

MALAWI

MALAWI'S NATIONAL ANTI-CORRUPTION STRATEGY

EXECUTIVE SUMMARY

The Government and people of the Republic of Malawi are proud to associate themselves with the global approach to fighting corruption. Corruption is clearly the number one impediment to development and an enemy of the people, as it frustrates government efforts to eradicate poverty and improve daily lives of the ordinary people. It also results in the misallocation of scarce resources and this hinders economic growth.

In a bid to enhance transparency, accountability and good governance, the Malawi Team, with the support from the Government and other stake holders, came up with matrices and action plans as part of the World Bank's pilot programme for controlling corruption, which is being implemented in seven African countries, including Malawi.

The matrices and action plans which have been developed, cover financial management and procurement, rule of law, customs reform, and civil service reform. The following are the prioritised concrete actions to take or already undertaken as per subject of intervention.

CUSTOMS REFORM

- Formation of the Malawi Revenue Authority
- Setting up of Anti-Corruption Bureau
- Setting up of the Transparency International Malawi
- Launch of a broad-based campaign to build national consensus in improving integrity standards in the public sector

- Increase civic education on customs and excise matters
- Conduct investigative journalism workshops
- Co-ordinate actions of civil society and actions taken by government

RULE OF LAW

- Awareness campaigns by the Anti-Corruption Bureau
- Improved conditions of services of judicial officers
- Media investigations and reports of crime and corruption allegations
- Train prosecutors and investigators
- Awareness campaigns against disrespect for court decisions
- Lobby Government

FINANCIAL MANAGEMENT

- Employment of Directors of Finance in at least five (5) key ministries
- Introduction of Medium-Term Expenditure Framework
- Increase the number of institutions to implement Integrated Financial Management System
- Man-power development training
- Establishment for the policy makers and the public
- Mobilisation of the professional organisations and civil society

PROCUREMENT

- Establishment of a high-level commission of enquiry on contract awards
- Passing of National Construction Industry Act
- Conduct a National Integrity Workshop
- Timely approval and implement the recommendations made by the commission of enquiry on contract awards
- Media training on investigative journalism to expose fraud and corruption
- Concerted publicity of corrupt practices that come to light

TIME TABLE FOR IMPLEMENTATION OF THE IDENTIFIED PRIORITY ACTIONS

Actions	Time Frame	Responsibilities	Support Service
Customs Reform			
Setting up of the Anti-Corruption Bureau	Accomplished	Government and Donors	Technical and financial
Setting up of TI-Malawi	Accomplished	Civil Society and DANIDA	Technical and financial
Launch a broad-based campaign to build consensus on improving standards in the public sector			
Increase civic education on customs and excise	Started		
Conduct investigative journalism workshop	Started	TI-Malawi, ACB, Journalism Association	
Co-ordinate actions of civil society and Government	Started	Team, PAC	
Rule of Law			
Awareness campaigns by ACB	Started		
Improved conditions of service	Started	Government	
Media investigations reports of crime and corruption practices	Started	Journalism Association	
Train prosecutors and investigators	Started	Government	
Awareness campaigns against disrespect for court decisions		ACB, Team, TI-Malawi	
Lobby government		Team	
Financial Management			
Employment of Directors in 5 key ministries	Accomplished	Government	
Introduction of MTEF		Government	
Increase the number of institutions to implement IFMA		Government	
Manpower development training		Government	
Education for the policy makers and public		Civil society, ACB	
Mobilisation of professional organisation and civil society		Team	

Actions	Time Frame	Responsibilities	Support Service
Procurement			
Establishment of Commission of Enquiry	Accomplished	Team	
Passing of National Construction Industry Act	Accomplished	Government	
Conduct National Integrity Workshops	Accomplished	TI-Malawi, ACB, PAC	
Timely approval and implement the recommendations made by the Commission of Enquiry on contract awards		Government	
Media training on investigative journalism to expose fraud and corruption		TI-Malawi, ACB	
Concerted publicity of Corrupt Practices that come to light		Civil Society	

The above proposed actions include actions already accomplished and those planned to be undertaken. The Government and civil society organisations have already included these actions in the two to three year programmes.

The Team has already solicited and obtained support and consent, in writing, from the President of the Republic of Malawi, on its efforts.

The Team will also work with stakeholders such as Anti-Corruption Bureau, Office of the Director of Public Prosecutions, Consumers Association of Malawi, Public Affairs Committee, Transparency International Malawi, Society of Accountants in

Malawi, Vision 2020, the Law Commission, the Judiciary, the Ombudsman, the Human Rights Commission, the Electoral Commission, Government Ministries and Departments and other civil service organisations. The Team has had contact and dialogue with the mentioned stakeholders and has solicited their commitment to work with the Team.

The Constitution of the Republic of Malawi mandates the State to take measures to ensure good governance and public trust. In adopting an integrated approach to fight corruption, Malawi stands ready to meet these constitutional requirements.

