

# PRACTICAL GUIDANCE AND SUPPORT ON *PER DIEMS*

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## EXECUTIVE SUMMARY

An increasing number of members of the Scotland Malawi Partnership (SMP) and our sister organisation in Malawi, the Malawi Scotland Partnership (MaSP), have commented on the challenges *per diems* (daily payments for those participating) have brought their Scotland-Malawi links. It is, without doubt, a sensitive area in which there are a range of views on whether to pay such allowances or not. The SMP has consulted a great many members in Scotland and Malawi in the development of this document which seeks to share members' experiences, outline our thinking as a network, offer some practical advice and recommendations, and signpost on to wider sources of information.

The SMP believes that paying *per diems* has considerable potential to undermine essential elements of Scotland-Malawi people-to-people collaboration. We believe there is a risk these semi-formal payments, where normalised, can undermine: employee salaries and rights; the wider Malawian economy; good financial management and governance; project implementation (of your project and others'); monitoring, evaluation and learning; and political citizenship.

We recognise and respect the very real economic realities of our partners in Malawi and call on all our members to be guided by their partners in how to work sensitively and effectively within these realities. We encourage members to remember the essential 'partnership principles' which underpin and define all

our work and we are at pains to differentiate between *per diems* and salaries, and between expenses and allowances. We emphasise that prevention is better than cure and encourage all members to commit time and resource to two-way dialogue, and *genuine* listening, before any plans are set. We prioritise transparency and fairness; encourage members to look to alleviate blockers to participation rather than create financial incentives; and we give case studies showing the challenges we and our members have experienced. While we as a network are entirely non-governmental, we emphasise that the Scottish Government does not allow any of the projects it funds to pay *per diems* and encourage members to be open with funders about their policies in this area.

Finally, we give practical advice and support to those members who both choose not to make such payments *and* those that do (giving the [latest rates and guidance from the Government of Malawi](#)); we give answers to the questions we are most frequently asked; and we signpost to a number of sources for further information and discussion.

This is a complicated and at times contentious area. We recognise and respect the obvious sensitivities, and range of opinions. We very much value all input from our members in Scotland and our partners and friends in Malawi, and will continue to update this document informed by this input.

## BACKGROUND

*Per diems* ('by the day') are payments made to employees, trainees, or participants for costs incurred whilst travelling to events or attending training sessions. *Per diems* are intended to cover out-of-pocket expenses, and are not a source of income, or a negotiable part of a benefits package. *Per diems* are now firmly institutionalised within Malawi, especially among civil society and the NGO community. Much of this is the

legacy of the international aid community's engagement with Malawian NGOs, CBOs and other development agents over the past 30 years. However, over the past few years there has been some fresh critical thinking undertaken on the impact of the system by academics around the world. There is a general consensus that *per diems* are more damaging in the long-term, despite the perceived short-term gains.

# OUR THINKING

The issue of *per diems*, we are keen to stress, is not unique to Malawi, or indeed Africa: there are many reports, for example, of hospitals in Europe and Asia prolonging patient stays to increase *per diem* payments<sup>1</sup>.

We recognise that whether to pay *per diems* or not is a live issue for a great many of our 700+ members. We appreciate the difficulty and sensitivities of this issue, and we recognise and respect that there are a range of views in Scotland and Malawi.

The Scotland Malawi Partnership, and our sister-organisation the Malawi Scotland Partnership, do not pay *per diems* for any of our activities. This is in accordance with the parameters of our funding from the Scottish Government and what we see as established good practice.

The SMP advises its members against paying any *per diems*.

We recognise the very real economic challenges faced by civil society in Malawi, especially in recent years with the devalued kwacha and high inflation causing, for many Malawians, the cost of living to outstrip wages. However, informed by members' experience, we feel that paying *per diems* can undermine projects and partnerships for eight key reasons:

## **Per Diems can...**

### **...undermine employee salaries:**

In the long-term, paying *per diems* has been shown to undermine the fair payment of salaries. The institutionalisation of *per diems* is very much bound up with low-salaries in the civil service and the development sector<sup>2</sup>. If *per diems* are perceived as salary-supplements, and an expected given in the field, local salaries will continue to remain low<sup>3</sup>. Therefore, in the long-term, low wages and the payment of *per diems* promote one another in negative feedback. According to Norad's 2012 case study of *per diem* practices in Malawi, this leads to an "*unhealthy institutional culture that permeates civil service and impedes development*".

