



United Nations  
in Malawi

# Malawi Country Assessment Report

Lilongwe  
November 2010

UN Malawi Vision 2016

**UN Agencies working coherently and effectively to support the government and the people of Malawi to achieve prosperity, human rights and wellbeing.**

## Table of Contents

|   |           |
|---|-----------|
| LIST OF TABLES AND FIGURES  | III       |
| LIST OF ACRONYMS  | IV        |
| EXECUTIVE SUMMARY   | 1         |
| Purpose and approach of the CA  | 1         |
| Key findings  | 4         |
| <b>SECTION 1 – THE MALAWI DEVELOPMENT MILIEU: PROBLEMS AND POLICY CHOICES</b>   | <b>18</b> |
| 1.1 Poverty Reduction Through Economic Growth   | 18        |
| 1.2 Poverty Reduction – Enhancing Micro, Small and Medium Enterprise Competitiveness and Stimulating Export Promotion | 19        |
| 1.3 Characteristics of Poverty in Malawi  | 21        |
| 1.4 Quality of Analysis of Poverty  | 23        |
| 1.5 Sustaining Economic Growth  | 24        |
| 1.6 Employment, Economic Growth and Poverty Reduction   | 25        |
| <b>SECTION 2 – MALAWI GROWTH AND DEVELOPMENT STRATEGY THEMES</b>  | <b>28</b> |
| 2.1 Theme 1: sustainable economic growth  | 28        |
| 2.1.1 Agriculture, food security, and water development   | 28        |
| 2.1.2 Climate change, and natural resources and environmental management  | 31        |
| 2.1.3 Integrated rural development  | 32        |
| 2.1.4 Inclusive finance   | 33        |
| 2.1.5 Enhancement of entrepreneurial skills and management  | 34        |
| 2.1.6 Pro-poor Employment Generation  | 35        |
| 2.2 Theme 2: social protection  | 36        |
| 2.2.1 Social protection   | 37        |
| 2.2.2 Disaster risk reduction   | 38        |
| 2.3 Theme 3: social development   | 40        |
| 2.3.1 Education Sector  | 40        |
| 2.3.2 Child protection  | 44        |
| 2.3.3 Health and HIV/AIDS   | 46        |
| 2.3.4 Water and Sanitation  | 56        |

|   |   |           |
|---|---|-----------|
| 2.3.5   | Malnutrition                                    | 57        |
| 2.3.6   | Population and poverty reduction                | 61        |
| 2.3.7   | Gender  | 64        |
| 2.4   | Theme 5: good governance                        | 67        |
| 2.4.1   | Malawi Democratic Governance Challenges         | 67        |
| 2.4.2   | The Voice and Accountability                    | 68        |
| 2.4.3   | Political Stability and Absence of Violence     | 69        |
| 2.4.4   | Control of Corruption                           | 70        |
| 2.4.5   | Rule of Law                                     | 70        |
| 2.4.6   | Human Rights Situation                          | 71        |
| 2.4.7   | Recommendations                                 | 71        |
| <b>SECTION 3 – GOVERNMENT LEADERSHIP OF THE DEVELOPMENT AGENDA AND ITS DEVELOPMENT PARTNERS</b> |   | <b>74</b> |
| 3.1   | Aid Effectiveness                               | 74        |
| 3.2   | Government Leadership                           | 75        |
| 3.3   | Quality Analysis of Capacity Development Issues | 76        |
| 3.4   | Aid Coordination                                | 77        |
| <b>SECTION 4 – CONCLUSIONS AND RECOMMENDATIONS</b>  |   | <b>82</b> |
| <b>ANNEXES</b>  |   | <b>90</b> |
| Annex 1 : Key documents used for desk review  |   | 90        |
| Annex 2 - Checklist of Questions for UN Staff   |   | 91        |
| Annex 3 - Checklist of Questions for GoM Staff  |   | 92        |
| Annex 4 – Checklist of Questions for Donor Agency Staff   |   | 93        |
| Annex 5 - Checklist of Questions for Civil Society Leaders: MEJN, MEHN, CSQBE                   |   | 94        |
| Annex 6: Mapping of MGDS themes and KPAs into MDGs and SWGs                                     |   | 95        |
| Annex 7: Budget allocation to the MGDS themes and KPAs – 2008/9                                 |   | 96        |
| Annex 8: References   |   | 97        |
| Annex 9: List of people met   |   | 102       |
| Annex 10: Malawi’s progress towards the Millennium Development Goals                            |   | 103       |

## List of Tables and Figures

### List of tables

Table 1.1 Allocation of GoM budget to KPAs and themes of MGDS – 2008/9 MWK million

Table 1.2 Poverty head count, poverty gap, and severity of poverty in 1998 and 2005

Table 2.1 Summary of theme 2: social protection and disaster management

Table 2.2 Logistical and financial details for SCTS programme expansion

Table 2.3 Health indicators for Malawi

Table 2.4 Estimated child deaths prevented by malaria control intervention (2001–2008)

Table 4.1 Progress towards achieving the MDGs

### List of figures

Figure 1.1 GDP growth per capita 1960–2008

Figure 2.1 Selected indicators of education sector performance

Figure 2.2 Infant mortality ratio for Malawi

Figure 2.3 Maternal mortality ratio for Malawi

Figure 2.4 Estimated national HIV Prevalence for total, urban, rural populations by year

## List of Acronyms

|       |  |
|-------|--|
| AAA   | Accra Agenda for Action                                  |
| ACT   | Artemisin Combination Therapy                            |
| AISP  | Agriculture Input Subsidy Programme                      |
| AMP   | Aid Management Platform                                  |
| ANC   | Antenatal Clinic   |
| ART   | Antiretroviral Therapy                                   |
| ARV   | Antiretroviral   |
| ASWAp | Agriculture Sector Wide Approach                         |
| CA    | Country Assessment                                       |
| CAADP | Comprehensive African Agriculture Development Programme  |
| CABS  | Common Approach to Budget Support                        |
| CBCCs | Community Based Child Care Centres                       |
| CBE   | Complimentary Basic Education                            |
| CCD   | Convention to Combating Desertification                  |
| CD    | Capacity Development                                     |
| CEM   | Country Economic Memorandum 2009                         |
| CHAM  | Christian Health Association of Malawi                   |
| CHF   | Community Health Fund                                    |
| CMR   | Child Mortality Rate                                     |
| CPAP  | Country Programme Action Plan                            |
| CPR   | Contraceptive Prevalence Rate                            |
| CRC   | Convention on the Rights of the Child                    |
| CSOs  | Civil Society Organizations                              |
| CSPC  | Community Social Protection Committee                    |
| DA    | District Assembly  |
| DAD   | Debt and Aid Management Department – Ministry of Finance |
| DALYS | Disability Adjustment Life Years                         |
| DAS   | Development Assistance Strategy                          |
| DC    | District Commissioner                                    |
| DEC   | District Executive Committee                             |
| DFID  | Department for International Development                 |
| DM    | Disaster Management                                      |
| DoDMA | Department of Disaster Management Affairs                |
| DoL   | Division of Labour                                       |
| DOTS  | Directly Observed Treatment Short-course                 |
| DPs   | Development Partners                                     |
| DRM   | Disaster Risk Management                                 |
| DRR   | Disaster Risk Reduction                                  |
| DSPT  | District Social Protection Team                          |
| ECD   | Early Childhood Development                              |
| ED    | European Community                                       |
| EFA   | Education for All  |
| EHP   | Essential Health Package                                 |
| EMIS  | Education Management Information System                  |
| EPI   | Expanded Programme of Immunization                       |
| ESIP  | Education Sector Implementation Plan                     |
| FAO   | Food and Agriculture Organization                        |
| FDI   | Foreign Direct Investment                                |
| FEWS  | Famine Early Warning System                              |
| fob   | free on board  |
| FTI   | Fast Track Initiative                                    |
| FY    | Financial Year   |

|          |   |
|----------|---|
| GAA      | Global AIDS Alliance  |
| GDP      | Gross Domestic Product  |
| GEF      | Global Environment Facility                                     |
| GFATM    | Global Fund to Fight AIDS, Tuberculosis and Malaria             |
| GoM      | Government of Malawi  |
| HCW      | Health Care Worker  |
| HH       | Household   |
| HFA      | Hyogo Framework for Action                                      |
| HIV/AIDS | Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome |
| HMIS     | Health Management Information Systems                           |
| HR       | Human Resources   |
| HRBA     | Human Rights Based Approach                                     |
| HRM      | Human Resources Management                                      |
| HTC      | HIV Testing and Counselling                                     |
| IADGs    | Internationally Agreed Development Goals                        |
| ICT      | Information Communications Technology                           |
| IFMIS    | Integrated Financial Management Information Systems             |
| IHS      | Integrated Household Survey                                     |
| IHS2     | Integrated Household Survey, 2004                               |
| ILO      | International Labour Organization                               |
| IPT      | Intermittent Combination Therapy                                |
| IRD      | Integrated Regional Development                                 |
| IRS      | Indoor Residual Spraying  |
| ITN      | Insecticide Treated Nets  |
| KPA      | Key Priority Area   |
| LDF      | Local Development Fund mechanism                                |
| LLINs    | Long Lasting Insecticidal Nets                                  |
| M&E      | Monitoring and Evaluation                                       |
| MDAs     | Ministries, Departments and Agencies                            |
| MDGs     | Millennium Development Goals                                    |
| MDHS     | Malawi Demographic and Health Survey                            |
| MDPC     | Ministry of Development Planning and Cooperation                |
| MDR-TB   | Multi-drug Resistant TB   |
| MEGS     | Malawi Economic Growth Strategy                                 |
| MFIs     | Micro Finance Institutions                                      |
| MGDS     | Malawi Growth and Development Strategy                          |
| MGDI     | Malawi Gender and Development Index                             |
| MICS     | Multiple Indicator Cluster Survey                               |
| MIS      | Management Information Systems                                  |
| MMR      | Maternal Mortality Rate   |
| MoAFS    | Ministry of Agriculture and Food Security                       |
| MoDPC    | Ministry of Development Planning and Cooperation                |
| MoEPD    | Ministry of Economic Planning and Development                   |
| MoEST    | Ministry of Education, Science and Technology                   |
| MoF      | Ministry of Finance   |
| MoGC&CD  | Ministry of Gender, Children and Community Development          |
| MoH      | Ministry of Health  |
| MoLG     | Ministry of Local Government                                    |
| MPVA     | Malawi Poverty and Vulnerability Assessment                     |
| MSME     | Micro, Small and Medium Enterprises                             |
| MTCT     | Mother to Child Transmission                                    |
| MTEF     | Medium Term Expenditure Framework                               |
| MVAC     | Malawi Vulnerability Assessment Committee                       |
| MWK      | Malawian Kwacha   |
| NAC      | National AIDS Commission  |

|         |  |
|---------|--|
| NACAL   | National Census of Agriculture and Livestock                 |
| NAF     | National HIV/AIDS Action Framework                           |
| NAPA    | National Action Plan for Adaptation                          |
| NAO     | National Audit Office  |
| NEAP    | National Environment Action Plan                             |
| NEPAD   | New Partnership for Africa's Development                     |
| NESP    | National Education Sector Plan                               |
| NGO     | Non-Governmental Organizations                               |
| NHAP    | National HIV/AIDS Policy                                     |
| NTP     | National TB Control Programme                                |
| NWIP    | Nsanje World Inland Port                                     |
| OHCHR   | Office of High Commissioner for Human Rights                 |
| OPC     | Office of the President and Cabinet                          |
| OPD     | Out Patient Department                                       |
| OVC     | Orphans and Vulnerable Children                              |
| OVOP    | One Village One Product                                      |
| PEI     | Poverty Environment Initiative                               |
| PER     | Public Expenditure Review                                    |
| PFM     | Public Financial Management                                  |
| PIUs    | Project Implementation Units                                 |
| PMTCT   | Prevention of Mother to Child Transmission                   |
| PPA     | Public Procurement Act                                       |
| PPP     | Public Private Partnership                                   |
| PQTR    | Pupil Qualified Teacher Ratio                                |
| PRGF    | Poverty Reduction and Growth Facility                        |
| PRSP    | Poverty Reduction Strategy Paper                             |
| PS      | Public Sector  |
| PSR     | Public Sector Reform   |
| PSRU    | Public Sector Reform Unit                                    |
| PWP     | Public Works Programme                                       |
| RBM     | Results Based Management                                     |
| RCO     | Resident Coordinator's Office                                |
| REDD+   | Reducing Emissions from Deforestation and forest Degradation |
| SACMEQ  | South African Consortium for Monitoring Educational Quality  |
| SADC    | Southern Africa Development Cooperation                      |
| SCG     | Sector Coordinating Group                                    |
| SCTS    | Social Cash Transfer Scheme                                  |
| SME     | Small and Medium Enterprises                                 |
| SPC     | Social Protection Committee                                  |
| SWAp    | Sector Wide Approach   |
| SWG     | Sector Working Groups  |
| TB      | Tuberculosis   |
| TFR     | Total Fertility Rate   |
| ToR     | Terms of Reference   |
| TWG     | Thematic Working Group                                       |
| UN      | United Nations   |
| UNCT    | United Nations Country Team                                  |
| UNDAF   | United Nations Development Assistance Framework              |
| UNDP    | United Nations Development Programme                         |
| UNEP    | United Nations Environment Programme                         |
| UNFCC   | United Nations Framework Convention on Climate Change        |
| UNICEF  | United Nations Children's Fund                               |
| UNSGHCR | United Nations Secretary General's HIV/AIDS Country Report   |
| UNV     | United Nations Volunteers                                    |
| USM     | Universal School Meals programme                             |



|     |                                    |
|-----|------------------------------------|
| VAM | Vulnerability Analysis and Mapping |
| WFP | World Food Programme               |
| WHO | World Health Organization          |
| XDR | Extra-drug Resistant               |



KUPITA KU (LBB C.D.S.S) MOFFATI  
MANYEKE  
WILEMBA MUNG  
CHUMBO  
OTHER COMPOSTS  
NAPITA KU  
DZALUKA

MAY NAIKE IS SIMMY AFANSA BOKES  
SOTT BOKORA PANO SINDIJOZE  
YANII

## Executive Summary

### *Purpose and approach of the CA*

The aim of this Country Assessment (CA) is to support the Government of Malawi (GoM) in formulating the next Malawi Growth and Development Strategy (MGDS), 2011-2016. At the inception stages of this national planning process, the United Nations Country Team in Malawi (UNCT) noted that the 2008 Population Census had not yet been fully analyzed while the data collection for the Demographic Health Survey (DHS) and the Integrated Household Survey (IHS) has not yet been completed. Thus the planning process was started without a clear overview of pertinent evidence and data, particularly in the social sectors. The UNCT however felt that it would be possible to provide the Government with a salient overview of available data and policy options to inform the MGDS process. This would also serve as the foundation of the United Nations (UN) engagement of the national planning process and the eventual development of the United Nations Development Assistance Framework (UNDAF). In this connection the structure of the CA follows that of the MGDS (2006-2011) with an exceptional omission of Theme 4 (Infrastructure Development) as this theme is not relevant for the UN given its comparative advantage.

This report signals three binding constraints on development in Malawi;

1. **Population Growth:** The trends in population growth, recently confirmed in the Census, indicates that development gains – whether economic growth, food security or Millennium Development Goals (MDGs) achievement – will remain fragile and will not meet required levels due to the increased pressure of a growing population on a limited resource base. Malawi has little option but to revisit its population policy and drive a greater and sustained investment in family planning. Efforts to slow down population growth, to reduce poverty, to achieve economic progress, and to improve environmental protection are mutually reinforcing. Slower population growth and sustainable levels of fertility can have a considerable positive impact on quality of life.
2. **Capacity:** With universal primary education only having become a possibility in Malawi in 1994 when primary education became free of cost, the country has been suffering from a chronic capacity deficit at all levels. Whether it is the lack of functional literacy and numeracy that precludes subsistence farmers from becoming commercial farmers, or the limited number of medical doctors or teachers that preclude the expansion of social services, the country needs additional and sustained investment in men, women and children to catch up.
3. **Resources:** Given the population trends, it is unlikely that government revenue growth will keep pace with the required expansion of social services and public investment. While Development Partners (DPs) have shown commitment to increase the resource base, it is unlikely that they will in the long term anchor the required expansion. If the resource envelope will continue to remain inadequate for some time to come, significantly improving efficiency, effectiveness and accountability for expenditure will not only maximize impact, but also bolster the required partnerships for development.

Furthermore, the report signals five key strategic development priority issues;

#### 1. **Poverty Reduction**

Although the poverty head count has declined from 52 percent to 39 percent in the last six years, many Malawians remain in poverty and/or are at risk of falling back into poverty. They remain vulnerable to

external shocks including natural disasters and external economic forces. Children, regardless of their orphan status, are more likely to be poor and more than half of the poor are children. Significantly, more people have moved out of poverty when economic growth picked up 2005 onwards, providing strong validation for the MGDS's focus on economic growth.

Reducing poverty quickly requires paying attention to the constraints to economic growth and also to understanding the nature of poverty so as to help plan for the kind of economic growth path that is pro-poor. So both a high, sustainable growth rate and the participation of the poor in that growth are important. There is consensus that access to quality social services and protecting those who cannot participate effectively in market based economic activities are essential aspects of a poverty reduction strategy. Good governance is perceived to be the context and condition for fast economic growth and pro-poor service delivery, and fulfilling human rights in general.

## **2. HIV and AIDS**

Malawi continues to make laudable progress towards MDG 6 on HIV prevalence, and it has recently been identified as one of the countries to have reduced HIV prevalence by 25 percent (UNAIDS and Government of Malawi, 2010). This achievement, however, masks the reality that more than 70,000 new HIV infections continue to occur annually in Malawi; a situation only further emphasized by the fact that risky sexual behaviour is currently the leading cause of mortality in Malawi (College of Medicine Disease Burden Survey, 2010), with HIV also being attributed as a cause of at least one-third of maternal mortality and 20 percent of mortality in children under five in Malawi (Ministry of Health, 2010). Heterosexual transmission of HIV accounts for 88 percent of new infections. Comprehensive condom programming remains key for the acceleration of HIV prevention noting that male and female condoms are the only readily available and cost effective tool that prevent infection and re-infection by HIV (UNAIDS, WHO, UNFPA Statement on Condoms 2005).

## **3. Children and Young People**

Children account for 51.5 percent of the total Malawian population with 880,000 orphans, one in four children aged 5 - 15 years engaged in child labour, one in three girls marrying before the age of 18, and with 65 percent of girls and 35 percent of boys experiencing some form of child abuse, by the age of 16. Placing vulnerable children at the centre of the next MGDS would significantly reduce this level of vulnerability while boosting productivity.

The current demographic profile of Malawi indicates that 40 percent of the population are young people aged between 10 and 29 years (Population and Housing Census, 2008). The significant proportion of the youth in the population has long-lasting implications on the development of Malawi. The current youth bulge provides the country with a vast human resource potential, which, if properly nurtured and tapped can greatly contribute to national accelerated and sustained economic growth and development. Effective response to youth development and empowerment needs of a large share of the population will contribute to poverty reduction efforts by the GoM. Investments in the current generation of young people will certainly bear fruit as the population ages, in terms of improved productivity, reduced health costs and enhanced social capital

## **4. Gender**

While Malawi is on track on five out of eight MDGs, it is notable that the three MDGs where expectations are not being met have very pronounced gender connotations. Whether we look at girl's enrolment and completion rates in education, women's shares of wage employment, HIV prevalence rates or the slow

progress in reducing maternal death, the differentiated progress is indeed marked. The great difficulty with achieving MDG 3 is evidence of a consistent policy and implementation gap that a number of consecutive National Plans of Action have not been able to address effectively. Gender mainstreaming has remained an aspiration and the various approaches engaged to date have not yet impacted on the national M&E system and the fact that to date the MGDS has been virtually gender blind. The lifetime risk of maternal death in Malawi is estimated at 1:7, one of the highest globally. Some of the underlying causes of the high maternal death include early childbearing and the high fertility rate.

## 5. Sustainability

Better integration of sustainability is required. This requires more detailed analysis on the links between environmental sustainability and pro-poor development, capacity development, improved co-ordination across government and budget allocations on Environment and Natural Resources Management. Overall, the potential benefits of sustainable natural resource management to achievement of Malawi's key development objectives – such as food security – are not sufficiently reflected in national, sector or district level planning, budgeting and implementation. This seems to reflect less a lack of general awareness of the importance of sustainable management of natural resources, than of capacity gaps in operationalizing this awareness in plans, programmes and projects and their associated budgets.

The report further brings forward the following strategic policy messages;

1. Sustained economic growth, coupled with macro-economic stability and fiscal responsibility, the agricultural input subsidization scheme and five years of good rains have had an unprecedented impact on poverty reduction in Malawi.
2. A high sustainable growth rate and the participation of the poor in that growth is essential to ensure an equitable outcome of economic expansion.
3. Greater focus on the poverty impact, vulnerability reduction and environmental sustainability in future investments in agriculture which contributes 50 percent of GDP, 80 percent of exports and more than half of all economic growth. Agriculture employs 80 percent of the labour force, the large majority women and unsustainable agricultural practices reduce productivity;
4. MDG achievement will require additional efforts (break-through strategies), as well as a further targeting of expenditure within Social Sectors to ensure maximum impact on the most disadvantages and vulnerable segments of society;
5. Gender and specifically the position of women seem to not have found their rightful place in the national development effort as evidenced by higher rate of poverty amongst female headed households and slow progress on MDGs that most affect women and girls.
6. Efficiency and effectiveness (value for money) and accountability for resources would drive a greater focus on Results Based Management, Sector Wide Approaches (Implementation of the Development Assistance Strategy) and ensuring that the MGDS not only has a good Indicator framework, but that this is linked to the Medium-Term Expenditure Frameworks and the national budget process to ensure that the annual MGDS review becomes a meaningful performance driven process.
7. Due attention to the inclusion of Climate Change and Natural Resource Management amongst the nine Government priorities, ensuring investments in climate proofing and DRR to reduce the countries vulnerability to the increasing frequency and severity of hydro-meteorological disasters to ensure that economic and MDG gains can be sustained over time;

8. Social Protection is essential in the face of continued human suffering and vulnerability. It is also a critical pro-growth and pro-poor measure that will enable the country to move forwards on both fronts at the same time;
9. Good Governance- combining both elements of Democratic Accountability and Access to Justice - is a critical initiative to be able to further plan and benchmark progress of participatory democracy and expand Rights Based Approaches to development;
10. The Public Sector Reform Programme needs to continue to ensure investment in an accountable Public Administration that is fit for purpose and capable of delivering equitable social and development services to the people at all levels.

### Key findings

#### Constraints to making faster progress on the MDGs

The poverty situation in Malawi is improving: between 2004 and 2009 the percentage of people living below the national poverty line declined from 52 to 39 percent. In 2006 the GoM articulated the MGDS as its formal strategy for reducing poverty through pursuing economic growth. The national MDG report (2010) shows that Malawi is on track to meet 5 out of 8 MDGs. The nation can boast a considerable success in this respect, but there are no guarantees that eventually the MDG targets will be met, even with the continued focus on macro-economic stability, economic growth and food security continuing to produce new results. Many of the gains in, for instance, food security remain fragile and subject to changing weather patterns, given the country's dependency on rain fed agriculture. The recent strong focus of the Government on irrigation and the President's Green Belt initiative serve to clearly point to the additional efforts that are required to sustain and expand MDGs achievement. Another example in education indicates that for the MDG target to be achieved, an additional 30,000 classrooms need to be built by 2015 – obviously this cannot happen without intensifying and accelerating the efforts being made, and without bringing additional policy measures to bear.

The most significant constraining factors that may inhibit MDGs achievement are;

- i) **Ineffective use of the resources available to implement the MGDS;** This can be attributed to, inter alia, inefficient inter and intra sector allocation of resources, including the resources contributed by DPs, and low technical efficiency as activities are not implemented with a value for money focus. Due to the absence of a clear national Monitoring and Evaluation Framework, a national Results Based Management Practice and the lacking linkage between the MGDS and budgets process, as well as the Public Sector Investment Plan (PSIP) and the Medium Term Expenditure Framework (MTEF), it is hard to determine the efficiency and effectiveness of expenditure.
- ii) **Insufficient targeting;** The lack of focus on evidence based policy making, planning and budgeting therefore implies that over time inefficiencies will remain in place and are not properly addressed by corrective measures. The use of tools that bring a pro-poor focus and a human rights perspective into programme planning and implementation is also limited to a few sub-sectors. Consequently resources are not used consistently in ways that would yield the greatest returns in terms of poverty reduction and upholding human rights; Comprehensive and reliable qualitative and quantitative databases, allowing linkages between population, education, health, poverty, humanitarian crises, environment and development issues and providing information disaggregated at appropriate and

desired levels, should be established and maintained to meet the needs of policy and programme development, implementation, monitoring and evaluation.

- iii) **Limited resources to implement the MGDS;** National budget resources as well as resources provided by DPs will not be enough to address the highly diverse and pressing needs of the people of Malawi, as they move from poverty to prosperity. MDG 8 seeks to establish the basis for new partnerships, but with aid having increased with 220 percent since 2004, additional resources required to expand Malawi's productive base, drive export-led economic growth and build the required infrastructure to drive expansion, will be hard to secure.
- iv) **Inadequate capacity to implement the MGDS;** National capacity is a binding constraint on development of Malawi. This is evidenced by a weak and narrow productive base for the economy, as well as a relatively low capacity civil service to support ambitious Government policies and plans.

### *MGDS Theme 1: sustainable economic growth*

#### **Agriculture, food and nutrition security and water development**

The agriculture sector employs 80 percent of the labour force and contributes the same proportion to foreign exchange earnings. It has contributed to half of the growth in GDP in the last few years. Maize has dominated the sector in terms of cropping area and also recently in allocation of resources because of the large allocations for the Agriculture Input Subsidy Programme (AISP). The country has succeeded in meeting MDG 1 target to 'halve the proportion of people who suffer from hunger'. Continued success requires the consistent and effective implementation of the AISP, which demands continuing fortitude in the leadership.

The Ministry of Agriculture and Food Security (MoAFS) has completed preparing its Agriculture Sector Wide Approach (ASWAp). It has identified the main constraints to a progressive sector as low productivity, reliance on rain fed cultivation, low value addition, low investments on agriculture research and extension services, inefficiencies of subsidies, and poor capacity in terms of policy processes and also human resources issues. The focus areas of the ASWAp will be: improving food security and nutrition, promoting agro-processing and commercial activities, land and water resources management, and institutional development and human resource management. The goal is to achieve a six percent growth of the sector per annum, and this is deemed possible if there is more diversification of export crops from the traditional ones like tobacco, tea, sugar and coffee.

The African Union under the leadership of Malawi has adopted the African Food Basket Initiative (AFBI) which aims at ensuring that Africa must feed itself and no child should die of hunger, starvation and malnutrition. Being a new strategic partnership and taking a new focused approach the AFBI highlights agriculture and food security as the springboard for growth. The AFBI calls for Africa and all cooperating partners to focus on improving agriculture and food security through innovative interventions that comprise subsidies, increased budgetary allocations, private sector investment and affordable information and communications technology. Alongside the AFBI, the AU also launched the African Food and Nutrition Security Day (AFNSD) which is to be annually commemorated on 30 October. The AFNSD serves as a platform to share experiences and progress countries are making towards a 50 percent reduction in stunting and other nutrition disorders in the next five years and beyond. African governments are called to put food and nutrition at the central stage of social and economic development strategies and investments and to acknowledge that nutrition is not merely a health issue, it cuts across sectors and requires multiple players within government but also public private partnerships. The AFBI and the AFNSD therefore pose significant

policy and programmatic directions that they should be taken on board in the development process planning for the country in the next five years.

It is clear that the development of the ASWAp, the adoption of the Comprehensive African Agriculture Development Programme (CAADP) compact and the recent development of the investment programme are major steps forward for this sector and will drive a much needed increase in investment and support in the years to come. However, looking forward there are still new frontiers that need to be tackled; most of the analysis, programming and policy making in this sector is done without specifically focussing on poverty impact and vulnerability reduction, possibly due to the presumption that the sector is inherently pro-poor and that given the low baselines one cannot really miss the target. Achievement of maize security is mistaken for food security whereas the latter entails access to adequate food for a healthy and active life at all times thereby promoting satisfactory nutritional status among the population. Indeed the achievements in food security in the country have not translated into better nutrition for vulnerable populations as reflected in the high levels of stunting (chronic malnutrition) and micronutrient deficiencies, stunting among children under five years of age has remained virtually unchanged, at levels close to 50 percent, for the past two or more decades. There is therefore need for deliberate effort and more vigilance to ensure that the food security and economic growth impact on nutrition by investing in concrete strategies and actions to improve nutrition and scale up of proven successful interventions to benefit the whole population in the country.

Taking into account that 80 percent of the agricultural labour force is constituted by women, their issues although mentioned in policy and programme documents, do not appear to have been systematically dealt with at least in terms of programming actions. Sustained agricultural productivity improvement also depend on sustainable management of water and soil, which is reflected in the sustainable land and water resource management focus area but more emphasis on implementation of this focal area is required, with more attention paid to climate change and its likely impact on rainfall and cropping patterns.

### Climate change and natural resources and environmental management

Malawi's economic development and social well-being depends to a large extent on the country's natural resource base. A recent study estimated that unsustainable natural resource use costs Malawi US\$ 191 million, or 5.3 percent of GDP each year. Natural resources and environment are under stress by a variety of factors, including increasing population pressure, poverty and capacity and governance gaps with respect to natural resource management. The MDGs Report (GoM 2009) indicates that the 'proportion of land covered under forest' in Malawi is decreasing from 41 percent in 1990 to 35 percent in 2008. This negative outlook is likely to be compounded in the future by the effects of climate change in Malawi, where in particular agricultural productivity may be negatively affected by changing temperatures and rainfall pattern, but this may also have devastating effects on the availability of clean water, fish resources, energy and health. Studies have shown that sanitation has a significant impact on economic growth reducing GDP in developing countries by 1 – 7 percent. Furthermore, the incidence of natural disasters due to changing weather patterns is likely to become more frequent, especially in areas where the poor and vulnerable live.

The Government has recognized this, and included "Climate Change, Natural Resources and Environment Management" as one of the new 9 Key Priority Areas. The National Environment Policy, the National Environment Action Plan (NEAP) and the Environmental Management Act (1996) complement the national institutional and regulatory framework on environment and natural resources.

The mainstreaming of climate change and Natural Resources Management into national policy planning and frameworks, as well as to integrate these concerns into the different sector plans and budgets is seen



as the way forward to ensure sustainable economic growth in Malawi. In terms of natural resource management, cross-sectoral co-ordination and management of natural resources needs to be improved further. Apart from being better able to respond to the challenges of natural resources degradation and effects from Climate Change, this approach will also ensure that Malawi will be able to benefit optimally from the promised climate change and other environmental funding opportunities through better, cross-cutting internal government, as well as government – donor coordination.

### Export Led Economic Growth

Agriculture represents the bedrock sector of the economy both in terms of employment and value added. The principal exports are tobacco, sugar, tea and coffee. Tobacco accounts for 70 percent of Malawi's export earnings and mainly grown by smallholder farmers. Tea and sugar are grown in large plantations and comprise 20 percent of export earnings. Maize is the staple crop supplemented with millet and rice. In recent years the potentials of the mining industry for export and increased Government revenue has been given prominence and the first uranium mine has started production.

