



CSO POSITION ON THE 2020/2021 NATIONAL BUDGET

MAY, 2020

I. INTRODUCTION:

This paper has been generated by Civil Society Nutrition Alliance (CSONA), Civil Society Agriculture Network (CISANET) and Save the Children Malawi from research, experience, and observations made over the past 5 years. In this period, CISANET, CSONA and Save the Children have conducted budget analyses and tracking at both national and district levels, with special focus on the nutrition budget. This position paper represents the views and opinions of CSONA, CISANET and Save the Children and is directed towards the Minister of Finance, Economic Planning and Development (MoFEPD). We request the Minister to consider the requests we have made herein as the Ministry continue to develop the 2020/2021 National Budget.

2. KEY IDENTIFIED ISSUES FOR CONSIDERATION

2.1 Pre-ample: Nutrition situation in Malawi

In the past decade, Malawi has registered declining trends in undernutrition. For instance, stunting levels in under five children has declined from 47.1% to 37.1% between 2010 and 2016, (MDHS, 2010 and MDHS, 2016). Such a declining trend is a result of the several efforts and investments made by Government and its partners in the fight against malnutrition. However, malnutrition in all its forms remains a major development concern in Malawi. In recent years, Malawi has been faced with the challenge of over-nutrition. Over-nutrition remains the biggest culprit contributing to the increasing prevalence of Non-Communicable Diseases (NCDs) such as cardiovascular diseases (e.g. stroke, high blood pressure), cancer, diabetes mellitus and other NCDs. Evidence has it that being overweight and obese places one at a high risk of suffering from nutrition related NCDs resulting in high morbidity and mortality rates for the country. Furthermore, the Cost of Hunger Malawi report (2012) suggests that Malawi lost a total of US\$597 million¹ from child undernutrition, a loss which was equivalent to 10.3% of Malawi GDP.

The Malawi Growth and Development Strategy III (MGDS III) recognizes nutrition as one of the crucial other development areas. The MGDS III has earmarked an investment allocation of MK34.9 Billion towards nutrition in the 2020/21 Financial Year. However, an analysis of the 2019/20 national budget supported by the European Union (through Afikepo), CARE Malawi

¹ With a whopping US\$537 million lost in productivity losses, US\$46 million lost in health-related problems and US\$14 million lost in education.

and UNOPS revealed that the aggregate nutrition budget allocation stood at MK9 Billion against a planned investment of MK35.3 Billion in the MGDS III implying a 74% financing gap.

2.2 Financing for the Office of the Principal Nutrition, HIV and AIDS Officer (PNHAO) in district councils

As a way of enhancing nutrition coordination in the districts, the Ministry of Local Government and Rural Development (MoLGRD) has recruited higher level nutrition focal persons for all the districts. The Ministry has placed Principal Nutrition, HIV and AIDS Officers (PNHAOs) in all the district

councils. Nevertheless, a scoping study conducted by CSONA, CISANET and Save the Children in 2018 and 2019 revealed that the office of the PNHAO does not have a ring-fenced budget line for promoting nutrition

Proposed PNHAO activity	Estimated budget (MK)
Coordination meetings at District and community level	7,680,000
Supervision and monitoring of nutrition	8,280,000
Bi-annual and annual review meetings	480,000
Capacity Building of nutrition structures	6,233,143
Commemoration of nutrition events	1,560,000
	24,233,143

activities and coordination in the districts. This implies that the district council budget does not have a specific vote for coordination and promotion of nutrition activities in the districts. Budgetary estimations done with PNHAOs from 10 district councils suggest that on average, each PNHAO requires an annual investment of **MK24.2million.**

2.3 Access to clean and safe water to promote WASH in the face of COVID 19 Pandemic

Malawi, with the entire world alike, is grappling with the COVID19 Pandemic caused by the Corona Virus. Malawi confirmed its first case on April 2, 2020. As a measure of preventing spread of the virus, Government, through the Ministry of Health, is promoting regular hand washing using clean water. However, the Amendment Bill to the Value Added Tax (VAT) Act that was deliberated and passed by the Malawi Parliament in 2016 introduced a 16.5% standard rate on tap (piped) water produced by water boards. That move increased the price of tap water and in the current context deprives access to clean and safe water for the less privileged. One of the preventive measures of the COVID19 is frequent handwashing using safe and clean water, however the current water pricing makes it hard for an ordinary Malawian to manage. Clean and safe water is also a prerequisite to attaining good nutrition by preventing some hygiene related communicable diseases such as diarrhoea.

3. CSONA, CISANET AND SAVE THE CHILDREN PROPOSITIONS FOR THE 2020/2021 NATIONAL BUDGET

CSONA, CISANET and Save the Children recognizes the National Budget as a key tool for stimulating nutrition and national growth for Malawi. We encourage the government to advance a pro-growth budget that will contribute to improved nutrition response in the country. In view of the foregoing, we would like to propose the following:

- i. The Government through the MoFEPD and National Local Government Financing Committee must create and allocate resource for the independent budget line for the office of Principle Nutrition, HIV and AIDS Officer in all the district councils to enhance collaboration at council level.
- ii. The MoFEPD must consider waiving the VAT charged on tap water to enhance access to clean and safe water to promote sanitation, hygiene and washing of hands in the wake of the COVID 19 Pandemic.
- iii. The overall budget for nutrition should strive to allocate as much resources as possible to the proposed nutrition budget allocations that have been explicitly proposed for this financial year in the MGDS III. As highlighted above, a 74 % financing gap is a huge problem. We therefore propose adjusting funding for nutrition programs to at-least within 50% of what is proposed in the MGDS III.