

MALAWI

BASIC FACTS ABOUT PEI MALAWI

Timescale: Phase I 2009–2013, Phase II 2014-2017.

Partners: The Ministry of Finance and Economic Planning and Development, the Office of the President and Cabinet, the Ministry of Natural Resources, Energy and Environment and sector ministries including Agriculture and Food Security, Local Government and Rural Development, Tourism and Wildlife as well as the UNDP country office.

Focus: Pro-poor sustainable natural resources management integrated into national and sector policy, planning and budget processes in order to ensure effective management of environment and natural resources in a way that benefits vulnerable groups.

MAINSTREAMING CONTEXT

Environmental degradation is a problem in Malawi, with serious economic implications. Productivity of major crops is significantly below potential yields due in part to reduced soil fertility caused by unsustainable land use practices. Unsustainable natural resource use is estimated to cost the government an equivalent of 5.3% of the annual GDP. Needless to say this slows down the progress of achieving national development goals and addressing poverty reduction.

MAIN ACTIVITIES

Raise awareness regarding poverty-environment linkages and sustainable natural resource management among key stakeholder mainly by disseminating findings and recommendations from strategic studies.

Integrate sustainable natural resource management in the implementation of national development plans and district and sector policies including agriculture, forestry, fishery, wildlife.

Improve the government's capacity and systems to monitor and develop poverty-environment indicators.

Explore financing mechanisms for sustainable natural resource management, including increasing budget allocations, donor funding, private investment and environmental fiscal reform measures.

ACHIEVEMENTS

Increased awareness of the poverty-environment nexus among government stakeholders as well as the public following strategic communication at events and through local television, printed and online media.

The Malawi State of Environment Outlook Report 2010, the Malawi Growth and Development Strategy 2012-2016 as well as the UNDAF include poverty-environment objectives as a result of findings from the PEI supported [‘Economic Valuation of Natural Resource Management’](#). The study showed that unsustainable natural resource use is costing the country the equivalent of 5.3 percent of GDP each year, more than the total funding allocated to education and health in 2009.

The 2013 Revised Decentralized Environmental Management Guidelines includes poverty-environment linkages. Following the revision of the guidelines, PEI Malawi supported trainings for district level planners on how to use them in district planning processes. As a result 10 district Socio Economic Profiles and 5 District State of Environment Reports include poverty-environment references.

Increased Government Commitment to ensure that pro-poor sustainable environment and natural resource funding increases. The Ministry of Finance guidelines for the preparation of the 2013/14 as well as the 2014/15 budget included a chapter on the importance of the alignment with sustainability guidelines. *'The contribution from prudent use of natural resources, environmental management and climate resilience is crucial for Malawi to achieve national sustainable development. There is need to ensure that all projects comply with environmental sustainability guidelines. This has immense potential to provide benefits from sustainable resource use and management and climate proofing of the economy and presents a rare opportunity for improved livelihoods of present and future generations of Malawians.'*

About 70% of Malawi's environment and natural resource expenditure between 2006 and 2012 occurred in sector ministries. Sector spending is essential for a holistic approach to sustainability.

Sustainability indicators included in the agriculture sector monitoring and evaluation framework coordinated with the World Bank. This resulted in the updating of baseline information for soil loss indicators and nutrient use efficiency for the Malawi Growth and Development Strategy and the Agriculture Sector Wide Approach Plan. Following capacity building, Natural resource conservation officers take the lead on data collection and monitoring of sustainability indicators such as water quality. However, adequate data collection and analysis for the indicators remains a challenge.

The Ministry of Energy together with PEI supported the production, marketing and distribution of energy efficient stoves and briquettes in four districts to demonstrate how the issue of burning charcoal can be addressed. The pilot projects have had important impacts on rural women and the environment. Inspired by these pilot projects the President of Malawi launched a similar initiative in 2013 with the target to produce two million energy efficient stoves under the national cook stove initiative.

Several draft policy documents reflect poverty-environment linkages as a result of PEI technical advisory services. These include the Fisheries, Forestry and Wildlife Policy and the guidelines for integrating environment and natural resource management into the Executive Decision Making Processes Handbook.

Malawi's draft appraisal manual and preparation handbook of the Public Sector Investment Programme includes guidance on poverty-environment related matters. E.g., the handbook recommends that all capital intensive projects need to undertake and comply with recommendations from Poverty and Social Impact Assessments and provides guidance for how to carry out such assessments.

LESSONS LEARNED

It is crucial to seize opportunities for integrating poverty-environment linkages into national and sector plans although this requires substantial resources and strategic sequencing of key studies. Further, attention to budget allocations and monitoring and evaluation frameworks is crucial to ensure implementation of poverty-environment objectives.

WAY FORWARD

The PEI Phase II has an increased focus on influencing budget processes, the poverty and gender aspect of poverty-environment mainstreaming and continued emphasis on communication and dissemination of study findings to ensure their use and to achieve additional impact. Phase II will also be more closely linked with UNDP Malawi's Support Programme for Environment and Natural Resource Management.