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<sup>1</sup> Sass, H.M. and Massey, R.U. (1988) '*Healthcare systems: Moral conflicts in European and American public policy*'. Dordrecht, Netherlands: Kluwer Academic Publishers

<sup>2</sup> Chene, M. (2009) '*Low Salaries and the culture of per diems and corruption*'. U4 Anti-Corruption Resource Center. Available at: [www.u4.no/publications/low-salaries-the-culture-of-per-diems-and-corruption/](http://www.u4.no/publications/low-salaries-the-culture-of-per-diems-and-corruption/)

<sup>3</sup> Ridde, V. (2010), '*Per diems undermine health interventions, systems and research in Africa: burying our heads in the sand*'. Tropical Medicine & International Health. doi: 10.1111/j.1365-3156.2010.02607.x

### **...undermine employee rights:**

By paying informal, unregulated *per diems*, donors and project managers can avoid having a formal employee:employer relationship with their staff. Malawi has relatively strong employment law but if paid in *per diems* rather than wages, individuals have none of the protection or safeguards (pensions, medical support, severance pay, etc) which they would otherwise be entitled to by law.

### **...undermine the economy:**

Given *per diems* are part of the informal economy, there is almost never any tax paid. This represents a significant lost income for the public purse. The Government of Malawi remains chronically under-resourced; its entire national budget is roughly the same as that of the London Borough of Hackney<sup>4</sup>. With budget support suspended from donors (previously 40% of the budget) the situation is even more bleak. Effective and fair internal taxation is an essential component of Malawi's long-term sustainable economic development.

### **...undermine financial management and good governance:**

The fact that *per diems* are almost always in cash and often quite informal and discretionary in nature, means that their payment can present real challenges for organisations in terms of financial management and good governance. Having to have a very large quantity of cash on-hand for a conference or workshop, which is given out to a large number of individuals with little documentary evidence in return, presents obvious issues of governance. After the event it is almost impossible to cross-check who received what as there is rarely any paper-trail to follow. The widespread use of *per diems* can establish informal attitudes to cash transactions, leaving both individuals and organisations vulnerable.

### **...undermine actual implementation:**

Many of our members have had frustrating experience of, once agreeing to a *per diem* or some other allowance or incentive, then finding that the debate on such remunerations do not end there. Once the principle of payment for turning up has been established, many members report that it becomes a slippery slope with training courses undermined by constant discussion and debate on the level of allowances, and when and how they are paid. If the essential motivation for attending is the *per diem* this is often the sole focus for attendees.

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<sup>4</sup> Ross, K. (2014) '*Malawi, Scotland and a Relational Approach to International Development*'

### ...undermine other projects:

Many of our members have experienced how other, unrelated local projects can undermine their work by being seen as having more generous with *per diems*:

#### CASE STUDY:

Here is a case study from an SMP member implementing a multi-disciplinary course on maternal emergencies in a Malawian district hospital.

*“Staff who had completed the course felt very confident in the skills and knowledge the course had provided them, and so prepared to run the course themselves for two consecutive days. However, around lunch-time on the first day, several delegates and faculty members had left for another health management meeting run by a larger NGO, where a hefty per diem in the form of a sitting allowance was being paid.*

*On the second day, less than half of the delegates participated in the maternity course, as many of them had chosen to continue on in the alternative training.*

*Despite feedback for the course being highly positive, there were numerous complaints that it did not pay well enough, and some clinical officers explicitly refused to participate as a result.*

*The emphasis on per diem payment is understandable in the context of the hospital under financial strain, as they do not receive their monthly budget consistently. However, this emphasis on individual financial gain rather than effective education has an undermining impact on the sustainability of the maternity course project.*

*Under pressure to pay per diems, it is unclear whether the course would survive a handover to hospital staff.”*

### ...undermine monitoring, evaluation and learning:

*Per diems* are most prolific amongst those attending workshops, course and conferences: they are seen as a sitting allowance, a payment for being present. Accordingly, attendance is too often driven by *per diems* rather than the value of the course and the professional development of those attending. “Workshop syndrome”, as it is often called locally, can completely undermine effective monitoring, evaluation and learning.