In order for Malawi to reach its full economic potential, liberalization of the exchange rate regime, a conducive climate for business, decreasing cross border trade barriers, improving financial incentives for investment and a whole host of other measures such as addressing energy constraints, improving the national skills base and reducing transport costs have been consistently highlighted over the years. Without detracting from this necessary dialogue, greater focus is required on pro-poor trade, business and employment-generation opportunities. Supporting entrepreneurship development specifically for the agribusiness sector, providing financing for small and medium enterprises and offer trade facilitation services form a new policy frontier that requires focus and a change of Government vision. This involves a cohesive and consistent attention to facilitating business development and creating an enabling environment for business to evolve/grow, with strategic investments in, for instance, technology for agro business and other labor intensive industries, the national capacity to meet international standards and accreditation requirements, and an inclusive financial sector.

### Integrated Rural Development

Currently, 80 percent of Malawians and the majority of the poor population in Malawi live in rural areas. Rural poverty in Malawi is manifested in high levels of malnutrition, household food insecurity, low household incomes, limited viable income generating opportunities including unemployment, lack of productive assets, poor health services, poor housing and poor social and psychological status. The integrated rural development approach sees the transformation of the rural areas as the most effective way of accelerating socio-economic development through establishment of satellite towns, promotion of small-scale industries in rural areas, increasing agricultural production, provision of credit facilities and improvement of infrastructure on specified geographical scale. At the community level there is no shortage of development actions be it projects supported by DPs in parallel with the District level Government Structures, NGOs and the Government itself. However, while integration of project and programmes into national systems by DPs is explicit objective of the Development Assistance Strategy (DAS) to be pursued through Sector Working Groups (SWGs), this perceptiveness has not come out at the District Level. District Commissioners are not really equipped to set up and maintain the required coordination mechanism. Yet at the same time, many development actors are poised to increase their level of activities at the District level as they have correctly assessed that this will have the most impact on the lives of the most disadvantaged and vulnerable segments of the population.

## MGDS Theme 2: social protection and disaster risk reduction

### Social protection

Social protection programmes have played an indispensable role in filling gaps in a situation the poor are being left behind in the process of economic expansion. Social protection programmes are specifically designed to provide welfare support to households to empower them to take care of their own essential needs and reduce their levels of poverty, starvation, hunger and enhance their children's access to basic social services such as schools and health centres. Grassroots norms and values in Malawi ensure that the village community needs to place part of its limited resources at the disposal for the most vulnerable. In economic terms, net income transfers from poor to ultra poor households are not efficient and effective and do not contribute to growth and poverty reduction. The drain on limited resources thus generated holds back the village as a whole to develop resilience, build up community infrastructure and invest in productive assets.

The GoM has been developing a Social Protection Policy with focus on the poorest and most vulnerable people within society. The main elements of social protection consist of social cash transfers, subsidized or free food distribution, public works (cash-for-work), village savings and loans, access to micro-finance, school meals and bursaries and subsidized or free agricultural inputs. Challenges include a lack of coordination in the design and implementation of social protection programmes and limited capacity of national line ministries and of District Assemblies to effectively supervise and manage all programmes at national and district level. However, GoM is addressing these challenges through the coordinated design of the national Social Protection Programme with a clear institutional framework and modalities for coordination and implementation with an accompanying capacity development plan.

### Disaster risk reduction

In recent years, disasters have been identified as a key hindering factor to Malawi's growth and poverty reduction effort in major policy documents including the MGDS. The geographical coverage of floods and drought has increased: Before 2001 only 9 districts in Malawi were classified as flood-prone; in 2010 14 districts are classified as flood-prone. More importantly the number of people affected by these disasters has increased sharply since 1990, with currently some 15 percent of the rural population living on the fringes of high flood-risk areas, and dry spells being a common occurrence in many parts of the country, which can cause between 20-30 percent of the losses of total yield/ha. Thus, Government adopted Disaster Risk Management (DRM) as one of the key areas in the MGDS under theme two 'Social Protection and Disaster Risk Management'.

This thrust requires a shift from 'disaster response culture' to 'integration of disaster risk into sustainable development planning and programming'. Lessons learnt from implementation in the country identify several major challenges: e.g. inadequate policy, strategy and budgetary frameworks for disaster risk reduction and disaster management; insufficient institutional capacity and weak planning processes for DRM; slow progress in integrating DRM into development planning at all levels and in all sectors; not updated risk assessment and early warning systems; limited investment in DRM; and non-existence of multi-stakeholder forum for coordination of different stakeholders. Furthermore, the links between DRR, Climate Change, poverty and food security are not adequately addressed.

The country's DRR framework governing the 2010-2015 timeframe, developed in-line with the internationally accepted *Hyogo Framework for Action 2005-2015 (HFA)*, outlines Malawi's mission as 'Sustainable reduction of disaster losses in lives and in the social, economic and environmental assets of communities and of the nation by 2015'. To achieve this mission, six strategic goals have been identified to

guide the implementation: a)DRR mainstreamed into policies, strategies, programmes and annual planning at all levels b)An effective system in place to identify, monitor and assess risk (national and cross-boundary) 3)A people-centred early warning system developed at national and local levels 4)Underlying risk factors of community and households systematically identified and addressed 5)Disaster preparedness capacity strengthened for effective response at all levels and 6)Knowledge, education and innovation are used to promote culture of safety and exploration of resilient technologies.

### *MGDS Theme 3: Social Development*

#### **Education**

The Government of Malawi initiated universal primary education in 1994 and appropriate interventions in the education sector continued to be made to improve education outcomes. The gender parity at primary level is now reported at 1:1 and the net enrolment of pupils in schools is at 80.5 percent for boys and 87.5 percent for girls (Education Management Information System, 2008). Adult literacy rate has improved from 65 percent in 2005 to 70 percent in 2008 and repetition rate is at 22 percent (Welfare Monitoring Survey, 2008). However, the sector continues to face challenges which include low access to service delivery, inequalities of access, poor quality and relevance, and problems of governance and management.

In primary education enrolments have steadily increased over time and the country is poised to meet with MDG targets in this respect if current trends continue. However for all targets to be achieved by 2015, an additional 30,000 class rooms will be required. Investments in water, sanitation and hygiene facilities are also required as they significantly contribute to the quality of education resulting in reduced disease burden among children and staff, improved school attendance and retention, improved gender balance in education, improved attraction and retention of teachers and more effective learning through conducive environment. Primary education also suffers from high dropout and repetition rates. This may not only because of inadequate resources to provide enough teachers and classrooms and teaching materials, but also the urban bias in the spatial distribution of these resources. In the secondary and teacher education sub-sectors low and inequitable access are the basic problems. Relevance of curricula is another issue. While institutional capacity for primary school teacher training is increased, the low enrolments at secondary level will create a bottleneck to supplying teachers for primary education. At the technical and vocational training and education level, problems of governance are the most important and the main cause of the glaring inefficiency of the system, reportedly the worst in the Southern Africa Development Cooperation (SADC) region.

Success towards achieving universal primary education is increasing demand for secondary general education and vocational training. One binding constraint is teacher training. Investments in classrooms must be accompanied by increasing teacher training and increasing the attractiveness of the education profession in terms of remuneration and working conditions. To improve the quality and relevance of vocational training at secondary and tertiary levels, public private partnerships can provide opportunities for instructors up-to-date with technologies and opportunities for students to combine classroom and hands-on learning. Greater provision of training needs to be accompanied by better employment services, so that vocational and career guidance can help students anticipate what jobs will be in demand and what training those jobs require. Investments in education and training lead young people out of poverty only if there are pathways into the labour markets. Training providers need to work with employers to keep their curriculum and equipment relevant to labour market needs.

For adults who did not have opportunity to gain good education, the need to increase productivity in agriculture and to expand income opportunities in off-farm activities in rural areas will require innovative means of providing training in the countryside. These activities need to combine core skills (literacy),

technical training, and entrepreneurship training. Focusing education and training in rural areas is critical to creating opportunities for productive and decent work for the burgeoning youth population and to meet national objectives on inclusive growth, overcoming gender discrimination and reducing poverty.

The Education Sector Implementation Plan (ESIP) for the National Education Sector Plan (NESP) has been formulated. The budget for next year has a funding gap MWK 4bn, and the gap on a yearly basis is projected to rise to MWK 11.8bn in 2013. This fact points to the importance of using resources more effectively and of mobilizing additional resources as part of MDG breakthrough efforts. The option of using Public Private Partnerships (PPPs) to accelerate the achieving of the Education for All (EFA)/MDGs was unfortunately not adequately considered in the ESIP.

## Health

The public sector provides 61 percent of health services. The remaining 39 percent of health services are provided by the not-for-profit Christian Association of Malawi (37 percent) and the private sector (2 percent) (MoH, 1999). Health services are provided at three levels: primary, secondary and tertiary. In addition to formal services, a large percentage of the population still patronizes traditional healers. During the lifespan of the current programme of work of the Health Sector-wide Approach (SWAp), financial contributions to the sector from both GoM and donors have increased considerably, from a per capita allocation of US\$ 7.6 to US\$ 16.2 against the initial cost of the EHP estimated at US\$ 17.53. However, funding is still below US\$28 of the re-costed EHP conducted in 2008 as well as the international benchmark of US\$ 34 as per WHO estimates for the delivery of full essential health package. Disparities exist in the availability of health facilities and trained health workers in urban and rural areas. Urban areas have more facilities than rural areas. By virtue of its heavy component on bio-medical interventions and curative health services and its supply-side delivery mechanisms, the programme of work did not necessarily address issues of inequity in a meaningful way. Factors associated to the formula used for the geographic allocation of recurrent resources, the absence of equity indicators in the monitoring matrix coupled with the lack of an equity monitoring framework, have not allowed for a good monitoring of progress toward the realisation of equity objectives, let alone to ensure that the delivery of the EHP has been responsive to the needs of the poor and marginalised sections of the population.

Despite notable progress, the sector is still facing some major challenges: maternal and neonatal morbidity and mortality rates (neonatal mortality at 33/1,000 and 807/100,000 for MMR) still remain unacceptably high; the prevalence of HIV is 12.6 percent and stigma and discriminatory practices continue to be associated with this condition; and chronic malnutrition rates have stagnated at 46 percent for over three decades. As far as the support systems are concerned major issues relate to weak disease surveillance, health management information system, and referral system; aging and dilapidated health infrastructure; internal and external brain drain; increasing burden of non-communicable diseases; a small work force of demotivated health care workers partly due to low remuneration; high morbidity and mortality rates (including child and maternal mortality rates).

The implementation of the health SWAp has led to significant improvements in availability and efficiency of delivery of health services. The percentage of health facilities capable of providing the EHP went from 9 to 74 percent between 2004 and 2009. However problems in procurement and supply chain management the quality of skilled care, inadequate community participation, and financial management still persist. In addition, despite the implementation of the six year emergency human resource plan, shortage of human resources for health, especially in the rural areas remain significant. The analysis shows that the one likely to be achieved is MDG 4 - Reduce Child Mortality- reflecting well over 25 years of consistent investment and focus. MDG 5 on maternal health is unlikely to be met, despite recent global estimates indicate that in

the last 5 years maternal mortality rates have been halved to 510 per 100,000 live births. Adolescent pregnancies comprise about 35 percent of all pregnancies. The lifetime risk of maternal death in Malawi is estimated at 1:7, one of the highest globally. Some of the underlying causes of the high maternal mortality include early childbearing, high fertility rate, inconsistent health seeking behaviours among women of child bearing age and poor quality of maternal health services. According to the MDHS (2004), the mean age at first childbearing was 19 years, and the total fertility rate was 6.3. The neonatal mortality rate is equally high, estimated at 33/1,000 live births. Maternal health indicators among poor and uneducated remain visible especially with notable conditions like obstetric fistula.

The HIV/TB co-infection epidemic in Malawi continues to be a source of concern, as it threatens to further undermine MDG 6 achievements made to date if not properly addressed. Without effective HIV and TB prevention programming the numbers of Malawians on ART – currently estimated at more than 250,000 by the Ministry of Health – will continue to grow as long as new infections continue unabated. This challenge, coupled with the recent decision by the Government of Malawi to adopt a new and more expensive antiretroviral regimen, poses a serious threat to the long-term affordability and sustainability of a national response which is 90 percent financed by external investments in the sector (NASA, 2010). Malaria, to round out MDG 6, is still the leading cause of morbidity in Malawi, accounting for 40 percent of hospital admissions for children under five, as well as 40 percent of hospital deaths throughout the country.

Success in achieving all these health related MDG goals depends on improving health infrastructure, supply of drugs, medical supplies, dealing with human resources management issues and community participation in delivery of health care services. Studies using different indicators show that less than a quarter of the hospital institutions can deliver the essential health services, due to poor infrastructure and inadequate staff. The average vacancy rate is 67 percent among the critical cadres in the ministry of health, with the rural areas being mostly affected.

Going forward the main issues are the need to consider issues of national health insurance as a way of raising more resources for the sector beyond dependency on the government limited resources, as part of MDG break through strategies, and using these effectively to implement activities, particularly for those directed at achieving the MDGs.

## Nutrition

Malnutrition remains a serious challenge nationally and the major contributor to child mortality. Children's nutritional status is a reflection of their overall health and development. The nutritional wellbeing of young children is therefore a sign of the household, community and national investment in family health. Malawi has made a major stride in curbing the problem of prevalence of underweight children under-five years and underweight prevalence has declined from 32 percent in 1992 to 21 percent in 2006 but stunting, a sign of chronic malnutrition, in the country has remained a major challenge from 1992 to the present time.

According to the 2006 Multiple Indicator Cluster Survey (MICS), the national prevalence rate for stunting is 46 percent with a regional distribution of 48, 45.4 and 39.6 percent for the central, south and northern regions respectively. Stunting levels of 30 percent and above are considered serious and of 40 percent and above are considered severe by WHO classification; the country therefore has a severe problem of chronic malnutrition.

Micronutrient deficiencies constitute another major category of nutritional problems in the country. The 2001 micronutrient survey estimated that Vitamin A deficiency affects 57 percent of women of child bearing age, 60 percent of preschool children and 38 percent of school aged children. Iodine deficiency affects

about 50 percent of school aged children (5 to 10 years) and nutritional anaemia has prevalence levels of 80 percent in preschool children, 47 percent among pregnant women, and 58 percent in school aged children. The latest estimates are expected from the 2009 Micronutrient Survey. However, the country is also seeing an emergency of the problem of over nutrition that previously has been associated with developing nations only. The 2004 DHS estimated an average adult overweight and obesity prevalence at 14 percent, a condition that increases the risk of non-communicable dietary related diseases (NCDDs) of hypertension, coronary heart disease, diabetes, etc.

Factors associated with the prevailing high levels of malnutrition are multiple and interrelated and include inadequate quality and diversity in the diet; limited access to food; inadequate care and feeding practices for vulnerable groups; limited access to quality health care services and sanitary amenities; endemic diseases; institutional and capacity constraints for effective nutrition programmes; and others. Food security in and of itself will not guarantee nutrition security.

The consequences of malnutrition in the country are varied and multi-dimensional, including high child mortality, compromised academic and professional achievement, reduced human productivity, and lost future gains at the levels of the individual, families and the nation. The World Bank estimates that countries can experience a 2 to 3 percent loss in GDP per year due to under nutrition.

The national response to malnutrition in the country has focused on management of acute malnutrition and treatment approaches to the problem. The country needs to invest in both long term sustainable approaches to prevent the problem of malnutrition from occurring in the first place and short term approaches to manage the problem where it occurs. Malnutrition if not addressed will effect achievements of all the MDGs; specifically hindering economic growth, reducing learning and school completion rates, disempowering women, increasing child and maternal mortality, increasing infection and diseases, reducing adaption to environmental stress and increasing stress on global partnerships for development.

### Water and Sanitation

A high proportion of the population faces serious challenges as a result of poor access to safe domestic water supply and adequate sanitation services resulting in high prevalence of preventable diseases which contribute to poor health, loss of productivity and exacerbation of poverty. It is estimated that 3 million women and 1.2 million children are directly affected in Malawi.

Preventative public health measures are not given as high a priority as curative health services despite the fact that they are more cost-effective (e.g. studies have shown that simple hand washing interventions are the most cost effective health intervention for any disease). Public health measures such as water and sanitation services can make a significant contribution as it reduces the burden on curative health services by reducing disease transmission (diarrheal disease, intestinal worm and respiratory infections) particularly in children less than 5 years of age. A recent study by UNICEF (Malawi 2006) estimated that there is a savings of about US\$ 0.95 per person per year or about US\$ 1,111,500 due to avoiding or reducing diarrhoea cases arising from improved water and sanitation services.

Improved water supply and sanitation services have direct impact of lives of women and children (particularly in rural areas), reducing the burden of water carriage (as women and children normally carry water from source to home). Time/effort in water saved in water collection has a huge potential for better child care and improved education.

## Population Issues

The latest population growth rate is 2.8 percent giving a count of 13 million in 2008. The main determinants of the growth rate are high fertility rate, due to low use of family planning. This is due to gender-related traditional and cultural practices, values and norms that make it difficult for women to use family planning, exacerbated by the fact that adolescents have limited access to family planning services and the high illiteracy levels among women. Furthermore, access to family planning has not been viewed as a human rights issue despite Malawi being a signatory to a number of regional and international human rights treaties.

Given the current expenditure requirements for providing health and education services and the level of revenues collected by the GoM, any population increases are going to build downward pressure on the quality of services. It is possible to consider several non-mutually exclusive solutions to this problem that include: increasing the tax base through increasing the growth; improving the effectiveness of tax collection; DPs increasing funding; and identifying non-traditional sources of financing for social services. It is however unlikely given the current narrow base of the national economy that the country can outgrow this pressure on the medium term, nor does it seem likely that DPs will long term be prepared to anchor social service provision for a growing population.

The main characteristics of the population are that it is young and the dependency ratio has increased from 0.91 to 0.99 in the last 10 years, with growing rural urban migration. This has several implications for planning and implementing pro-poor development, particularly in the provision of social services, the management of the environment, and economic empowerment. The 2008 census shows that the median age is about 17 years. One consequence of the youthful nature of the Malawian population is that there are many young people and new entrants to the labour force each year and therefore the number of people at working age will grow rapidly. Failure to address unemployment might impact negatively both the stability and sustainability of economic development.

The impact of population growth on issues of environmental management and economic activities is linked. Even if the services and manufacturing sectors were to grow, fast population growth would mean that the absolute numbers of those remaining in the agriculture sector would not decline. This implies that the absolute pressure on the land and other natural resources will remain. In the absence of some additional major leap in agricultural productivity and value addition, the reliance on subsistence rainfed agriculture for incomes, on declining sizes of farm plots, implies that Agriculture does not offer any further quick wins for poverty reduction beyond the gains achieved through the Agricultural Input Subsidization Programme in recent years. A limited growth potential in manufacturing, and relatively sluggish growth in mining and tourism sectors, shows that next to national capacity, population growth will be a binding constraint on economic development, environmental resource management and poverty reduction. It is deemed essential by UN organization that forceful steps are taken in family planning and population policy implementation to safeguard MDG progress made to date and to create the prospects that future success will indeed lead to net reduction of poverty ratios and increase wellbeing.

## Youth Development

Although youth constitutes a big proportion of Malawi's population, several social, cultural, economic and political challenges continue to impede their active participation in social and economic development initiatives. Specific issues affecting the youth include but not limited to;

- **high illiteracy and innumeracy rates** especially among out of school youth, arising from high school dropout rates. Of 3,671,481 young people who enroll in standard one only 243,838 (7 percent) enroll in form one of the secondary school (EMIS 2009);
- **limited access to technical, vocational and entrepreneurial education.** TEVETA(2009) reported that only 1,000 out of 30,000 applicants are admitted into its technical and vocational training institutions, representing a 3.3 percent admission rate;
- **unemployment and under-employment.** According to MDHS 2004, based on respondents not employment in the 12 months preceding the survey, unemployment among the 15-19 year old was 64.3 (males) and 59.9 (females) respectively. In addition unemployment for the 20-24 year old was 28.7 percent (males) and 42.9 percent (females); while among the 25-29 year olds was 8.6 percent (males) and 39.5 percent (females).
- **limited access to Youth Friendly SRH, HIV and AIDS services.** High HIV prevalence rates amongst young people pose a great challenge to the advancement of youth development in Malawi. HIV prevalence among young men and women aged 15-24 is pegged at 6 percent (MDHS, 2004). Disturbingly, the prevalence rate among women in this age group is 4 times higher than that for men of the same age group (9 percent and 2 percent respectively)
- Adolescents (15-19 years) contribute 11 percent to all births in Malawi (Fertility and Nuptiality Report, 2008).

Investments in the current generation of young people will certainly bear fruit as the population ages, in terms of improved productivity, reduced health costs and enhanced social capital. Thus, more investments in meeting the needs of young people will have a major impact on achieving the targets across the MDGs.

### *MGDS Theme 5: Good Governance*

#### *Democratic Accountability*

Since the advent of multiparty democracy in 1994, Malawi has made rapid strides in expanding the practice of participatory democracy. Due attention is given to Civic Education, affirming the rights and obligations of Malawi citizens and furthering their understanding of democratic process. The increasingly proficient performance around national elections – the most recent Presidential and Parliamentary Election in 2009 having been heralded as a major step forward in Malawi’s political democracy – and the upcoming Local Government Elections, provide further indicators of progress. Malawi has over time built up an impressive array on accountability institution such as the Ombudsperson Office, the Human Rights Commission and the Anti-Corruption Bureau.

The MGDS recognizes that improving democratic governance is a foundation for poverty reduction and a sustainable development agenda in Malawi. Beyond the above mentioned high level indicators, however, it is hard to quantify and measure Malawi’s progress as a democracy. Despite Malawi being a signatory to a number of human rights treaties reporting has not been consistent with a number of treaty body recommendations yet to be implemented. In the context of the Government’s effort to establish a Governance SWAp, it is essential that baseline survey and capacity assessments for these institutions are developed and action plans are conceived aiming at strengthening capacity, increasing transparency and accountability. Furthermore UN agencies strongly support efforts to establish broad based debates on issues of importance to the nation, such as the next MGDS, and would urge that issues of social, economic and child rights will be given equal prominence to the continued discussions on civil and political rights,



that finds its roots in the advent of multiparty democracy in Malawi. The continued focus on Human Rights in Malawi has to have both a national and a grassroots dimension, to ensure a continuing expanding base of participatory democracy at all levels. Such debate can be based on sustained and regular state party reporting to treaty bodies, coupled with a strong human rights debate and dialogue spearheaded by the Human rights bodies and Non Governmental Organisations.

### Access to Justice

Government of Malawi has committed itself to improving justice, rule of law and internal security as central themes for democratic governance in the MGDS. Central to democratic governance are the broad themes of the rule of law, access to justice and internal security. Although there has been progress in improving justice delivery, strengthening the rule of law and internal security following several interventions, there are still systemic constraints and challenges that are faced by institutions that provide the services and its users. These challenges range from legal, institutional and human resources that are insufficient, to inadequate or outdated infrastructure, systems and procedures in the whole justice system. Coupled with the people particularly the vulnerable and marginalized who are not sufficiently empowered to seek for and demand their rights, this has resulted into poor justice delivery. There does not seem to be a clear mechanism for holding duty bearers accountable for upholding the right to access justice by the poor and marginalized, an aspect that could be emanating from the lack of understanding. In the context of the Governance SWAp, rapid progress is being made in setting up baseline data, developing indicator frameworks, reviewing policy frameworks, undertaking capacity assessments and developing sector strategies. In many ways the work currently going on in the justice subsector is being regarded as trendsetting for the development of SWAps under the Development Assistance Policy (DAS).

### Capacity Development

UN agencies are ceased with the development of national capacity – which is not limited to Government’s capacity at the central level, but includes district levels as part of the drive towards decentralization and devolution, the capacities in civil society, capacities at community and grassroots level. Over the years many UN agencies have been associated with various capacity development efforts and successes such as the establishment of Malawi Institute of Management (MIM), the Human Rights Commission, National AIDS Commission (NAC) and Council of Non Governmental Organisation in Malawi (CONGOMA). UN agencies have been instrumental in developing the decentralization policies, piloting the Local Development Facility (LDF) and setting up village area and district development planning practices. UN agencies have been working on community resilience, the capacity for grassroots levels to claim their rights, bring functional literacy to women, expand livelihood options etc..

While capacity is a binding constraint on development, to date no national strategy has been developed that allows the Government, DPs and civil society to focus their attention around the critical need for the nation to be able to lead, manage and own the development process in all its facets. Such a strategy would span issue of Human Resource Development (formal and non formal training and education), capacity for effective public service delivery at the national and district levels, and building civil society and community reliance and empowerment.

Government has taken on the challenges of service delivery through the development of a National Capacity Development for Management Programme, the development of public service charters and the resumption of discussion on decentralization. Human Resource Management, Public Finance Management and Accountability and management of information systems provide the elements of a Public Sector Reform Programme. As argued above, it is essential that the discussion on Results Based Management (RBM) is

deepened and that a national practice, spanning all ministries and all administrative layers is developed to drive greater efficiency and effectiveness in expenditure.

There are serious shortfalls in mainstreaming gender and using a human rights based approach (HRBA) in the GoM sector programmes on capacity building. Although gender has been heard a lot in development policy planning and implementation circles in Malawi, there are glaring shortfalls in actual implementation of gender responsive programmes. Even in areas where the issue is consciously tackled such as health, progress is low. The cause of the formulation of gender blind programmes is that capacity building needs assessments do not consider the gender and human rights dimensions. Some ministries, departments and agencies (MDAs) pay attention to needs of special groups. These include the Ministry of Education, Science and Technology (MoEST) that programmes for special needs education, and also the ministry responsible for people with disabilities and the elderly. The need for RBM in the public sector and within civil society is now widely appreciated. But like most good management tools, they are not being used effectively. The reasons for this are well documented in the capacity needs assessments, which include lack of incentives/sanctions for a performance orientation among managers.

### Aid Coordination

On the basis of the different layers of national planning and coordination, the GoM has shown strong commitment to the implementation of the Paris Declaration (PD) on Aid Effectiveness and to making progress towards fulfilling both the PD (2005) and the Accra Agenda of Action (2008) commitments. Over the past five years, improving capacities and strong leadership at the MoF has led to a strong institutional and policy set-up for improving development effectiveness of aid and an Aid Management Policy has been developed. As a key element for consistent coordination and alignment of aid to national priorities, the Development Assistance Strategy (2006-2011) was developed. This includes an Action Plan that sets 26 targets around the PD principles. The GoM has also institutionalized 16 SWGs to strengthen implementation of the MGDS.

Overall the task of aid coordination in Malawi is progressing well although there are challenges of government leadership, and also not so helpful donor attitudes and practices that include rigid headquarters' rules and procedures. Most donor key informants pointed to the need to quickly improve the situation of GoM/DP dialogue on aid coordination. Quality of dialogue is assessed primarily by regularity of meetings, with the right staff who can make decisions and move agendas, and basing the dialogue of good quality information and evidence, to make rational decisions.

The results of the 2008 Survey on Monitoring the PD show the need for accelerated implementation, analytical and evaluative efforts to reach the endorsed targets in Paris and Accra. There is need for concerted effort to improve and strengthen the country systems; government is supposed to improve its systems and donors are expected to support government in the strengthening of the systems and use them for further improvements. The way aid is delivered is an important factor as far as capturing it in the budget is concerned. This is crucial for reporting on aid in the budget and thus why Government favours direct budget support as the most preferred funding modality. Alignment of the budget process with national processes such as MGDS reviews is also important so that findings of the MGDS reviews are taken into account when formulating the new budget.

Also in the context of the PD, it is important that the Result Based Management (RBM) practice is entrenched in development programming and that the M&E functions in the country are strengthened. The RBM enables clear identification and management of strategic development results against which to hold government accountable while the M&E function provides the credible evidence of the extension to which the results have been achieved.

## Section 1

# The Malawi development milieu: problems and policy choices



## Section 1 – The Malawi development milieu: problems and policy choices

This section has three objectives. The first objective is to introduce the broad development challenges and agenda in Malawi based on a literature review and the views of respondents that were interviewed in government, among donors' agencies, and civil society organizations. This is done as a prelude to the examination of sector issues in section 2. The second objective is to provide summary evidence of progress to achieving the MDGs and other internationally agreed development goals (IADGs). The third objective is to discuss the issues of government leadership over the development agenda. The purpose of this is to further and properly contextualize the discussion that follows in section 2.

### 1.1 Poverty Reduction through Economic Growth

The 2004 CEM argued that the explanation for the slow growth of the economy was not so much in the (wrong) broad direction of its development strategy, but in the lack of detailed and consistent implementation of the strategy. In case of the current MGDS, even when the objectives are clear, the targets and the strategies for achieving them are not always evident.

A general consensus is that the growth has to continue to be export led. But there were variations on the prioritization of the economic objectives, and the choice of strategies to use to achieve the objectives of these. The GoM sees mining as an area that has to be emphasized; others think that strengthening regional integration will lead to better results (CEM 2009). But even among those who prioritize regional integration, there are those who emphasize regional energy, water and road transport networks as the main drivers of progress, as say contrasted to those that prioritize trade regulation and facilitation across borders.

Policy makers and donors have over-emphasized new road infrastructure at the expense of concession efficiency, trade facilitation and regional cooperation. The focus of policy should shift towards the maintenance (roads) and the rehabilitation (rail) of current infrastructure, the creation of a single regional transit regime, improvements in regional trade facilitation, and to promote through regional organizations, an increased operational efficiency of ports (CEM 2009: p. 14).

During the period of the MGDS I, public expenditures were biased to social services – owing to donor interests and also the level of need given the population, and state of services as of 2006. The evidence (Table 1.1) is that even though government prioritized the economic and infrastructure sectors and themes, these sectors are not prioritized in resource allocation. This meant that the budget allocation was not structurally aligned to the MGDS.

Donors ordinarily provide more resources for the social sector (in 2008/9 these got twice as much resources as the economic growth theme from donors) and so the GoM should be able to allocate more of its budget for the economic sectors. But often the GoM is tied because donor funding of the social sector is also conditioned on the GoM providing a minimum share of its own revenues to those sectors, e.g. in health in connection with SWAp and in future the Fast Track Initiative (FTI) for education.

Policy makers in central government are diffident about implementing a MDGs focus in the MGDS. Although they appreciate that the MDGs are about reducing poverty, they also think that given the resource envelope, allocating adequate resources to the MDGs would reduce the investment in the economic infrastructure needed to spur the economic growth that is in turn needed for poverty reduction (Public Expenditure Review (PER) 2006).

Thus the core development planning question is still how to generate fast economic growth through which to reduce poverty. Equally challenging is the dilemma of how to invest in infrastructure development, balancing the need to provide adequate levels of social services.

