

Improving aid effectiveness by e-government? – The case of Malawi

Electronic Government or e-Government gains increasing relevance for low- and middle income countries. Joint efforts of recipient and donor countries for more aid effectiveness imply also a demand for more effective ICT solutions.

E-Government refers to the execution of business processes related to government and administration by means of information and communication technologies and electronic media (Lucke, Reiner mann, 2000).

For governments world-wide, even in technologically less advanced countries, it is no longer a question whether or not to use ICT for the reform of their administrations and public services. Under all but the most averse conditions, an adequate management of data-intensive administrative processes calls for an ICT-based solution – whether for financial administration, registration or the provision of public health or water services.

The commitment of the international community to improve the effectiveness of development aid in a joint effort of donor and receiving countries – as expressed by the 2005 Paris Declaration and the 2008 Accra Agenda for Action – implies a commit-

ment to higher standards of administrative efficiency and effectiveness, as well as transparency and accountability – standards that may not be obtainable without further investments in administrative reform, including the ICT capacities of governments.

One of the ICT products that target not so much the overall need for better governance but the specific need to improve the coordination and harmonisation of aid at the country level is the Aid Management Platform of the Development Gateway Foundation.

How Malawi tries to strengthen aid effectiveness

Malawi is one of the ten poorest countries in the world. More than half of its population lives on less than one USD a day. Nine out of ten people live in rural areas. More than one-third of its GDP comes from the agricultural sector. This land-locked country is heavily dependent on assistance. International aid to the country

accounts for about 85 percent of government spending and amounts to approximately 17 percent of GDP.

With so much development assistance, government officials have recognised the need for effective systems to manage aid. In 2006, according to the annual debt and aid report for that financial year, the government added 47 new development projects to its portfolio. The government signed agreements for these projects with 17 different development partners. In the same report, issued by the debt and aid division of the Ministry of Finance, the government of Malawi pointed out that not all development activities are administered and managed by the government. Most of the donors fund a proportion of assistance through off-budget channels. For one donor, only 27 percent of its development support was administered through the budget.

Managing developing assistance is expensive

Many countries are faced with the challenge of managing development assistance, often without the benefit of effective management systems. In Malawi, there are numerous ongoing activities across 15 functional sectors from multiple donors, each with its own reporting requirements. The costs associated with managing aid, and the aid partnership, are high. These costs include money, time, and use of resources. The burden of managing and reporting that the partner country must assume can be overwhelming.

The Paris Declaration on Aid Effectiveness outlines principles upon which to guide development assist-

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From rhetoric to action

A web-based forum under the heading “From rhetoric to action: Aid Effectiveness and E-Government” on 17. September 2008 discussed the connection of aid effectiveness and electronic government further. For the complete recording see: <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTINFORMATIONANDCOMMUNICATIONANDTECHNOLOGIES/EXTDEVELOPMENT/0,,contentMDK:21894299~menuPK:559467~pagePK:64020865~piPK:51164185~theSitePK:559460,00.html>.

Staff members of the Debt and Aid Department of the Malawi Ministry of Finance learn how to analyse data using the Aid Management Platform.