Ordinarily course attendance levels and feedback from participants gives essential monitoring and evaluation data which allows for learning and development. If no one turns up, your course probably isn't that useful and you'll need to change something. With institutionalised *per diems*, it is common to see individuals attending the same courses again and again, always giving glowing feedback to ensure the regular flow of *per diems*. There have even been reports of conference organisers finding out after a number of days that some participants don't speak the language in which the conference is conducted and are purely there for the *per diem* at the end<sup>5</sup>.

Motivation for attendance based on financial gain undermines proactive and equitable partnerships between development actors.

### ...undermine individual political citizenship, civil society and associational life:

Political citizenship relies, to an extent, on active engagement, the mobilisation of civic society and the spirit of volunteerism for self and societal betterment. Effective democracy relies on individuals coming together, giving up their time to champion causes they are passionate about, to be involved in the debate, and hold their elected representatives to account. This can perhaps be undermined if *per diems* become an essential pre-requisite to active involvement.

Across Malawi it is common to see huge crowds attending political rallies in return for (often incredibly modest) cash payments, or even just a bottle of Fanta. Sadly, cash *per diem*-like hand-outs are now the norm for many political actors, both in campaigning in the run up to elections and even afterwards when in office.

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<sup>5</sup> Peters, B. (2010) 'Per Diems: To Pay or not to Pay? That is the question' Asset Based Community Development, Coady International Institute. Available at: [www.coady2.stfx.ca/tinroom/assets/file/strategies2010.pdf](http://www.coady2.stfx.ca/tinroom/assets/file/strategies2010.pdf)

# OUR ADVICE

## Remember your 'Partnership Principles':

Over the last three years we've asked around 200 Malawian and 200 Scottish organisations what partnership principles underpin and define their links together. We got a huge amount of data and were delighted to see great synergy between the two sides of the partnership - some common themes were immediately obvious.

All of the SMP's advice, support and information in the coming years will be framed by these essential principles. We therefore want to re-state these principles here as we feel it's important to keep them at the front of our mind as we consider the question of *per diems*.

### **Planning and implementing together:**

- **Whose idea is this?**
- What do you want to achieve, and why?
- Who was involved in the planning?
- How do you communicate with your partners?
- Is this an equitable, and effective two-way dialogue?

- Are roles and responsibilities clear?
- Are expectations clear at both sides?
- Do you have a partnership agreement?
- Who manages the partnership?

### **Appropriateness:**

- **How does it fit within local and governmental priorities?**

- Does this partnership fit within local culture and customs at both ends?

### **Respect, trust and mutual understanding:**

- **How would you feel if you were at the other side of the partnership?**
- How well do you know your partners, and how are you improving your knowledge and understanding?
- What are the biggest issues at each side, and how does the partnership work effectively in this context?

- How is basic human dignity safeguarded?
- How do you know if respect, trust or understanding have been compromised, and what then happens?
- What do you do when the two sides don't agree?

### **Transparency and Accountability:**

- **How are challenges, issues and concerns listened to?**
- How do you share information about your partnership?
- Who is your partnership accountable to?

- How do you communicate with these people?
- If an NGO, have you IATI registered your work?

### **No one left behind:**

- **Who is excluded from your partnership?**
- Who precisely is your partnership with?

- How are the marginalised in the community at both sides engaged?

### **Effectiveness:**

- **How do you know if your partnership is working?**
- Who is involved in evaluating the partnership?

- How do you use your monitoring and evaluation to learn, and develop the partnership?

### **Reciprocity:**

- **What does each side contribute in the partnership?**
- Is it genuinely a two-way partnership?
- Who benefits from the partnership?

- Are opportunities, like travel, open to both sides of the partnership?