**Table 1.1 Allocation of GoM budget to KPAs and themes of MGDS – 2008/9 MWK million**

| MGDS Theme/KPA                   | ORT            | Development expenditure | Total          | Percentage of total | Alignment of budget to MDGs projections (percent) |
|----------------------------------|----------------|-------------------------|----------------|---------------------|---|
| Social development               | 46,821,210,731 | 11,819,278,793          | 58,640,489,524 | 30.56               | 186   |
| Sustainable economic development | 25,511,384,213 | 20,373,201,533          | 45,884,585,746 | 23.91               | 530   |
| Infrastructure development       | 5,501,963,411  | 17,365,986,582          | 22,867,949,993 | 11.92               | -31   |
| Improved governance              | 6,470,421,238  | 3,668,164,227           | 10,138,585,465 | 5.28                | 172   |
| Social protection                | 1,034,980,945  | 520,111,000             | 1,555,091,945  | 0.81                | 23  |
| Non-MGDS                         | 49,454,798,824 | 3,373,926,138           | 52,828,724,962 | 27.53               | -   |

Source: MoF, Budget Division – An Analysis of Estimates for 2008/2009

## 1.2 Poverty Reduction – Enhancing Micro, Small and Medium Enterprise Competitiveness and Stimulating Export Promotion

Government policy towards industrial development over 1964–1980 was to a greater extent biased towards large-scale industries, with no direct and comprehensive policy for the Micro, Small and Medium Enterprises (MSME) sector. Thus there were no policies and strategies specifically designed for the SME sector until the late 1990s when the SME Policy, Micro Finance Policy, and Cooperatives Development Policy were developed. It is also during the late 1990s when a number of Acts and regulations hindering SME development were repealed, and policies encouraging the operations and development of SME activities were put in place. These policy and legal frameworks have been reviewed to incorporate best practices.

The major challenges facing Private Sector Development in Malawi include, among others: Obstructive Business environments to entrepreneurship growth and investment; Industrial Polarisation (Micro Enterprises vs. Multinationals and Parastatals) and “missing middle” (SMEs); weak value chain integration and access to finance; as well as weak access to markets (domestic/regional/international).

More specifically, challenges the MSMEs face are structural and systemic weaknesses resulting in subdued growth.

**Limited access to investment and trade opportunities:** Malawi’s economic activities are concentrated in agricultural production which accounts for 80 percent of exports, 85 percent of employment and 35 percent of GDP. The narrow export base exposes the Malawi economy to fluctuating terms of trade. Although Malawi has strived to mainstream trade into National development strategies and promote export and product diversification, challenges in implementing trade development priorities (i.e. agricultural commercialization, strengthening local standards and quality conformity) are engendered for example by the lack of direct linkages between Trade policy and other economic policies (Health, Transport, Employment,

Education, Fiscal Policies etc..) and by the lack of food safety systems in compliance with International requirements.

**High lending rates;** Interest rates in the country have maintained a double digit track record making lending rates also relatively high. Despite subsequent reductions in the bank rate over the past year from 25 percent in November 2006 to 15 percent presently, commercial banks in the country fail to support such bank rate reductions with simultaneous reductions in lending rates.

**High Collateral Requirements;** Collateral requirements in general are high, with an average value of collateral exceeding the value of the loan by 43 percent for commercial banks and 105 percent for MFIs. Most MFIs accept only traditional collateral such as leasehold land and buildings, vehicles and equipment (Sanchez de Carmona 2007).

**Lack of Business Management Skills;** Most MFIs lack adequate financial capacity to support enterprises to grow and take on more complex and demanding responsibilities. Furthermore, the commercial banking industry in the country, having been focused on Government borrowing in the past, only recently has shown a greater interest in entering the MSME sector, but still perceive this sector to be high risk due to a general lack of financial management and business management skills in Malawian entrepreneurs.

**Outdated policy, legal and regulatory framework;** With increased pace of globalisation, economies require laws and regulations that are compatible with global trends. Government noted that, unless some laws and regulations for the financial, labour and goods markets, are revised they would pose a constraint rather than facilitator to private sector development. Some of the existing legal and regulatory frameworks amount to obstructive business environments to entrepreneurship growth, trade and investment.

**Unreliable and costly economic infrastructure;** Private sector growth in Malawi is partly constrained by inadequate infrastructure in transportation, telecommunications, power and water supply. Road transport is the main means for imports and exports but its high cost affects the competitiveness of Malawian products. The potential of rail and air transport is subdued by lack of capital investment. Access to telecommunications services in terms of telephone, mobile and internet services is limited, with less than 3 percent of the population covered.

Although the current Malawi Growth and Development Strategy aims “to transform the country from being a predominantly importing and consuming economy to a predominantly manufacturing and exporting economy”, this goal is unlikely to be achieved by 2011 (Saasa and Atema, 2010). Therefore, the MGDS II should include the following:

1. Strengthening agricultural value chains
2. Supporting an Inclusive Business environment for MSMEs and an enabling environment for Export Promotion;
3. Supporting the mobilization of Private Sector Investment (PPP)
4. Promoting Pro-Poor Inclusive Business Models (oriented toward processing and exports), and
5. Creating an enabling policy environment for inclusive micro-finance

### 1.3 Characteristics of Poverty in Malawi

The most recent detailed data on income poverty is the IHS 2004, and the Malawi Poverty and Vulnerable Assessment (MPVA) 2007. Poverty rates, based on the dollar-a-day measure, fell from 83 to 74 percent between 1998 and 2004. The poverty head count has fallen from 52 to 39 percent in the last 6 years, linked closely to increase in economic growth over the period. It is empirically shown that a one percent change in real GDP per capita will be reflected as a 1.2 percent drop on the poverty rate (CEM 2009). Despite progress, many Malawians still live in a precarious state and a slowdown in economic growth could easily push them back into poverty. The frequent economic and weather shocks mean that large segments of the population move in and out of poverty: it is estimated that about two-thirds of people moved in and out of poverty in the decade 1997-2006 (MPVA, 2007: p. 1x). The data show that the Gini coefficient fell from 0.50 to 0.39 between 1998 and 2004, making it a top performer in its region.

In Malawi, inequality is severe with a discrepancy of the per capita income of the richest 10 percent that is eight times higher than for the poorest 10 percent; children, regardless of their orphan status, are more likely to be poor and more than half of the poor are children. In the country, poor households are larger and have more children and statistics indicate that poor households are likely to have less educated heads, often led by females. More than four million children live in deep and widespread poverty unable to afford their basic necessities of life. Poverty is the cause of hundreds of thousands of children being malnourished, achieving low completion rates at primary and secondary school and being put at risk of violence, exploitation like child labour and trafficking. Compounded by the high level of poverty is the fact that many children are at risk of being neglected and live without adequate family care and protection as nearly 13 percent of the country's 7.3 million children under the age of 18 have lost their parents or caregivers, many to HIV-related diseases<sup>1</sup>. Resilience and coping mechanisms of households have been stretched due to repeated shocks and risks that occur in the country augmenting the overall picture of child poverty, deprivation, inequality and vulnerability.

The analysis of the poverty from the income side has traditionally paid attention to demographic, spatial and gender issues, although in government documents there has not been an explicit use of the HRBA. The spatial variation in poverty is shown in Table 1.2. Urban areas and the southern region have a higher incidence of poverty. From the IHS 2004 report, the main correlates of income poverty are: level of education, per capita land, type of crops grown, diversification out of maize, participation in tobacco farming, participation in public works programmes and paid employment opportunities.

**Table 1.2 Poverty head count, poverty gap, and severity of poverty in 1998 and 2005**

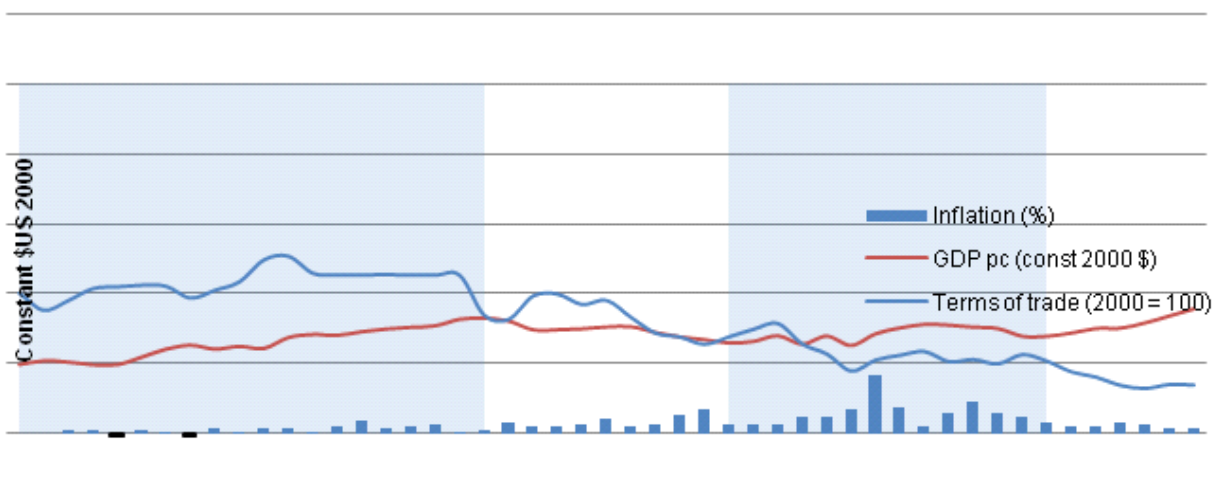
|                      | Head count | Poverty gap       | Severity | Headcount | Poverty gap       | Severity |  |
|----------------------|------------|-------------------|----------|-----------|-------------------|----------|--|
|                      |            | <b>Malawi</b>     |          |           | <b>Malawi</b>     |          |  |
| <b>Poor</b>          | 54.1       | 18.6              | 8.5      | 52.4      | 17.8              | 8.0      |  |
| <b>Ultra Poor</b>    | 23.6       | 5.7               | 2.0      | 22.4      | 5.3               | 1.8      |  |
|                      |            | <b>By region</b>  |          |           | <b>By region</b>  |          |  |
|                      |            | <b>Poor</b>       |          |           | <b>Poor</b>       |          |  |
| <b>Urban</b>         | 18.5       | 4.8               | 1.8      | 25.4      | 7.1               | 2.8      |  |
| <b>Rural overall</b> | 58.1       | 20.2              | 9.2      | 55.9      | 19.2              | 8.6      |  |
| <b>North</b>         | 56.3       | 19.5              | 8.9      | 56.3      | 19.6              | 8.8      |  |
| <b>Central</b>       | 47.6       | 14.4              | 6.0      | 46.7      | 14.1              | 5.9      |  |
| <b>South</b>         | 68.4       | 25.7              | 12.3     | 64.4      | 23.3              | 11.2     |  |
|                      |            | <b>Ultra Poor</b> |          |           | <b>Ultra poor</b> |          |  |
| <b>Urban</b>         | 4.9        | 1.1               | 0.5      | 7.5       | 1.6               | 0.5      |  |
| <b>Rural overall</b> | 25.7       | 6.2               | 2.2      | 24.2      | 5.8               | 2.0      |  |
| <b>North</b>         | 24.9       | 6.0               | 2.1      | 25.9      | 5.9               | 1.9      |  |
| <b>Central</b>       | 16.3       | 3.5               | 3.2      | 16.1      | 3.5               | 1.1      |  |
| <b>South</b>         | 34.6       | 8.9               | 1.2      | 31.5      | 7.9               | 2.8      |  |

Source: Malawi Poverty and Vulnerability Report (2007)

The National Census of Agriculture and Livestock (NACAL) (NSO, 2010) reports that the average holding size was one hectare (1ha), with an average parcel size of 0.4ha and plot size of 0.3ha. Furthermore, three out of four holdings had an area of less than 1 ha. Consequently, parcels and plots are also small. About two thirds of the parcels and more than 80 percent of the plots had an area of less than 0.5ha. Female-headed households and female operators had less land than male-headed households and male operators. Male farmers had 1ha on average compared to 0.8ha for women farmers.

The most important immediate cause of poverty is low income. Since most Malawians make their livelihoods from agriculture, the main underlying cause of income poverty is low agricultural productivity. This is in turn caused by dependency on rain fed cultivation and limited use of inputs, and small degraded land holdings. Thus the ASWAp recommends intensifying the use of irrigation, and encouraging the uptake of fertilizer through creating more favourable fertilizer/output price ratios (by a combination of efficiency of use, enhancing fertilizer value chain and subsidizing cost) as the main ways to increase productivity. Inflation and terms of trade are also important covariates of income poverty (Figure 1.1).

**Figure 1.1 GDP growth per capita – 1960-2008**



Source: CEM (2009)

Going forward, low income is still the primary constraint on the ability of households to make life provisions, and also limits the capacity of government to raise revenue to provide better services. Slow long term progress, albeit steady in recent years, in increasing per capita GDP is an immediate cause of poverty. The slow growth of the other sectors of the economy has contributed to low employment creation with consequences on growth in per capita incomes. Other dimensions of poverty are poor health and low life expectancy, and illiteracy as well as lack of basic skills training. At the intermediate level these problems are caused by limited access to education and health services. In both these sectors, limited financing is the underlying cause of poor service provision.

In the case of education, limited financing contributes to low efficiency of current resources as the services are delivered with inadequate numbers of teacher and learning materials. For the level and quality of services delivered there are problems: intervening variables of gender, inequitable distribution of facilities and personnel, often being better or more in urban areas, poor service conditions for staff in service delivery institutions. HIV/AIDS has also led to problems in attrition of staff, affected the ability of households to send children to school, and caused the diversion of a substantial amount of MoEST resources to deal with bereavement matters (Ngwira et al. 2002). The consequence of these factors has been high drop-out and repetition rates rendering the system inefficient.

In the health sector, the limited, and in some cases ineffective use of resources is a major constraint to expanding services. Other constraints that originate from families and community contexts also inhibit the



optimal use of whatever services are available. But by far the most important problems is low quality and availability of services. This is most often seen when drugs are not available for various reasons.

To accelerate poverty reduction the priority action is to raise incomes, and do this in a pro-poor way, mostly through increased productivity in the smallholder agriculture sector. This is the primary source of income for the majority of Malawians. The policies for raising agriculture productivity are discussed in section 2.1. The current policy direction is being effective in increasing food production and food security. It has also contributed to the high growth rates, through the AISP for the maize sub-sector. However to sustain the trend there is need to jump start agricultural productivity and exports of high value products, as there is a weak link between maize or food production and economic growth (CEM 2009). To take more people out of poverty requires increasing the participation of smallholder farmers in the high value cash or export crop sub-sector.

#### 1.4 Quality of Analysis of Poverty

There is extensive literature and analysis of the poverty by various demographic and socio-economic dimensions. The MDGs report is one such analysis. The NACAL (2008) data is analyzed by location, gender and farm size. The Education Management Information System (EMIS) and Health Management Information Systems (HMIS) data are also classified by various economic and demographic variables. The problem is that most of this information is not sufficiently used for programme planning.

To illustrate, the analysis of poverty and economic empowerment issues by gender shows some interesting patterns. The newly published Gender and Development Index report shows that there are still gender gaps in indicators of poverty and economic empowerment. Some of these gaps are closing, such as in primary and secondary education enrolment. However, when it comes to the individual power giving issues, like tertiary education, access to credit, risk of becoming infected with HIV, actually completing primary school, academic progress, literacy and writing skills, the scores for women and girls are lower.

An important economic resource is time. Women spend the same amount of time as men in market and non market economic activities, but spend much more time in domestic, care and volunteer activities. While wages in the formal sector do not differ between men and women of the same ranks/positions, the economic power of women may be weakened by not rising to the more highly paid ranks. At the very top in the public service (professional grades P1–P4), there is one woman for every 10 men. In the informal economy and smallholder agriculture women make less money: they make only 50 percent and 71 percent respectively of what men earn. And less women (37 percent) than men (52 percent) felt free to dispose of their own income.

It seems that the failure to plan based on this data is because some of the location or gender specific targets are not matters of performance assessment; and where these targets are formulated and not met there are no consequences for task leaders or controlling officers. Often where such performance targets are taken seriously it is because DPs have made them criteria or triggers for disbursing funds like for the Common Approach to Budget Support (CABS) and in the health SWAp.

Other issues that are not mainstreamed in planning of programmes include disability and the youth. Concerning disability, often there is the misconception that those affected constitute a small proportion of the population. Another misconception is that there are adequate support structures for them in the families and communities, or the incorrect perception that since they have disabilities they do not need to be targets of economic programmes, training or capacity building activities but be objects of charity.

In the case of youth there seems to be a general lack of focus, and the issue is only beginning to be clearly prioritized as a KPA, but it is yet to be mainstreamed in the agriculture sector, the main economic sector of the economy.

## 1.5 Sustaining Economic Growth

The CEM has provided a very clear analysis of growth in Malawi by economic activity, location and sub-sector. The analysis shows the following:

- growth has been robust in the last three years and should be maintained to reduce poverty;
- growth is export led from the estate sector, and tobacco has accounted for around 60 percent of export earnings. Other crops are tea, sugar and coffee. Going forward uranium mining may generate a sizable portion of the earnings. However there is need to include other higher value crops that have demand in the region;
- the important role of exports in growth highlights the importance of the role of the foreign exchange rate in driving growth:

It is unlikely that the relationship between exports and GDP is due to covariant behaviour between exports and the domestic agricultural sector: the per capita maize harvest for example is nearly perfectly independent from the per capita amount of tobacco sold at auction. Neither is it likely that causality runs the other way around - GDP growth causing a rise in real domestic export income – because of the significant exogenous role of export prices. The evidence thus suggests that export income expressed in real kwacha is likely to have been the primary driver of growth (CEM 2009: p. 9);

- agriculture still dominates in GDP growth with 3.5 out of the 9percent growth rate of GDP in 2007. A closer look at the figures reveals an important but little publicized fact: although agriculture has dominated growth, the shares coming from construction, manufacturing, transport and financial sectors have grown from almost zero or negative in the early 2000s to over 1 percent by 2007. While this diversification is good, it also illustrates a seminal point: that the economic policies followed for the agro-processing and light manufactures sub-sectors have not been effective. This is unfortunate as value chain analyses and the structure of demand show that Malawi has comparative advantage in some processed goods in the region and so would do better to support these industries and also facilitate regional integration;
- maize is the focus of agriculture policy but does not dominate growth due to weak linkages through the market to the rest of the economy;
- spatially, growth comes from areas of agro-economic potential and also those close to cities. Transport is evidently a factor in production. Investment in reducing costs of transport is thus important; and
- aid may have contributed to appreciating the real exchange rate, and with donors slighting the economic sectors, aid may not have been invested to support sustainable economic growth in Malawi.

This analysis of growth has several implications for promoting pro-poor growth. First although maize is important for food security, going forward, to get sustained improvement in per capita incomes of the poor, would require expanding the stagnant parts of the economy e.g. manufacturing, and deepening the participation of small holder farmers in producing and exporting high value processed agriculture produce. Second, some investments in rural areas like in transport, electricity and telecommunications are going to have more impact on increasing incomes of the poorest. These should be prioritized in the sector investments, and integrated rural development (IRD) should receive more emphasis. It should be noted that the impact of economic growth for the most vulnerable is minimal. Many Malawian children suffer disparities in child survival, participation, development, and protection and therefore the disconnection between growth and human development outcomes needs to be overcome.

## 1.6 Employment, Economic Growth and Poverty Reduction

As an agrarian economy, Malawi has demonstrated increased potential for sustained and high levels of economic growth and poverty reduction through increased productivity in the agriculture and food sector. In the last five years although people living in extreme poverty have decreased considerably, evidence suggests this increase in productive capacity has not led to increased economic opportunities and productive and decent employment, especially in the agriculture sector where the majority of the labour force is engaged. A key binding constraint to employment growth in the non-farm sector is low human capital as a result of low levels of education and skills development and limited value addition for agro produce in order to broaden the opportunity for income from that sector.

To address the low return on labour productivity as well as the low human capital, the Ministry of Labour (MoL) through the technical support of the International Labour Organization (ILO) is formulating a coherent National Employment and Labour Policy. The objective of the policy is to provide an integrated framework to ensure increased labour productivity with a view to create and sustain decent employment opportunities with fair and equitable wages to address the incidence of the working poor, which is the main characteristic of the labour force pattern in Malawi. The National Employment and Labour policy will propose key policy priority areas for action including a living minimum wage in key sectors of the economy, to ensure that the positive economic growth in Malawi is inclusive and job-rich for a sustained poverty reduction, social exclusion as well to try and address the issue of youth employment and enterprise development through well elaborated policy options. These priority policy actions will also inform the implementation of the MGDS 2.

One of the key actions taken by the MoL and ILO is the recently completed a Diagnostic Study on Employment<sup>2</sup> to identify key binding constraints to employment growth in Malawi which include:

1. Shortage of skills as a main constraint (i.e. Education and Vocational Training)
2. Labour Productivity and Brain Drain
3. Population and Labour Force Growth
4. Labour Market Information/Surveys
5. Foreign Exchange Policy (Macro Issue)
6. Access to finance (in relation to enterprise development)
7. Infrastructural Development (Roads, Power etc.)

According to the NSO unemployment in Malawi is low. But workers are often not productive or in full time jobs. Working 'one hour last week' qualifies one as employed by surveys and population censuses. Underemployment and working poverty is common, particularly in the rural areas where the seasonality in labour demand is very pronounced. Studies of time use show that during most months 15 to 25 percent of the men work less than 10 hours per week, and only during planting time, in December and January, does the share decline.

Section 2  
Malawi Growth and Development Strategy themes



## Section 2 – Malawi Growth and Development Strategy themes

### 2.1 Theme 1: sustainable economic growth

The sustainable economic growth theme of the MGDS has five subthemes: (1) maximizing the contribution to growth of sources of growth; (2) regional integration, (3) creating an enabling environment for private sector led growth, (4) food security, and (5) economic empowerment.

The MDG entailed under this theme is reducing extreme hunger and poverty, with the dimensions of reducing the proportion of people living below poverty line; reducing the poverty gap; improving equity by raising the share of the population in the lowest quintile of income; reducing the proportion of people below minimum dietary energy consumption, and reducing the prevalence of underweight children.

The climate change and natural resources and environmental management Key Priority Area (KPA) is reviewed separately under this theme but also as a cross cutting issue under each relevant KPA/subtheme of the MGDS.

#### 2.1.1 Agriculture, food security, and water development

As growth has been driven by the agriculture sector, it has contributed to reducing income poverty as evidenced by the fall in the poverty head count. Since the introduction of the AISP, household food security has improved. It has also helped in reducing the number of people who do not get adequate energy requirement to 15 percent, and the MDG target of 11.8 percent will likely be achieved. Malawi's performance in this respect has been subject to much international acclaim. However, in 2009 and recurrent in 2010, despite good rains and a national food surplus, a number of areas experienced late onset rains or very little rains in total, which led to severe crop losses. Thus there is a recurrent pattern that suggests that despite national food security has been achieved; some parts of the country and some groups of the population continue to be vulnerable to food insecurity. Food relief and cash distribution schemes are temporary solutions that are seen as disrupting the local economies, recognizing this pattern of temporary and strongly localized vulnerability may enable alternate solutions to be sought to set up sustained mechanisms to mitigate this, particularly as the frequency and severity of these occurrences are expected to be amplified by climate change in the years to come.

The MoAFS has finished preparing the ASWAp. This is a prioritized and harmonized agenda for the sector. Implementation will start now on an incremental basis waiting for activities that are currently ongoing, and that are not in the ASWAp to be phased out or come to an end. In order to maximize the contribution of the agricultural sector to economic growth, the ASWAp is correctly looking beyond measures that prompt food security. This includes commercialization, irrigation, crop diversification, storage and post harvest handling up to processing and export. Amongst the many constraints that face the sector, the issue of capacity stands out; the capacity of subsistence farmers to become commercial farmers, of district level extension and agricultural officers to service the highly diverse needs to farmers, of the MoAFS to manage, technically support and account for ASWAp implementation, especially as and when the additional resources for the Green Belt Irrigation Programme, the Small Holder Programme and other funds associated with the Comprehensive African Agriculture Development Programme (CAADP) process will become available to double if not triple the current budgets.

The ASWAp has targeted a growth rate of six percent that is the norm in the CAADP. A Computable General Equilibrium (CGE) analysis showed that this growth rate is possible, provided there is diversification out of tobacco, tea and sugar to other crops. To achieve the six percent agriculture growth rate, the ASWAp has

identified the constraints that must be addressed, and these are: declining investment in the sector; low productivity, deteriorating agriculture services, reliance on rain fed agriculture; small, fragmented and degraded land holdings; deterioration of agriculture services; limited value addition, and inefficiency of agriculture input subsidies.

Declining investment in the sector from a low of about 15 percent of the national budget in 1970, expenditure on the agriculture sector rose to an average of 40 percent between 1976 and 1980. With the onset of Structural Adjustment Programmes of the International Monetary Fund (IMF) and the World Bank the expenditures shot up to about 10 percent – a NEPAD norm. However since then the proportion of expenditures dropped further to about five percent, until 2005 when the budget for the Input Subsidy Programme raised this proportion. Since then it has hovered around 13 percent, and in 2008/9 FY rose to almost 20 percent. Nearly two-thirds of the recurrent budget goes to the ASIP. Only 30 percent of the agriculture expenditure is of the development category. Donors finance about 80 percent of the development budget, meaning that there is limited investment in productivity enhancement on a more permanent basis, such as research and technology generation. The issue of limited financing or skewed financing is one that needs urgent attention.

The poor performance of the agriculture sector is also attributable to low levels and slow growth of productivity. If productivity is defined as output per hectare, indexed to 1970, it is evident that most of the crops except tea have not experienced productivity growth, particularly for crops grown mostly by smallholder farmers. Productivity of maize is reported to have declined in the last six years (GoM, ASWAp, p. 20). Low crop productivity is due to low input use, poor success to agriculture credit, poor functioning of output and input markets, small degraded land holdings, reliance on rain fed cultivation, and inadequate technology development and transfer. Analyses have shown that unless the price of maize rises to levels that cause starvation, fertilizer is unaffordable. Solutions that are not mutually exclusive are: increasing efficiency of fertilizer use; enhancing fertilizer value chain; and subsidizing cost of fertilizer.

There is heavy reliance on rain fed cultivation. In 2005 only 0.47 percent of cultivable land was under irrigation having increased from 0.06 percent in 1970. The policy of annexing land to estate farmers, population growth, and traditional systems of land management as well as slow growth of the urban based economy has led to division of land holding into smaller parcels and farming them in an unsustainable way. Furthermore the problem of low agriculture expenditure is linked to the deterioration of agriculture extension services. In addition the output and input markets are still reeling from the effects of liberalization, and in some cases progress been retarded by unpredictable government policies, or policy reversals.

In the smallholder sector there is almost no processing of produce except coffee. This has meant that the farmer still receives only a small income. Although the liberalization of agricultural commodity marketing implemented in 1987 induced some growth in trade, transport and other service sectors, the benefits from these reforms has been limited for smallholder farmers.

While promoting farmers' organizations is one of the key strategies outlined in the MGDS for orienting the smallholder sector towards greater productivity and commercialization, in reality the farmers' organizations in Malawi have different capacities and face many challenges. These challenges include funding constraints through a lack of access to loans or financial support, which particularly affects women, the access to inputs and markets as well as technical support on management training. Groups do not always enjoy a strong commitment, sound communication and cohesion among themselves. Often partnerships are underdeveloped, equipment and infrastructure (office, warehouse) are not available or are in poor condition.

Given the problems of high fertilizer prices and low agriculture productivity fertilizer subsidies are seen by the GoM as key to avoid chronic food shortages. The strategy of focusing on improving the productivity of maize is poverty reducing even though its growth stimulating impacts is low (CEM 2009).

If the actions proposed under these priority areas can be implemented then there is high possibility of increasing agriculture output and thereby reducing poverty. However there is need for caution for some reasons. One that is already recognized in the document is the risk of policy reversals. Weak institutional capacity is another problem: there are too many vacancies in the ministry's strategic posts, and the incentive/sanctions are not good enough to create a performance oriented culture. There is also need for a tight action plan (activities and budgets) that details how the needs of the poorest will actually be addressed.

Issues of gender and human rights are addressed by the ASWAP only very summarily and obliquely. Since women are the main labour force in the food security economy it is disappointing that their treatment has not received priority attention. Although the GoM is committed to ensuring that constitutional provisions are upheld and Malawi has ratified the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) as well as adopting the Platform of Action after the Beijing Conference on Women in 1995, action on gender issues needs more focused promotion. The lessons of experience documented in the various important macro and micro studies on gender in agriculture and related issues seem not to have found their way into the ASWAp. For example the issue of access of women to credit and extension are less than that for men (MGDI 2010), meaning that special efforts to reach women. Outstanding recommendations made by the CEDAW committee are yet to be systematically implemented to address pertinent gender and human rights issues.

For example section 2.6.4 of ASWAp that supposedly address issues of gender and HIV/AIDS and the agricultural research and extension systems says nothing about these issues and how research or extension will deal with them. Yet there are programmes that have in the past tried to deal with these issues and the lesson learnt should apply to the ASWAp. The problem seems to be 'invisibilization' of gender issues (Moser et al. 2004, Gender Audit of DfID Programmes – Malawi). The issues of the youth, disability and other minorities have not been addressed. The youth are the biggest segment of adults that are supposed to be economically active and they deserve special focus as they cannot be absorbed in the urban sector.

Water Resource Management (WRM) is an essential aspect of sustainable agricultural growth. Regulation on WRM is generally weak and there is a need for better integrated planning at the basin catchment to improve the effective utilisation and conservation of water resources. The degradation of catchments is one of the main causes of non-functioning water systems in Malawi. So management of water resources holistically, including practical and legal work to protect the catchments is very important. Rural and Peri-urban communities remain marginalized in Malawi. Both sets of communities pose their own type of problems. Rural communities are generally well dispersed within a watershed and have intimate links with micro-scale watersheds and aquifers. The rapidly growing peri-urban communities remain ignored by reticulated urban systems that may have been designed many years before the location and rate of growth was anticipated. They are often thrown back into highly localized sources of water that are likely to be severely contaminated due to the concentration of habitation with rudimentary sanitation arrangements and un-regulated industrial activity. Unless these communities are exploiting fossil groundwater de-coupled from contemporary recharge, there is both an impact and dependency on shallow groundwater circulation. It is this shallow circulation that replenishes soil moisture and aquifer storage and sustains aquifer discharge to springs and the base flows of streams. On the extensive plateau of Malawi, this circulation is characterized by the occurrence of dambos whose hydrological and hydro geological regime is determined by seasonal rainfall inputs and soil storage capacity.



### 2.1.2 Climate change, and natural resources and environmental management

Malawi's economic development and social well-being depends to a large extent on the country's natural resource base, e.g. for exports, national food security, energy and water provision. Over 80 percent of the Malawian population is dependent on agriculture for their incomes and broader livelihoods. The dependence on natural resources is further exemplified by a recent study undertaken by the UNDP-UNEP Poverty Environment Initiative (PEI), where it estimated that unsustainable natural resource use costs Malawi US\$ 191 million, or 5.3 percent of GDP each year. The largest costs result from the loss of agricultural productivity as a result of soil degradation, as well as deforestation in catchments around the main urban centres to supply firewood and charcoal, unsustainable fishing and reduced economic activity caused by indoor air pollution.

Climate change may also have an effect on availability of water and sanitation. Financial and economic losses due to inadequate provision of water and sanitation are considerable (between 1 – 7 percent of GDP for developing countries<sup>3</sup>), particularly in terms of health costs, water costs (water treatments, fish production, etc), tourism, and increased time/effort in water collection.

