with specific rules governing its operation, and the MOF/MOPED launched SWGs as a means of implementing the Paris Declaration—membership includes government institutions, donors, civil society and the private sector. JARs continued (with somewhat ad-hoc timing) and in 2007 the MOF formalised the requirement for JARs to take place. <p>FTI specific inputs to improving aid effectiveness:</p> <ul style="list-style-type: none"> The dialogue between donors and MOEST regarding FTI endorsement and the development of the NESP was integrated with the overall dialogue about the NESP and the development of a SWAp. The ground work has been prepared for CFs to utilise a pooled modality under the JFA (with World Bank as SE). 		
Relevance - <i>Was FTI support to aid effectiveness relevant? Was the design appropriate?</i>	Immediate effects and intermediate outcomes: <i>What were the effects and intermediate outcomes on the sector in terms of effectiveness, and efficiency? (Immediate effects refer to processes, intermediate outcomes refer to changes in sector policy, expenditure and service delivery)</i>	
	Effectiveness – <i>To what extent did FTI contribute to more international aid, and to aid that is better, coordinated and more coherent with domestic efforts in the sector?</i>	Efficiency - <i>How efficiently was aid delivered?</i>
<ul style="list-style-type: none"> The GOM considers the Paris and Accra aid-effectiveness principles highly relevant to implementing its overall development strategy (Malawi Growth and Development Strategy (MGDS)). One of the design weaknesses is the reliance on a lead donor to communicate with MOEST on FTI; the interest and knowledge of the lead donor varied over time which caused some confusion. 	<ul style="list-style-type: none"> Harmonised mechanisms are in place for sector dialogue, but there has been some fragmentation between donors in their communication with MOEST on NESP. FTI provided an additional incentive for donors and MOEST to work together on NESP. Many of the large donors have agreed on a pooled financing modality for future support to the NESP. The World Bank's active input into the design of the JFA was partly influenced by its probable role as SE for CFs in future. There is no effective reporting (majority of donor expenditure on education is not part of IFMIS) or accountability mechanism in place for donor commitments to education. 	<ul style="list-style-type: none"> Donor dialogue with MOEST over NESP has at times been uncoordinated which has increased transaction costs on the part of the MOEST. Indeed the development of the NESP and the JFA has taken roughly three years.
Sustainability: <i>Are the changes that took place with respect to aid effectiveness likely to survive? How resilient are the benefits to risks?</i>		
<ul style="list-style-type: none"> The use of the planned pooled financing mechanism is probably fairly resilient, at least in the short term, partly because of the extensive period of consultation on the JFA. Risks include the exiting from the sector of key donors involved in the pool due to changes in general aid policy. The emphasis on sector dialogue between key groups of stakeholders is being heavily promoted by the MOF which should contribute to its sustainability. 		

STREAM 6: Cross-Cutting Issues (HIV/AIDS, gender, equity and exclusion)		
Context: <i>What was the situation at level zero with respect to cross-cutting issues? What was happening in country before FTI?</i>		
<ul style="list-style-type: none"> The removal of primary school fees and other charges in 1994 led to huge progress in increasing access to primary education for girls, children from poor backgrounds and other previously excluded groups. The large US-funded GABLE project aimed to encourage girls to attend school; started in 1991 by providing financial support to primary school girls; after 1994 it funded a large social mobilisation campaign, gender-related curriculum reform and financial support for secondary school girls. The ESP (PIF 2000-2015) articulated policies on equity and the need to make education more inclusive; it cites target groups as orphans (especially those whose parent have died of HIV/AIDS), children with special needs, girls, & out-of-school youth. It also highlighted the rural/urban and gender inequality in the standard of provision. There are costed strategies to address some of these policy priorities but it is not comprehensive. The impact of HIV/AIDS on the sector is mentioned in relation to teacher attrition and children who have been orphaned. There are few costed strategies, although it states the need to include HIV/AIDS awareness and coping strategies into the curriculum at all levels. The PIF financial framework envisaged a shift of resources from the tertiary to the primary subsector, partly as a means of financing the cross-cutting strategies identified. The weak links between the PIF and the annual budget process meant that this resource shift did not occur. 		
Inputs: <i>What did FTI do? What problems did it identify and how did it address them? What non-FTI inputs and processes took place over the same period?</i>		
<p>Non FTI inputs aimed at ensuring that relevant cross-cutting issues are understood and mainstreamed into policy, implementation and monitoring</p> <ul style="list-style-type: none"> The GOM's PER in 2006 highlighted key areas of inequality and inequity in the provision and financing of education by gender, geographical location & income group. It also analysed some of the key impacts of HIV/AIDS on the education system. Other specific inputs are not known. <p>FTI specific inputs:</p> <ul style="list-style-type: none"> No specific inputs, beyond the use of the FTI appraisal guidelines in the review of NESP at various stages in its development, and the analysis of equity in the CSR. 		
Relevance - <i>Were the objectives of FTI support to cross cutting issues relevant? Was the design appropriate?</i>	Immediate effects and intermediate outcomes: <i>What were the effects and intermediate outcomes on the sector in terms of effectiveness, and efficiency? (Immediate effects refer to processes, intermediate outcomes refer to changes in sector planning and implementation with respect to cross-cutting issues)</i>	
	Effectiveness – <i>To what extent did FTI contribute to improved strategies to address cross cutting issues? To what extent did FTI contribute to implementation of these strategies?</i>	Efficiency - <i>How economically was FTI support to cross cutting issues translated into results?</i>
<ul style="list-style-type: none"> The objective of ensuring that HIV/AIDS, gender, equity and exclusion issues are integrated in the ESP is relevant, as these are all constraints to achieving primary education objectives in Malawi. 	<ul style="list-style-type: none"> The NESP contains more explicit and costed strategies to address cross-cutting issues than the PIF did. It is doubtful if FTI had much direct influence on this. It is not possible to say at this stage whether the funding for implementing these strategies will be forthcoming. 	<ul style="list-style-type: none"> FTI inputs to supporting cross-cutting issues have been minimal so it is difficult to comment on efficiency.
Sustainability: <i>Are the changes that took place in the manner in which cross-cutting issues are addressed likely to survive? How resilient are the benefits to risks?</i>		
<ul style="list-style-type: none"> Not possible to comment at this stage. 		