Drawing on internationally accepted criteria developed by multilateral organizations, the Open Budget Survey uses 109 equally weighted indicators to measure budget transparency. These indicators assess whether the central government makes eight key budget documents available to the public online in a timely manner and whether these documents present budget information in a comprehensive and useful way.

Each country receives a composite score (out of 100) that determines its ranking on the Open Budget Index – the world’s only independent and comparative measure of budget transparency.

How has the OBI score for Malawi changed over time?

How comprehensive and useful is the information provided in the key budget documents that Malawi publishes?

Malawi’s score of 26 out of 100 is substantially lower than the global average score of 42.
Malawi’s score of 26 on the 2017 Open Budget Index is substantially lower than its score in 2015.

Malawi’s score is in part affected by the change in definition of “publicly available” which from OBS 2017 only recognizes those documents that are published online on the relevant government body’s official website as available to the public. Online availability is now considered a basic standard for the publication of government information. Because of this change, Malawi no longer receives credit for the Enacted Budget and Year-End Report, which are published only in hard copy. Further, several supporting documents in Malawi’s Executive’s Budget Proposal were published in hard copy only and thus were not counted toward Malawi’s score in the 2017 OBS.

Since 2015, Malawi has also decreased the availability of budget information by:
- Failing to publish In-Year Reports online in a timely manner.
- Not producing an Audit Report on time and not producing a Citizens Budget.

How does public participation in Malawi compare to other countries in the region?

![Bar chart showing public participation scores for various countries and Malawi](chart.png)

Malawi’s score of 15 out of 100 indicates that it provides few opportunities for the public to engage in the budget process. This is higher than the global average score of 12.

To what extent do different institutions in Malawi provide opportunities for public participation?

![Bar chart showing public participation scores for different institutions in Malawi](chart2.png)
The Open Budget Survey examines the role that legislatures, supreme audit institutions, and independent fiscal institutions play in the budget process and the extent to which they are able to provide effective oversight of the budget. These institutions play a critical role — often enshrined in national constitutions or laws — in planning budgets and overseeing their implementation.

These indicators were revised to better assess the role of formal oversight institutions in ensuring integrity and accountability in the use of public resources. Therefore, data on the role and effectiveness of oversight institutions in the Open Budget Survey 2017 should not be compared directly to data from earlier editions.

To what extent does the legislature in Malawi provide budget oversight?

The legislature provides adequate oversight during the budget cycle. This score reflects that the legislature provides limited oversight during the formulation/planning stage of the budget cycle and adequate oversight during the implementation stage of the budget cycle.

The main barriers to effective legislative oversight are:
- A debate on budget policy by the legislature does not take place prior to the tabling of the Executive’s Budget Proposal.
- The Executive’s Budget Proposal is not provided to legislators at least two months before the start of the budget year.
- Legislative committees examine the Executive’s Budget Proposal but do not publish reports on their analyses online.

To what extent does the supreme audit institution in Malawi provide budget oversight?

The supreme audit institution provides limited budget oversight.
- Under the law, it has full discretion to undertake audits as it sees fit.
- However, the head of the institution is appointed by the president, with legislative approval but can be removed without legislative or judicial approval, which calls into question its independence.
- Finally, the supreme audit institution is provided with insufficient resources to fulfill its mandate, and its audit processes are not reviewed by an independent agency.


Oversight by an Independent Fiscal Institution

Malawi does not have an independent fiscal institution (IFI). While IFIs are not yet widespread globally, they are increasingly recognized as an important source of independent, nonpartisan information. IFIs take a variety of different institutional forms. Common examples include parliamentary budget offices and fiscal councils.

Recommendations

- Continue publishing the Audit Report in a timely manner. (During the OBS research period the government had not published an Audit Report, but this practice has since changed and the 2015/16 Audit Report was published by 30 June 2017)

How can Malawi improve transparency?

Malawi should prioritize the following actions to improve budget transparency:
- Publish a Pre-Budget Statement, an Enacted Budget, and a Year-End Report online.
- Ensure that the Executive’s Budget Proposal and any supporting documents are consistently published online.
- Consistently publish In-Year Reports online in a timely manner.

For more detailed information on the survey findings for Malawi, please see the Open Budget Survey Data Explorer at survey.internationalbudget.org.
How can Malawi improve participation?
Malawi should prioritize the following actions to improve public participation in its budget process:

- Pilot mechanisms for members of the public and executive branch officials to exchange views on national budget matters during the monitoring of the implementation of the national budget. These mechanisms could build on innovations, such as participatory budgeting and social audits. See www.fiscaltransparency.net/mechanisms/ for examples of such mechanisms.
- Hold legislative hearings on the formulation of the annual budget, during which members of the public or civil society organizations can testify.
- Establish formal mechanisms for the public to assist the supreme audit institution in formulating its audit program and to participate in relevant audit investigations.

How can Malawi improve oversight?
Malawi should prioritize the following actions to make budget oversight more effective:

- Ensure the legislature holds a debate on budget policy prior to the tabling of the Executive’s Budget Proposal and approves recommendations for the upcoming budget.
- Ensure a legislative committee examines and publishes reports on in-year budget implementation online.
- Ensure the supreme audit institution has adequate funding to perform its duties, as determined by an independent body (e.g., the legislature or judiciary).
- Consider setting up an independent fiscal institution.

METHODOLOGY

The Open Budget Survey uses internationally accepted criteria developed by multilateral organizations from sources such as the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), the International Organisation of Supreme Audit Institutions (INTOSAI) and the Global Initiative for Fiscal Transparency (GIFT).

It is a fact-based research instrument that assesses what occurs in practice through readily observable phenomena. The entire research process took approximately 18 months between August 2016 and January 2018 and involved about 300 experts in 115 countries. The Open Budget Survey 2017 assesses only events, activities, or developments that occurred up to 31 December 2016. The survey was revised somewhat from the 2015 version to reflect evolving methods for disseminating budget information and to strengthen individual questions on public participation and budget oversight. A discussion of these changes can be found in the Open Budget Survey Global Report (see link below).

Survey responses are typically supported by citations and comments. This may include a reference to a public document, an official statement by the government, or comments from a face-to-face interview with a government official or other knowledgeable parties.

Further Information
Visit openbudgetsurvey.org for more information, including:

- The Open Budget Survey 2017: Global report
- Data explorer
- Methodology report
- Full questionnaire

Research to complete this country’s Open Budget Survey was undertaken by:
Dalitso Kubalasa
Malawi Economic Justice Network
QADRI House – First Floor, Off Mandala Road, Area 3
P.O. Box 20135, Lilongwe 2, Lilongwe - Malawi
Email: dkubalasa@mejn.mw