Sustainable natural resources management is crucially important for Malawi's economic growth and development. It is largely accepted in Malawi that natural resources and environment are under stress by a variety of factors, for a variety of reasons, including increasing population pressure, poverty and capacity and governance gaps with respect to natural resource management. The MDGs Report (GoM 2009) indicates that the '*proportion of land covered under forest*' in Malawi is decreasing from 41 percent in 1990 to 35 percent in 2008, against a target of 50 percent by 2015. Other indicators relating to soil fertility levels and water pollution confirm this stress. This negative outlook is likely to be compounded in the future by the effects of climate change in Malawi, where in particular agricultural productivity may be negatively affected by changing temperatures and rainfall patterns. The effects of climate change may equally have repercussion on the availability of clean water, fish resources, energy (in terms of fuel from biomass and hydropower), as well as health (higher incidence of vector borne and communicable diseases). Furthermore, in already vulnerable areas the incidence of natural disasters due to changing weather patterns (mainly floods and droughts) may become more frequent and more intense. These are in particular the areas where the poor and vulnerable live; who will be even more affected by negative effects of climate change, and hence more costs for rehabilitation and social protection measures may ensue.

#### *Quality analysis of climate change and natural resources and environmental management*

Malawi is signatory of the Multilateral Environment Agreements (MEAs) that resulted from the United Nations Conference on Environment and Development (UNCED) that was held at Rio de Janeiro in 1992, i.e. the Convention on Biological Diversity (CBD, ratified in 1996), United Nations Framework Convention on Climate Change (UNFCCC, ratified in 1994) plus the accompanying Kyoto Protocol (signed 2002), and the Convention to Combating Desertification (CCD, signed in 1996). In line with these conventions the following documents and strategies were produced in Malawi:

- National Action Plan for Adaptation (NAPA, produced in 2008), that outline the strategies and steps to be taken on Climate Change Adaptation;
- The National Action Programme (NAP) under the CCD (produced in 2000), outlining steps to combat desertification and land degradation
- National Biodiversity Strategy and Action Plan (NBSAP) under the CBD (produced in 2006), outlining how to conserve and manage the Biodiversity in Malawi.

The MGDS provides the key national policy framework for the development and environment issues in Malawi, and the Government has strengthened this, as “Climate Change, Natural Resources and Environment Management” is one of the new 9 Key Priority Areas (KPAs) since 2009. Sector documents, such as the Agricultural Sector Wide Approach (ASWAp) and Forestry Policy; provide the necessary frameworks and strategies to achieve sustainable use of natural resources in different sectors. The National Environment Policy (1996, revised in 2004) provides an overall framework through which sectoral policies are reviewed to assess their consistency with the principles of sound environmental management. The National Environment Action Plan (NEAP 1994) outlines a series of actions that should be taken in order to redress the aggravating degradation and bring the utilization of natural resources within sustainable limits. To ensure compliance, the GoM has put in place the Environmental Management Act (1996) as its legal instrument for implementing and enforcing compliance with the various regulatory strategies and measures for the protection and preservation of the environment.

Nevertheless, better integration of sustainability in government planning and affairs is required. This requires more detailed analysis on the links between environmental sustainability and pro-poor development, increased capacity development for improved natural resources management, improved co-ordination across government and increased budget allocations on Environment and Natural Resources Management. Overall, the potential benefits of sustainable natural resource management to achievement of Malawi’s key development objectives – such as food security – are not sufficiently reflected in national, sector or district level planning, budgeting and implementation. This seems to reflect less a lack of general awareness of the importance of sustainable management of natural resources, than of capacity gaps in operationalizing this awareness in plans, programmes and projects and their associated budgets. Therefore, the mainstreaming of climate change and Natural Resources Management into policy planning and national frameworks, as well as to integrate these concerns into the different sector plans and budgets is seen as the way forward to ensure sustainable economic growth in Malawi. This is reiterated in the 2010 State of the Nation Address where the President mentioned that: *‘Government is committed to integrating climate change mitigation and adaptation as well as natural resource and environmental management in the development process’*.<sup>4</sup> In terms of natural resource management, cross-sectoral co-ordination and management of natural resources needs to be improved further – without this, it is difficult to adequately reflect the cross-sectoral linkages of environment, natural resources and climate change. This approach may also ensure that Malawi will be able to benefit optimally from the promised climate change and other environmental funding opportunities through better, cross-cutting internal government, as well as government–donor coordination.<sup>5</sup>

### 2.1.3 Integrated rural development

Currently, 80 percent of Malawians and the majority of the poor population in Malawi live in rural areas. Rural poverty in Malawi is manifested in household food insecurity, low household incomes, limited viable income generating opportunities including unemployment, lack of productive assets, poor health services, poor housing and poor social and psychological status.

The integrated rural development approach sees the transformation of the rural areas as the most effective way of accelerating socio-economic development through establishment of satellite towns, promotion of small-scale industries in rural areas, increasing agricultural production, provision of credit facilities and improvement of infrastructure on specified geographical scale. These interventions point to the need for an integrated rural development plan for investment in the productive sectors, promotion of local economic development and the integration of all rural development. Therefore, the success of rural transformation requires adopting an integrated rural development strategy.

In order to address massive rural poverty, a number of rural development interventions has been designed to stimulate rural areas as engines of economic growth through the promotion of local economic development. Examples include the National Rural Development Programme, the Rural Growth Centres Programme and the District Focus for Rural Development Concept. All these interventions included aspects of integration. However, these interventions were subjected to critiques which highlighted: the failure to involve local people in participatory processes; lack of coordination and collaboration among government sectors and between government and non-governmental organizations; too much emphasis on improvement of public infrastructure development and provision of social services; the failure to build capacities of local people to manage their own development; and single sector approaches.

The next planning period offers major opportunities to resuscitate this agenda. The Local Government Elections scheduled for early 2011 will herald a new day for participatory democracy at the district and community level. The processes around villages, area and district development plans, can now be supported through the Local Development Funds. A number of DPs have already indicated that these mechanisms can be a viable to promote local level development action. However, the underlying capacity constraints for the newly Elected Assemblies, the District Administrations with over 40 percent vacancy rates. Ill-trained staff and often outdated systems and infrastructure coupled with villagers that have scant knowledge of their rights and obligations as Malawians and no capacity to effectively interface with the Government at any level, are real and binding for assumption of decentralization and the devolution of resources.

This requires a rethink of the concept of “integration” at the district level; key questions would be which programmes need to be integrated, whose services would need to be integrated and who will be empowered to effect integration. At the community level there is no shortage of development actions be it projects supported by DPs in parallel with the District level Government Structures, NGOs and the Government itself. However, while integration of project and programmes into national systems by DPs is explicit objective of the Development Assistance Strategy (DAS) to be pursued through Sector Working Groups (SWG), this perceptible has not come out at the District Level. District Commissioners are not really equipped to set up and maintain the required coordination mechanism. Yet at the same time, many development actors are poised to increase their level of activities at the District level as they have correctly assessed that this will have the most impact on the lives of the most disadvantaged and vulnerable segments of the population.

#### 2.1.4 Inclusive finance

A majority (89 percent) of the adult population has no bank account while slightly more than half of the population is totally financially excluded. Key sectors of the economy, e.g., agriculture are amongst the least served sectors of the economy in spite of their strategic importance. Of the total financial sector lending, the outstanding loan portfolio channelled to the agricultural sector is estimated to be only 8.5 percent. The country’s informal economy provides jobs to more than two million people but less than six percent of the entrepreneurs reporting access to credit as recently as three years ago. A vibrant and inclusive financial sector is a major driver behind economic development as proven in the 1980s in the Asian Tigers. As Malawi positions itself for further growth, the expansion of financial services to large segments of the economy becomes critical to the graduation of Malawians out of poverty.

Lending to the agricultural sector has been declining because of high production and marketing risks as well as weak marketing arrangements that do not guarantee the lender control over sales proceeds. Mobilization of savings and improvement of access to credit have been limited by the following factors:

- until 1 September 2010, the absence of a regulatory framework;
- very limited capacity of the regulators;
- a weak legal/court system to enforce contracts; and
- the absence of a national identification system.

Key challenges for expanding inclusive finance in Malawi include the lack of loan capital, limited institutional capacity of inclusive finance providers, absence of demand-driven and client-centred financial products, limited use of information communications technology (ICT) to improve management information systems (MISs) and expand front-office technologies, very weak meso-level support, lack of financial literacy interventions and very limited non-financial support to build the capacity of clients.

The limited availability and narrow range of financial products is one of the major factors that continue to limit access to finance in Malawi, especially in the rural areas where financial institutions do not have a significant presence. The increase in number of service providers since the market was liberalized has not produced the expected competition, mostly because the new entrants have all been relatively small in size relative to the incumbents. Without adequate competition, bank charges remain very high and continue to discourage the vast majority of the low-income population from using banks.

Although the number of microfinance institutions in the country has also increased in the past, their contribution in expanding access has not been as dramatic as the growth they have achieved in outstanding loan portfolio and total assets. As at June 2010, for instance, micro finance institutions (MFIs) had a combined total customer base of nearly 900,000; about five years ago, the sector's outreach was 300,000 people.

Notwithstanding progress in covering their costs and notable successes in delivering financial services to the poor, many of these institutions still have limited capital and human capacities and continue depending on donations to survive. Until now, these institutions also did not have a legal mandate or the technical capacity to mobilize the otherwise abundant local liquidity. And just like the mainstream financial institutions, MFIs themselves have succeeded in creating a distribution system that reaches only a few towns and villages, with many likewise concentrating their operations in just the major cities and regional centres. Low levels of literacy among the poor also contribute to the current extremely limited outreach. As high as 46 percent of Malawi's adult population have no confidence in banks, and just 16 percent would approach one for credit if they really wanted to start a small business. Aside from their limited knowledge of financial products and their benefits, the vast majority of the excluded also complains of poor customer service, cumbersome paperwork or too complicated and high charges as some of the factors that discourage and prevents greater access and usage of available financial products and services in Malawi.

Addressing the key challenges of expanding inclusive finance in Malawi requires a deliberate effort to build the capacity of the key players at macro, meso, micro and client levels. The strategies to which are well spelt in the Malawi National Strategy for Financial Inclusion (2011–2014).

### 2.1.5 Enhancement of entrepreneurial skills and management

The major challenges facing entrepreneurs operating in Malawi are difficulties with accessing finance, a general lack of business management skills, and illiteracy levels (World Bank 2006).

Interest rates in the country have maintained a double digit track record making lending rates also relatively high. Despite subsequent reductions in the bank rate over the past year from 25 percent in November

2006 to 15 percent presently, commercial banks in the country fail to support such bank rate reductions with simultaneous reductions in lending rates.

Collateral requirements in general are high, with an average value of collateral exceeding the value of the loan by 43 percent for commercial banks and 105 percent for MFIs. Most MFIs accept only traditional collateral such as leasehold land and buildings, vehicles and equipment (Sanchez de Carmona 2007). Most MFIs lack adequate financial capacity to support enterprises to grow and take on more complex and demanding responsibilities. Furthermore, the commercial banking industry in the country, having been focused on government borrowing in the past, has only recently shown an interest in entering the MSME sector. It is still perceived that this sector is high risk due to a general lack of financial management and business management skills in Malawian entrepreneurs.

In order to enhance entrepreneurial skills and management, the government should consider:

- creating an enabling policy environment for inclusive micro-finance and markets development;
- improving business management skills;
- financial literacy and consumer education; and
- transformation of MFIs from non-governmental organizations (NGOs) to regulated commercial MFIs (i.e. becoming rural banks that can take deposits).

### 2.1.6 Pro-poor employment generation

Employment opportunities are not only in the agriculture sector. An economy that will create wealth should sell or export more of the high income elasticity of demand products, and thereby create jobs. These are manufactures or industrial goods, and often the beginning point is agro-processing. Manufacturing has grown too slowly in Malawi even though it has been subject of dialogue and policy beginning with the Malawi Economic Growth Strategy (MEGS) and now the MGDS. The main constraints to expanding investment and production in industry is the exchange rate policy, poor transport infrastructure; and unfriendly business environment. The emphasis on infrastructure in the MGDS is meant to address the major constraint of high transport costs for taking out exports, and imports and also inadequate and intermittent supply of utilities. These sectors have been underfunded, and the quality of implementation of road projects has been rather inefficient.

Minimum wages, which serve as important guideposts, are below the poverty line for a normal family in Malawi. One reason for the low minimum wage is the long interval between adjustments, during which price rises substantially reduce buying power. Thus, minimum wages should be revised annually, possibly with help of an automatic-adjustment clause to avoid long having negotiations every year.

In many cases actual pay is even less than the minimum wage, since most workers are subsistence farmers, *mlimi*, or work in the informal sector. There is also anecdotal evidence that some formal firms pay less than minimum wage. According to a the Population and Housing Census in 2008, over half of all adults (aged over 18) earned less than MWK 5,000 (US\$ 36) per month in cash income, and 30 percent earned less than MWK 2,500 (US\$ 18) per month. Wages are also different across sectors. In the formal sector employees in agriculture, forestry and construction earn on average 3 to 5 percent of what employees in insurance companies, banks and other financial intuitions do. Wages are better in manufacturing, but still only 16 percent of those in banks.

Wages are usually assumed to be determined by labour productivity. Thus, sector wage differences, at least partly, reflect differences in human capital; the educational levels are much higher in the well paid sectors. Yet labour productivity does not only depend on education but also on yields per worker and prices paid for crops and inputs. Hence availability of land and inputs play a key role; land-labour ratios are small in Malawi and agricultural inputs are expensive. There is also evidence that availability of inputs in a wide sense, including roads, power, water, etc., determine labour productivity in manufacturing, pointing towards an important role for constraints to production as an explanation for low wages.

The MoL/ILO study referred to above noted the following challenges to creating inclusive high wage jobs:

- sustaining growth of return to labour and land in agriculture;
- reducing population growth as creates competition for few jobs;
- formulating appropriate policies to support competition and create productive employment, that include the exchange rate policy, and support economic diversification; and
- investing in human development.

To enable sustainable employment creation over the medium and long term, there should be large investments in education, including vocational training and improved opportunities for women's schooling after primary school. Curricula should be adjusted to market demand, both current and expected, such as demand for workers in agri-businesses. There is also need to reduce child labour, targeting those who work long hours outside the household in the first instance.

## 2.2 Theme 2: social protection and disaster risk reduction

The MGDS purports that: 'achievement of sustainable economic growth and development by itself may not automatically translate into improved quality of life for the most vulnerable Malawians' (GoM 2006: p43). For vulnerable sections of the Malawian society, it is imperative to have programmes that will protect them while they endeavour to take advantage of the benefits from economic growth. It is also necessary to protect those that are not chronically vulnerable, but fall into vulnerability due to economic shocks from time to time. These groups of people are vulnerable to risk and typically lack appropriate risk management instruments, which constrains them from engaging in higher return activities to enable them move out of chronic poverty. Populations affected by disasters also qualify for social protection since disasters affect the livelihoods and social economic assets of affected groups. Social protection and disaster management are therefore necessary as they restore peoples' capacity to attain prosperity, create wealth and contribute to economic growth and development'. (GoM 2006: p43)

**Table 2.1 Summary of theme 2: social protection and disaster management**

| Sub Theme                 | Long Term Goals  | Medium Term Expected Outcomes   |
|---------------------------|--|---|
| Protecting the vulnerable | Improvements in the socio-economic indicators of the poorest and most vulnerable | The poorest and most vulnerable with limited factors of production are sufficiently cared for as are the vulnerable who can be negatively impacted by economic shocks |
| Disaster risk management  | Reduction in the socio-economic impact of disasters                              | The impact of disasters on the vulnerable is reduced  |

Source: GoM (2006).

### 2.2.1 Social protection

Since 2007, the GoM has been developing a Social Protection Policy with focus on the poorest and most vulnerable people within the society. The main objectives of the Policy are to provide welfare support to those that are unable to construct a viable livelihood; to protect the assets and improve resilience of poor and vulnerable households with labour capacity; to increase the productive capacity and asset base of poor and vulnerable households and to establish coherent and progressive social support synergies to other economic and social policies and DRR. The main elements of social protection consist of social cash transfers, subsidized or free food distribution, public works (cash-for-work) and subsidized or free agricultural inputs. Challenges include lack of coordination in the design and implementation of social protection programmes and limited capacity of national level to effectively supervise the work in the districts and limited support to the district assemblies to effectively implement all programmes at district level. Despite recent efforts to rationalise the use and scope of the above programmes, there are concerns in relation to targeting mechanisms: inconsistent receipt of assistance and high administration costs linked to the implementation of these measures.

#### Social Cash Transfers

A good example of an effective social protection programme has been the pilot social cash transfer scheme (SCTS), which was designed and tested in Mchinji district in 2006. A Cabinet directive of November 2006 endorsed the pilot project and expanded the scheme to include Likoma, Salima, Mangochi, Machinga, Phalombe and Chitipa. It is the plan to expand the scheme to other districts by 2015 with funding from government in partnership with Development Partners and the UN.. The goal of the SCTS is to contribute to the national efforts in reducing poverty and hunger among ultra-poor households, increasing school enrolment and attendance and improving the health, nutrition, protection and well-being of orphaned and vulnerable children in these households.

By January 2010, 24,274 households were receiving an average of MWK 2,000 a month. An independent evaluation in 2007/08 found the SCTS programme to be feasible, effective and have a significant poverty alleviation impact. The GoM has decided to scale up the programme nationwide. SCTS to ultra-poor labour constrained households (HHs) has been included as a key component of the Malawi Social Support Policy. In line with the pilot programme these programmes are mainly implemented by district assembly team, with a social cash transfer secretariat hosted in the District Social Welfare Office.

During 2010/11 the SCTS programme will be scaled up to cover all ultra-poor labour constrained HHs in the seven pilot districts. The SCTS programme will hereafter slowly be expanded to cover all 28 districts in Malawi starting with the ones with the highest poverty level. By 2015 all districts in Malawi and the four urban centres is expected to be covered, reaching a target of 10 percent of all HHs in Malawi or about 305,000 HHs. The total annual cost per HH is estimated to US\$ 33 per year. The logistical and financial details for this expansion can be seen in Table 2.2.

**Table 2.2 Logistical and financial details for SCTS programme expansion**

| Financial Year | District (incl. urban centres) covered | HHs covered | Estimated annual cost (US\$ m) |
|----------------|--|-------------|--------------------------------|
| 2010/11        | 7                                      | 83,231      | 11.7                           |
| 2011/12        | 13                                     | 151,057     | 27.2                           |
| 2012/13        | 19                                     | 229,420     | 43.8                           |
| 2013/14        | 25                                     | 270,557     | 56.8                           |
| 2014/15        | 32 (4)                                 | 304,534     | 65.2                           |
| 2015/16        | 32 (4)                                 | 304,534     | 68.2                           |

The GFATM funds are presently being channelled through the National AIDS Commission to the districts and will cease in June 2011. The German Development Bank, KfW, will provide Euro 13 million to the scheme beginning in 2011 and will channel the funds through the Ministry of Finance directly to the districts.

### 2.2.2 Disaster risk reduction

From 1979 to 2008, natural disasters affected nearly 21.7 million people and killed about 2,596 people. Malawi faces multiple hazards in both rural and urban areas, which mostly include floods, landslides, heavy storms, droughts or dry spells, earthquakes, epidemics, fire incidents, and HIV/AIDS. The nature and pattern of weather-related hazards are shifting, possibly increasingly so as a result of climate change – becoming more frequent, intense and unpredictable. For example between 1946 and 1990, no single weather related event impacted more than 500,000 people. After this period however Malawi has seen 3 events, each impacting on more than 3,000,000 people. The geographical coverage of flood and drought has also increased. Before 2001 only nine districts in Malawi were classified as flood-prone, Now, in 2010, 16 district are flood-prone. There is a strong correlation between disasters and development, as development plays an important role in changing disaster risk. Inappropriate development can increase levels of vulnerability to disaster risk and, in turn, disasters can affect Malawi's development.

It is estimated that 15 percent of the rural population live on the fringes of high flood-risk areas (Poverty and Disaster Department, 2002). This percentage has very likely increased in the last 8 years. Even in the absence of pronounced droughts, intermittent long dry spells within the rainy season are a common occurrence in many parts of the country. Such dry spells are reported to cause between 20-30 percent of the losses of total yield per hectare if experienced at the most crucial development stage of the crop. With more than half of the population living below the poverty line the impact of even a relatively small emergency can be severe. The most vulnerable households are more adversely affected by disasters as they live in the most marginal areas of the country with the most fragile coping systems. Consequently, they are less likely to be able to absorb the impact of shocks. Evidence suggests that areas already susceptible to drought are more likely to experience reduced recharge rates and falling water levels due to climate change. Additionally, the country suffers from environmental degradation due to a combination of agricultural expansion into marginal lands and rapid deforestation. The most vulnerable communities are those dependent on groundwater as the sole or main water supply. The increasing desire by large users, such as agriculture to 'secure' a supply, has resulted in many communities reliant on domestic supply to have decreasing access, particularly to shallow groundwater. In fact, reduced recharge rates coupled with over-extraction are already having a major impact on communities. In many communities where surface water supplies are affected by climate change, users will increasingly look to groundwater as an (adaptation) alternative, further straining a resource already under stress in many areas.

In recent years disasters have been identified as a key factor hindering Malawi's growth and poverty reduction effort in major policy documents including the MGDS. At the same time, Government realized that any aspirations to reduce poverty in the country in a sustainable manner will require strategic and proactive investment in disaster risk reduction. Combining Disaster Risk Reduction (DRR) and Disaster Management (DM) concepts, Disaster Risk Management (DRM) was adopted as one of the core focuses in the MGDS under theme two 'Social Protection and Disaster Risk Management'. This thrust requires a shift from 'disaster response culture' to 'integration of disaster risk into sustainable development planning and programming'. Lessons learnt from implementation in the country identify several major challenges: inadequate policy, strategy and budgetary process for disaster risk reduction; Insufficient institutional capacity and weak planning processes for DRR; Slow progress in shifting of mindset from 'disaster response' to integrating disaster risk reduction into development planning at all levels and in all sectors; Insufficient



coverage and depth of DRR activities at all levels; Risk assessment and early warning systems were not upgraded and updated to meet the challenges posed by disasters; Limited investment for generation and use of knowledge and education for disaster risk reduction; and Non existence of multi-stakeholder forum for coordination of different stakeholders. Furthermore, in general, the links between DRR, climate change, poverty and food security are not adequately addressed.

According to estimates, up to two-thirds of the world's population depend on groundwater resources for water supply.<sup>6</sup> Therefore, estimating the impact of climate change on groundwater and risk to sustainable supply from this source is essential. The main international framework guiding work and measuring progress on DRR is the internationally-negotiated *Hyogo Framework for Action 2005–2015: Building the Resilience of Nations and Communities to Disasters* (referred to hereafter as *HFA*). This framework was adopted by 168 countries in 2005, Malawi included, and subsequently endorsed by the UN General Assembly. It provides an overview of the main elements required for DRR at all levels. The *HFA* specifically calls upon international organizations and UNCTs to 'integrate disaster risk reduction considerations into development assistance frameworks, such as the CAs, the UNDAFs and poverty reduction strategies'.<sup>7</sup>

The DRR framework governing the 2010-2015 timeframe, developed in-line with *HFA*, outlines the country's vision as 'A nation resilient to disasters', further linked to the mission of 'Sustainable reduction of disaster losses in lives and in the social, economic and environmental assets of communities and of the nation by 2015'. To achieve this mission, six strategic goals have been identified to guide the implementation with corresponding set of results for each goal.

- STRATEGIC GOAL 1: DRR is mainstreamed into policies, strategies, programmes and annual planning and their implementation at all levels.
- STRATEGIC GOAL 2: An effective system in place to identify, monitor and assess risk (national and cross-boundary).
- STRATEGIC GOAL 3: A people-centred early warning system is developed and strengthened at national and local levels.
- STRATEGIC GOAL 4: Underlying risk factors of community and household are systematically identified and addressed.
- STRATEGIC GOAL 5: Disaster preparedness capacity strengthened for effective response at all levels.
- STRATEGIC GOAL 6: Knowledge, education and innovation are used to promote culture of safety and exploration of resilient technologies.

In Malawi all disaster management activities are coordinated through the Department of Disaster Management Affairs (DoDMA), under the OPC. It is important to strengthen the coordination functions of DoDMA, as well as all elements of Disaster Risk Management as outlined above, with particular attention to District and local level warning systems, and preparedness and response measures. As a measure of preparedness and mitigation, vulnerability analysis and mapping (VAM) is important for hazard/shock analysis to help in predicting future disasters/shocks in areas that are prone to such e.g. flood. Strong partnership is important amongst national and regional institutions such as: Famine Early Warning System Network (FEWSNet); Meteorological Department/MoAFS; Vulnerability Assessment Committees (regional VAC and MVAC); and, Food and Agriculture Organization (FAO)/WFP Crop and Food Supply Assessment Mission. Increased dialogue, coordination and information sharing between stakeholders including establishment of an effective early warning system would strengthen disaster preparedness for effective response at all levels.

In addition to an effective early warning system, district specific contingency plans need to be prepared or at least update those that already exist. This will require active involvement of stakeholders at different levels for awareness building and actual development of the contingency plans.

## 2.3 Theme 3: social development

This MGDS theme has five subthemes: (1) education, (2) health and population, (3) preventing the spread and negative consequences of HIV/AIDS, (4) nutrition, and (5) gender. Health and HIV/AIDS (and nutrition) and education are reviewed in this section. The MDGs to be achieved under this theme are 2, 3, 4, 5, and 6.

### 2.3.1 Education sector

The challenges facing Malawi in fulfilling education rights are poor performance of the education sector which includes low and inequitable access and poor quality and relevance. The underlying cause of low access to and quality of education is inadequate resources to pay for expanding infrastructure, procure school materials and train more teachers. Inequality arises from the biased spatial distribution of the available resources and also due to the intervening social exclusion factors of gender, orphanhood and disability. Weak governance and management are also part of these problems. The sector faces the archetypical issues of resource allocation, the triad of intra sector allocation inefficiency; technical inefficiency and inequalities in incidence of expenditures at all levels of the education system.

Although most resources in the sector go to the primary education sub-sector, there is a bias to secondary and higher education in terms of per beneficiary expenditures and that these expenditures on higher education are the highest among SADC countries (CEM 2009) (CSR 2008). The allocation of expenditures does not reflect except the marginal social returns from the two sectors. The perverse fact is that the expenditures are high, due to a low utilization rate of teachers and facilities, but the pay structure for university teachers is one of the worst. Within each sub-sector the incidence of resources is higher on the children from well off families. This is primarily due to the spatial disparities and inequalities in access to and allocation of resources in favour of locations where the better off households live, urban areas.

Inefficiency in primary schools is due to the high drop-out and repetition rates, which are in turn caused by poor learning environment, shortage of teachers, and shortage of teaching and learning materials and relevance of curricula. These then influence the low value placed on schooling, which feed back into high dropout rates. The internal efficiency coefficient at the primary level is very low (35 percent in 2007), implying that 65 percent of public resources are used for repeated years or for school years of students who are dropping out before completing the cycle. It takes 23 student-years to produce one graduate instead of 8 years with a perfect efficiency. High repetition rates are not conducive to the mastery of learning and also have adverse effects on student-teacher ratios, progression rates and costs (ESIP p. 18). In secondary, tertiary, and higher education this inefficiency is really due to 'excess capacity': too few students per lecturer, classroom/facility. Poverty and harmful cultural practices impact greatly on retention and repetition rates. Early marriage, child labour and a high disease burden continue to be a concern as is the safety of children who have to walk long distances to school. Corporal punishment, although banned, is still practiced by some teachers.

Girls' education is important. Girls are vulnerable, particularly when not in school. They suffer from abuses that may have their society's mandate, but severely curtail their rights: they are victims of violence in the home, they aren't allowed to attend school, or are forced into early marriage. If a girl is educated six years or more, as an adult her prenatal care, postnatal care and childbirth survival rates will dramatically and

consistently improve. Water, sanitation and hygiene facilities are crucial to getting and keeping girls in school, as they bear the brunt of unhygienic or non-existent latrines. Lack of water in the household also keeps girls away, as they are usually the ones designated to walk long distances to fetch the household's water supplies. Intestinal worms in children affect both nutrient intake and energy levels and consequently reduces their ability to learn. Ensuring that all children go to school and that their education is of good quality are keys to preventing child labour.

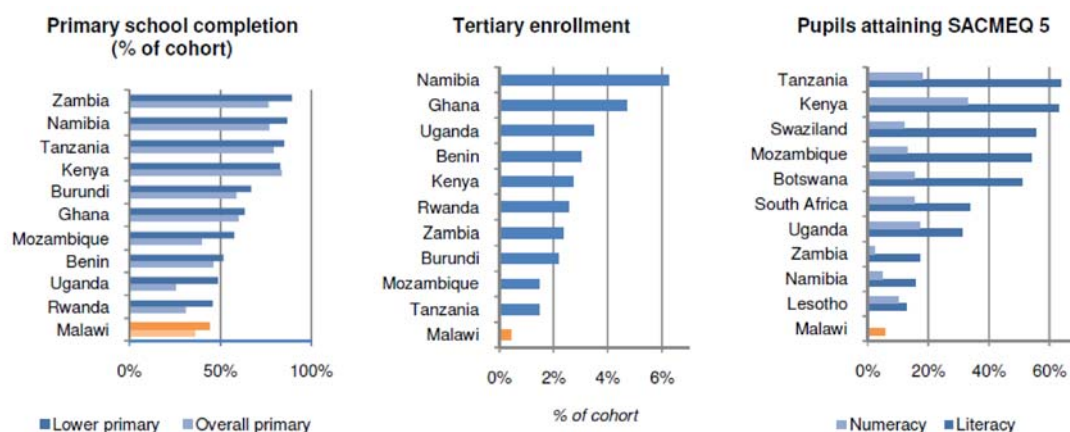
### *Low quality and relevance of primary education*

The main problem in primary education is low quality and relevance, and inequalities of access especially in senior classes. It is heartening that overall access is no longer an issue in primary education as enrolment has increase substantially since 1994, when free primary education was made policy. This shows that cost is an important determinant of access to primary education. Though there is no fee for attending public primary schools, around 80 percent of parents of primary school students in public schools reported paying various expenses in the DHS 2002 and IHS2 2005. There is also an opportunity cost to parents in terms of labour, of sending their children to school. High dropout rates are also due to the low perceived benefits from education, since many primary schools lack sufficient teachers, adequate classrooms, safe drinking water, toilet facilities, and furniture (desk, chairs), such that learning outcomes are low.

The introduction of free primary education was done without adequate preparation in terms of teacher training or classroom construction. Enrolment surged by 43 percent. As a result the ratio of teachers to pupils is the lowest of comparators at 1:76 (1.81 for all teachers and 1.92 for trained teachers); and classrooms to pupils at 1:107 (1:116 EMIS 2009)(Malawi Education Statistics, 2006). Less than half of children complete their first four years in school, also the lowest among peer countries, and tertiary enrolment is three times lower than the next worst performer in the comparator table (figure 2.1).