Draft for Discussion

MALAWI'S NATIONAL INTEGRITY STRATEGY

Problem	Who benefits?	Who loses?	Actions already taken	Actions to take			Expected results
				Government	Civil Society	Team	
Rule of law							
People and State use other rules				<i>On-going:</i> <ul style="list-style-type: none"> • Training of additional judicial officers • Provision of more court facilities • Simplification and rationalisation of laws 	<ul style="list-style-type: none"> • Survey of perception of corruption and independence of judiciary (Oct./Nov.) • Translation of laws into vernacular (Early 2000) 	<ul style="list-style-type: none"> • Prepare survey questionnaire (Aug. '99) • Meet High Court Registrar (July '99) • Meet Legal Reform Committee to establish progress of law reform (July '99) • Publicise widely the work of the LRC (Nov.) • Check on funding gaps in gov't interventions for WB assistance (Aug.) • Identify administrative bottlenecks in Gov't (Aug.) interventions & assist in eliminating them (Aug.) • Build coalition to ensure that nobody is above the law (Oct./Nov.) 	Improve operation and application of rule of law

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Problem	Who benefits?	Who loses?	Actions already taken	Actions to take			Expected results
				Government	Civil Society	Team	
Weak laws and lack of laws (e.g. in Procurement & contract awards)	<ul style="list-style-type: none"> Politicians and their supporters 	<ul style="list-style-type: none"> Citizens and the Nation 	<p><i>Government</i></p> <ul style="list-style-type: none"> Creation of the Anti-Corruption Bureau <p><i>Civil Society</i></p> <ul style="list-style-type: none"> Media Investigations and reports of Crime and corruption allegations <p><i>Team</i></p> <ul style="list-style-type: none"> Planning NGO Coalition 	<ul style="list-style-type: none"> Train Prosecutors and Investigators 	<ul style="list-style-type: none"> Further awareness campaigns on ills of corruption 	<ul style="list-style-type: none"> Co-ordinate civil society 	Good Governance
Excessive Discretion in Administrative Law (e.g. in procurement, tariff & taxes)	<ul style="list-style-type: none"> Business people (Corrupt) 	<ul style="list-style-type: none"> Victims of Corruption and Crime 	<p><i>Government</i></p> <ul style="list-style-type: none"> Legislation of Corruption Laws <p><i>Civil Society</i></p> <ul style="list-style-type: none"> Awareness campaigns against corruption 	<ul style="list-style-type: none"> Reduce Discretion by regulations 	<ul style="list-style-type: none"> Further & continued revelations in the media of corrupt practices through investigative journalism 	<ul style="list-style-type: none"> Lobby Gov't 	Transparent and Accountable Appointments

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Problem	Who benefits?	Who loses?	Actions already taken	Actions to take			Expected results
				Government	Civil Society	Team	
Lack of Expertise in Prosecution	<ul style="list-style-type: none"> • Corrupt persons • Criminals 	<ul style="list-style-type: none"> • Honest judicial officers • Prosecutors • Investigators 	<p><i>Government:</i></p> <ul style="list-style-type: none"> • Initiation of judicial, legal, and police reform programs <p><i>Civil Society:</i></p> <ul style="list-style-type: none"> • Workshops on transparency and against corruption 	<ul style="list-style-type: none"> • Increase recruitment of prosecutors and investigators 	<ul style="list-style-type: none"> • Mount Further and corruption focused campaigns against political interference 		Better motivation for public officers and increased output
Lack of Expertise in Investigation	<ul style="list-style-type: none"> • Contractors 	<ul style="list-style-type: none"> • Qualified Professionals • Technocrats 	<p><i>Government</i></p> <ul style="list-style-type: none"> • Awareness campaigns by the anti-corruption bureau <p><i>Civil Society</i></p> <ul style="list-style-type: none"> • Creation of an NGO coordinating Group 	<ul style="list-style-type: none"> • Create terms, conditions, security of tenure & incentives for prosecutors and investigators 	<ul style="list-style-type: none"> • Awareness campaigns against disrespect for court decisions 		Quality delivery of justice

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Problem	<i>Who benefits?</i>	<i>Who loses?</i>	<i>Actions already taken</i>	<i>Actions to take</i>			<i>Expected results</i>
				<i>Government</i>	<i>Civil Society</i>	<i>Team</i>	
Insufficient Judicial officers			<i>Government</i> <ul style="list-style-type: none"> • Security of tenure for Judicial officers • Improved conditions of service for Judicial officers • Independence of the judiciary • Training of paralegal practitioners <i>Civil Society</i> <ul style="list-style-type: none"> • Tests & successful attempts at joint NGO ventures in NGO coalitions 	<ul style="list-style-type: none"> • Better awareness campaigns • Better infrastructure for prosecution and investigation institutions 			Quality delivery of Justice
Lack of Appreciation for the concept and ills of corruption			<i>Government</i> <ul style="list-style-type: none"> • Review of penal laws and procedures 				Greater Citizen Support for gov't & gov't programs

