

ECAMA NEWSLETTER

FEBRUARY 2022 ISSUE

The official monthly newsletter of the Economics Association of Malawi



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HIGHLIGHTS FOR THE MONTH

KICK-OFF MEETING FOR THE PILLAR AND ENABLER COORDINATION GROUPS (PECGs)

On 15th February 2022, ECAMA attended a kick-off meeting for the PECGs which was organized by the National Planning Commission (NPC) at Sunbird Capital Hotel Lilongwe. The PECGs were established as a coordination framework for the MIP-1 to ensure effective implementation of the Malawi 2063 (MW2063).

The meeting had three main objectives: (i) to agree on activities that the PECGs will implement this year drawing from the MIP-1, (ii) to agree on responsibilities and timeframe for the isolated activities, and (iii) to prepare for the meeting with His Excellency the President, where the PECGs will present their plan to kick start the implementation of their respective activities. ECAMA was placed in the Effective Governance Systems and Institutions group in which the first two objectives were tackled. Presentations were made and submitted to the NPC for consideration and further action.

BUDGET ANALYSIS DISSEMINATION MEETING WITH PARLIAMENTARY COMMITTEES

On 23rd February 2022, the consortium of ECAMA, Oxfam in Malawi and the Lilongwe University of Agriculture and Natural Resources (LUANAR) organized a budget analysis report dissemination meeting with Members of Parliament (MPs) from the Parliamentary Committees of Budget; Agriculture and Irrigation; Education, Science and Technology; Health; Legal Affairs; and Public Accounts. The consortium met the MPs to present and discuss the findings of the Analysis of the 2022/2023 Fiscal Year (FY) National Budget which was presented by the Minister of Finance on 18th February 2022.



The budget analysis focused on proposing policies and practices for improved use and management of public resources through a Public Finance Management (PFM) system that promotes transparency, accountability, fiscal discipline, efficiency, and effectiveness.

Specifically, the analysis looked at:

- alignment of the budget priorities to the Malawi 2063.
- proposed new tax measures and tax revenue performance.
- public debt situation.
- internal and external risks facing the 2022/23FY budget.
- fiscal sustainability of the proposed budget.

Some of the observations on the proposed budget are as follows:

i. The key assumptions regarding foreign exchange reserves and exchange rate are not explicitly made. However, there was need for the government to clarify what reserve position and exchange rate are being targeted in the 2022/23 fiscal year. This is so because foreign reserves position and exchange rate are critical in economic management. For example, a significant part of the budget requires forex and forex shortages are a key driver for most imported inflation.

ii. Domestic resources account for about 81 percent of recurrent expenditure in the 2022/23FY fiscal year up from 72 percent in the 2021/22FY. This implies a commendably rising trend towards eliminating consumption borrowing.

iii. The wage bill is estimated at 24.3 percent of total expenditure, below the ceiling for Low Income Developing Countries. This appears to be a good thing because the wage bill heavily influences the sustainability of public finances, the quantity and quality of key public services, and as governments are major employers, private sector pay and employment. However, caution was made that keeping the wage bill low comes at the cost-of-service delivery. For example, only 9,687 of 26,404 establishments will be filled in the Min of Education (63.3 percent vacancy rate whereas only 3,355 of 5112 establishments will be filled in the Min of Agriculture (34.4 percent vacancy rate).

iv. The allocation to the Affordable Inputs Programme (AIP) has been reduced in the 2022/2023FY budget by 22.83 percent compared to the 2021/2022FY budget allocation. However, given that the AIP allocation still accounts for over 85 percent of other recurrent transactions in the Ministry of Agriculture, this implies that the decline does not free funds for other agricultural activities in the Ministry of Agriculture.

LAND REFORMS ROUNDTABLE DISCUSSION

ECAMA organized a Multi-Stakeholder Roundtable Discussion on Land Management Practices and Reforms on 8th February 2022 at Sunbird Capital Hotel Lilongwe. The objective of this roundtable discussion was to discuss land management practices and the proposed reforms outlined in the six gazetted land bills with a view of understanding their implications on commercial agriculture.

HIGHLIGHTS FOR THE MONTH

The meeting targeted land experts, land law experts, agriculture experts, economic experts, parliamentarians, leaders of private sector institutions, research institutions, Civil Society Organizations (CSOs), development partners, citizens, and other stakeholders.

The meeting observed that several proposals in the gazetted bills are inconsistent with the promotion of commercial agriculture and foreign direct investment. Participants also identified proposals that are inconsistent with the Constitution, including rights related to property ownership. The meeting resolved to call for more consultations before the proposed amendment bills were passed in Parliament.



From the roundtable discussion, the meeting observed that:

- i. The Malawi Constitution only recognizes private and public land.
- ii. There is lack of synergy among the land laws and national policies such as the National Land Policy, Malawi 2063,

Agriculture Commercialization Framework, and the Shire Valley Transformation Project.

- iii. The Malawi Constitution prohibits expropriation of property without compensation.

iv. There is need to clearly define commercial agriculture to distinguish it from subsistence farming and to strike a balance between supporting subsistence farming and promoting commercial agriculture.

v. The population is growing at a high rate, and it is likely that the land issues will continue to persist if not addressed effectively.

The following policy options were suggested for consideration:

- i. More consultations need to be done before the amendment bills are tabled at the National Assembly.
- ii. There is need to align Land Laws with national policies, based on evidence on land distribution and utilization.
- iii. To deal with the issue of landlessness, there is need to look at the microeconomic context of the people because to a larger extent, the problem is not landlessness but poverty.
- iv. There is need for Government to ensure that the processes of registration, acquisition of certificates for land and any other related documentation are quick and efficient.

ECAMA shared the contents of the communique with all stakeholders to ensure that the concerns on the likely impact of the proposed land law amendments on agriculture commercialization, foreign direct investment and property ownership are addressed.

“
*A war is going to
 destroy our economy
 even further. It's
 going to be a threefold
 humanitarian
 disaster*
 ”

- Janeane Garofalo

REMINDER

2022 MEMBERSHIP SUBSCRIPTION

ECAMA would like to encourage its esteemed members to renew their membership and pay subscription fees for 2022. The corporate membership categories and their revised annual fees are as follows:

Platinum Members	K3,300,000
Gold Members	K1,650,000
Silver Members	K1,100,000
Bronze Members	K550,000

The revised individual membership annual fees are at **K60,000** per member while annual fees for postgraduate students and undergraduate students remain at **K20,000** and **K5,000** each, respectively.

However, if paid by **31st March 2022**, members shall pay a discounted fee as follows:

Platinum Members	K3,000,000
Gold Members	K1,500,000
Silver Members	K1,000,000
Bronze Members	K500,000
Individual Members	K50,000

Please visit www.ecamamw.com to complete membership renewal or registration

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UPCOMING EVENTS

Date	Activity	Venue
24/03/2022	Students Visit	Lilongwe
TBD	ECAMA Executive Committee Meeting	TBD
TBD	ECAMA Board of Trustees Meeting	TBD

OFFICIAL COMMUNICATION CHANNELS

Any update on activities being undertaken by the Secretariat in collaboration with the Executive Committee is officially communicated through the following:



www.ecamamw.com



facebook.com/ECAMA4



[@ECAMA_official](https://twitter.com/ECAMA_official)

FEEDBACK

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