The Southern African Consortium for Monitoring Educational Quality (SACMEQ) test scores and national examination pass rates over the past decade confirm that education quality in Malawi is poor and deteriorating. The percentage of children reaching a minimum level of mastery in reading in English halved over the 1998–2004 period, to reach barely nine percent in 2004. After six years of primary schooling, there are still 15 percent of children who are not literate. Pass rates at national examinations range from 74 percent for the Primary School Leaving Examination, 52 percent for the Junior Certificate of Education and 44 percent for the Malawi School Certificate of Education (MSCE). The low achievement at MSCE is striking and raises serious issues on the level of knowledge acquired throughout the schooling system (ESIP p. 18).

**Figure 2.1 Selected indicators of education sector performance**



There are spatial inequalities in terms of quality. When quality is approximated by Pupil Qualified Teacher Ratio (PQTR); rural schools have a high ratio of 91 compared to 51 for rural school.

The next type of inequality indicator is the incidence of expenditures on the children of the poor and the better off. Because of the problems of spatial inequality in terms of allocation of teachers and classrooms; more resources are spent per child on those coming from better off families (PER 2006). Although school enrolment is same for boys and girls in lower classes, gender inequalities are higher at the senior primary. The problems are caused by social issues including early marriages, the domestic division of labour, and the greater negative impacts of orphan hood on girls.

Access to early childhood education is very low, only 30 percent of those needing it have access. The quality is variable and there is no regulation in terms of curriculum and school environment. The governance and management are also a problem as there is no capacity in the MoGC&CD to deal with the issue. Other problems include lack of information system to be used for planning, monitoring and evaluation. There is also limited data to use as basis for detailed planning. The NESP has prioritized the giving of grants to communities to upgrade or build ECD centres, increasing the visibility of early child hood education; planning for better working conditions of teachers, and capacitating the MoGC&CD to perform a planning and supervisory role.

There is a laid back attitude to eradicating illiteracy. The out of school youth and adult literacy programmes are still managed as cultural programmes, and not as the quick remedy for fixing a situation that should be permanently and continuously fixed through primary education. Due to high dropout at primary level, even before pupils acquire literacy skills, let alone life skills, there is need for strong out of school and adult literacy programmes. However more resources should allocated to ensure good quality and access to the ordinary school programmes such that the problem does not arise. It is estimated that annually Malawi has 2.6 million illiterate people, of which around 50 percent are reached by out of school and adult literacy programmes.

Expanding access is the priority issue in the secondary sub- sector. Access is low and the lowest among SADC countries. Yet there is excess capacity in most existing facilities. The pupil per teacher ratio in secondary education is currently around 20:1, which is well below the government target of 40:1. Equity is also important. Since participation in secondary education depends on performance in lower levels, which is

conditioned by the learning environment in primary schools, it is the children of the better off families who attend better resourced schools that disproportionately make it to tertiary institutions, and so per student public spending is high for these children.

In the 2008/9 school year, girls accounted for only small percentage of students in secondary schools. A smaller pool from which to select girls, at Standard 8 and also Form 4; limited boarding facilities for girls; and also their lower performance in entrance exams help to explain this. Some of the differences in performance could be explained by the preponderance of community day secondary school. Given the gender based division of labour on the home front, it is very difficult for girls to perform well. Boarding schools are more costly and previously when costs were the overriding consideration community day school were introduced. Government is now converting these to boarding schools. This shows that to implement programmes that are gender responsive often requires more expenditure: a gender premium (World Bank 2000).

Improving relevance and quality of secondary education is also important in connection to imparting skills and training for work.

*In teacher education access is a problem.* The secondary school system does not graduate enough students to put through training to meet the need for primary school teachers. This means that the secondary school bottle neck presents a real constraint to meeting the MDGs on a continuing basis. Some drastic solutions using innovative PPPs of the type used in some countries like Uganda could help remove this constraint.

*Governance and management is the priority problem in technical and vocational training and higher education sub-sectors.* At this level the issues of access are also more important, and so is relevance, particularly for preparing students for entering the labour force. However, it is often the management constraints in this sector that lead to problems of planning for more relevant and more accessible programmes.

There have been several good studies including the NESP and ESIP processes and outputs; National Education Sector Plan 2009, Malawi Public Expenditure Review 2006, etc.. Studies and efforts have focused on understanding the impacts HIV/AIDS on the sector, on the gender issues in education, special needs education, capacity and management constraints, and data issues for results based management. However NESP and ESIP recognised that much of the research does not reflect in how programmes are designed and implemented. This is partly due to inertias that arise out of high staff turnover and also weak institutional linkages between policy and implementing departments of the MoEST.

*None of the mainstream analysis in education has used the HRBA.* This it seems is due to lack of awareness of the tool. When the ministry officials were asked about it, they expressed disappointment that there is yet another analytical tool they are expected to use, as they were already paying attention to issues of gender, special needs and rural/urban inequalities.

It is fair to say that this is one of the two sectors where the use of a HRBA would not lead to a substantive shift in policy or strategies. The main problems here relate to implementation gaps – the need to increase efficiency of expenditure that is linked to quality issues of teacher supply and deployment, and to raise more resources to expand access and increase quality.

Some of the DPs expressed disappointment over the low absorptive capacity of the sector. They have committed funds for four years and the sector was still getting organized over that time period. The financing requirements for the education sector have been tabulated in the ESIP. Most of the resources go to primary education. There are funding gaps that need to be filled even after donors have made their pledges. The

total resource requirement rises from MWK 44bn to MWK 52bn in 2010. The gaps rise from MWK 4bn next year to MWK 11.8bn in 2013.

The primary sub-sector plus teacher training (that is mostly for primary schools) will take up four-fifths of the forecast expenditures. Most traditional donors will co-finance the primary or basic education sector. This means that resources for higher education would be limited. Yet access to secondary education is only for 20 percent of all graduates of primary school and is the lowest in the SADC. It is level of education that assists in promoting economic rights (skills and training for work) to really lift people out of poverty. The GoM mobilization of the resources should include forging PPPs and innovative schemes to help students finance their education.

The problems of governance and management of the sector are huge. Donors have been concerned at the slow pace of resolving some of these problems. Staff has been moved frequently, eroding institutional memory and making it difficult to dialogue effectively over time and plan smoothly; and there is virtually no performance culture among staff. The SWAp took five years to develop due to some of these problems.

### 2.3.2 Child protection

The Convention on the Rights of the Child outlines the fundamental rights of children, including rights to be protected from all forms of violence, abuse and exploitation including economic exploitation, harmful work, sexual violence, neglect, family separation and exploitation as well as physical and mental violence. Despite Malawi being a signatory to the Convention on the Rights of the Child (CRC), state party reporting has been erratic with recommendations from the CRC committee implemented in a less systematic manner to fully address children's rights. Most of the MDGs goals are difficult to achieve if the failure to protect children is not addressed.

Child protection as a development priority is absent from the current UNDAF although many child protection activities are included. Child protection has been included as a sub-sector of the MGDS Technical Working Group for Gender, Youth, Development and Sports. Given the renewed focus within the UN on vulnerable groups and the government's prioritization of vulnerable children, child protection is likely to feature in both the new MGDS and the UNDAF.

Despite significant social and economic progress over the last decade, Malawian children remain highly vulnerable to violence, abuse, exploitation, discrimination and neglect. Violations of children's right to protection take place in every social strata and are massive, under recognized and under reported. Addressing the need to protect children is compounded by the persistent gender inequality and harmful traditional practices that pervades in Malawi. Thus an estimated:

- 3.1 million children are growing up in violent homes, witnessing domestic violence and experiencing its negative effects;<sup>8</sup>
- 65 percent of girls and 35 percent of boys experience some form of child abuse and violence during their life time (Burton 2005);
- 22 percent of all Malawian children are growing up without parental care in a wide range of formal and informal care arrangements, exposing them to an increased risk of rights violations such as violence, abuse, exploitation and discrimination;<sup>9</sup>
- there are an estimated 1,300,000 orphans of which 240,000 are double orphans with an additional 70,000 children orphaned each year;<sup>10</sup>
- 20 percent of all households take care of one or more orphans and 49 percent of these are female headed;
- 26 percent of children 5–14 years are involved in child labour;

- 33 percent of girls are married before their 19th birthday;
- harmful traditional practices and stereotyped gender roles play a key role in the perpetuation of violence against women and children in Malawi;
- children in conflict with the law are not given proper treatment and there are currently no functioning preventive and diversion services; and
- over 90 percent of children are un-registered.

More recently, GoM has exerted serious effort to improve the legal and policy framework for protection of children. In addition to ratifying the Convention on the Rights of the Child, Chapter 23 of the Malawi constitution outlines children's rights and GoM has enacted the National Registration Act (2009) and in July 2010, enacted the Child Care Protection and Justice Act (2010). These moves signal the government's resolve to prioritize child protection concerns.

Despite these positive developments, the existing legal and policy framework still lacks subsidiary policy instruments such as implementing regulations, standards of operations and national plans of action for addressing children's vulnerability to abuse, violence and exploitation. There are also significant challenges in implementation of the various legal and policy instruments due to inadequate financial resources, and shortcoming in the quantity and quality of available human resources, especially at district level. Services available for prevention and response to child protection are extremely limited with no clear enforcement and monitoring modalities. Violence, abuse and exploitation, does not only affect children as individuals, but it also contributes to the impoverishment of communities and the entire nation. It is a threat to national development and the effort to reach the MDGs<sup>11</sup> as outlined above.

Given this acute and long term impact of abuse, violence and exploitation on individual children and society, there is a need for development of comprehensive and integrated package of preventive and responsive child protection services at all levels in Malawi.

Government has also made serious effort to improve access to services for Orphan and other Vulnerable children (OVC) for survivors of violence and abuse, and for children who come in conflict with the law through supporting Community Based Child Care Centres (CBCCs); Children's Corners (CCs); establishment of community and police victims support units (VSU) and One Stop Service Centres (OSCs). However, such services are extremely limited and reach a tiny proportion of children in need of care, support and protection, for instance only 30 per cent of children aged 3-5 years access CBCCs. The large numbers of OVC who are registered do not receive adequate services due to various factors including lack of proper case plan and management system, inadequate human resource capacity in the social work sector, among many others. Therefore, there is a need to improve the provision of care, support and protection services to all children by scaling up preventive and responsive services such as parenting educations; CBCCs; VSUs; and OSCs.

Furthermore, the current formal alternative care program for children without parental care focuses on provision of services through institutional care, while access to family based care such as foster care and adoption are very limited. The National Plan of Action on OVC has prioritized provision of family based care emphasizing institutional care as a last resort. There is need to expedite development of regulations for implementation of child care protection and justice law, standards of operations and a costed national plan of actions as well as the enactment of the Adoption Law that is currently under review to facilitate efforts towards improving provision of such family based care.

While, the government has made significant strides to improve its human resources capacity in care and protection of children by introducing new cadres of front line staff, the Child Protection Workers, efforts are underway to develop high calibre child protection and overall social welfare personnel through upgrading of the current certificate social welfare and community development course to social work training at

diploma and degree level. This is critical for addressing the current emerging complex child protection issues and delivering high quality preventive and responsive services. Thus, there is a continuous need for improving competencies of child care and protection workforce on a sustainable basis.

Children are extensively employed in the agricultural sector either as direct labour or as part of family labour in estates and family-based farms<sup>12</sup>. Around 1.5 million children aged between 5-17 years are economically active, and 660,000 of these children (44 percent) are working in agriculture (tobacco, tea, coffee, fishery and forestry), which is usually categorized as hazardous for children. Young children are employed as porters to carry tobacco leaves and tie them into small bundles, sift out the manure from the useable leaves, all of which pose serious health risks, including nicotine poisoning. Once their growth is compromised at such young age, it is very difficult to reverse the negative health effects. Most of these children's education is interrupted if not halted.

Child labour is concentrated in children between the ages of 5-14 years, with more than a third of them in the range of 5-9 years, while more than 80 percent of them are under the age of 14 years. Overwhelmingly 98 percent of children in the agricultural sector are unpaid, some working for more than 45 hours a week<sup>13</sup>. Incidents of child labour along the lakeshore are alarmingly high, and children are found all along the lakeshore untying fishnets, cutting fish, or selling them. Children are abused by both domestic and international tourists as well as by their employers, as porters, messengers, tour guides, and worse of all, as child prostitutes. The local government's capacity to enforce the law requires intensive capacity building in responsibly safeguarding the children's rights while the country experiences economic growth through tourism.

Children that live with some form of disability within Malawi frequently experience many barriers to their inclusion into society and often have their needs and human rights overlooked. Many continue to have their capacities and abilities disregarded and consistently experience obstacles to their full participation in society. The numbers of children *registered*<sup>14</sup> with some form of disability in Malawi is 13,250<sup>15</sup>. However, the actual numbers are much greater. Underreporting of disability is widespread as families grapple with the social stigmas and misunderstanding of children's handicaps. It is important to understand that the MDGs will not be achieved unless we begin to include persons with disabilities. Disabled people make up 10 percent of the world's population but account for 20 percent of those in poverty<sup>16</sup>.

### 2.3.3 Health and HIV/AIDS

The public sector provides 61 percent of health services in Malawi. The remaining 39 percent of health services are provided by the not-for-profit Christian Health Association of Malawi (CHAM) 37 percent, and the private sector two percent (MoH 1999). Health services are provided at three levels: primary, secondary and tertiary, with the bulk of services skewed towards treatment and care rather than preventive services. In addition to formal services, a large proportion of the population patronizes traditional healers. Disparities exist in the availability of health facilities in urban and rural areas. Urban areas have more facilities than rural areas.

Malawi is the ninth most-affected country for HIV (UNSG Report to the General Assembly, 2010), with an estimated 12 percent of sexually active adults (15 to 49 years old) being infected. Malawi is estimated to have almost 1 million adults and children living with HIV infection, 58 percent of those being female. Children continue to bear the burden of epidemic, with a growing number of orphans – nearly half due to AIDS (NSO, 2008 and UNICEF, 2010). The maternal health total fertility rate (TFR) has declined from 6.7 in 1992 to 6.3 in 2000 and 6.0 in 2004. Contraceptive prevalence rate (CPR) for modern contraceptives increased significantly from 7 percent in 1992, 14 percent in 1996 to 26 percent in 2000 and 28 percent in 2004. Unmet need for family planning declined from 36 percent in 1992 to 30 percent in 2000 and 28 percent in 2004. Maternal Mortality Ratio (MMR) increased from 620/100,000 live births in 1992 to 1,120



in 2000 but since declined to 984 in 2004, with an estimated one-third of maternal deaths in Malawi attributed to HIV infection. Studies highlight, that gender inequalities as well as relative disempowerment of women and widespread poverty contribute to women's vulnerability to HIV including maternal mortality and morbidity.

The Parliament passed the National Registration Bill at the end of 2009, creating a legal framework for universal birth registration. While the Government begins the process of developing the implementing regulations to the National Registration Act, the health sector can significantly contribute to realizing this basic human right, as enshrined in the CRC and African Charter on the Welfare of the Child, both to which Malawi is a signatory. With 54 percent of births being delivered at health facilities, and 90 percent of children being reached by Expanded Immunization Programme (EPI), health is a key sector in the implementation of the Act. Efforts are underway to finalize and adopt, based on global evidence and best practice, new legislation related to HIV.

### *Health Financing*

Like other developing countries Malawi has inadequate resources to provide health care services. It has a per capita health expenditure of US\$ 25 which is less than US\$ 34 recommended by WHO Commission for Macroeconomics and Health for effective delivery of the essential health services to achieve the MDGs. Inadequate health care resources have provided a fertile terrain for a multitude of health problems. These are:

- i) High disease burden;
- ii) poor quality and inequitable access to health care services ;
- iii) poor support systems (e.g. poor disease surveillance, poor health management information system, poor referral system);
- iv) aging and dilapidated health infrastructure;
- v) internal and external brain drain;
- vi) increasing burden of non-communicable diseases ;
- vii) a small work force of demotivated health care workers;
- viii) low remuneration for health workers; and
- ix) high morbidity and mortality rates (including child and maternal mortality rates).

To reform the financing of health services, the Government started financing the health care through the health SWAp in 2004 in collaboration with development partners including UN agencies and managed to mobilize substantial resources for the health sector. This has resulted in better alignment and harmonization between the government and donors including UN agencies. The increase in health care resources has resulted in an increase in the quality and quantity of health care services (Mid-Year SWAp Report, 2010). In addition, SWAp has also resulted in better predictability of donor funding for the health sector. Given these benefits, the government and its development partners should maintain the existing momentum of mobilizing resources for the health sector using SWAp.

**Table 2.3 Health indicators for Malawi**

| Indicator   | Current status | MDG target* |
|---|----------------|-------------|
| Health budget as percentage of fiscal budget  | 11%            |             |
| Per capita health expenditure   | \$25           | \$34        |
| Life expectancy   | 40 years       |             |
| National budget contribution to the health sector   | 16.2%          | 12.6%       |
| Nurse/population ratio  | 1:3,062        | 1:3,400     |
| Doctor/population ratio   | 1:53,662       | 1:42,000    |
| EHP coverage (facilities able to deliver OPD, immunization, family planning and maternity services) | 74%            | 40%         |
| OPD service utilization per 1,000 population  | 1237           | >1,000      |
| Proportion of 1 year-old children immunized against measles   | 84%            | 100%        |
| Proportion of births attended by skilled personnel  | 53%            | 100%        |
| Under five mortality rate   | 122/1,000      | 78/1,000    |
| Infant mortality rate   | 69/1,000       | 44.7/1,000  |
| Maternal mortality ratio  | 807/100,000    | 155/100,000 |
| HIV prevalence among 15-24 year old pregnant women  | 12%            | %0 %**      |
| Coverage of ART services  | 42%            |             |
| HIV+ women attending ANC receiving a complete course of ARV prophylaxis to reduce the risk of MTCT  | 50%            | 85%         |
| Death associated with malaria   | 4%             |             |
| Access to malaria treatment within 24 hours of onset of fever                                       | 21%            | 80%         |
| Proportion of household with at least one ITN   | 37.8%          | 80%         |
| Death rate associated with TB   | 9%             |             |
| TB cases under DOTS   | 83%            |             |
| Treatment cure rate   | 78%            | 85%         |
| TB detection rate   | 50%            | 70%         |
| Prevalence of underweight children  | 16%            | 14%         |
| Population below minimum level of dietary energy consumption  | 15%            | 11.8%       |

Note:

\*Not MDG target. Statistics for non MDG targets are for 2008/09

\*\*Rate of 0% incidence of HIV infections in this age group by 2015, not 0% prevalence

Source: GoM (2009) *MGDS Review Report and Malawi MDG Report*.

However, the large increase in health care resources calls for new mechanisms for efficient use and better accountability of resources. In particular, there is desperate need for strengthening accountability mechanisms for health care resources through rigorous resource tracking at both district and national levels. This can be achieved through training of health workers at both local and national levels in financial management that includes preparation of the district and national health accounts.

SWAp has come with delays in disbursement of funds by donors, partly due to failure of MoF and MoH to fulfil the rules and procedures agreed in the financing agreement. Delayed funding has resulted in delayed implementation or non-implementation of some activities. Donors need therefore to reduce bureaucracy and other bottlenecks in the disbursement of funds. The increase in health care resources has also challenged the absorption capacity of government largely. The general complaint is that there is low absorption capacity by the government. There is therefore need for capacity building in financial management to enhance the absorption capacity of the government.

The increasing role of the DPs also raises the question of sustainability of donor-funded interventions. The central argument is that donor funding is not sustainable. This assertion find support in the recent failure of the government to pay tuition for nursing students in CHAM nursing colleges and school fees for orphans on Global Fund bursaries after a substantial reduction in funding from the Global Fund. In light of this, the government should explore new financing mechanisms for health services. It could for example, set up

Community Health Funds (CHF) as a form of informal health insurance or social health insurance for the employed.

An analysis of the health budget in the 2010/2011 fiscal budget shows no resources have been allocated to health research. This state of affairs violates the 2001 Abuja declaration to which Malawi is a signatory. The Abuja Declaration states that African governments should devote one percent of their health budgets to research. Research is important for development of new interventions or improving existing interventions to make them more effective. The Government in collaboration with its DPs including UN agencies should make sure that research is adequately funded.

### *Quality of health services*

The quality of health services in Malawi, as measured by the availability of drugs, distance to the nearest health facility, availability of basic infrastructure such as water and electricity, availability of qualified health personnel among others, is inadequate. This assertion finds supports in the findings of the assessment by the Nurses Council of Malawi (2008) that revealed that less than 10 percent of health centres in Malawi are capable of delivering the Essential Health Package (EHP) due to the poor state of infrastructure and critical shortages of staff. These results are replicated by the findings of Global Fund Health Survey of 113 facilities that showed that a) 23 percent of facilities had basic infrastructure<sup>17</sup> b) 4.5 percent of facilities had a high level infrastructure<sup>18</sup> (Global Fund 2010).

A WHO/Global AIDS Alliance (GAA) (2009) study reported high staff turnover in the majority of health public health facilities. The encouraging result, however, was that staffing turnover has declined over the years. The declining in staffing turnover is also reported by the study that was conducted by the Nurses Organization of Malawi (2000) that showed a downward trend in migration of health workers, especially nurses, to other countries.

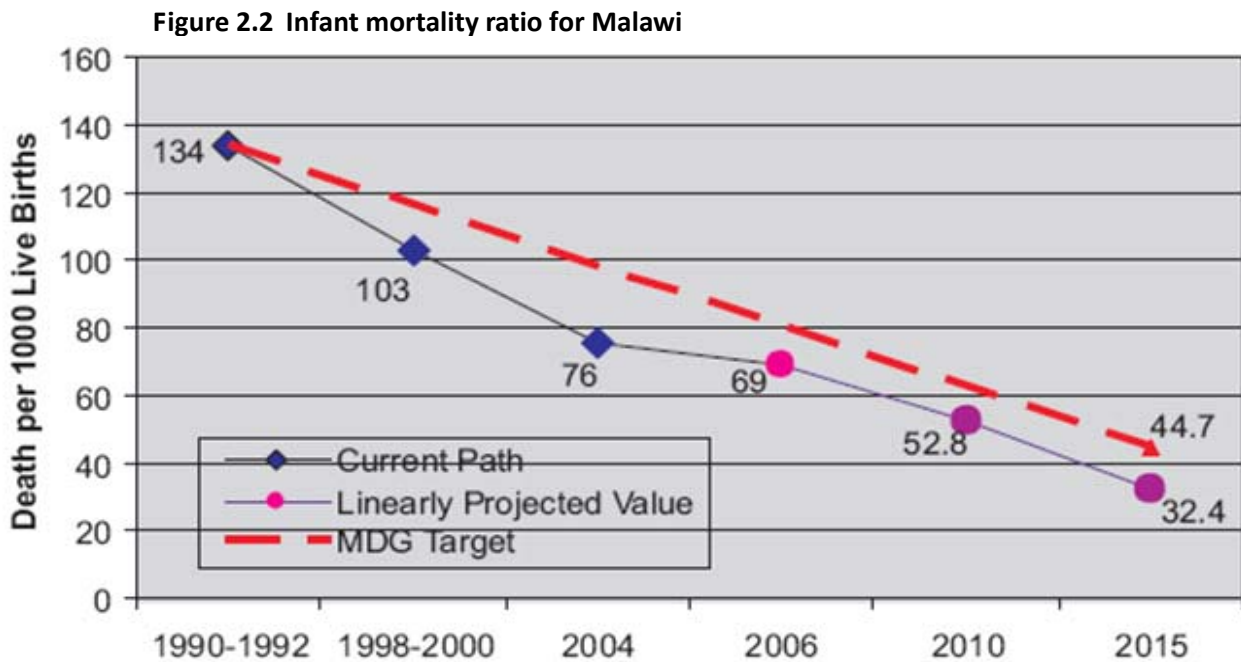
A special programme to top up the salaries of health care workers implemented with support from DPs. Government has also increased its efforts to ensure that there is consistent supply of drugs, has recruited and trained more health workers, built other health facilities, among other efforts (SWAp Mid-Year Report, 2010; GoM 2009 *MDG Annual Report* and *MGDS Review Report*). The government with assistance from development partner has introduced financial incentives to health workers. The 52 percent salary top up has led to high retention of health personnel in the public sector. Given the positive impact of the financial incentive, the GoM and its DPs should maintain and increase the financial incentive.

### *Emerging issues in health*

We take a more detailed look at the problems that have a bearing on the achievement of health related millennium development goals. These MDGs are infant and child mortality rates, maternal mortality rates, HIV and AIDS, malaria, tuberculosis and nutrition.

**Child mortality rate** - Malawi has a high child mortality rate (CMR) which is attributable to poor access and quality of health services, poor nutrition, respiratory diseases, malaria, HIV and AIDS, diarrheal diseases, among other causes. To reverse the situation, a number of interventions have been implemented by the GoM in collaboration with the DPs that include UN agencies. A review of MDG 4 indicates that remarkable progress has been made to CMR. Under five mortality rate fell from 234/1,000 live births in 1992 to 122/1,000 live births in 2006 (Malawi Demographic and Health Survey 1992; NSO & UNICEF 2006). It is projected that by 2015, under five mortality rate will stagger at 59/1,000 live births thereby surpassing the MDG target of 78/1,000 live births.

Malawi has also registered a downward trend in infant mortality rate (IMR). According to the MDG Report (GoM 2009), IMR decreased from 134/1,000 live births in 1992 to 69/1,000 live births in 2006. It is estimated that by 2015 IMR of 44.7 percent will be surpassed by an IMR of 32.4 percent (Figure 2.2).



Source: GoM (2009) *Malawi Millennium Development Goals Report*.

The other indicator of progress for MDG 4 is the increase in the proportion of one year old children immunized against measles. This proportion increased from 79 percent in 2004 to 84 percent in 2006. If the encouraging trend continues, it is projected that by 2015, an immunization rate of 100 percent will be achieved. This implies that the MDG target 95.3 percent will be surpassed.

While there is progress on MDG 4, inadequate population and health statistics make it very difficult to monitor the progress of policies to reduce child mortality. Therefore, strengthening monitoring capacity would facilitate better understanding of the number of children dying and from what causes and to assess which interventions are making a difference.

The gains registered so far could also be lost due to the failure of health facilities to provide child health services. A 2007 Global Fund Health Facility Survey showed that out of 113 sampled health facilities only 8.9 percent had all basic infrastructure to provide child health services. In particular, 14.2 percent had the infrastructure,<sup>19</sup> 74.3 percent had trained staff,<sup>20</sup> 72.6 percent had the guidelines,<sup>21</sup> and 22.1 percent had equipment and supplies.

Malawi does not disaggregate infant and child mortality rates by gender, geographical location and social economic status. Infant and child mortality rates may, for example, be higher in rural areas because of inadequate access to health services. Without disaggregating infant mortality data, it is difficult to know whether female or male infants are disproportionately affected by infant and child mortality rates. This therefore brings in the issue of whether or not the rights of male and female infants carry equal weight in the design of interventions. There is need for more detailed analysis of the data being collected to disaggregate child and infant mortality data by gender, socio-economic status and geographical location.

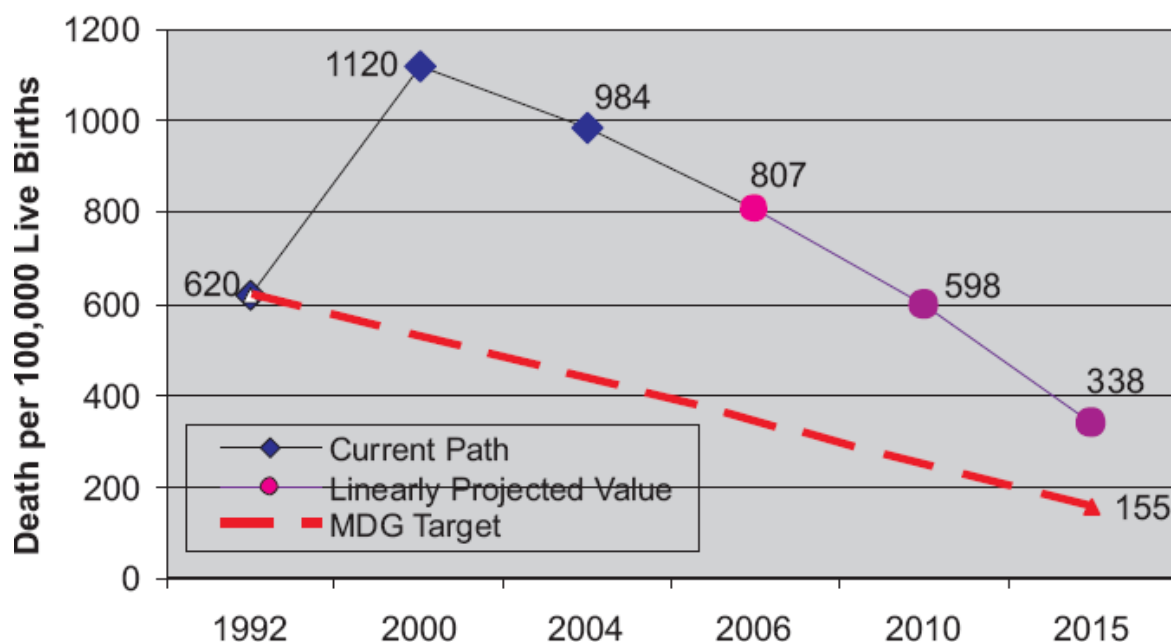
There is general consensus that developing capacity for health workers is important for achievement of MDG 4. Against this background, the GoM continues to train its health workers in order to improve the quality of care. However, inadequate staffing still poses a challenge for the health sector because of the

higher health worker–patient ratio. In addition, lack of orientation of health workers on MDG 4 could hinder its achievement and therefore there is need for better supervision of health workers on activities that are related to the achieving of MDG 4.

There are three key hygiene practices that have been shown to be extremely effective in reducing diarrheal disease, one of the leading killers of children under five. Safe storage and treatment of water at the household level, access to and effective use of a sanitation facility, such as a latrine, and hand washing with soap will each typically result in approximately a 30-40 percent reduction in diarrheal prevalence, and the combination of these key interventions will result in an even greater reduction. Studies have also shown that hand washing with soap significantly reduces respiratory infections.

**Maternal health** - Maternal mortality rate (MMR) in Malawi is one of the highest in sub-Saharan Africa. According to the annual MDG Report (GoM 2009), MMR decreased from 1,120/100,000 live births in 2000 to 807/100,000 births in 2006. It is projected that by 2015, MMR will stagger at 338/100,000 live births, which is greater than the MDG target of 155/100,000 live births (Figure 2.3). The generous trends can largely be explained by the huge investment of resources by the GoM and its DPs.

**Figure 2.3** Maternal mortality ratio for Malawi



Source: GoM (2009) *Malawi Millennium Development Goals Report*.

