



Malawi

Alleged misappropriation of public funds underscores persistent corruption threats

 CIVIL UNREST OPERATIONAL INSTITUTIONAL

COVID-19

President Lazarus Chakwera on 8 February demanded reports from government departments in response to the alleged misappropriation of funds totalling MWK 6.2bn (USD 7.96m) intended for the country's COVID-19 response.

The allegations underline the continued threat of public-sector corruption following a series of scandals over the past decade.

While Chakwera has promised to tackle graft and arrests are likely, institutional capacity to uproot corruption is likely to remain weak.

Businesses operating in the country will continue to face corruption threats, including demands for bribes or to partner with politically connected local companies.

Allegations

The Presidential Taskforce for COVID-19 in January issued a statement confirming allegations that public funds intended for the pandemic response had been "plundered" by some public officials. One official has been arrested in relation to the allegations, Department of Disaster Management Affairs Deputy Director Fyawupi Mwafongo.

Chakwera's demand on 8 February reportedly followed pressure from civil society group the Human Rights Defenders Coalition (HRDC) for the government to make public its expenditure on the COVID-19 response. Chakwera gave officials two days to submit the reports and warned of dismissals should any misappropriation be discovered. According to local media, the two-day deadline passed without full disclosures by all departments.

Broader problem

The latest allegations follow a string of high-profile public-sector corruption scandals in recent years, including "[cashgate](#)" (2013), "[maizegate](#)" (2017) and "[cementgate](#)" (2018-19), all of which have implicated senior officials, including former presidents Joyce Banda (2012-14) and Peter Mutharika (2014-20).

Overall, grand and petty corruption is prevalent across the public and private sector. While the country has a comprehensive anti-corruption legal framework and a dedicated Anti-Corruption Bureau (ACB), genuine efforts to tackle graft have been limited and the ACB is subject to political interference.

This is underlined by Malawi's declining performance in Transparency International's Corruption Perceptions Index (where first place indicates the country perceived as least corrupt). The country slipped to 129th place in 2020, from 123rd in 2019, with public-sector corruption under the Mutharika administration described as being of "astronomical proportions".

Risks to business

Since taking office, Chakwera has promised to tackle graft and made a range of high-profile arrests of public figures implicated in scandals. However, he has been criticised for cronyism and selective anti-corruption enforcement. Moreover, addressing corruption in Malawi will require institutional change, including the strengthening of key institutions and uprooting a culture of impunity. These steps have yet to [materialise](#), and in any case will require years to implement. In the meantime, businesses will continue to face corruption threats, such as demands for bribes and to partner with politically connected local companies.

We hope you will find our services of interest and value. Do not hesitate to contact us if you have any questions or feedback about this service.

Thank you
Online Solutions, Control Risks



[Click here to unsubscribe or change your subscription preferences.](#)

www.controlrisks.com