

Approved 2020 ANNUAL WORK PLAN

1. Introduction and assumptions

This is the third annual work plan after the approval of the MWEITI Strategic Plan in 2017. The annual work plan is an implementation tool of the Strategic Plan on a yearly basis, which takes into account resource and time constraints in achieving the stated objectives of the said Plan.

The Strategic Plan has four key result areas, namely:

- Result area 1: Increased sector contribution to GDP;
- Result area 2: Improved extractives sector growth and performance;
- Result area 3: Improved information, openness, awareness on issues of extractive industries; and,
- Result area 4: Enhanced capacity of MWEITI *and its stakeholders* to implement EITI Standards.

The annual work plan of 2019 had activities in all the four result areas but its achievements have been constrained because of limited funding and capacity, especially in the MWEITI Secretariat. Out of a budget of K 367 million, actual spending/funding is estimated at about K 155 million (42.5 percent of budget). As a result, many activities have not been implemented. The situation has called for a realistic review of expectations in 2020 about what MWEITI can implement, given that to a large extent, problems which have contributed to poor performance in 2019 remain unresolved. The budget has been reduced to an estimated K 270 million (nearly 26 percent reduction).

The following assumptions have guided the formulation of the 2020 annual work plan:

- Limited funding options: there has been no indications from main sponsors – government and GIZ – that there will be more funding provided in the 2019 year. The government budget has provided for K100 million, and it is taken that the balance would come from development partners. This should help to fill in a funding gap estimated at around K 170 million in 2020.
- Limited capacity: the MWEITI Secretariat is not yet staffed to its optimal capacity and a number of pertinent activities, especially on communication, monitoring and capacity building will have to remain dormant or be scaled down.
- Technical studies should largely use local rather than international expertise to reduce costs.

2. Objectives and activities

The main objective of the 2020 annual work plan, as an operational tool of the Strategic Plan, is to contribute to the achievement of MWEITI strategic outcomes and in connection with this it will focus on improving the reporting of revenues and payments and improve the capacity of stakeholders in implementing the EITI standard in the country. It has taken on board some activities not undertaken or completed in 2019 and also those from the validation report and remedial action plans. The annual work plan will guide the implementation of the following activities:

Result area 1: Increased sector contribution to GDP

- 1.1 Develop Road Map of MWEITI project level reporting (new EITI guidelines)

- 1.2 Conduct annual reconciliation of revenues and payments (procure an independent administrator; collect and analyse data and produce fourth EITI Report for about 20 companies from the mining, oil and gas, and forestry subsectors; validation of fourth EITI report by stakeholders; collect and analyse data for 3 government reporting entities to produce fourth EITI report)
- 1.3 Facilitate MSG meetings: special and ordinary meetings; quarterly subcommittee meetings;
- 1.4 Facilitation of meetings for institutionalization and mainstreaming of MWEITI in government and company systems

Result area 2: Improved extractives sector growth and performance

- 2.1 Technical Assistance: the EITI Mainstreaming study
- 2.2 Technical assistance: MWEITI Policy and Legal Impediments study

Result area 3: Improved information, openness, awareness on issues of extractive industries

- 3.1 Feedback survey in resource extraction communities (mining, forestry, oil and gas etc.) for the production of Annual Activity Report for 2020
- 3.2 MWEITI Fourth Report Launch
- 3.3 Dissemination of reconciliation findings (production and/or implementation of communication tools; prime airing of communication tools; newspaper advertising)
- 3.4 Conduct community meetings (outreach) in resource extraction areas to discuss revenue and non-revenue issues affecting them
- 3.5 Support for mainstreaming BOD in MDAs and CEs
- 3.6 Study tour on BOD implementation

Result area 4: Enhanced capacity of MWEITI *and its stakeholders* to implement EITI Standards

- 4.1 Facilitate training of national audit staff in EITI reporting template certification (source RAP)
- 4.2 Facilitate training of internal audit staff in auditing production data in reporting entities (source RAP)
- 4.3 Facilitation for training of personnel for reporting entities in filling in templates for 30 companies to be included in the reconciliation process (source RAP)
- 4.4 Technical assistance to MWEITI Secretariat and administrative support costs for MSG meetings and workshops

3. Stakeholders and beneficiaries of the annual plan

The Ministry of Natural Resources, Energy and Mining is to a large extent the major stakeholder in the extractives industry. As may be expected, the Department of Mines under the Ministry is the lead stakeholder even though this is currently based on potential rather than actual revenue contribution. This is because currently it is the Forestry sub-sector that contributes more to government revenue than mining. The Ministry of Finance, Economic Planning and Development, with its revenue collecting and accounting institutions, is crucial in the management of finances and policies related to investment in the sector. The other key stakeholders are the private companies that have directly invested in the sector; the civil society organisations that seek to promote strong community participation in the management of

mineral and other extractive resources. The main beneficiaries are the people of Malawi, especially those living in and close to extraction sites of extractive industries.