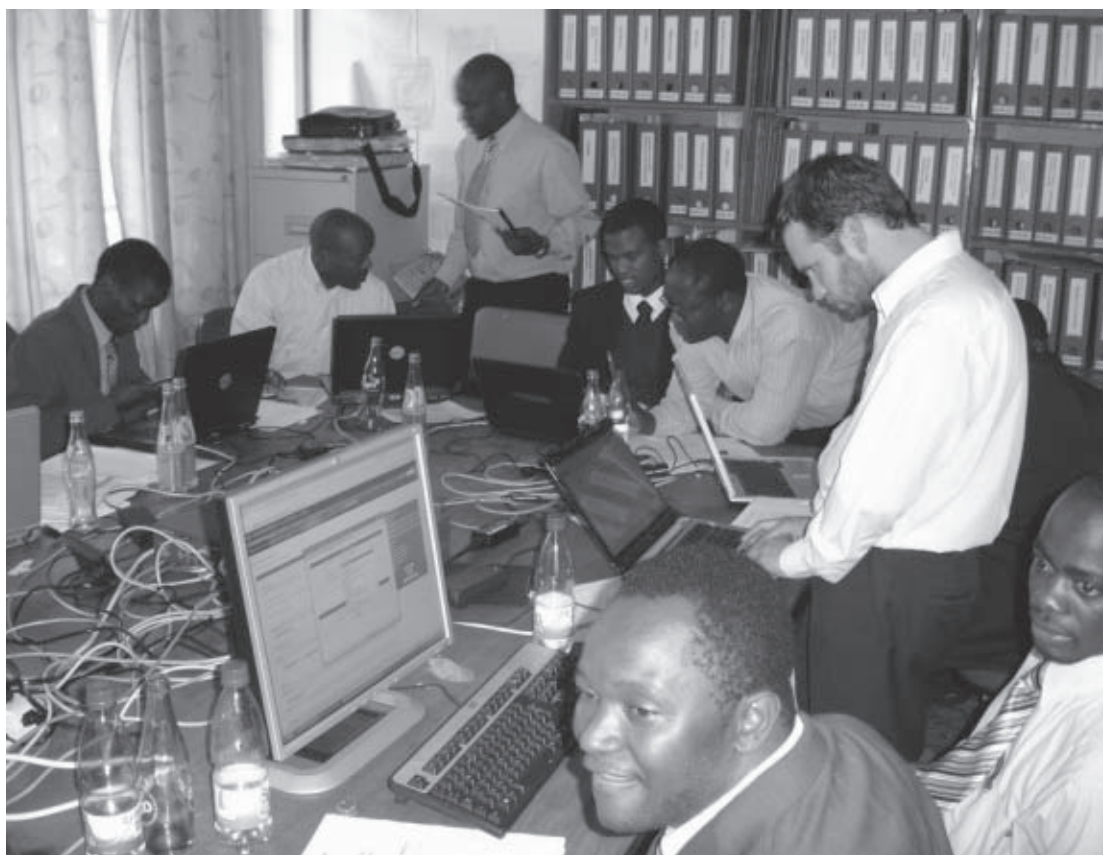


Photo: Corley

ance. The declaration also calls for aid to be aligned with national strategies. It asks donors to coordinate their efforts so that there is not a proliferation of activities in one sector and gaps in others. This new consensus forms the basis by which to achieve results and making aid more effective.

Malawi has made great strides in addressing these issues. It has put in place a development assistance strategy to guide the efforts of its government and donors toward increasing aid effectiveness. The strategy specifies structures within the government and with development partners to coordinate aid. It places new emphasis on monitoring its targets and the indicators of the national growth and development strategy and the Paris

Declaration. One of the challenges it faces in implementing the strategy is a cumbersome system of data management.

In 2008, with funding from United Nations Development Program, Malawi decided to implement the Aid Management Platform to ensure that it meets its goal of timely annual reporting. Development Gateway and its partners created this e-government solution to support the Paris Declara-

tion agenda. It strengthens country ownership by building government capacity. It empowers policy-makers by giving them a way to monitor aid flows and track progress.

Regarding the very complex development industry, Malawi has made a strategic investment in an information system that will provide a stronger basis for better management, monitoring and coordination of development efforts.

Zusammenfassung

„Electronic Government“ oder „E-Verwaltung“ bedeutet das Regieren und Verwalten mit Unterstützung von Informations- und Kommunikationstechniken. Die Verwendung von IKT in der öffentlichen Verwaltung steht heute auch für Entwicklungsländer mit technologischem Rückstand außer Frage. E-Verwaltung spielt eine besonders wichtige Rolle in der Steuerung und Koordinierung von Mitteln der Entwicklungszusammenarbeit und trägt zur Erhöhung der Wirksamkeit der Entwicklungszusammenarbeit bei,

wie in der Paris Declaration gefordert. Malawi hat mit Unterstützung von UNDP eine „Aid Management Platform“ aufgebaut, die eine zeitgerechte Berichterstattung an die Geber gewährleistet. Sie basiert im Wesentlichen auf dem E-Verwaltungs-“ Ansatz.

Resumen

El término “gobierno electrónico” implica gobernar y administrar con apoyo de las técnicas de información y comunicación (TIC). La aplicación de TIC en la administración pública es algo que se da

por sobreentendido, incluso en los países en desarrollo que viven en un estado de retraso tecnológico. El gobierno electrónico juega un papel especialmente importante en la gestión y coordinación de fondos para la cooperación para el desarrollo, y contribuye a la “eficacia de la ayuda” que exige la Declaración de París. Con la ayuda del PNUD, Malawi ha establecido una Plataforma de Gestión de la Ayuda, que garantiza la presentación oportuna de informes a los donantes. Se basa esencialmente en el enfoque del “gobierno electrónico”.