### **Sustainability:**

- **How long is your partnership for and what happens when it ends?**

- How can you be sure your partnership isn't creating dependencies?
- Is your partnership building capacity at both sides?

### **Do no Harm:**

- **Could anyone be worse off as a result of your partnership?**
- What impact is your partnership having on: the local economy; gender equality; food security; local culture; climate change; democracy, governance and local planning;

- Are you compliant with all relevant legislation?

### **Interconnectivity:**

- **How do you connect with what others are doing in this area?**

- How do you learn from others and share your experience?
- Are the local diaspora community at both sides engaged?

### **Parity (equality):**

- **Who 'owns' the partnership? Who has the power?**
- Who benefits from this partnership?

- How is each side treated through this partnership?
- What rights and responsibilities does each side have?

## Consider your funder's views:

**According to clear and strict Scottish Government policy, no project funded by the Scottish Government is permitted to pay any form of *per diems*.** This is, quite rightly, an important point for the Scottish Government and one that should not be missed.

If funded by the Scottish Government, there is no decision necessary as the terms of the government's grants strictly forbid any form of *per diem*. In this instance, we recommend that members make this stipulation clear with their partners before submitting the original funding application.

Furthermore, the Scottish Government are very clear that absolutely no payment (whether a *per diem* or travel allowance) can be made from a project they fund to any representative of the Government of Malawi, including a Strand Leader.

## Prevention is better than cure:

It's a truism but one worth remembering: prevention is better than cure. The question of *per diems* is increasingly more of an issue the further down the road you travel with a project before it is discussed. It is best tackled head-on at the very start of the dialogue.

We recommend raising the question of remuneration when you're discussing the Partnership Principles with your partner at the very start of the development of a new project. A successful project will start with an honest two-way exchange on priorities, challenges and expectations, and a clear commitment to what both sides can contribute. The SMP has developed a recommended template Partnership Agreement, within its '[Common Challenges: Shared Learning](#)' resource, which members can use to structure these early conversations with your partner.

Through this dialogue you should expect to achieve real clarity, on both sides, about who is going to do what, when, why and for what remuneration/recompense. If your partner is given a leading role in the budgeting process, they will see that, with only finite resources, the more that is paid in *per diems*, the less there is available for actual implementation and hence the less that can be achieved overall.

A number of members speak of reaching a deadlock where potential participants simply refuse to attend without a *per diem*. If this conversation is had at the very start it allows both sides to look at why the proposed engagement is not sufficiently appealing to be worth attending on its own merits. Plans can then be

amended based around what actually *would* be worth the participant giving up their day to attend.

It is the SMP's experience that when politely but unambiguously told that there is no scope for anyone, at either side, to receive a *per diem* in most instances this is respected and most individuals continue to engage if of use to them, rather than object purely on principle.

## Transparency and fairness are key:

It's important to be open and honest about who the beneficiaries of a project are. This will probably mean sharing often uncomfortable information about who is paid what, why and how. It is often easier to say no to *per diems* by explaining that these kind of allowances are no longer used at either side of the partnership and the same basic principles (of clear, transparent and fair remuneration of staff through benchmarked salaries, rather than discretionary cash hand-outs) are the same at both sides.

## Per Diems are not the same as wages:

While the SMP does not recommend paying any form of *per diem*, we are absolutely not against paying staff salaries. It is entirely right and proper that staff, at both sides of the partnership, should be paid a fair, sustainable, living wage, and be afforded all appropriate support and protection with their work.

The import point here is to differentiate staff from volunteers and beneficiaries. As in Scotland, it is perfectly acceptable to have sessional workers in Malawi. This is not the same as *per diems* as such sessional workers are formal employees with full recourse to protections and safeguards afforded in employment law.

## Allowances are not the same as expenses:

While "expenses" can sometimes be seen as a toxic term in the UK since the MPs expenses scandal, it's important to remember that there is an important difference between expenses and allowances.

Allowances are fixed payments: in theory these are in lieu of payments made but in reality they are also used as incentives or even formal payments in Malawi. They can be attractive to the donor because they are easy to administer and extremely popular.