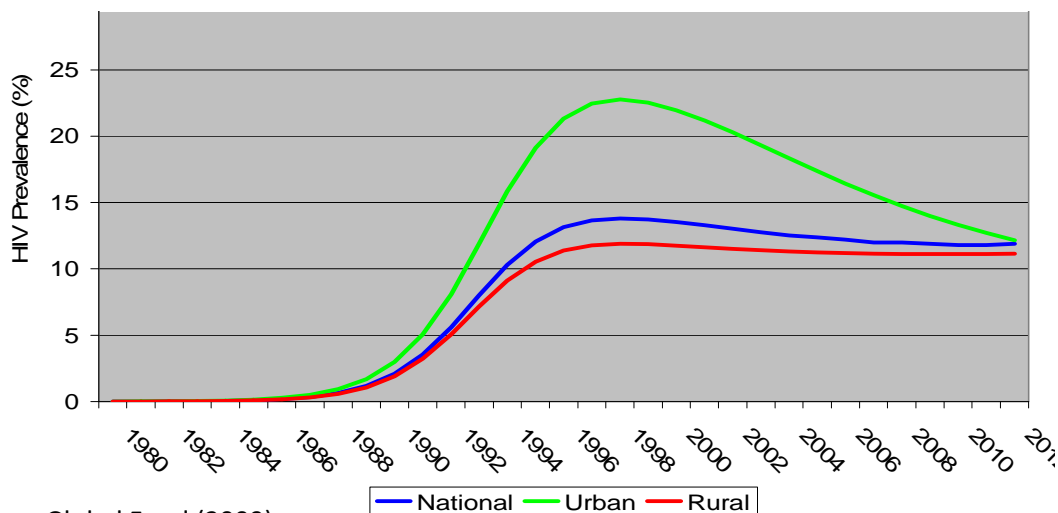
The high MMR is largely attributed to low education and literacy levels among women of child bearing age, ability to understand the cause and effect of factors contributing to maternal morbidity and mortality, early and unwanted pregnancies, and physical immaturity of women at first pregnancy, poor child spacing due to inadequate access to comprehensive family planning-services, limited access to focused antenatal and postnatal care, unsafe abortions, deteriorating quality of basic health care services, limited availability, access and utilization of emergency obstetrical care services, unsanitary conditions during pregnancy. High maternal mortality rates are due to direct obstetric complications such as haemorrhage, sepsis, pre-eclampsia and high morbidity rates are related to HIV/AIDS, malaria, and negative cultural practices among other factors. Further, inability to address the three delays in addressing pregnancy related complications, i.e. delay to make a decision to seek care, delay in getting to the health facility and delay in accessing the services when at the hospital also contribute to high maternal mortality.

The national MDG Report (GoM 2009) indicates that the proportion of births attended by skilled health personnel increased from 55 percent to 66 percent in 2010. It is projected that by 2015, 72 percent of births will be attended by skilled health workers. This projection is less than the MDG target of 100 percent. There however exist urban–rural disparities in the proportion of pregnant women attended by skilled health personnel. For instance the 2006 MICS (NSO & UNICEF 2006) indicates that 83.8 percent of births in the urban areas were delivered by skilled birth attendants compared to 50.4 percent in rural areas. There is therefore need for training more health workers that can be deployed in rural areas. Research shows the most important interventions for safe motherhood are to make sure that a trained provider with midwifery skills is present at every birth that transport is available for timely referral to quality emergency obstetric care..

**HIV infection and AIDS** – Malawi is one of the countries in sub-Saharan Africa that has been hardest hit by the HIV epidemic, and is currently the ninth most HIV-affected country in the world (UN Secretary General’s Report to the General Assembly, 2010). The first case of HIV infection was reported in 1985. The prevalence rate in people aged 15-49 years was estimated at 1 percent in 1986, leaping to 14.7 percent by 1999 (NAC, 2003). Women are disproportionately affected by the epidemic. HIV prevalence is higher among women (13.3 percent) than among men (10.2 percent), with the bulk of those infected and affected being in the economically productive age group of 15-49 year olds. HIV prevalence among young people aged 15-24 is estimated at 6 percent and is higher among females (9.1 percent) compared to males (2.1 percent) the same age (Malawi DHS, 2004). Recent estimates indicate that 89,000 children aged 0-4 years are living with HIV, and an estimated 17,000 new infections occur annually in this age group. (UNAIDS Estimates 2009). There are 837,300 orphans (NSO 2008 Population Census), with nearly half of them due to HIV infection or AIDS.

The primary mode of HIV transmission in Malawi is unprotected heterosexual sex, with extremely low levels of consistent condom use reported throughout the country. Mother to child transmission accounts for approximately 25 percent of new HIV infections annually, though the percentage of HIV infection rate from mother to child had declined to 13.8 percent by the end of 2009 (Malawi progress report to UNGASS, 2010). The ILO estimates that HIV prevalence in countries such as Malawi could decrease the size of the labour force by between 10 and 30 percent by 2020, which is a serious threat to the future national workforce as well as to the national development agenda. Furthermore, one in four children aged 5 – 14 are involved in harmful labour, in difficult to reach industries such as tobacco, making them hard to reach with HIV prevention messages and consequently placing them at increased risk of infection.(UNICEF, 2010)

**Figure 2.4** Estimated national HIV Prevalence for total, urban, rural populations by year



Source: Global Fund (2009)

Chief among the factors that have contributed to the severity of epidemic in Malawi are (a) the prevalence of multiple and concurrent unprotected sexual relationships and the limited use of condoms when engaging in risky sexual behaviour; (b) poverty and poor overall health (c) ingrained gender and power inequalities which substantially increase the risks and vulnerabilities for women and young girls to HIV infection; (d) cultural practices such as wife inheritance and other practices that encourage high-risk behaviour; (e) urbanization and mobility; (f) significant levels of stigma and discrimination towards persons living with HIV infection; (g) low comprehensive knowledge of modes of HIV transmission and prevention; and (h) significant levels of vulnerability amongst children and adolescents who have limited access to education and employment and suffer from high levels of violence and abuse – 65 percent of girls and 35 percent of boys experience some form of sexual abuse by the age of 16 (UNICEF, 2010).

There are spatial, gender and regional disparities in the prevalence of HIV and AIDS. The urban areas' HIV sero-prevalence is 21.6 percent and for rural areas it is 12.1 percent, though a more accurate understanding of HIV prevalence rates in Malawi is to consider the regional variations given the high level of mobility in many areas. In 2007, the southern region HIV sero-prevalence among antenatal women in urban areas was estimated at 20.1 percent while the central and northern regions were around 14 percent (MoH, HIV and Syphilis Sero –Survey and National HIV Prevalence and AIDS Estimates Report for 2007). While the number of HIV Testing and Counselling sites have continued to expand, leading to substantial numbers of persons being tested for HIV, it is still estimated that little more than half of the Malawians living with HIV infection today actually know their HIV status (MoH, 2009). Additional efforts are currently being undertaken to stimulate enhanced access to HIV testing (such as through door-to-door outreach), as well as to promote couples-testing-and-counselling initiatives.

This is particularly important as gender-biased prevalence and incidence of HIV infection among men and women in Malawi has been clear since the onset of the epidemic in the country. Young women and girls between the ages of 15-24 years are more than four times as likely to be HIV infected as boys the same age. In 2004, HIV prevalence among 15-24 year olds was estimated at 9.1 percent for females while for males the same age it was estimated at 2.1 percent (Malawi Demographic and Health Survey, 2004).

Malawi was one of first countries to commit to the global call for Universal Access to HIV prevention, treatment, care and support services. Malawi has designed and implemented a comprehensive national response over the past 20 years, though as noted above major challenges still exist with respect to HIV prevention programming in Malawi. The country has recently committed itself to the “virtual elimination” of mother to child transmission through a comprehensive approach to PMTCT programming (GoM 2010), and the rapid expansion of antiretroviral services for adults and children has currently lead to more than 250,000 Malawians on HIV treatment. Notwithstanding the increase in coverage of HIV-related services, there is a continuing need for expanding the coverage of service especially in rural areas and for most-at-risk and marginalized populations. One of these services is the promotion, distribution, and monitoring of male and female condoms. In the current era of HIV epidemic, condom use is central to protection against STIs, including HIV, and unintended pregnancy. The percentage of sexually active populations using condoms at least high-risk sex (Sex with non-cohabitating or regular partners (15 – 49 year) is at 57.2 percent for men and 37.5 percent. Similarly condom use among young people 15 – 24 years is at 57.5 percent for men and 39.5 percent for women (MICS 2006).

Malawi is currently recognized as one of only a few countries to have seen a 25 percent decrease in HIV prevalence over the course of the epidemic (particularly most recently in young people), in part due to the natural evolution of the epidemic in the country and in part attributed to prevention interventions (UNAIDS 2010, Bello et.al. 2009). However, with more than 70,000 estimated new infections annually (UNAIDS and GoM, 2010) and risky sexual behaviour identified as the leading cause of deaths in Malawi (College of Medicine, 2010), substantial new efforts to catalyze a combination prevention revolution in the country

will be required if the national response to AIDS is to remain effective and sustainable. This will necessarily include new approaches that are supported by substantial evidence, such as reduction in stigma and discrimination of marginalized groups and amongst people living with HIV infection, as well as the use of combined biomedical and behavioural prevention interventions such as the promising new interventions of microbicides and male circumcision.

Gender differences in vulnerabilities to HIV infection are largely attributed to the weak economic status of women and girls due to economic, cultural and social factors, as well as the fundamental gender and power imbalances which continue to exist in the country (Government of Malawi, 2004). For cultural and economic reasons, many women are unable to negotiate the timing and the condition under which sex occurs, particularly on the use of condoms, whether male or female. Gender dynamics in Malawi society confers major decision-making powers in the hands of men.

The numbers of orphans and other vulnerable children (OVC) continue to increase. There are 837,300 orphans (NSO 2008 Population Census), of which half are attributed to AIDS. Despite the Impact of the National Plan of Action (NPA) for OVC, 2005 to 2010, most OVC lack access to basic needs such as food, health care, education and protection, and the traditional extended family system and structure that used to cushion children continues to be disrupted. The epidemic continues to exert socio-economic pressures on children, their families and communities leaving orphans under the care of the elderly or in some cases children fending for themselves.

Based on the analysis of the extended NPA for OVC, no more than 40 percent of orphans actually receive some form of support to reduce their vulnerability. Statistically, orphaned children especially girls are more likely to be withdrawn from school to look after ill parents or fellow siblings. The ratio of Orphans to Non-orphans in school had increased from 0.12 orphans in 2003 to 0.18 in 2006. However, the trend has decreased from 0.18 in 2006 to 0.14 in 2008 (MDG report 2009). Hence, there is need for government intervention to ensure that more orphans of school going age are being enrolled in education and support provided to both girls and boys to enable to complete their primary education. Further, there is an emerging numbers of orphanages which are not appropriately licensed or regulated, with more than 5,000 OVC (Extended NPA, 2010-11). In addition, the absence the cadre of quality social workers, and a robust child protection system with appropriate capacity to respond to the complex issues of OVC, is of grave concern.

Though women have access to HIV testing and treatment services through ANC visits, inadequate numbers of men are being tested for HIV or accessing ART services. There is a pressing need to engage men more in health seeking behaviour and promotion of HIV testing and counselling as a gateway to accessing HIV care. Similarly, there is a low uptake of ART among children in Malawi. The met need for paediatric ART is currently estimated at 34 percent (MoH, 2010), which is substantially lower than adult met need (48 percent based on the new national guidelines adopted in mid-2010). More effort will be required to address the gender and age disparities in ART uptake.

The availability of human resources trained to provide HIV care is critical in ART scale-up efforts. It is clear that the intensive phase of ART trainings in the public as well as private sectors in Malawi that took place between 2004 and 2006 made a significant impact in ART provision. Unfortunately, the total numbers of health care workers (HCW) trained and retained in the private as well as the public sectors still has not kept pace with the country's needs for expanded access to HIV or other health services. As a consequence of this, the demand for ART in the medium and long term risks outstripping the country's capacity to deliver services if adequate manpower and material resources do not continue to keep pace with the ever-growing need.



The HIV epidemic directly affects the supply of labour in the country, undermines livelihoods, encourages discrimination, and compromises enterprise growth and economic development. The workforce of the future is weakened by the fact that children are being taken out of school early to help care for sick relatives, to raise income for the family, or because they have lost one or both parents to AIDS. Hence additional impact mitigation strategies to address stigma and discrimination, stimulate proven cash-transfer schemes to minimize vulnerabilities to HIV infection, and workplace- or livelihood-related care and support issues are a critical need for Malawi's economic development future.

**Malaria**– Malaria is a major public health problem in Malawi. It is the leading cause of morbidity and mortality in children under five years of age and pregnant women. Malaria accounts for 40 percent of outpatient visits and 18 percent of all hospital deaths (GoM, 2005). It is a major cause of anaemia in those under five. Anaemia in turn is responsible for 40 percent of all under five hospitalizations and 40 percent of all hospital deaths.

Malawi has designed several malaria control interventions. These can broadly be categorized into two namely case management and vector control methods. The main goal of case management is to ensure that at least 80 percent of people suffering from malaria fever have access to and are able to use correct and appropriate treatment within 24 hours of the onset of symptoms.

Malawi has made great strides in prevention of malaria infection in pregnant women. There are however disparities in access to malaria treatment. Urban children are more likely to access treatment within 24 hours of onset of fever than rural children. Furthermore, children in the wealthiest quintile are more likely to access prompt treatment than their counterparts in the poorest quintile. Mathanga and Bowie (2004) showed that very few caregivers did nothing about children fevers.

The National Malaria Control Policy has adopted use of Insecticide Treated Mosquito Nets (ITNs) as one of the main strategies in the control of malaria. The coverage of ITNs increased substantially between 2000 and 2006. ITN coverage increased from 13 percent in 2000 to 41 percent in 2006 (MDHS, 2000; NSO & UNICEF 2006). Almost 6 percent of children under five slept under an ITN at national level in the year 2000. This percentage increased to 23 percent in 2006. Recently Malawi has adopted long lasting insecticidal nets (LLINs). In 2009, 750,000 were procured using resources from the Global Fund.<sup>22</sup>

There are, however, some challenges that hamper good ITN performance in Malawi. First, the remarkable increase in ITN ownership and use fell short of the RBM target of 60 percent ITN ownership and use by 2005 (Ndhlovu 2008). Second, there are spatial, income and education-based disparities in ITN ownership and use. In particular, urban households are more likely to own and use ITNs than their rural counterparts. In addition, households in the richest quintile are more likely to own and use ITNs than their counterparts in the poorest quintile of the income distribution.

Table 2.4 reports on results from modelling of the impact of different malaria interventions implemented between 2001 and 2007. Deaths averted grew from 3,614 in 2001 to 6,952 in 2007. In 2007, the largest number of death was averted by ITNs (3,668). Given these positive results, there is need to increase funding for malaria in order to increase the coverage of the existing interventions.

**Table 2.4** Estimated child deaths prevented by malaria control intervention (2001-2008)

| Year | IPTp | ITN   | Vit A | Anti malarial |
|------|------|-------|-------|---------------|
| 2001 | 28   | 583   | 3052  | 36            |
| 2002 | 58   | 1,214 | 3179  | 74            |
| 2003 | 89   | 1,875 | 3274  | 115           |
| 2004 | 122  | 2560  | 3352  | 157           |
| 2005 | 119  | 3076  | 3424  | 160           |
| 2006 | 116  | 3602  | 3488  | 163           |
| 2007 | 118  | 3668  | 3551  | 166           |

Source: Global Fund (2009)

A key point to note about the attribution of deaths averted to intervention is the assumption of the model that first estimates the impact of prevention interventions, then the effects of treatment. Therefore the impact of treatment is less when bed nets and other prevention interventions are scaled up as these reduce the need for treatment.

**Tuberculosis**– Tuberculosis (TB) remains one of the major public problems in Malawi, with 7,623 new smear positive PTB cases and 4,966 new extra-pulmonary TB cases identified by the Ministry of Health during 2009 amongst more than 24,000 suspected cases seen. The TB picture in Malawi is seriously aggravated by the presence of HIV infection, with an estimated 66 percent of TB-positive patients also being co-infected with HIV (Ministry of Health, 2010). In 1984, Malawi became a recognized Directly Observed Treatment Short-course (DOTS) programme. DOTS coverage remains at 100 percent in all districts, though not all possible cases of TB are as yet found and treated.

In order to give more weight to the TB control effort, the GoM declared TB as a national emergency on 27 March 2007. The declaration was a direct response to the recommendation by the African health ministers who declared TB as an emergency in Africa in August 2005. Malawi has not conducted a national TB prevalence survey since the establishment of the NTP in order to determine the burden of disease. In 2008, 88 percent of new smear positive PTB cases were successfully treated, 8 percent died while on treatment, 2 percent defaulted, 1 percent failed on treatment and another 2 percent were transferred out. Despite the 88 percent treatment success registered for the 2008 cohort and with an estimated case detection rate of 49 percent, Malawi is yet to attain the 70 percent global case detection target.

There are a number of possible reasons why Malawi is struggling to achieve the 70 percent case detection target. These include limited access to diagnosis especially at peripheral levels due to under developed laboratory network at that level; human resources for health crisis and low awareness of TB among the general population. Since 2007, the country is trying to address these shortfalls through the implementation of the “Universal Access to TB Services.” To date, the contribution of this extra effort towards case detection is very minimal and requires strengthening. There is also urgent need for Malawi to conduct a national TB prevalence survey in order to establish the magnitude of burden of disease against which control efforts could be measured.

Violence against women and children is a public health issue. In fact violence against women and Children has, has been recognized by the Malawi Government as a severe impediment to poverty reduction. Violence against women and reproductive health including HIV are inextricably linked and this is becoming increasingly apparent 28 per cent of women experience intimate partner violence, leaving an estimated 1.6 million children growing up in violent homes, witnessing domestic violence and experiencing its negative effects. Further, 65 per cent of girls and 35 per cent of boys have experienced some form of child abuse during their lifetime. According to UNAIDS report up to 70 percent of women worldwide encounter violence. The experience of violence affects the risk of HIV and other sexually transmitted directly when it interferes with women’s ability to negotiate for her sexual rights which includes condom use, family planning etc. This is a fundamental rights issue for both women and children. The health sector has a duty of care to both women and child survivors of violence.

#### 2.3.4 Water and Sanitation

A high proportion of the population faces serious challenges as a result of poor access to safe domestic water supply and adequate sanitation services resulting in high prevalence of preventable diseases<sup>23</sup> which contribute to poor health, loss of productivity and exacerbation of poverty. It is estimated that 3 million women and 1.2 million children are directly affected in Malawi.

Preventative public health measures are not given as high a priority as curative health services despite the fact that they are more cost-effective (e.g. studies have shown that simple hand washing interventions are the most cost effective health intervention for any disease as measured in Disability Adjustment Life Years<sup>24</sup> (DALYS). Public health measures such as water and sanitation services can make a significant contribution as it reduces the burden on curative health services by reducing disease transmission (diarrheal disease, intestinal worm and respiratory infections) particularly in children less than 5 years of age. In Malawi, diarrheal disease and URI are the 2<sup>nd</sup> and 3<sup>rd</sup> leading cause of morbidity and mortality in children under 5 years of age. A recent study by UNICEF (Malawi) estimated that there is a savings of about US\$ 0.95 per person per year or about \$1,111,500 due to avoiding or reducing diarrhoea cases arising from improved water and sanitation services. This is based on the assumption of an average of 9 percent prevalence rate of diarrhoea in the population of 13 million. It is further assumed that about 50 percent of the population affected with diarrhoea will not go for treatment of diarrhoea to the health facility and be treated at home. The outpatient and in-patient numbers are assumed to be 45 percent and 5 percent of the total population.

Malawi is specifically prone to floods and droughts and epidemic diseases (cholera in particular), and we are witnessing an increase in the number of people affected. At community and household level, the poorest and most vulnerable groups, including children, women, elderly and the disabled, are the most affected by these disasters. All disasters, but especially floods and droughts have significant impact on water and sanitation related diseases. Access to sufficient clean water is essential for the prevention of diseases such as cholera and malaria, as well as for practicing good hygiene such as hand washing with soap at critical times. The provision of emergency sanitation facilities can help reduce the risk of disease transmission.

Improved water supply and sanitation services have direct impact of lives of women and children (particularly in rural areas), reducing the burden of water carriage (as women and children normally carry water from source to home). Time/effort in water saved in water collection has a huge potential for better child care and improved education. Use of improved sanitation facilities and safe drinking water is a fundamental right that safeguards health and human dignity. Poor hygiene, lack of sanitation, and low quantity and quality of drinking water all contribute to Malawi's poor health indicators for mothers and children, and impact negatively on the livelihood of women and children as they take on added responsibility for caring for the sick. In helping their mothers, children especially girls miss the opportunity to attend school and lose time for recreation and playing.

### 2.3.5 Nutrition

The GoM recognizes that the country has serious malnutrition problems. Malnutrition is a universal, endemic and in some cases overwhelming problem that affects all districts in Malawi (MICS, 2006). Deficiencies of micronutrients, especially Vitamin A, Iodine, Iron, and Zinc are also a public health concern.

The GoM has stated that nutrition is a critical factor in sustainable economic growth, and the persistent high rate of malnutrition as a silent crisis. Government has initiated substantial actions to build and demonstrate political will and commitment. Nutrition is being promoted as a priority investment area and is included on the National Development Agenda. The Head of State is the responsible Minister for nutrition. A coordinating Department of Nutrition, HIV & AIDS was created in the OPC with a Principal Secretary. A "Nutrition Vote" is now established for budgetary allocation. High level and targeted advocacy efforts are ongoing aimed at politicians, Government Decision Makers, and local leaders.

The early onset of malnutrition during the critical period of the first 24 months of life has seen no significant change over several years despite improvement in the country's overall economic status and increases in food security. Malnutrition during pregnancy is known to be a factor that contributes to this. Malnutrition is an economic issue, a social and cultural issue, a biomedical issue, a political issue and a serious obstacle to national development.

The prevalence of stunting across the three regions of the country lies as follows: the central region continues to show highest rates of stunting (48 percent), whereas in the South is 45.4 percent and the North with 39.6 percent respectively.

### Causes of Malnutrition

Some of the immediate causes of chronic malnutrition are inadequate intake of calories and nutrients and high burden of infectious diseases. Underlying causes were documented to be low quantities of food available at household level, lack of food and dietary diversification, poor food processing technologies, seasonal fluctuations in food availability, lack of dietary diversification, repeated episodes of diarrhoeal disease, intestinal worms burden, post harvest losses, poor child caring practices, inadequate knowledge on appropriate care practices – including infant and young child feeding practices, work overload – women, cultural practices, poor hygiene and sanitation, poor access to safe water supply, poor access to health services, poor care seeking behaviour, traditional beliefs on illness and access to resources.

Some of the root causes are low levels of literacy, low priority to nutrition versus food security, inadequate support services on mother and child care, limited interventions in nutrition that are fragmented and not scaled up, weak coordination mechanisms within and among relevant sectors, policies and guidelines for nutrition not translated into concrete action, sustaining a community based network of actors for promotion of nutrition, perception that food security automatically translates to nutrition security and economic structure.

The proportion of population below the minimum level of dietary energy requirement is estimated by defining a food poverty line. All persons below this line are deemed as ultra-poor. Proportion of ultra-poor in the population is used as a proxy indicator for the proportion of population below minimum level of dietary energy consumption.

Malawi has made tremendous progress in reducing proportion of population below minimum level of dietary energy consumption from 24 percent in 1998 to 15 percent in 2008. It is projected that by 2015, about 9.0 percent will be ultra poor.

There are several challenges that the country is facing with respect to establishing proper dietary habits and eradicating hunger, some of which include the following:

- high illiteracy rates that limit the adoption of new agricultural technologies;
- inadequate food storage, processing and utilization knowledge that result in food wastage;
- critical shortage of capacity and skills in many institutions that are involved in the delivery of nutritional programmes;
- inadequate knowledge and skills on household dietary diversification, and off-farm economic empowerment to increase access to high nutritive value foods for varied and nutritious diet;
- weak inter-sectoral collaboration has also constrained the health sector from dealing with malnutrition in the country;
- inadequate knowledge of caregivers on infant and young child feeding practices

### Effects of Malnutrition:

- high disease burden such as HIV and AIDS, TB and malaria which affects the economically productive age group.

- Significant increase in the likelihood of premature death
- Great risk from a variety of nutritionally related disorders that may include coronary heart disease, diabetes and renal diseases later in life
- Lower physical capacity and energy for work as an adult- with associated economic costs.
- Major long-term negative impacts on brain and nerve development and function, including mental skills and activity
- Impaired physical movement and coordination and the acquisition of skills needed to interact well socially reflected in lower IQs and poorer performance in school.
- Children who are chronically malnourished will grow into malnourished parents that will give birth to malnourished children.
- The consequences of malnutrition is multi-dimensional in Malawi and include high child mortality, compromised academic and professional achievement, reduced human productivity, and lost future gains at the levels of the individual, families and the nation. In economic terms Malawi will have lost US\$ 71 million as a result of less cognitive development and failure to reach potential academic and professional gains between 2006-2015.<sup>1</sup> The cumulative loss value from various forms of malnutrition was estimated at MWK 66.7 billion (US\$ 446 million ) during this period.

### Challenges

The challenges to substantial further improvement in the nutritional status of all Malawians and particularly the nutrition of pregnant women and children under two years are well known but difficult to overcome. Political will and commitment from the highest levels and the sectoral levels need to be further strengthened and sustained. Stakeholders & partners need to become more engaged and committed in the context of changing and competing priorities. The quality and quantity of human and technical capacities needed to assure adequate services needs to substantially increase across many institutional and organizational levels. A means must be found to strengthen district & community level commitment and coordination – and to have someone “in charge” of nutrition. Major work remains in efforts to better mainstream nutrition in sectoral policies, programmes, strategic plans and outreach services.

Many widespread practices that contribute to malnutrition, especially among pregnant women and young children, need to change. Inadequate nutrition among pregnant women includes both quantities and qualities of food that contain nutrients needed for safe and optimal development of the foetus. Child care practices need improvement, including low rates of exclusive breastfeeding during the first six months of life and low quality and poor diversity of meals and diet and low quantity and frequency of complementary feeding in 6-24 month old children. This requires increase in knowledge and skills in infant and young child feeding (IYCF), including food choices and combinations. To date there has been relatively low focus on maternal and young child nutrition, and hygiene and sanitation practices remain inadequate to assure prevention of infections in young children. Caregivers too often delay care-seeking when they themselves or their young children are malnourished or sick. These factors are exacerbated by low access, low priority and low coverage of nutrition related services and programmes.

### Present Response

High levels of malnutrition pose a significant challenge to the attainment of the MDGs and the MGDS. It is to this effect that the Government of Malawi developed a National Nutrition Policy and Strategic Plan (NNPSP) as an instrument that would provide policy guidance, programme direction and coordination, as well as provide impetus for stimulating capacity development and resource allocation for food and nutrition

security programmes in the country. In addition, realizing the need for a multi-sectoral response to address the problem of malnutrition, the Government of Malawi have also ensured that nutrition is integrated into sectoral policies and programmes that include the ASWAp, the Health SWAp, the National Education Sector Plan (NESP); and have already proposed the nutrition content for the upcoming gender and youth development SWAp. The policies and and SWAps have been disseminated to policy makers, programme managers and technical experts from government, civil society organizations, academic institutions, development partners and the private sector at the national and district levels.

The results of these advocacy activities are demonstrated in part by increased allocations for nutrition in government budgets. Between 2004 and 2010 annual budgets of the Department of Nutrition, HIV and AIDS budget rose from \$.138 million in 2004-5 to more than \$1.65 million, that of the MoH from \$.32 million to \$2.0 million and the Ministry of Agriculture and Food Security from \$.003 million to more than \$.056 million (09-10). Further growth is expected and needed.

Access to nutrition related services and programmes have increased. Vitamin A Supplementation is now provided in all health facilities and extended to hard-to-reach areas through routine services and Child Health Days. Community therapeutic care has increased from 2 to 21 of the 28 districts, and sites providing Nutrition Treatment Care and Support for HIV patients increased from 6 to 150 sites.

Based on the preliminary results of the Micronutrient Survey 2009 (not yet published), some key services and caregiver practices are improving compared to 2004. The rate of exclusive breastfeeding increased from 53 percent to 61 percent. Households using adequately iodised salt increased from <50 percent to 87 percent. 95 percent of children 6-59 months receive Vitamin A supplementation and more than 95 percent of children 12-59 months of age get de-wormed. In terms of child nutrition, stunting has reduced nationally from 48 percent in 2004 to 35.8 percent in 2009. Wasting among children went from 5 percent in 2004 to 1.2 percent in 2009. Vitamin A deficiency has dropped from 60 percent to 44.2 percent among children and iodine status was found to be adequate in 73 percent of school age children & 71 percent women.

These nutrition improvements have been positively impacted by other factors including economic growth, with an average growth rate for the period 2005 – 2009 of over 7 percent. The proportion of people living below poverty line dropped from 65 percent to 45 percent and food security and diversity increased.

A National Nutrition Education and Communication Strategy is in the process of being developed. This is aiming to guide and support advocacy, to improve knowledge and capacity of government and other stakeholders working on nutrition, and to effectively bring useful knowledge to both caregivers and service providers involved in improving nutritional practices.

This Nutrition Education and Communication Strategy (NECS) is being intended to facilitate thinking and action among stakeholders at policy, district, community, and household levels. The strategy should enhance new, continued and sustained commitment and engagement of all at all levels, in Government and the broader society, in recognition of their obligations as duty bearers involved in ensuring that the nutrition of Malawi's children is adequate for them to realize their full potentials.

Malawi has been fortunate to have a close view of these developments the Government has been the representative of Africa on the United Nations Task Force that has developed the new "Scale up Nutrition Roadmap." The UN Agencies with UNICEF have been working on community based treatment of the acutely malnourished child, with FAO on improving food security and dietary diversification, and with WHO on appropriate evidence based guidelines, have joined with the World Bank and others to develop this Scale Up Nutrition Roadmap for preventing stunting. It focuses on improving nutrition of women before and during pregnancy and of children during the first two years of life, periods that taken together add up to "1,000 days". Several organizations and donors are giving priority to assisting with programmes and interventions that address one or more of the causes of stunting. The presence of the Department of

Nutrition, HIV and AIDS with their policy and programme guidance and coordination role; and the development of national and sectoral policy frameworks stimulated multi-sectoral action to address the problem. However, in order for the foundation laid to bear fruit, there is need for increasing capacity to plan and implement programmes, intensification of activities at the community level, scaling up high impact interventions and proper monitoring and evaluation of programmes. There is therefore still more work to be done which calls for the political commitment to be sustained, maintaining nutrition as a priority area in the national development policy and sectoral policies, and improved resource allocation to nutrition security.

### 2.3.6 Population and poverty reduction

High rates of population growth have far-reaching implications for almost all aspects of social and economic development. Although the relationships between population growth and socio-economic changes are exceedingly complex and poorly understood, it is generally agreed among the academic community, policy makers, development planners and other key policy actors that high population growth rates exert pressure on natural resources such as land and forests; the environment, including waste management; and social services such as education, health, housing and access to clean water. It is therefore imperative that policies and development frameworks address issues of population growth to attain sustainable development.

The 2008 Malawi Population and Housing Census shows that the inter-censal annual population growth rate for Malawi is 2.8 percent, up from 2.0 percent in 1998 (NSO, 2008: 3), which ranks among the highest growth rates in the world. The 2008 Census report further shows an increase in population density (the number of persons per square kilometer) from 105 in 1998 to 139 in 2008. The country has also registered increased levels of urban population, with the 2008 Census showing that 15.3 percent of the population lives in urban areas, compared to 10.7 percent in 1987 and 14.4 percent in 1998.

The main characteristics of the 13.1 million (2008) population is that it is young with the dependency ratio increasing from 0.91 to 0.99 in the last ten years, as well as growing rural urban migration. These characteristics have several implications for planning and implementing pro-poor development, particularly in the provision of social services, the management of the environment, and economic empowerment.

