

Strengthening the role of Public/Private Sector in Malawi

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Outline

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

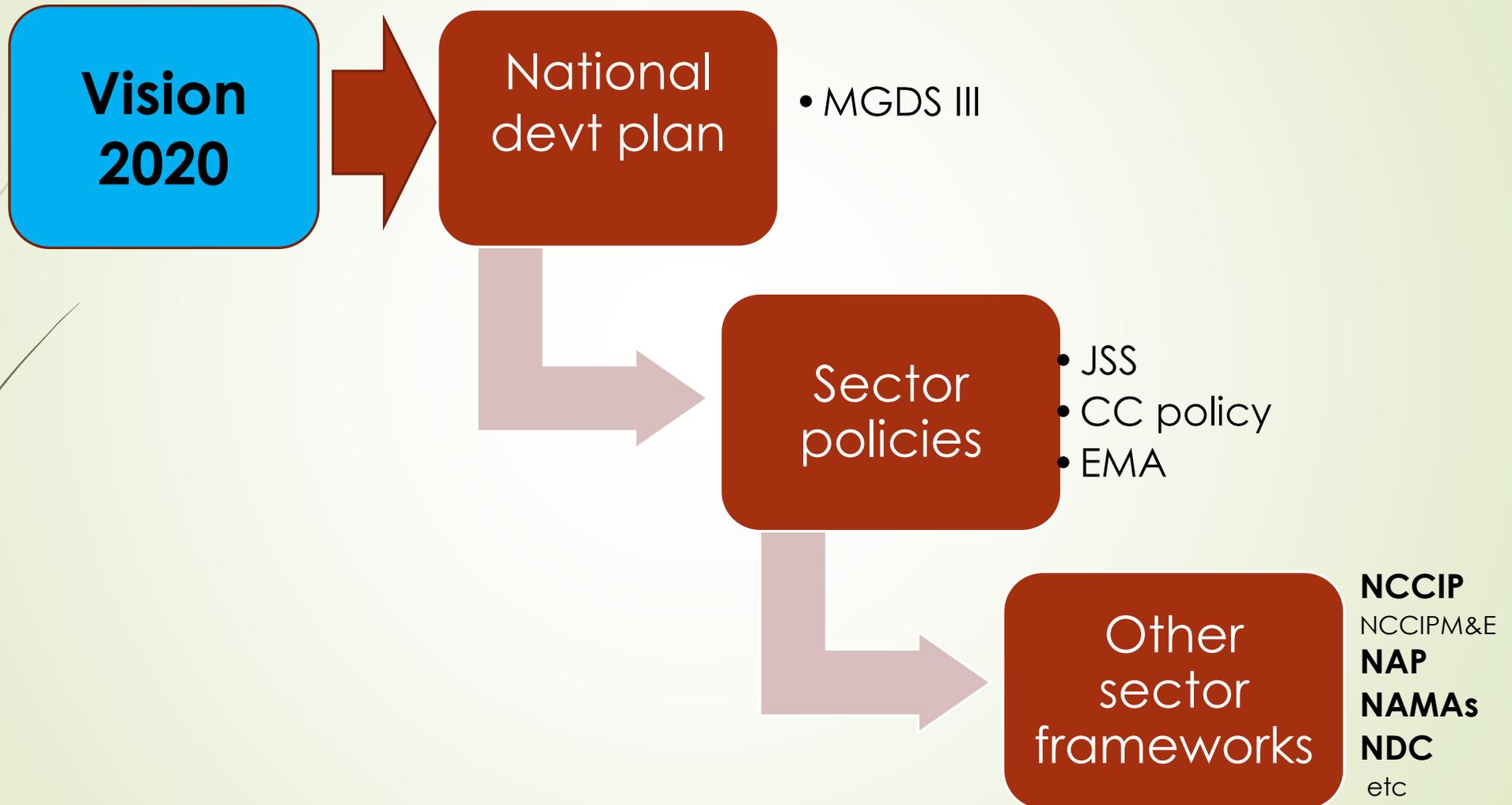
- ▶ There is Malawi Vision 2020
 - ▶ Emphasises on **environmentally sustainable** middle income country
- ▶ The medium term national plans have helped to operationalise the vision, which is expiring in the next 3 yrs.
- ▶ A new MTS has been completed which is putting climate change adaptation and mitigation 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**



National Policy Frameworks

- ▶ 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



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 cant 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 infor for private sector involvement
 - Through infrastructure devt, social systems, security etc;
- ▶ Government has interest in the social and environmental considerations, working closely with the pvt 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 emmissions

More investment with
private sector

peaking

Reduction

stabilisation

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

