

**Estimates for Expenditures  
for  
2011/12- 2013/14  
Financial Years for Local  
Councils**

# **Local Councils**

## **1.0 Introduction**

Government of Malawi adopted the Decentralisation Policy in 1998. The enactment of the Local Government Act of 1998 provided the legal framework for implementation of the Policy. Implementation of the Decentralisation Policy entails the transfer of some functions from Central Government to the Local Authorities.

Effective from the 2005/2006 fiscal year, Government started the process of devolving sector ORT budgets to the Local Authorities with three (3) sectors of Health, Education and Agriculture at a total budget of MK3 billion. The 2011/2012 budget therefore marks the seventh anniversary of the Fiscal Decentralisation of ORT budgets to Local Authorities. The number of devolved sector budgets has moved from three (3) in 2005/2006 to fourteen in the 2011/2012 Budget Estimates.

The devolved sector budget has moved from MK3 billion in 2005/2006 to MK16 billion in the 2011/2012 Budget Estimates. This represents a movement of 433% over the period. Government's commitment to the Fiscal Decentralisation reform process has been well demonstrated.

## **2.0 The 2011-12 Local Authority Budget Outlook**

The 2011/2012 total Central Government fiscal transfer estimates are at MK16 billion, representing an increase of 21% over the 2010/2011 approved budget estimates. The Central Government fiscal transfer estimates are made up of the General Resource Fund at MK1.1 billion, Devolved Sector Funds at MK13.7 billion, the Constituency Development Fund at MK772 million and the City Council Infrastructure Development Fund at MK360 million.

The overall 2011/2012 Central Government fiscal transfers' budget outlook is as tabulated below:

**Table 2a: Central Government transfers to Local Councils by Sector**

Sector	2010/2011 Approved Budget	2010/2011 Revised Budget	2011/2012 Estimates	Percentage Movement, 2011/12 vs. 2010/11	2012/2013 Projection	2013/2014 Projection
Health	9,172.39	9,208.39	9,992.39	9%	10,841.74	10,797.96
Education	1,535.22	2,157.14	2,643.58	72%	5,691.99	6,175.81
<i>Of which additional for Teaching and Learning Materials</i>	-	-	-		2,855.93	3,132.68
Agriculture	517.10	517.10	517.10	-	561.06	608.75
Trade	33.97	33.97	33.97	-	36.86	39.99
Water	33.48	33.48	33.48	-	36.32	39.41
Gender	64.00	64.00	127.12	99%	137.93	75.34
Environment	51.90	51.90	51.90	13%	56.31	61.09
Forestry	35.33	35.33	35.33	10%	38.34	41.60
Housing	35.16	35.16	35.16	-	38.15	41.39
Fisheries	70.33	70.33	70.33	-	76.31	82.80
Labour	30.27	30.27	30.27	-	32.88	35.64
NRB	38.53	38.53	38.53	-	41.81	45.36
Immigration	30.00	30.00	30.00	-	32.55	30.00
Irrigation	84.00	84.00	84.00	-	91.14	84.00
General Resource Fund	566.31	566.31	1,132.63	100%	1,228.90	1,333.36
CDF	579.00	579.00	772.00	33%	868.50	386.00
Infrastructure Fund	360.00	360.00	360.00	-	390.60	360.00
<b>Total</b>	<b>13,237.00</b>	<b>13,894.92</b>	<b>15,989.94</b>	<b>21%</b>	<b>20,201.39</b>	<b>20,238.50</b>

**Table 2b: Central Government transfers to Local Councils by Council**

<b>Council</b>	<b>2010/2011 Approved Budget</b>	<b>2010/2011 Revised Budget</b>	<b>2011/2012 Estimates</b>	<b>2012/2013 Projection</b>	<b>2013/2014 Projection</b>
Blantyre City Council	218.46	236.11	262.82	305.79	289.81
Lilongwe City Council	207.66	214.06	272.40	307.83	302.69
Mzuzu City Council	141.74	145.13	163.86	178.60	173.42
Zomba City Council	98.28	98.28	111.53	124.13	120.41
Kasungu Municipality Council	4.57	4.57	5.84	6.34	6.88
Luchenza Municipality Council	3.96	3.96	6.83	7.41	8.04
Balaka District Council	352.30	365.44	426.73	459.41	456.73
Blantyre District Council	726.82	739.85	823.47	883.73	877.09
Chikwawa District Council	438.05	452.20	527.60	571.11	564.10
Chiradzulu District Council	377.27	397.04	438.60	476.55	470.45
Chitipa District Council	282.66	296.41	354.82	377.14	370.11
Dedza District Council	575.88	628.88	670.49	747.10	737.72
Dowa District Council	512.87	562.62	598.29	666.85	659.56
Karonga District Council	322.56	335.70	404.90	436.35	433.63
Kasungu District Council	569.32	609.11	700.71	751.10	741.28
Likoma District Council	83.10	83.92	95.40	103.34	101.90
Lilongwe District Council	1,185.55	1,222.48	1,425.34	1,546.50	1,524.03
Machinga District Council	424.38	437.99	514.26	558.56	549.96
Mangochi District Council	676.52	737.77	789.50	881.86	865.09
Mchinji District Council	437.74	453.67	520.98	562.38	556.65
M'mbelwa District Council	706.77	750.46	892.33	934.17	924.10
Mulanje District Council	516.53	553.53	600.90	669.54	656.34
Mwanza District Council	239.61	243.35	290.96	315.12	312.89
Neno District Council	165.03	170.64	299.25	322.29	320.21
Nkhata Bay District Council	311.34	355.34	369.49	408.81	400.27
Nkhota Kota District Council	391.42	403.78	495.53	534.51	528.36
Nsanje District Council	322.59	331.29	382.55	413.65	406.74
Ntcheu District Council	508.04	527.99	616.70	653.19	645.84
Ntchisi District Council	288.59	300.04	346.83	371.50	367.07
Phalombe District Council	338.18	346.11	402.69	438.63	432.88
Rumphi District Council	283.85	297.11	354.15	376.23	371.41
Salima District Council	388.00	398.76	462.47	495.04	490.04
Thyolo District Council	558.26	586.20	664.99	715.08	707.16
Zomba District Council	575.33	593.59	696.20	745.60	732.95
Additional Teaching and Learning Materials	-	-		2,855.93	3,132.68
<b>Total Local Councils</b>	<b>13,237.00</b>	<b>13,894.92</b>	<b>15,989.44</b>	<b>20,201.39</b>	<b>20,238.50</b>