Expenses are refunds for actual expenditure incurred, on an 'on cost' basis, usually against some form of

documentary evidence like a receipt. They can seem problematic to administer but they are fair, transparent and do not blur the lines between staff, volunteer and beneficiary.

### **Alleviate blockers, don't try to create incentives**

While we recommend members do not pay *per diems* in any form, we urge all members to think seriously about what blockers might inhibit their partners' active and meaningful involvement.

Time should be spent discussing these blockers at the start of a new project with your partner. We recommend you consider transport, communication, food and other competing priorities. Simply paying allowances can seem the easiest way of overcoming these blockers but we strongly encourage members to find more innovative and effective solutions.

- If transport is a challenge then an open conversation about this might find solutions like providing pooled transport, hiring a Hiace minibus locally, scheduling engagements to make public transport as easy as possible, or even running a number of smaller local engagements rather than one central event.
- If food is a problem then scheduling meetings away from meal times, or providing basic refreshments at the meeting can often work.
- If competing priorities is a blocker then knowing this in advance can help schedule engagements away from busy times, for example around planting or harvesting.

Taking the time to have this dialogue allows you to find practical and innovative ways of overcoming the challenges, without relying on creating financial incentives which can undermine the whole engagement.

Effective listening is key.

### **Paperwork is never infallible:**

Refunding expenses in Malawi is never easy as few services give official receipts, and it is all too easy find receipts if they are required.

#### **CASE STUDY:**

From the SMP's own experience we can share a short case study:

We have previously organised a conference for which we set down what we thought was a fair system for the refunding of public travel expenses at fixed rates, up to a value of MK10,000 (at that time this was the cost of a return coach from the furthest reaches of Malawi to Lilongwe). The result on the day was that 100 people attended the conference, 95 of whom claimed expenses at the maximum rate of MK10,000, all of whom had receipts and documentary evidence to show they had incurred these costs to attend. If believed, this would suggest that 95% of those attending had travelled from the very furthest regions of Malawi, and almost none had been based in Lilongwe.

The following year this previous experience was shared, with some honest sense of disappointment, and a new policy introduced saying that no travel expenses would be paid to any participant but instead the MK950,000 saved would be invested in hosting regional and zonal events across the country over the next year.

Perhaps two dozen individuals phoned to complain about the new policy. We took time to explain the reason for this decision and encouraged them to tell us how we could make the event as useful as possible for them, and worth their personal efforts to attend.

In the end we had more than 150 people attending the conference that year and similar numbers each year since.



# OUR RECOMMENDATIONS

Informed by members' experience and learning, the SMP has developed the below general recommendations.

## 1. AVOID PAYING *PER DIEMS*:

- If funded by the Scottish Government, there is no decision necessary as the terms of the government's grants strictly forbid any form of *per diem*. In this instance we recommend that members make this stipulation clear with their partners before submitting the original application.
- Whether government funded or not, we strongly recommend being clear and honest with your partners from the very start. Have a conversation as early as possible with your partner and stakeholders explaining why you feel *per diems* might undermine the relationship.
- Take time to listen to your partners and be alert and sympathetic to economic challenges faced by civil society, particularly in rural areas.
- Work with your partners to find solutions to potential blockers which don't involve cash payments.
- Explain that by not paying for *per diems* the equivalent budget is able to be spent directly on e.g. the quality of training or number of training sessions offered, etc
- Explain that paying *per diems* has been shown to undermine the fair payment of salaries in Malawi.

## 2. IF YOU DO WANT TO PAY - JUST COVER ACTUAL COSTS

### a) *Discuss your policy with your partner in Malawi first*

- Be transparent and honest about what expenses will/will not be covered right from the start.
- Be clear on who is eligible and definitions about what will be covered.
- As far as possible, the standardised *per diem* rates should reflect actual costs incurred – speak to other projects locally.
- Talk about “reimbursing expenses” rather than “paying *per diems*” and explain the difference.
- All rates should be the same regardless of role or rank.

