

# PEI Malawi

## Theory of Change

### 2014-2017



Empowered lives.  
Resilient nations.

AFRICA

### Context and Problem Statement

Livelihoods for the poor and economic development in Malawi depend on environmental and natural resources (ENR), which are degrading at alarming rates. The country has the highest deforestation rates in southern Africa and agricultural productivity is well below potential yields, especially for women farmers, due to unsustainable land use and soil erosion. Unsustainable use of ENR in Malawi costs the country 5.3% of GDP every year, with major social and health impacts. A key reason why poverty-environment (P-E) problems are not being fully addressed in Malawi is due to the insufficient sustained operationalization of P-E related objectives in national, sector and sub-national policies, plans and budgets.

### Barriers Analysis

1. Weak governmental institutional capacity for policy design and implementation implemented across government entities.
2. Inadequate application of existing mainstreaming tools plus the need for additional tools for effective integration and implementation of pro-poor ENR and climate objectives.
3. Lack of adequate targeted specific evidence to justify policy and budgetary decisions that result in improved pro-poor ENR use.
4. Inadequate or weak budget and financing (quantity, quality and prioritization) to promote pro-poor ENR use.

### Project Objective and Assumption

#### Objective

Enhance government capacity for increased budget allocation to sustainably manage ENR for poverty reduction with a view to contribute towards targeted populations benefitting from the effective management of environment, natural resources, climate change and disaster risk.

#### Assumptions

Increased budget allocations and expenditure to sustainably manage ENR for poverty reduction can be achieved if national, sector and district policies, plans and programmes and their corresponding budgets and financing options better include pro-poor ENR objectives.

## PEI Interventions

In response to identified challenges, PEI focuses efforts in three key areas with capacity building as a crosscutting objective:

Pro-poor environment and natural resources linkages mainstreamed in policies, development plans and programmes at national, sector and district level.

## Progress

Facilitated inclusion of an annex to the 2015 Guide to Executive Decision Making (GEDM) with training modules in the government policy makers curricula providing guidance of how decision and policy makers' can integrate inclusive and sustainable environmental management in all stages of the public planning cycle; GEDM applied in forestry, fisheries, climate change, wildlife and agriculture sectors in 2016.

In partnership with the Ministry of Local Government district planners trained on the applications of P-E planning tools, resulting in the inclusion of P-E references in 18 district Socio Economic Profiles and 5 District State of Environment Reports.

## Remaining Interventions

Integration of P-E objectives into Malawi's forthcoming national development strategy and SDG nationalisation processes.

Continue capacity building for district officers on application of ENR planning tools to influence district development plans.

Scale up trainings for high-level government officials on the application of the GEDM Annex.

Budgeting and financing for sustainable development incorporated into national, district and sector plans, policies and budgets.

Continued inclusion of a chapter on environmental sustainability with strong references to poverty in Malawi's annual budget guidelines since 2013, has led seven sectors to include P-E priorities in 2015 annual plans and budgets.

The National Agricultural Policy promotes investments in climate-smart agriculture, sustainable land and integrated soil management with a strong focus on empowering the youth and women, partially informed by a 2015 PEI-UN Women-World Bank Cost of the Gender Gap in Agricultural Productivity report.

Used PEI supported Public Expenditure Review (PER) recommendations to influence the Government to introduce a budget code on disaster risk reduction.

Drafted guidance in the 2015 appraisal manual and preparation handbook of the Public Sector Investment Programme (PSIP), to ensure all capital-intensive projects undertake and comply with recommendations from Poverty and Social as well as Environmental Impact Assessments (PSIA/EIA) to ensure public resources are directed towards inclusive environmental sustainability.

Work with MoF to develop a roadmap for the implementation of the PER recommendations.

Capacity development for sector planners to apply PSIP guidelines and conduct a performance review to inform decision-making to assess the extent to which inclusive environmental sustainability has been included in public investments as a result of guidelines application.

Disaggregated data and knowledge on the poverty-environment nexus collected and made accessible to decision makers, private sector and civil society.

Applied findings from key PEI studies and assessments, e.g. economic assessment of sustainability, cost of the gender gap and Malawi State of Environment Report, to ensure inclusion of P-E objectives in four sectoral policies, agriculture, fisheries, forestry and wildlife.

Inclusion of sustainability indicators in the monitoring and evaluation framework for the Agricultural Sector Wide Approach (ASWAp) and capacity built for conservation officers to now lead on data collection and indicator monitoring.