Problem	Who benefits?	Who loses?	Actions already taken	Actions to take			Expected results
				Government	Civil Society	Team	
Financial Management							
Policy makers don't know how to use financial info			<ul style="list-style-type: none"> Gov't has employed Director of Finance in at least 5 key ministries/depts. 	<ul style="list-style-type: none"> Increase the number of Directors of Finance & motivate the middle Finance Managers by giving them incentives 	<ul style="list-style-type: none"> Education for policy makers & the public 	<ul style="list-style-type: none"> Mobilisation of professional organisations & civil society, including the Society of Accountants in Malawi 	<ul style="list-style-type: none"> Better utilisation of financial data Well informed cadre of policy makers
Financial info is not aggregated, or timely and quality of info is poor							Better financial discipline
Inadequate financial managers and lack of trained personnel			<ul style="list-style-type: none"> Introduction of IFMS Project; pilot introduction in 3 public institutions Manpower development and training 	<ul style="list-style-type: none"> Increase number of institutions implementing IFMS Orientation and training of IFMS, both to operators and users 		<ul style="list-style-type: none"> Monitor progress of IFMS Project and identify any financial gaps 	

Problem	Who benefits?	Who loses?	Actions already taken	Actions to take			Expected results
				Government	Civil Society	Team	
Lack of adequate controls resulting in major frauds and financial irregularities including: (a) inefficiency in the retirement system and delays in payments of terminal payments; and (b) misuse and abuse of procurement procedures and delays in paying suppliers			<ul style="list-style-type: none"> • Introduction of Medium-Term Expenditure Framework (MTEF) 	<ul style="list-style-type: none"> • Strengthen and refine the MTEF 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Identify all administrative bottlenecks in implementing the IFMS Project and propose solutions/ actions to sustain momentum 	Increased transparency and accountability Stronger and co-ordinated budgetary controls More effective controls on public resources Improved cash flow management Improved record-keeping and audit capability

Problem	Who benefits?	Who loses?	Actions already taken	Actions to take			Expected results
				Government	Civil Society	Team	
Procurement							
Lack of transparency and efficiency in the public procurement			<ul style="list-style-type: none"> • WB-funded study of public procurement completed • National Integrity Workshop held in Nov. '96 • Investigative Journalism Workshop held in Feb. '99 • Workshop for Clergy and Heads of primary schools on corruption held in June '99 	<ul style="list-style-type: none"> • Implement recommendations of WB-funded study on public procurement 	<ul style="list-style-type: none"> • Fraud and corruption awareness lobby for legislators, decision makers and the general public • Further media training on investigative journalism to expose fraud and corruption 	<ul style="list-style-type: none"> • Co-ordinate civil society intervention and follow-up and monitor actions of gov't and civil society 	<p>More transparent and efficient procurement process</p> <p>Economical and competitive procurement costs</p> <p>Good value for money for the public in procurement practices</p>

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Conflicts of interest and progress payment collusion			<ul style="list-style-type: none"> • Commission of Enquiry established on the award of contracts • Investigative report by media on conflict of interest in privatisation of communications services • Individual media reports on corruption involving political leaders and public officers 	<ul style="list-style-type: none"> • Prompt approval and implementation of Commission of Enquiry recommendations on award of contracts • Diligent and prompt investigation and prosecution of frauds and corrupt practices 	<ul style="list-style-type: none"> • Concerted publicity of corrupt practices that come to light 	<ul style="list-style-type: none"> • Follow-up and monitor actions of gov't and civil society 	Fair and accountable decisions in the award of contracts
Absence of legislation and outdated rules and regulations on procurement			<ul style="list-style-type: none"> • Nat'l Construction Industry Act passed • Medium Term Expenditure Framework implemented in gov't 	<ul style="list-style-type: none"> • Legislate procurement rules and procedures and ethics • Training of investigation and prosecution personnel 		<ul style="list-style-type: none"> • Follow-up and monitor actions of gov't 	

Problem	Who benefits?	Who loses?	Actions already taken	Actions to take			Expected results
				Government	Civil Society	Team	
Poor quality of financial mgmt and lack of awareness by policy/decision makers on using available data			<ul style="list-style-type: none"> • IFMS Project introduced on pilot basis • Appointment of Directors of Finance on contract in key ministries and depts. 			<ul style="list-style-type: none"> • Follow-up and monitor actions of gov't 	
Lack of education/knowledge among policy/decision makers of the rules and regulations Lack of trained personnel in procurement and financial mgmt				<ul style="list-style-type: none"> • Training staff and enforcing rules and regulations in the interim 		<ul style="list-style-type: none"> • Follow-up and monitor actions of gov't 	