### b) *Only run essential meetings and workshops for those who will benefit:*

- Ask yourself why you're running this particular event- don't run workshops or meetings just for the sake of them, this exacerbates “workshop syndrome”.
- Only accept people who have actually been invited and will benefit from attending.
- Take monitoring, evaluation and learning seriously. Don't look just at output indicators (e.g. how many people attended workshops) but also outcome indicators (what did this *achieve*).

### c) *Use standardised rates*

- Link either to recent donor, community or national rates – you may need to communicate with others in your area to find out if there is a local rate.

- Government guidelines from November 2013 have been published online by the SMP at: [www.tinyurl.com/GoMperdiems](http://www.tinyurl.com/GoMperdiems)
- Be transparent about the rates you're using with your partner and any key stakeholders right from the start (in publicity, confirming attendance, during the event, etc)
- All rates should be the same regardless of role or rank.

### d) *Travel allowances:*

- Some NGOs have decided to offer reimbursement of travel-related expenses to counter the criticism of being urban-biased.
- Agree and publish the lists of rates from the start (for example in the your training publicity).
- Encourage the use of public transport or car-pooling, for example by capping the fuel mileage that can be claimed per person attending.
- Only reimburse with signed receipts and in accordance with agreed rates.
- Only reimburse for expenses at the end of the meeting or training.

### e) *Accommodation allowances*

- Make payments directly to hotels and guesthouses.
- Choose event/training locations that are easily accessible and not too far to travel to.

# FREQUENTLY ASKED QUESTIONS

The following questions and answers have been compiled using input from academic literature, SMP and MaSP members.

## WHAT IS A *PER DIEM*?

*Per diem* is the Latin phrase for 'by the day'. *Per diems* can also be called 'daily subsistence allowances' or "DSAs". *Per diems* are payments made to employees, trainees, or participants for costs incurred whilst travelling to events or training sessions. *Per diems* are based not on specific costs of meals, accommodation or incidentals, but are generally determined in advanced by estimated costs for each day of participation.

Governments as well as NGOs and CSOs may individually set their own *per diem* rates or aim to harmonize with others. Although there is variation in policy, the goal of *per diems* is to compensate individuals who 'incur extra expenses when on workshops or seminars away from their normal duty stations'.

## WHERE DID THE PRACTICE OF PAYING *PER DIEMS* ORIGINATE FROM?

There is no clear historical account of *per diems*; however, its institutionalization has been attributed to the growth of development aid at the end of the 1970s<sup>6</sup>. In the African health sector specifically, expatriate aid workers began paying *per diems* to encourage participation and effective training amongst less well-paid colleagues.

Today, the institutionalization of *per diems* amongst governments, as well as organisations like the United Nations, donor agencies and NGOs, has led to an expectation of such payments being made, creating a complex and self-perpetuating system.

## WHAT ARE THE PERCEIVED BENEFITS OF PAYING *PER DIEMS*?

It can be argued that paying *per diems* enables capacity building, particularly in contexts where funding for training, etc. is not readily available. As Vian's argues (2009) on a fundamental level it is reasonable that employees or participants should not have to pay for extra costs they have encountered while travelling and attending events or training. *Per diems* can also arguably encourage professional development, and provide incentives to poorly paid employees (2009).

Benefits may also include the cutting down on administrative labour in reimbursing actual costs, seen as a burdensome 'paper-push'. *Per diems* can also be argued to ensure more individuals are capable of participating, rather than exclusively those at a higher level. In Malawi, many NGOs rely on the work of volunteers, especially in rural areas, whose funding for travel is limited. *Per diems*, it is argued, allow these volunteers the opportunity to move around when needed and effectively contribute towards wider initiatives.

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<sup>6</sup> Ridde, V. (2010), *Per diems* undermine health interventions, systems and research in Africa: burying our heads in the sand. *Tropical Medicine & International Health*. doi: 10.1111/j.1365-3156.2010.02607.x



## HOW HAVE / CAN *PER DIEMS* BE ABUSED?

The abuse of *per diems* can range from small-scale manipulation to outright fraud and large-scale corruption. Within the civil service in various countries there has been evidence of high-level officials taking the place, and payment, of lower-level servants whose attendance would greater contribute to successful development projects. This is part of a wider institutionalization process in which *per diems* are often thought of as salary-supplements, or an informal bonus system<sup>7</sup>. Chene and others refer to this perception as part of per diem 'culture'<sup>8</sup>.