3. Annual Work Plan

				Months 2020											
ACTIVITIES		OUTPUT	MEANS/INPUTS	1	2	3	4	5	6	7	8	9	10	11	12
Result area 1: Increased sector contribution to GDP															
1.1	Develop road map of MWEITI project level reporting (new guidelines EITI)	Road map report	Transport; upkeep/DSA; materials/stationery; communication/airtime			M			A			S			
1.2	Conduct annual reconciliation of revenues and payments	Approved 3 rd EITI report; data on payments/revenues	IA; meetings; workshops; venues; transport; upkeep, stationery	J	F	M	A								D
1.3	Facilitate MSG and its subcommittees special and ordinary meetings	Meeting minutes and reports	Transport; upkeep/DSA; materials/stationery; communication/airtime	J		M			J			S			D
1.4	Facilitate institutionalization and mainstreaming of MWEITI standards	Conference report	Transport; upkeep/DSA; materials/stationery; communication/airtime					M							
Result area 2: Improved extractives sector growth and performance															
2.1	Technical Assistance: Mainstreaming study	MWEITI Mainstreaming report;	Consultants, workshops, meetings; transport; DSA; materials/stationery						J						
2.2	Technical Assistance: MWEITI policy and legal impediments	Reports on policy framework legal impediments	Consultants, workshops, meetings; transport; DSA; materials/stationery							A	S				
Result area 3: Improved information, openness, awareness on issues of extractive industries															
3.1	Feedback survey in mining communities for the production of annual activity report for 2020	Data on community perceptions of EITI implementation	transport; upkeep/DSA; materials/stationery						J						
3.2	Third EITI Report Launch	120 reconciliation reports distributed; public awareness of findings	Venue; transport; upkeep; accommodation; publicity materials; stationery								A				
3.3	Dissemination of EITI reconciliation findings	Communication tools; newspaper articles; publicity materials	Facilitator(s)/producers; airtime on radio/TV; materials		F	M						S	O		

			Months 2020												
ACTIVITIES		OUTPUT	MEANS/INPUTS	1	2	3	4	5	6	7	8	9	10	11	12
Result area 3: Improved information, openness, awareness on issues of extractive industries (cont...)															
3.4	Outreach in mining areas to discuss revenue and non-revenue issues affecting them	Community meeting reports; annual activity report	Transport; upkeep/DSA; materials/stationery								A	S	O		
3.5	Support to Registrar General for mainstreaming BOD in MDAs and CEs	conference report on mainstreaming	Venue; transport; upkeep/DSA; materials/stationery				A		J		A				
3.6	Study tour on BOD and project level implementation	Study tour report	Air tickets, DSA, transport												
Result area 4: Enhanced capacity of MWEITI and its stakeholders to implement EITI Standards															
4.1	Training of national audit staff in EITI reporting template certification	15 national audit staff trained	Facilitator(s); venue; transport; upkeep; materials/stationery		F										
4.2	Training of internal audit staff in auditing production data	15 internal audit staff trained	Facilitator(s); venue; transport; upkeep; materials/stationery				A								
4.3	Training staff in reporting entities in filling templates for the reconciliation process	40 trained personnel	Facilitator(s); venue; transport; upkeep/DSA; materials/stationery		F										
4.4	International conference on reviewing EITI implementation	12 EITI leaders trained	Air tickets; meetings; fuel; upkeep/DSA; materials/stationery												
4.5	Technical assistance to MWEITI Secretariat and administrative support costs	Progress reports; Minutes and reports of meetings	Consultants; materials/stationery; Office space	J	F	M	A	M	J	J	A	S	O	N	M

4. Budget for the 2020 Annual Plan

		2019		2020			Source
ACTIVITIES		Budget (MK' 000)	Expend (MK' 000)	Amount (MK' 000)	US\$	% share	
Result area 1: Increased sector contribution to GDP		157,820	109,045	142,500	192,568	52.80	
1.1	Develop road map of MWEITI project level reporting	3,486	0	3,500	4,730		MG
1.2	Conduct annual reconciliation of revenues and payments, including data collection etc.	104,045	104,045	105,000	141,892	38.90	GIZ
1.3	Facilitate MSG and its subcommittees special and ordinary meetings	40,089	5,000	30,000	40,541		MG
1.4	Facilitate institutionalization of MWEITI standards in government systems	10,200	0	4,000	5,405		MG
Result area 2: Improved extractives sector growth and performance		42,000	0	42,000	56,757	15.56	
2.1	Technical Assistance: Mainstreaming study	12,000	0	12,000	16,216		GIZ
2.2	Technical Assistance: MWEITI Policy framework and legal impediments findings	30,000	0	30,000	40,541		GIZ
Result area 3: Improved information, openness, awareness on issues of extractive industries		46,560	100	53,300	75,676	20.75	
3.1	Feedback survey in mining communities for the production of annual activity report for 2019	2,292	100	3,000	4,054		MG
3.2	Annual EITI Report Launch (3 rd and 4 th same year)	11,316	0	11,500	15,541		GIZ
3.3	Dissemination of EITI 2020 reconciliation findings	13,620	0	14,000	18,919		GIZ
3.4	Conduct community (outreach) meetings in mining areas on pertinent extraction issues	3,895	0	2,000	2,703		MG
3.5	Support for mainstreaming BOD in MDAs and CEs	15,436	0	8,000	10,811		MG
3.6	Study tour on BOD and project level implementation	-	-	17,500	23,649		MG
Result area 4: Enhanced capacity of MWEITI and its stakeholders to implement EITI Standards		120,544	45,900	29,400	39,730	10.89	
4.1	International conference on reviewing EITI implementation	22,524	0	-	-		
4.2	Training of national audit staff in EITI reporting template certification	7,830	2,400	8,400	11,351		MG
4.3	Training of internal audit staff in auditing production data	8,499	0	8,500	11,486		MG
4.4	Training staff in 30 reporting entities in filling templates for the reconciliation process	4,407	3,500	4,500	6,081		MG
4.5	Administrative costs and technical assistance to MWEITI Secretariat	77,282	40,000	8,000	10,811		MG/ GIZ
TOTALS		366,924	155,045	269,900	364,730		