The foregoing trends in population dynamics need to be addressed at the highest policy level if the country is to balance the levels of economic development with population dynamics (Principle 6 of the ICPD). Slower population growth would generally provide more time to adjust to future population increases. Policies and development frameworks that ensure universal access to reproductive services and information, including contraception, family planning education and male involvement in reproductive health are imperative if sustainable levels of population growth are to be attained in Malawi.

The UN has comparative advantage in population programming, both technically and in terms of policy direction. Mobilizing resources for addressing population issues is a crucial role of the UN in Malawi and has to be prioritized.

It is important to also note that the current expenditure requirements for providing health and education services and the level of revenues collected by the GoM, any population increases are going to build downward pressure of the quality of services. Currently health expenditure per capita is US\$ 25, well below the MDG target of US\$ 34. A 2.8 percent growth in population plus the needed 7.2 percent annual growth in per capita health expenditure to reach the US\$ 34 MDG target in 2015 would need a GDP growth rate of at least 10 percent to be maintained. (And this is would hold only if the revenue collection as a proportion of GDP and sectoral allocation of resources by the GoM were to remain at current levels.) This

is unlikely, as growth rates are being revised downwards. Increasing the share of health expenditure is also not a resource use optimizing solution (PER 2006; CEM 2009).

This scenario does not factor in the exacerbating impacts of the higher growth in the younger part of the population that generates more demand for provision of public social services like education. It is possible to consider some solutions to this problem:

- increasing the tax base through increasing the growth of the more easily and heavily taxed economic activities;
- improving the effectiveness of tax collection from the current base, which has the down side of not optimizing growth and employment creation;
- DPs increasing funding but this is a less likely scenario; and
- identifying non-traditional sources of financing for social services.

All these alternatives are not mutually exclusive. But of far greater consequence is to reduce the population growth rate.

Further, the impact of population growth on issues of environmental management is linked to economic activities. The reliance on a low productivity agriculture for incomes, due to reliance low, input rain fed agriculture, on declining sizes of farm plots, in the context of slow growth of the manufacturing, mining and tourism sectors, together with recourse to unsustainable use of environmental resources to top up incomes, has led to the degradation and depletion of the land and natural resources like fisheries. Even if the services and manufacturing sectors were to grow, fast population growth would mean that the absolute numbers of those remaining in the agriculture sector would not decline. This in the absence of some major leap in agricultural productivity and value addition would lead to further degradation of natural resources. So easing the population growth rate has poverty reducing impacts from both provisioning of social services and also economic empowerment dimensions.

### **High levels of fertility**

High levels of fertility are a key contributing factor to high levels of population growth which in turn has serious negative consequences on natural resources, the environment and social services. Furthermore, fertility is directly related to escalating rates of maternal deaths and complications, childhood mortality, and the general decrease in life expectancy of a population. High total fertility rates are themselves a manifestation of several socio-economic factors, which include high adolescent fertility, low levels of education among women and asymmetric power relations among men and women, which influence the decision to bear a child or not.

The 2008 Census has established that the Total Fertility Rate for Malawi is 6.0, which ranks among the highest in the world. The 2008 Census has further shown that Malawi's population is youthful, with a median age of 17 years, which implies that more young people are entering the reproductive age group. Adolescents (aged 15 – 19) constitute 9.69 percent of the total population of Malawi, and the census showed that for every 1000 women aged 15 – 19, there were 193 births.

These total fertility rates and the adolescent fertility rates for Malawi are quite high and need urgent attention by government and development partners. While the current MGDS objectives set out to reduce Total Fertility Rates to 4.9 by 2011, the plan of action for the MGDS did not specify activities that deliberately



targeted adolescent fertility. Such gaps need to be addressed both at the higher policy level and in sector-specific policies and plans. Issues of minimum legal age of marriage, sexual and reproductive health education for both in- and out-of-school youth, and provision of rights based youth friendly reproductive health services are some of the potential areas of intervention. Ultimately, empowerment of women and prevention of gender-based violence are also key strategies for reducing high fertility rates.

### **Inadequate capacity to generate and utilize Data for development planning**

One of the key challenges currently facing Malawi is the generation and utilization of reliable, timely and internationally comparable population related data, which should form a basis for policy and programme development, implementation, monitoring and evaluation. Much as the National Statistical Office conducts periodic population censuses and demographic surveys, the interaction between the community of data users and data providers remains very weak and needs to be improved. Furthermore, district level data collection and analysis remains weak, which compromises the quality of planning at that level.

At the national level, there is need for reliable and regularly updated qualitative as well as quantitative databases which allow linkages between population, education, health, poverty, youth, employment, environment and development issues and providing information disaggregated at appropriate and desired levels. Initiatives such as Malawi Socio and Economic Database (MASEDA) and other databases therefore need to be supported and fully operationalised.

In order to increase utilization of population data at district and other sub-national levels, training programmes in statistics, demography, and population and development studies should be designed and implemented and supported, both technically and financially. Linkages between district level data collection and national level databases should also be established and strengthened.

Based on UN's previous experience with support towards data collection and analysis activities such as population censuses and Demographic and Health Surveys, there is evidence that the UN is well positioned to continue assisting government in this area, with more emphasis on sub-national planning, monitoring and evaluation mechanisms.

The latest population growth rate is 2.8 percent, giving a count of 13 million in 2008. The main characteristics of the population are that it is young and the dependency ratio has increased from 0.91 to 0.99 in the last ten years, with growing rural urban migration. These characteristics have several implications for planning and implementing pro-poor development, particularly in the provision of social services, the management of the environment, and economic empowerment.

Given the current expenditure requirements for providing health and education services and the level of revenues collected by the GoM, any population increases are going to build downward pressure of the quality of services. Currently health expenditure per capita is US\$ 25, well below the MDG target of US\$ 34. A 2.8 percent growth in population plus the needed 7.2 percent annual growth in per capita health expenditure to reach the US\$ 34 MDG target in 2015 would need a GDP growth rate of at least 10 percent to be maintained. (And this would hold only if the revenue collection as a proportion of GDP and sectoral allocation of resources by the GoM were to remain at current levels.) This is unlikely, as growth rates are being revised downwards. Increasing the share of health expenditure is also not a resource use optimizing solution (PER 2006; CEM 2009).

This scenario does not factor in the exacerbating impacts of the higher growth in the younger part of the population that generates more demand for provision of public social services like education. It is possible to consider some solutions to this problem:

- increasing the tax base through increasing the growth of the more easily and heavily taxed economic activities;
- improving the effectiveness of tax collection from the current base, which has the down side of not optimizing growth and employment creation;
- DPs increasing funding but this is a less likely scenario; and
- identifying non-traditional sources of financing for social services.

All these alternatives are not mutually exclusive. But of far greater consequence is to reduce the population growth rate.

The impact of population growth on issues of environmental management is linked to economic activities. The reliance on a low productivity agriculture for incomes, due to reliance low, input rain fed agriculture, on declining sizes of farm plots, in the context of slow growth of the manufacturing, mining and tourism sectors, together with recourse to unsustainable use of environmental resources to top up incomes, has led to the degradation and depletion of the land and natural resources like fisheries. Even if the services and manufacturing sectors were to grow, fast population growth would mean that the absolute numbers of those remaining in the agriculture sector would not decline. This in the absence of some major leap in agricultural productivity and value addition would lead to further degradation of natural resources. So easing the population growth rate has poverty reducing impacts from both provisioning of social services and also economic empowerment dimensions.

### 2.3.7 Gender

There has been little success in bringing systemic mainstreaming of gender in GoM planning and programme implementation. A review done by the Gender SWG in June 2010 observes that:

Gender does not have sufficient presence within the ministries at central and district level. While project oriented activities are being conducted in the area of Gender Based Violence and the 50/50 Campaign<sup>25</sup>, little is done to develop a broad ranging network and an advocacy campaign and an M&E system to ensure the capacity building and mainstreaming of gender across all sectors. The present focal gender-point approach does not have a face at the political and decision making level (GoM 2010: p. 25).

Much of the reason for this failure can be attributed to lack of will to move the gender agenda forward especially at the senior policy making and planning levels. This also has much to do with the cohort of policy makers that were brought up in the domestic science school of dealing with women's issues, and most of them are men. There are also very weak incentives for formulating and reporting on, let alone achieving targets of, gender responsive programmes.

The main development areas where women's participation has greater poverty reduction returns are education, economy, health, decision making, social protection, human rights protection, and legal reform to support the other areas. It is possible to estimate the costs of implementing gender blind development programmes in these areas in terms of forgone economic growth (wealth creation) and poverty reduction.

Semu et al. (2004) estimated, depending on sector or theme that up to two percent economic growth is foregone due to implementing gender-unresponsive programmes.

In Malawi poverty is feminized in some characteristic ways. Female headed household are a ubiquitous feature of the socio-economic milieu, making about 30 percent of all households. The proportion is higher in some areas. This is due to the impacts of the dominance of the matrilineal system of marriage, where the divorce rate is higher than in patrilineal marriages and women tend to be left to head households, as men move on; the breakdown of traditional family networks where widowed women were taken care of by male relatives, so that even in patrilineal communities an increasing number of women are heading households; but also due to the high death rate of the young owing to the impacts of AIDS that lead to older women taking in grandchildren and heading households.

Female headed households and women in general have lower incomes than male headed households/men and more often they have less means to move out of poverty. A female-headed household has 14 percent less consumption per capita than a male-headed household mainly due to gender based differences in access to resources and bargaining power. In terms of mean annual household expenditure, female-headed households spend 30 percent less than male households (GoM 2009).

The newly published African Gender and Development Index for Malawi shows that there are still gender gaps in employment indicators. Although labour force participation is nearly the same for men and women, women make less money than men. In the informal economy and smallholder agriculture women make only 50 percent and 71 percent respectively of what men make. The reasons are low productivity on land, and also less engagement in value adding activities as discussed above.

Wages in the formal sector are not different between men and women of the same ranks/position: the economic power of women may be weakened by not rising to the more highly paid ranks. Women tend to be in the lower paying clerical, teaching and nursing jobs. In the civil service women are under-represented in the higher ranks. In the private sector only about 20 percent of chief executives are women.

Since agriculture is the mainstay of the economy, it is important that gender is properly incorporated in the plans for the sector. The ASWAp has identified several constraints to agricultural growth including low productivity owing to small degraded plots, and low inputs use due to unfavourable input/output ratios; declining investment in the agriculture sector; deteriorating agriculture services; low value addition, inefficient use of subsidies, and poor institutional and human capacities. As shown earlier, in all these areas women have greater disadvantage. Women farmers have smaller land holdings, use less inputs and less likely to access credit, are less likely to access subsidized inputs, they participate less in producing high value cash and export crops, the extension system is less capable of or amenable to dealing with gender issues.

The ASWAp document identifies four focus areas. In focus area IV, Institutional and human capacity building, mainstreaming gender and HIV/AIDS are subthemes. In the other three focal areas, food security and risk management, commercial agriculture and market development, and sustainable agricultural land and water resource management gender is not mentioned. Yet it is in these areas that the negative effects of gender disparities are experienced not in capacity building. So that one would want to know what will be done to reach out to women and also what will be the gendered targets. The targets in the capacity building focal area are set in terms of meetings, trainings and reports produced, not who and how they will benefit from the programmes. It is curious that a gender Thematic Working Group (TWG) was operating during the time that the ASWAp was being formulated. These issues need to be clearly included in annual work plans.

Women farmers produce most of the food. But they tend to have less land, 0.8ha on average compared to 1.0ha for male farmers. They have less labour (due to absence of an adult male) but also less access to inputs, credit and extension. According to the NACAL (2008), 54 percent of male farmers got fertilizer

subsidy coupons compared to 49 percent of women farmers; the respective proportions are 56 percent and 45 percent for the actual use of fertilizer (some farmers sell coupons to meet pressing needs, some purchase it with their own resources without coupons). A very small proportion of rural farmers got credit in 2008, but the proportion of male farmers who got it (4 percent) was twice that of women farmers. In the total population 10.7 percent of women compared to 14 percent of men had access to credit in 2008 (GoM 2010, *Malawi Gender and Development Index*). Women farmers are also less likely to have farming implements like axes, and more importantly treadle pumps for irrigation.

Unsurprisingly the productivity of women is low. The national maize yield was 1,384 kg/ha for male operators and 1,353 kg/ha for female operators. The average hybrid maize yield was 1,915 kg/ha for male operators and 1,887 kg/ha for female operators. The average local variety maize yield was 1,198 kg/ha for unfertilized maize plots and 1,379 kg/ha for plots where fertilizer was applied once, 1,622 kg/ha for plots where fertilizer was applied twice. Average yield for hybrid maize was 1,740 kg/ha for plots where fertilizer was applied once and 2,342 kg/ha for plots where fertilizer was applied twice. Women were less likely to apply fertilizer and even less likely to apply it twice.

Furthermore, for all maize varieties, plots weeded twice yielded higher than plots which were weeded once, and women farmers were less likely to weed twice as often they could not afford to hire labour, even as women headed households are typically short of one adult male labour. These results repeat for rice and all other food crops except sorghum. Women farmers also tend to participate less in value adding activities like association based marketing. The low yields, low value-added and low incomes create a vicious circle of poverty for women farmers.

Apart from the income and food security dimensions of poverty, women bear the brunt of the psychological (and difficult to measure) dimensions of poverty. It is mostly women who experience or live with the most un-dignifying consequences of poverty. In rural Malawi, transport and facilities at a district hospital may be poor. Women are more likely to care for sick/malnourished children. As they are more likely to be illiterate than men, women may also experience feelings of inferiority and lack of confidence in participating in community leadership. The statistics that quantify the summary results of poverty – such as maternal mortality, child mortality, or the low participation of women in leadership – do not begin to quantify the depth of feelings of deprivation and suffering that people go through due to poverty.

Continuing gender disparities are a result of poor planning and implementation of development programmes and thus they are not (adequately) gender responsive. Most of the sector plans and documents are not clear what will be done to address the gender disparities described above. In the documents on mining, tourism and manufacturing gender is not even mentioned. The emphasis has been on investment in infrastructure and utilities to support economic production, and trade facilitation along borders and improving the climate for doing business so as to attract investments and to reduce costs along the value chain. This is all done without unpacking who will be involved in the sector and how they will be impacted and how any foreseen negative impacts could be dealt with. Often single project appraisals cover gender analysis as required by the procedures of the financing donor. But government documents on these sectors do not treat this issue systematically. These sectors are also the ones that traditionally do not employ gender analysts.

Although there continues to be problems of gender disaggregated data, the quality of analysis of gender issues has improved significantly over the years. Large amounts of data is collected and robust analyses have been done in the HIS, the DHS, Gender and Development Index, various analytical works commissioned by the UN system like Gender Human Development Report etc..

The main constraint to advancing gender in development planning and implementation in Malawi is failure to mainstream it, whether this means making mainline programmes gender responsive or making sure

that each programme has affirmative action for the disadvantaged gender in the area. To mainstream gender successfully in GoM programmes and policies would require that:

- public policy makers and managers are continuously trained in gender issues and development. This may mean requiring them to pass a gender and development course within 12 months of taking up their positions to continue with their 3 year contracts; and these contracts should among others require them to meet gender(ed) targets;
- only those MDAs that have planned and budgeted for engendered programmes should be funded by the Treasury, and reporting on gender targets should be required quarterly to release funding; gender budgets should be done as part of submissions to parliament for the largest spending ministries, and be published for all to see;
- development partners should move beyond using gender targets more generally in the Performance Assessments Frameworks to actually use them as triggers and disbursement conditions.;
- developing skills for doing gender analysis especially on macroeconomic, economic and infrastructure sectors;
- conducting gender audits of the main spending ministries and the gender machinery once every two years. This may mean doing gender audits in two MDAs every year as part of the public expenditure reviews;
- planning and implementing unmistakably/unapologetic gender sensitive programmes, especially in education (should include reviewing curricula not just the participation of girls and women), and agriculture; and
- reforming laws that still allow for discrimination, and change the penal code/provisions to punish offenders adequately.

If any of this does not sound new, that is testimony to the labyrinthine road to gender equality.

## 2.4 Theme 5: good governance

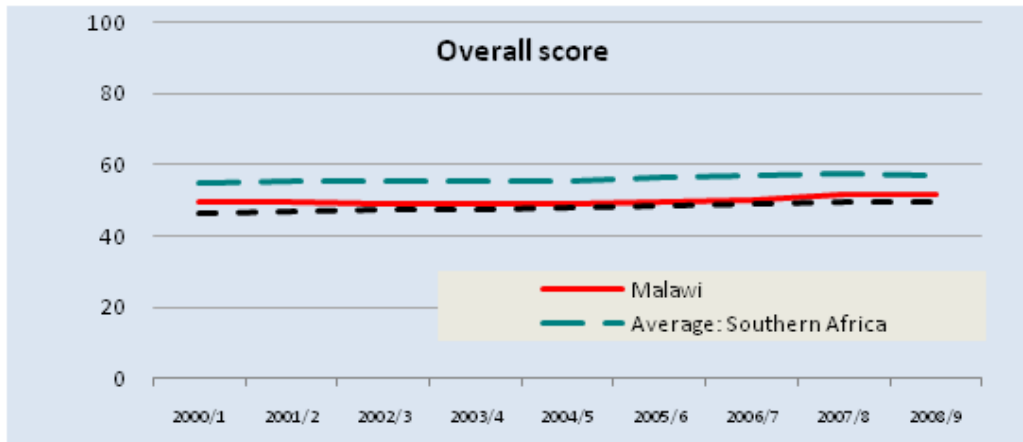
### 2.4.1 Malawi democratic governance challenges

Democratic governance and practices have taken a significant leap in Malawi in the last two and half decades. Competitive multiparty democracy has taken a firm hold and the 2009 Presidential and Parliamentary Elections have revealed new dimensions in the changing political landscape. The political space has been gradually liberalized with political parties of various shades and colours participating in the electoral processes. Civil society organizations are contributing to the development process, and influence policies in various sectors of the Malawi.

The MGDS highlights good governance as fundamental prerequisite for the achievement of long – term national development goals as well as a critical foundation for achieving objectives under the MGDS Themes. The Malawi Constitution also reaffirms Malawi’s commitment to the rule of law, respect for human rights and gender equality. For instance, Section 30 of the Malawi Constitution guarantees human rights and the right to development for all Malawians. Section 41 guarantees access to justice and legal remedies for all people in Malawi. In order to ensure that the nascent democracy is consolidated and deepened, Malawi has undertaken a number of initiatives that aim at ensuring that human rights and the right to development

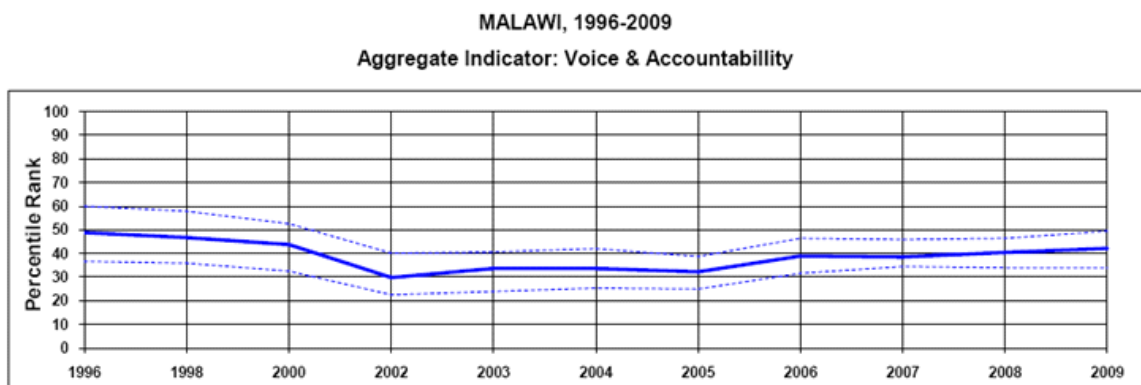
is realized, transparency and accountability is achieved and institutionalized, especially in the democratic accountability institutions, among other things. A Democratic Governance SWG was introduced to facilitate coordination of the democratic governance interventions in Malawi, and also to establish a democratic governance SWAp.

International independent rankings are reflecting a slight improvement of Malawi's overall performance in the Governance area (+2 percent on Mo Ibrahim Index). However the performance is still lower than the average of the Southern African countries as shown table below.



The worldwide governance indicators used by the World Bank to assess the country's performance over the period 1996-2009 in five governance dimensions (i) Voice and accountability; (ii) Political stability and lack of violence; (iii) Government effectiveness; (iv) Rule of law; and (v) Control of corruption.<sup>26</sup> Is discussed below:

#### 2.4.2 The Voice and Accountability



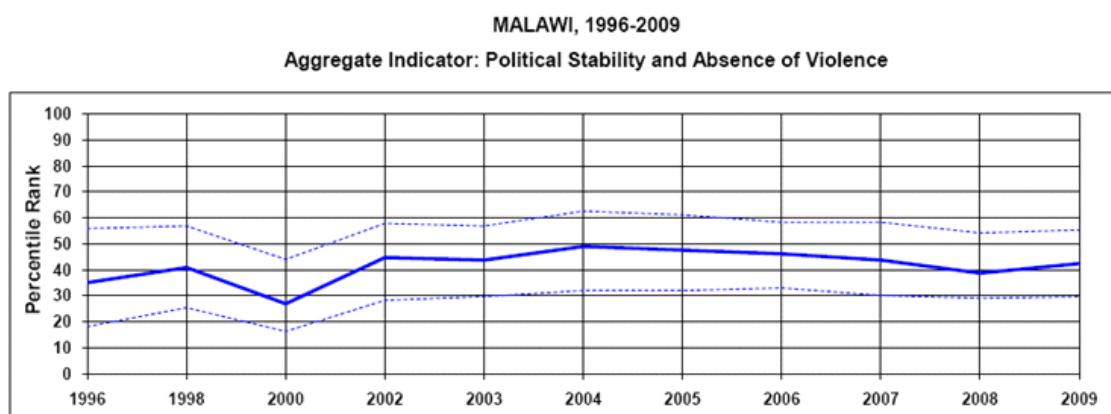
Voice and Accountability, which measures public participation in selecting government, freedom of expression, freedom of association and free media, has been declining from 1996 to 2005. After that the indicator has slightly picked up to 50 percent in 2009. The poor performance of this indicator was attributed to the weak institutionalization of democratic culture to allow all people to freely participate in the country's political system; inadequate operational capacity of watchdog institutions; and, low participation of women in national politics.

Malawi is a democracy in full development. Indicators of the maturation process that is underway are an observable lack of internal democracy within political parties, and, in general, protection and promotion of political, economic, social and cultural rights is still relatively weak, as is the reinforcement of the separation of powers. The democratic accountability institutions continue to struggle for find the right ways and means to be able to provide necessary and mandated checks and balances to the Executive.

Coordination mechanisms in Governance where the Judiciary, Executive and Legislature meet to discuss matters of common interest are not visible. The relationship between democratic accountability institutions and the public in general remains weak and is mostly undertaken through the limited the media and focused around specific events such as elections.

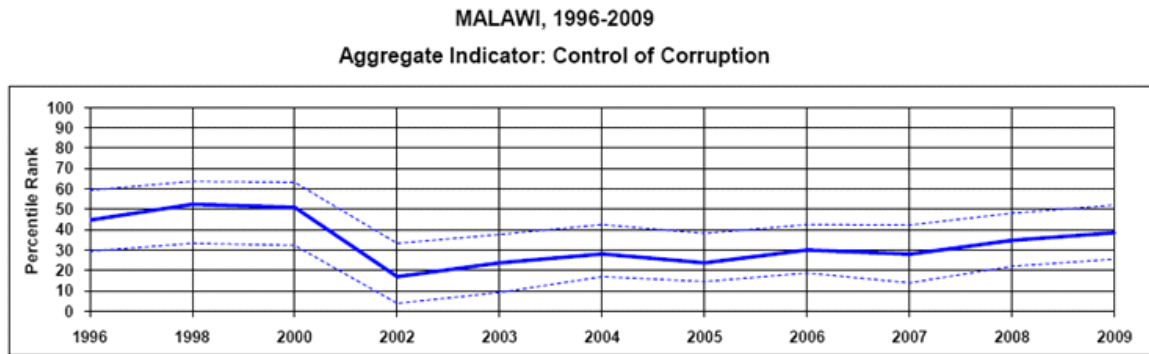
Decentralization, a process for the gradual transfer of some of the political power, responsibilities, and financial management responsibilities from the central government to the District Councils, is critical for poverty reduction and national development. This process ensures improved service delivery at the District and also further consolidates and strengthens democracy at the grass root level. Post 1994 Malawi has made great initial strides in implementing decentralized governance processes. The Decentralization Policy and Local Government Act has been adopted; systems for District level planning have been put in place; mechanisms for inter-governmental fiscal transfers have been established; and an inter-ministerial Committee to oversee the implementation of the decentralization process has been in place for a number of years. However, the decision to not hold local Government elections in 2005, resulting in the absence of councillors and a curtailing of district level democratic accountability, has been a major setback to decentralized governance. Furthermore, local empowerment for District and community level development is not yet achieved because of inadequate capacity and high vacancy rates at District levels

### 2.4.3 Political Stability and Absence of Violence



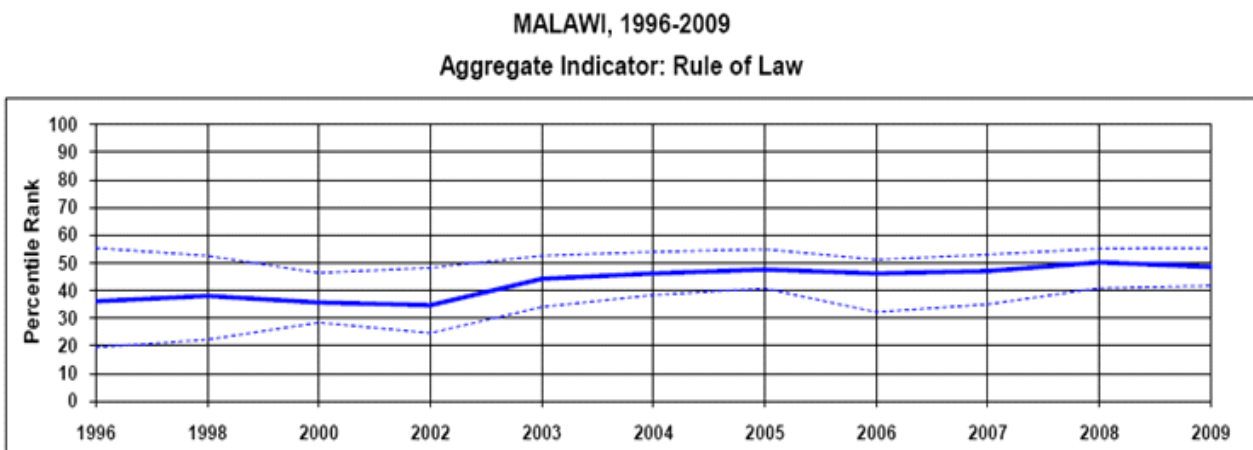
Performance of the political stability and absence of violence indicator, which includes perceptions of likelihood that Government would be destabilized or overthrown by unconstitutional or violent means including domestic violence and terrorism, has been staggering between 1996 and 2003. It stabilized slightly in form 2004 to 2009. Malawi has been politically very stable and peaceful, although aspects of domestic and gender based violence, which have been more frequently reported in recent years, could have contributed to the poor performance of the indicator. The other element has been the inter-party conflicts that were very prevalent during the first of term of the current government. The Section 65 and budget impasse which characterized the previous government could have contributed to the poor performance of the indicator. Political party conflict resolution mechanisms – both within parties and between parties have been weak to nonexistent and the lack of inter-party consultations and dialogue poses a recurrent risk factor around specific political events like elections.

## 2.4.4 Control of Corruption



Control of corruption captures perceptions of the extent to which public power is exercised for private gain among others. The indicator is displaying a good control of corruption in Malawi of over 50 percent until the year 2000. Thereafter, it dropped to the lowest point, especially in 2002. From thereafter, there was a slow rise until 2009. The good performance of the early years could be attributed to the fear the public had in the newly established Anti-corruption Bureau. The unveiling of big government scandal in the early 2000s, the Field York which resulted in the imprisonment of a former UDF minister and Speaker of Parliament, exposed how far the corruption had spread in government system and the country as a whole. Many donors have since assisted in strengthening measures to curb corruption but the efforts are not adequate and Government's funding for the Anti Corruption Bureau and the Ombudsperson - two critical democratic accountability institutions- would need to be beefed up to allow them to further this agenda. Based on recent independent perception reports on corruption, (Transparency International), Malawi has been ranked on position 89 in 2009 in the world from 115 in 2008. In the Africa region, Malawi was ranked number 12 from 23 and from 9 to 7 in the SADC region. While these rankings do not yet provide cause for celebration, it is good to note that corruption in this country is on the decline.

## 2.4.5 Rule of Law



The major challenges for the improvement of the rule of law include weak institutional capacity in the justice sector, poor coordination which results into fragmented support for the justice sector, inadequate or outdated infrastructure, absence of systems and procedures, and poor protection of the rights of vulnerable groups like women and children. In addition, the vulnerable and marginalized people who are not sufficiently empowered to seek for and demand their rights have not been able to access justice services.



### 2.4.6 Human Rights Situation

Malawi is a signatory to some major international treaties relating to the promotion of human rights and the rule of law, such as *International Covenant on Economic, Social and Cultural Rights*, *International Covenant on Civil and Political Rights*, CEDAW, CRC, and *African Commission on Human and Peoples' Rights*. Malawi also adopted "Recommendation 200", which is the new International Labour Standard concerning HIV and AIDS in the world of work. However, most of the international conventions need ratification through parliament. Revision of certain laws to make them relevant with the international conventions is in a number of instances overdue.

Malawi Prisons have over the years been overcrowded and lacked adequate facilities. For example, the Amnesty International Report of 2008 cites Kachere prisons, in which about 170 juveniles were detained had only one toilet and one bathroom. Maula prison, built to accommodate 700 detainees, housed about 1,800. Prisons faced food shortages, leading to high levels of malnutrition. Although prisoners suffering from HIV/AIDS received anti-retroviral treatment, they were not given the necessary supplementary diet, nor do they have access to basic HIV prevention commodities. The law enforcers have been alleged to torture detained suspects in police cells.

Malawi law specifically provides for equal rights for women, forbids discrimination based on language or culture, race, disability, or social status and provides for equality and recognition before the law for every citizen. However, the capacity of government institutions to ensure equal rights for all citizens was limited. Data on the prevalence of rape or spousal rape and conviction figures were unavailable; however, press reports of rape arrests and convictions were an almost daily occurrence. Domestic violence, especially wife beating, was common, although women seldom discussed the problem openly, and victims rarely sought legal recourse. Legal protection and equitable treatment for marginalized populations and sexual minorities are currently not commensurate with the rights guaranteed under the Constitution, and current levels of stigma and discrimination towards persons living with HIV infection and towards marginalized populations undermine efforts for a more effective national response to HIV. Legal experts and human rights workers attributed victims' reluctance to report their abusers to lack of awareness of their legal rights and fear of retribution and ostracism.