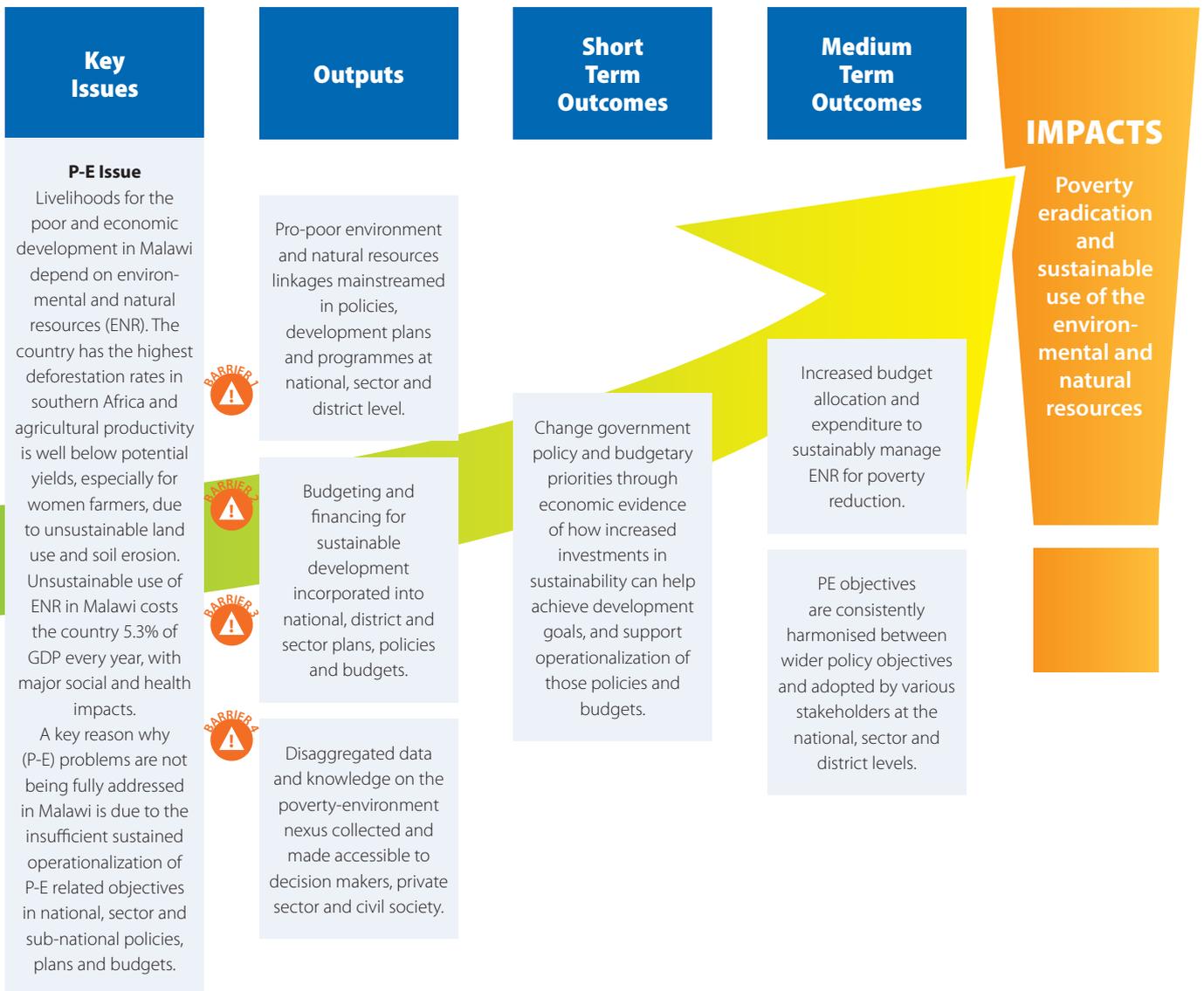
Finalisation of a soil loss assessment report and a review of the economic cost of soil loss in Malawi.

In response to Government demand, and in partnership with UN Women undertake additional analysis of how the gender gap in agriculture concretely can be reduced through climate smart approaches.

## Annex: ToC Diagram

### Assumptions

Increased budget allocations and expenditure to sustainably manage ENR for poverty reduction can be achieved if national, sector and district policies, plans and programmes and their corresponding budgets and financing options better include pro-poor ENR objectives.



**Barriers:** 1) Institutional capacity for ENR policy design and implementation 2) Application of existing mainstreaming tools or need for additional tools 3) Lack of adequate, targeted, specific evidence 4) Budget and financing (quantity, quality, and prioritization)