Local Authorities have also planned to collect a total of MK6 billion in 2011/12 from their locally generated revenue sources which shall complement the Central Government transfers budget financing. In addition, the Local Development Fund will receive approximately K4.9 billion which will support the Councils in various Development Projects.

### **3.0 Planned Outputs for 2011/2012**

The 2011/2012 Local Authority budgets have been aligned to the Malawi Growth and Development Strategy II. In line with the Decentralisation Policy objectives, the budget integrates devolved Government agencies at the District and local levels into one administrative unit for better service delivery and socio-economic development at the local level.

Looking at the 2011-12 Fiscal Transfer estimates for Local Authorities, the sectors of Health, Education and Agriculture have the largest allocation of the total Local Authority estimates at 62% and 17% respectively. The Agriculture sector has an allocation of MK517 million which is quite significant. This trend is in tandem with Central Government priorities where the National Budget has allocated substantial resources to the Health, Education and Agriculture sectors.

Correspondingly, Local Authorities have prioritised implementation of Health, Education and Agriculture sector related outputs as follows:

#### **3.1 Health Sector**

Under the Health Sector, Local Authorities have prioritised the provision of drugs and medical supplies in all District Hospitals and Health facilities with MK3.5 billion, representing 35% of the total ORT budget being set for the purpose. Other programmes that have been planned for implementation by Local Authorities under the Health Sector include the following:

- i. Improved access to the Essential Health Care Package by rural communities;
- ii. Provision of supplementary feeding to malnourished, pregnant, lactating mothers and under five children;

- iii. Provision of environmental, curative and preventive health services; and
- iv. Rehabilitation and maintenance of health facilities and equipment;

### **3.2 Education Sector**

Local Authorities have prioritised improved management and equitable access to basic education at all levels through provision of a conducive teaching and learning environment. To attain a conducive teaching and learning environment, Local Authorities have provided for a sum of MK460 million, representing 17% of the sector's total ORT budget, for maintenance of classroom blocks. Local Authorities shall also aim at attainment of quality education through enhanced Teacher Advisory Service and double shifting in schools with high Teacher: Pupil ratio. Correspondingly, Local Authorities have provided for MK460 million and MK231 million for Teacher Advisory Services and Teacher Double Shifting respectively. In line with the Decentralisation objective of capacitating local communities in the decision making process, Local Authorities shall empower Primary School Management Committees in the determination and acquisition of basic Teaching and Learning Materials through the Direct Support to Schools and Primary School Improvement Programmes provided for within their ORT budget at a total estimate of MK400 million. Local Authorities shall further provide an integrated learning approach to pupils with special needs.

### **3.3 Agriculture Sector**

Under the Agriculture Sector, Local Authorities shall focus on increased agriculture productivity and promotion of food security. Local Authorities shall implement programmes under Extension Services, Land Resource Management and Animal and Livestock Management.

Under Extension Services, Local Authorities shall conduct training of farmers in modern farming technologies and shall facilitate establishment of farmer cooperatives. Under Land Resource Management, Local Authorities shall train farmers on low cost soil fertility management techniques while under Animal and Livestock Management Local Authorities shall train farmers in dairy health management and shall provide vaccination services to livestock.

## **Other sectors**

Under the other devolved sectors, Local Authorities shall implement activities aimed at achieving the following outcomes:

- i. Improved community participation in policy formulation and implementation;
- ii. Mitigation of HIV/AIDS prevalence and impact;
- iii. Sustainable use and management of forest resources;
- iv. Improved access to sustainable water supply;
- v. Enhanced database of births, adults and deaths,
- vi. Improved labour relations in the work place and eradication of child trafficking and exploitation;
- vii. Improved fish farming and aquaculture; and
- viii. Vetting of Malawi Passport applications.

Local Authorities shall further facilitate the implementation of short to medium term intervention projects through the Constituency Development Fund which has been revised from MK3 million to MK4 million per Constituency. The City Councils of Zomba, Mzuzu, Blantyre and Lilongwe shall further undertake road infrastructure network projects and other infrastructure projects through the City Infrastructure Development Fund with allocations of MK98 million each for Blantyre, Lilongwe and Mzuzu City Councils and MK65 million for Zomba City Council.

## **4.0 Conclusion**

The 2011/2012 budget places Local Authorities in a strong position to deliver pro-poor basic services as funding for some of the key sectors continues to be directly channeled to them. This will go a long way in enhancing implementation of Government's Decentralisation policy.