Strengthening the role of Public/Private Sector in Malawi

Sipho Billiat
Department of Economic Planning and Development, Malawi

Regional NDC Dialogue, Rabat, Morocco
26-28 September 2017
Outline

• National development planning processes
• National Policy Frameworks And Instruments
• Pvt sector engagement
• Policy & Public Financial Incentives
• Public Private Partnership
• Conclusion
National devt planning processes

- There is Malawi Vision 2020
  - Emphasises on *environmentally sustainable* middle income country
- The medium term national plans have helped to operationalise the vision, which is expiring in the next 3 yrs.
- A new MTS has been completed which is putting climate change adaptation and mitigation a priority for the country –
  - Malawi Growth and development Strategy (MGDS) III – [2017-2022]
  - Built on the theme…. *building productive, competitive and resilient nation*
- Sector plans and policies are informed by the National Plan
- All programming should be aligned to this plan for policy efficacy and harmonisation
- **This policies provide a direction on what should be done to tackle CC challenges**
Climate change management is a priority in Malawi – emphasis is put on both adaptation and mitigation of cc, but also environmental management as a whole.

There is a need to upscale investment in these areas and beyond if need to support climate change interventions.

The emphasis in planning is sustainability and inclusiveness of national development leading to SDGs achievement.

- This touches on economic, social and environment.

All related sectors are encouraged to work together and not in silos for effective implementation and reporting in the advent of scarce financial resources.
Some instruments

Vision 2020

National devt plan
• MGDS III

Sector policies
• JSS
• CC policy
• EMA

Other sector frameworks

NCCIP
NCCIPM&E
NAP
NAMAs
NDC
etc
Stakeholder participation in devt

- All stakeholders are supposed to participate in championing national development in various ways
- The roles of stakeholders vary depending on the nature of the institutions they are, e.g.
  - Advocacy i.e. CSOs, media
  - Implementation (thus investment) and resource mobilisation i.e. MDAs, DPs, pvt Sector, CSOs
  - Awareness – CSOs, media
  - Reporting – MDAs, CSOs
  - Oversight – Parliament, CSOs, Media
- Private sector is largely involved in implementation (investment) and availing financial resources and technology
Engagement of the Private sector

- The national planning process takes private sector on board by consulting them and involving them on national priorities.
- The private sector has money to invest,
  - but they can't give it away for free, they want to do business;
- Government therefore collaborates with them for sensible investment;
- Government strives to create a good environment and avail related information for private sector involvement
  - Through infrastructure development, social systems, security etc;
- Government has interest in the social and environmental considerations, working closely with the private sector is considered key;
PVT Sector Engagement ...

- To entice the investing pvt entity, govt considers:
  - Tax incentives holidays, wavers, reductions, removals e.t.c. come into play
  - Allow for social and corporate responsibility by reforesting bear places, providing potable water in cases of water stresses, health service provision and other social services

- Malawi confederation of Chambers of Commerce and Industry takes lead (MCCCI) – regarded as a voice for the private sector

- Govt has established various platforms for discussion with pvt sector for collaboration such as PPP forums;
  - The PPP Forum has helped to gather input from and strengthen pvt sector on matters of national development and their participation

- Development and transfer of appropriate technology is one key issues that is being emphasised for pvt sector in managing emissions
Policy incentives

- The GoM collaborates with private sector on development interventions and agree on how to address some specific challenges together,
- Tax incentives are introduced to motivate the private businesses such as reduction of taxes on solar energy related facilities, reduction/removal of duty on new vehicles, etc.
- Provision of guidelines on specific environmental management aspects such as waste management, pollution control, chemical management, etc.
PPPs

- The government of Malawi has gone into PPP arrangement with the private sector in many ventures;
- There are some reasons for doing that
  - i. Due to huge initial investment and there may be a need to co-finance with the private sector, e.g. to construct a dam for a water reservoir to supply to Lilongwe city
  - ii. Due to other not-so-business-related activities – social aspect in many cases: for example a project to get water from Lake Malawi to Lilongwe City needs compensation for moving people on the line to some new land
  - iii. Co-management of some transactions with the private sector
- PPP arrangement is assisting in the management of social/environment related projects such as mining ventures, cement production, Energy generation, water supplies, road construction,
- Public Private Partner forum is creating in order to provide a platform for discussion on some specific tricky development areas
Few points to think about on emission reduction

- Even in the middle of changing climate developing countries need to continue developing.
- Should Malawi stop/reduce investment/development to stop emissions? May be not.
- The Malawi NDC does not stop investment undertakings that pollute for now; but to seriously consider the post generations implications and how to avert them;
- This requires more technology development and transfer to reduce on emissions.
More investment with private sector

Green house Gas Trends over the next 15 – 20 years
Few points ....

- How do we cooperate with other players including the profit-oriented private sector?
  - We still want to upscale investment in various key sectors;
  - we also have to be migrating to better technologies, create adequate sinks, and manage waste etc with all players on board.
Conclusion

- The private sector has a key role in national development efforts and shld be involved from planning stage
  - so that they can input into what type of investments they can support;
- National governments have to give room for private sector involvement at various levels;
- They need support in areas of finance, technical guidance, areas for investment and incentive to motivate their business ventures
- if properly guided they help address the financial gaps
End