Within the development sector, it is important to note that abuse can occur on the part of donors and organisers, as well as participants. Larger NGOs can be guilty of offering attractive *per diem* rates in order to compete for participation. This creates an unequal playing field between large development organisations and smaller, local NGOs and CSOs.

Ongoing abuse is often attributed to a lack of adequate bureaucratic controls or efficient auditing system<sup>9</sup>, as well as a lack of harmonization between donor countries and organizations on the rates being paid and principles applied.

## WHAT IS THE POSITION OF INTERNATIONAL NGOS IN MALAWI ON PAYING *PER DIEMS*?

In an effort to harmonize *per diem* practices, a group of development organisations in Malawi sent their official position to the Chief Secretary in the Office of the President and Cabinet titled 'Revision and harmonization of allowances and reimbursement for transport costs for donor-funded events and missions in Malawi', in November 2013. This document contains the guiding principles as agreed upon by the following development partners (DPs): African Development Bank, Canadian High Commission, DFID, Delegation of the European Union to Malawi, FICA, German Development Cooperation, Icelandic International Development Agency, Embassy of Ireland, JICA, Royal Norwegian Embassy, United Nations Development Program, USAID and the World Bank.

There is an emphasis on paying **actual costs** incurred as a result of participation in an event or mission, rather than compensating for participation itself:

*'...In order to avoid undesired incentives and unfair treatment while at the same time improving the successful outcomes of these events and missions, it has been agreed to move, wherever possible, from the current policy of payment of allowances to the participants paid directly to the service providers. Only for those field missions where payment of actual costs is not feasible can lump sum allowances for meals and accommodation continue to be used, and rates have been revised to that effect.'*

The Guiding Principles outlined by the development partners includes a fuel and transport allowances of distances, and can be found on the SMP website: [www.tinyurl.com/GoMperdiems](http://www.tinyurl.com/GoMperdiems).

<sup>7</sup> Bullen, P. (2013) 'Seven ways to stop per diem abuse in aid work' WhyDev. Available at: [www.whydev.org/seven-ways-to-stop-per-diem-abuse-in-aid-work/](http://www.whydev.org/seven-ways-to-stop-per-diem-abuse-in-aid-work/)

<sup>8</sup> Chene, M. (2009) 'Low Salaries and the culture of per diems and corruption'. U4 Anti-Corruption Resource Center. Available at: [www.u4.no/publications/low-salaries-the-culture-of-per-diems-and-corruption/](http://www.u4.no/publications/low-salaries-the-culture-of-per-diems-and-corruption/)

<sup>9</sup> Vian, T. (2009) 'Benefits and drawbacks of per diems: Do allowances distort good governance in the health sector'. U4 Anti-Corruption Resource Center. Available at: [www.u4.no/publications/benefits-and-drawbacks-of-per-diems-do-allowances-distort-good-governance-in-the-health-sector/](http://www.u4.no/publications/benefits-and-drawbacks-of-per-diems-do-allowances-distort-good-governance-in-the-health-sector/)

ACADEMIC RESOURCES

**Chene, M. (2009) 'Low Salaries and the culture of per diems and corruption'. *U4 Anti-Corruption Resource Center*. Available at: [www.u4.no/publications/low-salaries-the-culture-of-per-diems-and-corruption/](http://www.u4.no/publications/low-salaries-the-culture-of-per-diems-and-corruption/)**

This research paper argues that *per diems* are bound up with the persistence of low-wages in the civil sector. In this context, *per diems* can be seen as 'coping strategies' for underpaid staff. Attention is put on acquiring allowances rather than professional development. Counter-measures include the need for transparency and adequate monitoring systems.

**Vian, T. (2009) 'Benefits and drawbacks of per diems: Do allowances distort good governance in the health sector'. *U4 Anti-Corruption Resource Center*. Available at: [www.u4.no/publications/benefits-and-drawbacks-of-per-diems-do-allowances-distort-good-governance-in-the-health-sector/](http://www.u4.no/publications/benefits-and-drawbacks-of-per-diems-do-allowances-distort-good-governance-in-the-health-sector/)**

This resource draws on interviews with professionals working in the development sector, and data collected in focus groups. It presents both the benefits and abuses of per diems clearly and succinctly, but also accounts for the complexity of the issue.

**Pfeiffer, J. (2003) 'International NGOs and primary health care in Mozambique: the need for a new model of collaboration' *Social Science and Medicine*, vol. 56, no.4, pp.7-73825**

Pfeiffer's article is a very detailed, ethnographic study of the relationship between NGO efforts and the Health Care sector in Mozambique. Although it does not focus purely on the phenomenon of *per diems*, it offers a contextual example of the relationship between their manipulation and low-salaries in the civil sector.

**Ridde, V. (2010), *Per diems undermine health interventions, systems and research in Africa: burying our heads in the sand*. *Tropical Medicine & International Health*. doi: 10.1111/j.1365-3156.2010.02607.x**

This is a rather brief account of what Ridde calls 'perdiemitis' in African public health projects, including how per diems became so prevalent in development aid. Ridde argues that per diems impede effective development activities and act more as corrupting tools rather than positive incentives.

**Conteh L, Kingori P. (2010) *Per diems in Africa: a counter-argument*. *Tropical Medicine and International Health*, vol. 15, no.2, pp. 1553-1555**

This critique of Ridde's article calls for a more balanced argument of *per diems* which acknowledges the macroeconomic and structural influences on per diem practice. This article is useful for considering the power imbalances behind per diems in a more holistic understanding of the relationship between donor practice and allowances which undermine development efforts.

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## WEB RESOURCES:

**Peters, B. (2010) 'Per Diems: To Pay or not to Pay? That is the question' Asset Based Community Development, Coady International Institute. Available at: [www.coady2.stfx.ca/tinroom/assets/file/strategies2010.pdf](http://www.coady2.stfx.ca/tinroom/assets/file/strategies2010.pdf)**

A personal take on the question of whether to pay *per diems* by Brianne Peters, the Programme Coordinator of Asset-Based Community Development at the Coady International Institute. Definitely worth a read.

**Jack, A. (2009) 'Expenses culture has high cost for world's poorest nations'. *The Financial Times*. July 29. Available at: [www.ft.com/cms/s/0/832f89ea-7c4f-11de-a7bf-00144feabdc0.html#axzz2wJJEle5K](http://www.ft.com/cms/s/0/832f89ea-7c4f-11de-a7bf-00144feabdc0.html#axzz2wJJEle5K)**

A short synopsis of the negative effects of *per diem* 'culture' for developing countries. Although Jack's article is a quite one-sided, it is often referenced in academic research and clearly played a role in shedding light on the issue for a broader audience, albeit from a largely economic perspective.

**Bullen, P. (2013) 'Seven ways to stop per diem abuse in aid work' WhyDev. Available at: [www.whydev.org/seven-ways-to-stop-per-diem-abuse-in-aid-work/](http://www.whydev.org/seven-ways-to-stop-per-diem-abuse-in-aid-work/)**

This article draws on the research of NORAD (see the U4 anti-corruption resource centre links above), and other tool-kits to create a list of clear, proactive steps for development professionals. The author, Pirooska Bullen has worked with several NGOs, both locally and internationally based, and currently runs a child health program in Malawi.

**Hyma, R. (2013) 'Development Work and the blessed/cursed *per diem*'. Available at: [raymondcambodia.wordpress.com/2013/09/08/perdiem/](http://raymondcambodia.wordpress.com/2013/09/08/perdiem/)**

This is a personal reflection on both the benefits and costs of *per diems* in grassroots development work in Cambodia. Blog writer Raymond Hyma is honest about his ambiguity towards *per diems*, as well as his own encounters with being paid an allowance for work-related travel.

## WHERE CAN I GET FURTHER ADVICE?

If you would like to discuss any of the above in further detail please contact David Hope-Jones at [david@scotland-malawipartnership.org](mailto:david@scotland-malawipartnership.org).