Children face persistent violations of their rights in a range of settings. With approximately 18 percent of all children orphaned and vulnerable, the child protection situation in Malawi is dire. Malawian children remain heavily affected by two persistent social crises: the HIV epidemic and the existence of widespread violence against women and children. At present, 12 percent of Malawi's population is living with HIV. Nearly one in three Malawian women (33 percent) experience intimate partner violence, leaving an estimated 1.6 million children growing up in violent homes where they witness domestic violence and suffer its negative effects. Further, 65 percent of girls and 35 percent of boys have experienced some form of child abuse during their lifetime. One in three girls will marry before the age of 18 and one in four children aged 5 – 14 are involved in exploitative labour. The lack of a robust national child protection system is of concern.

### 2.4.7 Recommendations

It is essential that Malawi starts developing national owned governance indicators that form an expression of the nation's desire to progress in good governance, rule of law and adherence to Human Rights. The Country performance since 1994 is encouraging, but does show that further progress can and must be made. The advent of the Governance Sector under the DAS is critically important as it establishes a platform where the Judiciary, the Executive and the Legislature can jointly agree on how progress needs to be made and how segregation of powers and the independence of various democratic accountability and judiciary

bodies can be guaranteed. The absence of such a platform in recent years has generated concern with for instance the funding and staffing situation in such bodies as The Ombudsperson Office and the Human Rights Commission.

Equally progress in decentralization and the resumption of district level participatory democratic processes will hail new dawn for local level action and accountable, equitable and quality service delivery to Malawi's largely rural population. However, the drive for devolution and the empowerment of District Assemblies cannot be taken for granted and will require a concrete focus on capacity development and improvement of the public services capacities to meet the demands of the ever growing population.

Finally, it is essential that the people of Malawi understand their rights as well as their obligations as citizens of the nation. Civic education and information remain essential, together with general efforts to improve literacy and numeracy rates. The new frontiers however lie very strongly in bringing democracy much closer to the people and developing a much stronger public outreach form democratic accountability institutions to the people. More national consultations - like the ones undertaken for the MGDS - are urgently required to follow through on the promise of democracy.

## Section 3 Government leadership of the development agenda and its development partners



## Section 3 – Government leadership of the development agenda and its development partners

The aid management function is delivered primarily through the Debt and Aid Division (DAD) of the MoF through a series of activities that are structured to mobilize resources, monitor the implementation of programmes and projects and also coordinate DPs around activities to increase aid effectiveness. Debt management and aid policy analysis is another of the functions of the DAD. Other MDAs also play a role: the OPC is issuing policy and guidance that affects how staff organize to receive and manage aid; the MoDPC formulates the national development strategy and coordinates sector activities. The planning divisions of ministries, project implementation units; or SWAp secretariats, also play a string role in planning programmes and projects into which DPs commit resources and are also responsible for monitoring and evaluation of these programmes.

### 3.1 Aid effectiveness

To take forward the aid effectiveness agenda the DAD published the DAS in 2006. It is a strategy for guiding aid coordination so as to implement the MGDS effectively. The study has 26 results based on the Paris Declaration norms and commitments and proscribes an aid coordination organizational arrangement that includes the high level meeting of heads of missions and ministries of the GoM, and inter-sector coordinating meeting of private sectors and SWGs.

To lodge the implementation of the Paris Declaration more firmly into the sector, guidelines on the formation and running of SWGs were formulated by the DAD/MDPC and launched by the OPC. Experience shows that the uptake of these guidelines by sectors depends on sector leadership, and that the MDPC that should coordinate this has not given it priority. The whole process is proceeding very slowly. The health SWAp which preceded the establishment of SWGs is progressing gingerly, dealing with problems as they arise. The education, water and sanitation, and also agriculture sectors have launched or about to launch their SWAps. Other sectors like justice and transport are also close to doing so. Although this is encouraging it means that more sectors still coordinate aid on the basis of atomistic projects. Fortunately the sectors do not get big allocations of resources. Often it is in the sectors that donors have the largest interest where SWAps have been formulated as this provides a better basis for financing over the long run.

There are four main features that characterise Malawi's aid relationship: high dependency, few donors, fragmented aid, and weak government-donor coordination mechanisms. Compared to its contiguous neighbours Malawi is a donor orphan: it has fewer donors, and also less aid per capita. The number of donors to Malawi annually fluctuate around 20<sup>27</sup>. Zambia has well over 20 donors; Tanzania and Mozambique each have in excess of 40 donors. These latter two countries continue to be donor darlings together with Mali, Ghana, and Rwanda (Calderissi 2007: p. 209)<sup>28</sup>. Some explanations for this are that these countries are serious about poverty reduction; have better institutions and policy environments (for performance based aid allocation indices), and; also have better leadership, aid management and coordination mechanisms. Some of the countries are prioritized also because of their fragility. Attracting more OECD donors, special funds, and emerging donors should be a priority for the GoM, even as plans are made to increase domestic revenue and find other means of financing development.

The aid dependency indicators for Malawi have been worsening since 2004, reflecting slow progress in expanding the revenue base as donor inflows increased. Aid as a percentage of government expenditure has increased from 22 to 43 percent. Aid as a proportion of import expenditures increased from 34 to 58 percent. The proportion of aid to real GDP doubled from 13 to 26 percent (GoM, Annual Debt and Aid Report 2008/9, p. 14).

Aid is fragmented due to problems of coordination and a historical tilt in favour of project aid, which accounted for 55 percent of all aid in the FY 2008/9 (reasons given are that the conditions are not favourable to give more sector or general budget support, in terms of strong government systems). Aid fragmentation is measured by number of projects in each sector, number of sectors in which a donor work, number of projects per donor, as well as number of donors in a sector. The evidence is that those sectors that get more resources also have more projects. The health sector had 135 projects in the financial year 2008/9. Agriculture had 66 projects followed by economic governance at 60 and then education (49). The respective number of donors is 20, 12, 12, and 14. There are those who believe that aid is inherently ineffective and cannot be reformed because of a constellation of dialectical factors structuring its giving and receiving. For example Moyo (2009: p. ix) argues that 'aid has been and continues to be an unmitigated political, economic, and humanitarian disaster for most parts of the developing world'. The Paris Declaration and the Accra Agenda for Action (AAA) however, are based on a view and programme theory that good aid coordination around sound development plans can produce better development results and increase confidence in those giving aid. A main factor required to achieve this is strong government leadership and commitment to achieve the development results like the MDGs.

### 3.2 Government leadership

The main characteristics of strong government leadership and ownership of the development agenda are as follows:

- Leadership should be around a sound development agenda that government has developed with wide citizen participation, and based on robust technical analyses. Most donors perceive the MGDS as a reasonable basis for collaboration. However the MGDS II should be based on sound economic analysis. There should be justification for keeping the KPAs, other than saying our leaders say so. Some of the justification can be drawn from studies that have been completed. The MGDS should be results oriented, with realistic targets, and be linked to the budget in a sound medium term framework. The World Bank aid effectiveness survey gave a score of C (on a scale from A to E) for Malawi because of this weakness. Looking forward this means that the formulation of the next MGDS should fit in with the next budget cycle so that outcomes can be attributed to the MGDS programming not just to budget allocations based on previous programmes.
- Failure to undertake sound economic or technical analysis before making decisions is often a result of lack of demand for that kind of analysis by senior policy makers. There seems to be a reluctance of policy makers to do this based on experience that development policy choices are with disturbing regularity based on political directives and not on careful technical analysis. In some cases even doing this kind of analysis can be construed as insubordination.
- Sound technical analysis could help to influence politicians, and would prove useful if only to show the costs and benefits of their choices. In practice, a choice often has to be based on political exigencies. However it is always necessary to make the lower orders of analysis: financial, economic, and social and then leave it to the political level. This will increase the chance of politicians making informed decisions and a way to ensure this approach is to formalize the process for making major policy decisions, which would include the mandate of the MDPC, as there is for budgeting;
- There should be consistent rather than intermittent use of directives from central government on policy matters. This means that new instructions or initiatives should be followed with action, to demonstrate leadership and ownership. An example given by DPs is the slow progress on SWGs and the abolishing of PIUs. There should also be clear guidance to donors as on the division of labour; and

- The GoM should maintain robust civic engagements on the various development agenda. The government should encourage and raise debate on alternative policy or investment decisions so that the public is aware of the choices that government faces and influences decisions e.g. debated on alternative cost and size of AISP, and spending of AIDS drugs or primary schools. There should be evidence of civic engagement in making public choices.

Apart from issues in the GoM leadership, there are systemic reasons for poor donor coordination that originate with donors. These have been recognized and documented for some time, for example in 2009, Danida, DfID, the EU, NORAD and the World Bank did the first joint annual review of macro-financial support to Malawi and noted that the administrative procedures that were not harmonized. In 2006 the first joint review covering all assistance was held and the same issues were raised. Even with the resolution to implement the Paris Declaration / Accra Agenda for Action, and even in implementing general budget support, donors hold on to separate disbursement criteria, administrative processes, and also 'additional' assessments. Although the GBS processes are better harmonized now, they take longer than before because of the long review sessions and requirements. The reasons include inadequate delegation from headquarters and poor communication between country and headquarters.

### 3.3 Quality analysis of capacity development issues

The MGDS review has highlighted weak capacities in the key functional areas of public financial management (PFM) and procurement. Procurement capacity challenges are particularly pronounced at the district and sub-district levels. The World Bank's Country Policy and Institutional Analysis score whose scale runs from zero (very weak) to six (very strong) has rated Malawi's PFM and procurement system at three (moderately weak) for the period from 2006 to 2008.

There are also serious shortfalls in mainstreaming gender and using a HRBA in the GoM programmes on capacity building. None of the mainline studies in government are done using a HRBA. Some government officers were even surprised that such a tool exists. It is often the NGOs that do this kind of analysis. This raises questions for UN agencies as they are supposed to help national governments meet human rights as agreed in various conventions and protocols.

The problem is that capacity building needs assessments at the centre, the Office of the President and the Cabinet (OPC) do not consider the gender and human rights dimensions in public employment or human resource management. These would be for example issues of equity and equality in the work place between men and women, around a right to decent work, etc... The main reason for not using these approaches is lack of awareness and skills and also lack of conviction about their value addition to improve programme design and increase effectiveness in implementation.

The main challenge to effectively mainstream gender in programme planning, implementation, monitoring and evaluation is still attitudes that are hard to change. But even where there is desire to use it, problems of data make it difficult to formulate gender baselines and monitor progress. In some cases gender issues are abundantly in evidence but these are 'invisibilized', or ignored in analytical work. Or MDAs may not have the staff with the skills to do robust gender analyses, particularly in the macroeconomic and infrastructure areas. Among the various issues raised in the PS capacity development needs assessment, none has anything to do with gender issues, and yet the public service is redolent with gender issues.

As alluded to earlier some MDAs pay attention to needs of special groups. These include the MoEST that programmes for special needs education, and also the ministry responsible for people with disabilities and the elderly. However most of these endeavours are not done from a human rights perspective in the sense

of using a HRBA. The reason given for this is lack of resources to implement the myriad of activities implied by using a HRBA.

The need for RBM is now widely appreciated and is a Paris Declaration principle of aid effectiveness, but like most good management tools, it is not being used effectively. The reasons for this are well documented in the capacity building needs assessment and include a lack of performance orientation in the incentive structure for managers.

Environmental issues have been prioritized in the MGDS through the climate change and management of environmental and natural resources KPA. This does not mean the issue is being mainstreamed, except perhaps in the agriculture sector, under the Sustainable agriculture land and water resources management focus area. Often environmental and natural resources management affairs are implemented orthogonal to other programmes. There is need for capacity building to do mainstreaming. Opportunities seem greatest in developing curricula for primary and secondary school.

Best practice on capacity building is that it should be nationally/locally driven and be built around sector strategies. Most of the SWAps or sector plans have good components of capacity building. The OPC is leading in sector based assessment and planning for capacity building. When asked about the main constraints to achieving the MGDS objectives, several respondents referred to 'the obvious issue of capacity development'. There is need to elevate it to the level of a KPA of the MGDS, as without it nothing can be achieved.

Most sector plans are silent on disadvantaged groups (youth, persons with disability, etc.) as a category of beneficiaries, and this is surprising for agriculture. The ESIP makes reference to these groups in relation to them being targets of special need education programmes. The youth have a special department but most of what can be done for them is the mandate of the ministries of education and labour. The ESIP includes technical and vocational education as a programme for the youth. In the health sector adolescents are a specific target of reproductive health and HIV/AIDS programmes.

There is a general perception that the issues of how to bring about development and poverty reduction in Malawi have been adequately studied and some of them *ad infinitum*. However some of the topics in the MGDS need further illumination, and there are problems of data gaps to measure progress on implementation and quantify the extent of the problems or phenomena being dealt with. Based on the consultations and literature review, an area that should be added to the KPAs is capacity building for effective public service delivery. This should be defined at the core to mean increasing the performance oriented culture of the civil service using an effective mixture of incentives. Currently this issue needs champions.

### 3.4 Aid coordination

The area of aid coordination and management is the main subject of the Paris Declaration on Aid Effectiveness (2005). The Malawi aid landscape is characterized by aid fragmentation; parallel project/programme implementation arrangements; weak coordination of development work between government and development partners and between government agents; inadequate use of country systems by DPs; moderate aid flow predictability; weak technical capacity to maintain the Aid Management Platform (AMP) in the MoF; and, lack of an inclusive high-level coordination Government-DP Forum. The task of aid coordination in Malawi is progressing, although there are challenges of government leadership and national ownership of the development process. This is exacerbated by donor practices that include rigid headquarter rules and procedures. Most donor key informants pointed to need to quickly improve the situation of GoM/DP dialogue and aid coordination.

The table below summarizes progress Malawi has made on the implementation of the PD indicators since the PD was signed in 2005

**Results of the PD surveys for Malawi (2005 baselines, 2007/8 ratings and 2010 targets)**

| <b>PD INDICATORS</b>                             | <b>2005 BASELINES</b> | <b>2007 RATINGS</b> | <b>PROGRESS (% POINTS)</b> | <b>2010 TARGETS</b> |
|--|-----------------------|---------------------|----------------------------|---------------------|
| 2a Quality of PFM Systems                        | 3                     | 3                   | 0                          | 3.5                 |
| 2b Quality of Procurement systems                | Not available         | C                   | -                          | Not Available       |
| 3 Aid Reported on Budget                         | 54%                   | 64%                 | 10%                        | 85%                 |
| 4 Co-ordinated capacity development              | 47%                   | 52%                 | 5                          | 50%                 |
| 5a Use of country PFM systems (aid flow)         | 55%                   | 50%                 | -5                         | No target           |
| 5b Use of country procurement systems (aid flow) | 35%                   | 35%                 | 0                          | Not applicable      |

The 2006 Paris Declaration monitoring Survey noted that Malawi lacked capacity for financial management as a major challenge but reforms were underway. To move forward, Malawi adopted a Public Financial and Economic Management Action Plan (2006) and it puts in place an Integrated Financial Management Information System (IFMIS) and planned to roll this out to local government. However, despite these measures, Malawi's score did not improve in 2008 and some improvements recommended to be undertaken include the timeliness and follow-up of audits, improving quality and submission of financial reporting, and sustainability of reform efforts.

For its procurement system, Malawi received a C rating on a four-point scale running from A (the highest) to D (the lowest). Malawi made significant efforts to strengthen its procurement system but the major challenge was that the Public Procurement Act (PPA) does not adequately address issues like decentralization of procurement arrangements and asset management and disposal. "Slow implementation of the PPA and weak rule enforcement mean that mismanagement remains common and donors continue to have concerns about using the government procurement system. However, insufficient human and technical capacity that hampers implementation of PPA is said to be exacerbated by donors training civil servants to use donor procurement systems thereby fostering 'parallel' capacity.

In an attempt to improve its accounting and financial report system, the Government of Malawi established Integrated Financial Management Information System (IFMIS) in which all public financial information is fed and this is managed by the Accountant General's Department. However, several challenges in public accounting and financial reporting hinder development partners from using this system. These include: incomplete coverage of the IFMIS system and delays in rolling it out, unreliability and delays in production of financial statements, high turnover of qualified staff and weak audit trail.

The major challenge with regard to non-donor use of Malawi's auditing system is the lack of both human and technical capacity in this system, especially in National Audit Office (NAO). The NAO is characterized with insufficient number of professional staff and this is worsened by high turnover of the staff and lack of NAO's control over its own human resources since recruitment is done by the Civil Service Commission.



This is said to create consequent problems like untimely auditing of public finances and untimely production of audit reports. To improve on this, a recommendation was made to make NAO an independent body financially and allow it to control its own staff resources for a full and professional independent audit.

In terms of budgeting and aid transparency, the 2006 Baseline survey showed that 54 percent of aid disbursed to government was reported in Malawi's national budget. The 2008 Survey indicated that 64 percent of aid disbursed in 2007 was reported on budget signifying that Malawi's budget was becoming more realistic. Another progress indicator was that the Government met the indicator on capturing aid on budget within the CABS. Malawi's 2010 target is for 85 percent of all aid to the government sector to be reported on budget. Achieving this target will require continued combined effort, particularly as the majority of aid to Malawi is in form of project support.

The results of the 2008 Survey on Monitoring the PD show the need for accelerated implementation, analytical and evaluative efforts to reach the endorsed targets in Paris and Accra. There is, therefore, need for concerted effort to improve and strengthen the country systems; government is supposed to improve its systems and donors are expected to support government in the strengthening of the systems and use them for further improvements. Of important to note is that:

- The way aid is delivered is an important factor as far as capturing it in the budget is concerned. Only aid administered through GoM systems is reported in the budget since the GoM can only be held accountable and responsible for resources that are administered through its own systems. This is why Government favours direct budget support as the most preferred funding modality
- Aid inflows can only be reported in the budget if information is made available in timely manner. Thus, provision of data on aid inflows is also crucial for reporting on aid in the budget.
- Alignment of the budget process with national processes is also important. It is noted that the MGDS review is done later after the budget process when in fact it is suppose to be provide input into the budget formulation process. The recommendations of the MGDS reviews hardly find their way into the budget.

The Division of Labour (DoL) report that was produced in May, 2010 emphasizes government leadership in determining the optimal roles of donors in supporting its development efforts at national, regional, and sectoral levels. Government should identify areas where complementarity amongst DPs can be reached across and within sectors, reduce fragmentation where possible, and find national solutions that will reduce transaction costs and improve effectiveness of development assistance. However, DoL seems to be an end in itself, being achieved through strengthening of existing aid coordination mechanisms such as SWGs and adoption of SWAPs in all sectors, in addition to increased use of country systems and managing for results.

A 2010 draft report on Domestic and Mutual Accountability for Malawi shows that there is power imbalance between Government and development partners in the accountability relationship. Unlike the donors who can enforce their accountability conditions over the GoM, the Government has no realistic enforcement mechanisms to hold the donors to account and is unlikely to turn away support on the basis that it does not meet their expectations. Mutual accountability is said to be negatively affected by political pressure on domestic accountability from both government and donor sides in addition to mutual distrust between the two parties. The recommendation therefore is to "develop accountability systems which do three things: i) minimizing the likelihood of tension arising between the competing stakeholders interests, and create aligned interests; ii) reducing the pressure on mutual accountability so that donors can pitch their level of engagement with government systems at the level with which they feel comfortable; iii) the use of mutual accountability mechanisms to foster improved domestic accountability within Malawi.

In order to promote aid effectiveness and implementation of the PD and AAA, the Ministry of Finance in Malawi with support of UNDP launched the Development Assistance Strategy (DAS) in November 2008. A total of 16 SWGs have been established. SWGs present GoM and DPs with an unprecedented opportunity to move forward collectively in the implementation of the Development Assistance Strategy (DAS), and attainment of the MGDS results. The DAS ensures that external resources mobilized by Government are effectively utilized to contribute towards achievement of national development priorities as set out in the Malawi Growth and Development Strategy (MDGS) and the MDGs. In 2008, the GoM and its DPs committed themselves to a system of monthly reporting as a means of institutionalizing improved information flows between DPs and the MoF. As a result, significant improvements in reporting behaviour have been made by many donors over the last 12 months though MoF still experiences some difficulties in receiving regular reporting information from some of the DPs. Joint Sector Reviews are also carried out aimed at enhancing the efforts of both GoM and DPs towards maximizing the input they make to each sector of the Malawi economy. The Reviews provide a forum for all stakeholders to come together to discuss progress against previously agreed performance indicators, as well as challenges faced in the implementation of their sector plans. The improved aid effectiveness, data exchange and reporting, country ownership and overall capacity development efforts are paying dividends as shown by the high economic growth rate, infrastructure development and improved food security, among other indicators, that the country has registered over the last few years.

In some sectors it is not possible to implement the intended programmes of support because of the poor quality of dialogue and planning processes. Donors pointed to the agriculture and education sectors where progress on many issues is very slow. In the ASWAp, there does not appear to be GoM leadership that can facilitate a dialogue that leads to making firm decisions because of the involvement of several very strong MDAs. In the education sector the progress in formulating the NESP and ESIP may not bear fruit if the staff vacancies and the depopulation of critical staff continue. The other side is that DPs tend to be very fastidious in pointing to current problems and are not adequately forward looking to what can be done to remove the problems.

#### *National monitoring and evaluation systems*

Capacity as well as systemic challenges impend the implementation of an effective national M&E system in Malawi. Capacity issues are prevalent from data generation, analysis through to dissemination and utility of M&E products. M&E system challenges include lack of standardization in data collection; capacity inadequacies with respect to data collection; analysis and dissemination; lack of statistics policies; an outdated legal framework on statistics; resource constraints for data collection and lack of coordination between data collection institutions; and, weak coordination of M&E systems across ministries and districts.

## Section 4 Conclusions and recommendations



## Section 4 – Conclusions and recommendations

Poverty in Malawi is still deep and severe, and it is the main cause and evidence of failure to meet human rights standards. Despite the fall in the poverty headcount from 52 percent to 40 percent in the last six years, most households have limited, unsecured/un-assured, or even no access to adequate food, health care and education, and are often not participating in making important public decisions affecting their lives. The picture of poverty is seen in the slow progress to meeting the MDGs depicted in Table 4.1.

The poor are mostly in rural areas where they eke out a living from low productivity agriculture owing to reliance on rain fed cultivation, low input use and poorly functioning input and produce markets. Within this group the poorest people are more likely to be found in households with female heads, those with less land, and also households with persons with HIV/AIDS. Children, regardless of their orphan status, are more likely to be poor and more than half of the poor are children. Female headed households tend to have less labour and support to pursue livelihoods, and have less access to economic assets. Poverty itself has not been highlighted as a human rights violation. Leaving the poor contented with their status

The MGDS is perceived to be a sound basis for pursuing the main development challenge of poverty reduction, through its main strategy and policy direction of economic growth through infrastructure development. The country needs to sustain the average growth rate of eight percent of the last three years, through a consistent implementation of the MGDS. The GoM has reinforced its commitment to continue implementing the MGDS through prioritizing nine KPAs, but some of the KPAs will need further analysis to isolate the most efficient ways of achieving their objectives. It is important that there is a pro-poor focus; for example in providing electricity to rural areas and also maintaining feeder and secondary roads, as well as providing productivity enhancing and market solutions to smallholder farmers. The whole orientation should be towards exports of high value crops and regional integration.

The agriculture sector, from which most people make their incomes, has been sluggish in growth in the recent past, and since the manufacturing sector was not growing very strongly, and yet population has been growing this meant that per capita incomes could not grow significantly to move most people out of poverty. The ASWAp has been formulated to prioritize and harmonize the agenda in the sector. Among the key issues identified are: declining agriculture sector investments; low productivity; small, fragmented, and degraded land holdings; deterioration of agriculture services; limited value addition to agriculture commodities; and inefficiencies in use of agriculture input subsidies.

The ASWAp aims for six percent growth of the agriculture sector, and has prioritized four areas: improved food security and nutrition, commercial agriculture, agro-processing and market development; and research and extension services. Issues of institutional development and also gender and HIV/AIDS are seen as important aspects of ensuring effective delivery of the planned programmes.

Experience with past programmes has shown that the main deficit in programme implementation is commitment to consistent policy implementation, and strengthening the capacity of the civil service to deliver. The ASWAp proposes to deal with the other threats of weather and climate change to be managed as part of the main programme of activities. Donors tend to shirk from supporting programmes that they do not see as priorities and in line with their ideological stances or development clichés of the moment. The tendency to push for privatization of agriculture services and input and output markets with its controversies is a case in point. The ASWAp thus plans to 'invest significantly in dialogue and development of trust' with DPs.

**Table 4.1 Progress towards achieving the MDGs**

| GOAL /TARGET                                    | Indicator  | 2009 Status                             | 2015 Target          | Feasibility of achieving the MDG |
|---|--|---|----------------------|----------------------------------|
| Eradicate extreme poverty and hunger            | Proportion of population living below US\$ 1 per person per day (percent)  | 39                                      | 27                   | Likely to be met                 |
|   | Poverty Gap Ratio (percent)  | 17.8                                    | 8                    |                                  |
|   | Poorest quintile share in national consumption (percent)   | 10.1                                    | 20                   |                                  |
|   | Prevalence of underweight children (percent)   | 17                                      | 14                   |                                  |
|   | Proportion of population below minimum level of dietary energy consumption (percent)                             | 15                                      | 11.8                 |                                  |
| Achieve universal primary education             | Net enrolment in primary (percent)   | 83                                      | 100                  | Unlikely to be met               |
|   | Proportion of pupils starting grade 1 reaching grade 5 (percent)   | 75.7                                    | 100                  |                                  |
|   | Literacy rate (15–24 years) (percent)  | 84                                      | 100                  |                                  |
| Promote gender equality and empower women       | Ratio of girls to boys in primary education  | 1.03                                    | 1                    | Unlikely to be met               |
|   | Ratio of girls to boys in secondary education  | 0.79                                    | 1                    |                                  |
|   | Ratio of literate women to men 15–24 Years Old   | 0.94                                    | 1                    |                                  |
|   | Share of women in wage employment in non-agriculture sector (percent)  | 15                                      | 50                   |                                  |
|   | Proportion of seats held by women in Parliament (percent)  | 22                                      | 50                   |                                  |
| Reduce child mortality                          | Under-five mortality rate (per 1,000)  | 122                                     | 78                   | Likely to be met                 |
|   | Infant mortality rate (per 1,000)  | 69                                      | 44.7                 |                                  |
|   | Proportion of 1 year children immunized against measles (percent)  | 84                                      | 100                  |                                  |
| Improve maternal health                         | Maternal mortality ratio (per 100,000)   | 807                                     | 155                  | Unlikely to be met               |
|   | Proportion of births attended to by skilled health personnel (percent)   | 75                                      | 100                  |                                  |
| Combat HIV and AIDS, malaria and other diseases | HIV prevalence among population aged 15–24 years (UNGASS 2009)   | 12                                      | <a href="#">0[1]</a> | Likely to be met                 |
|   | Proportion of population aged 15–24 years with comprehensive correct knowledge of HIV/AIDS (UNGASS 2009)         | M: 42.1                                 | 100                  |                                  |
|   |  | F: 42.1                                 | 100                  |                                  |
|   | Proportion of population with advanced HIV infection with access to antiretroviral drugs (UNGASS 2009)           | <a href="#">65%</a> <a href="#">[2]</a> | 100%                 |                                  |
|   | Ratio of school attendance of orphans to school attendance of non-orphans aged 10–14 years (MICS 2006)           | 0.97                                    | 1                    |                                  |
|   | Deaths rates associated with malaria (percent)   | 3                                       | -                    |                                  |
|   | Access to malaria treatment (percent)  | 22                                      | -                    |                                  |
|   | Proportion of HH with at least one ITN (percent)   | 60                                      | -                    |                                  |
|   | Death rates associated with TB (percent)   | 8                                       | -                    |                                  |
|   | Proportion of TB cases under DOTS (percent)  | 86                                      | -                    |                                  |
| Ensure environmental sustainability             | Proportion of land covered by forest (percent)   | 36.2                                    | 50                   | Likely to be met                 |
|   | Proportion of area protected to maintain biological diversity (percent)  | 0.16                                    | 0.18                 |                                  |
|   | Proportion of population using solid fuel (percent)  | 98                                      | 0                    |                                  |
|   | Proportion of population with sustainable access to an improved water source (percent)                           | 75                                      | 74                   |                                  |
|   | Proportion of population with access to improved sanitation (basic sanitation is put at 88% (MICS 2008)(percent) | 60*                                     | 64                   |                                  |
|   | Slum population as percentage of urban population (percent)  | 67.7                                    | -                    |                                  |
| Develop global partnership for development      | Net ODA as a percentage of Real GDP (percent)  | 22                                      | -                    | Likely to be met                 |
|   | Unemployment of 15–24 year old (urban) (percent)   | 4                                       | -                    |                                  |
|   | Telephone lines subscribers per 100 populations (percent)  | 2.3                                     | -                    |                                  |
|   | Cellular subscribers per 100 population (percent)  | 21                                      | -                    |                                  |
|   | Internet users per 1,000 population (percent)  | 10.5                                    | -                    |                                  |

[\[1\] The Malawi target for 2015 is for 0% incidence of HIV infection \(or “zero new infections”\) in this age group, rather than HIV prevalence.](#)

[\[2\] Percentage coverage based on pre-June 2010 National ART Guidelines for HIV treatment access.](#)

Note: ‘-’ means no target set for the indicator. **Source:** Government of Malawi (2009) or as indicated.

\*Figures from the UNICEF/WHO -- JMP 2006

Industrial development based on the agro-processing and extractive sectors is important to sustaining the growth rates witnessed in the last three years. This entails providing utilities: water and electricity, and reducing costs of transporting imports and exports. In the long term the proposed Nsanje Inland World Port would help solve this problem. But there is need for better international road and rail connectivity as well as improving feeder and secondary roads to producing areas, and more efficient border post management. To encourage investment, the doing business indicators need to be improved: matters of licensing, taxation, etc...

The MGDS II implementation process would have to be undergirded by sound macroeconomic management. The objective should be keep inflation down through a requisite monetary policy, manage the budget well and keep debts within the statutory limits. More importantly foreign exchange must be available for the private sector to import inputs or repatriate profits.

The provision of social services in the name of education and health care is germane to both immediate poverty reduction and also subsequent wealth creation. An educated, trained and healthy labour force is needed to implement most of the work programmes implied by the MGDS. Social support and DRR will continue to be a means of making sure a significant minority of the population are not denied basic human rights.

Malawi's health indicators continue to demonstrate the substantial challenges the health systems face, with recent annual reviews of the Health and HIV sectors underlining the importance of continued investment in health sector service quality, health sector human resources, and expanded national investments in the health and HIV sectors as critical needs to be addressed in the immediate future for the longer-term quality and sustainability of health and development programming in Malawi.

Even though primary school enrolments have increased, Malawian children still do not have access to a relevant and good quality education. Girls and boys start school in equal proportion, but due a number of intervening social variables, and failure to plan and implement effective wider gender responsive programmes, girls drop out earlier and in greater numbers than boys, and are less likely to receive secondary, technical and higher education, in what is already a very low national enrolment rate in the SADC region. Access to out-of-school youths and literacy programmes is limited and there is need for more relevant, skills/ training programmes.

The delivery of education services is inefficient, primarily and also rather oddly, because the sector does not get adequate resources to make it efficient. The high drop-out rates and repetition rates are all largely due to poor learning environments and the low relevance of curricula. These are in turn determined by the number/quantity and (also an inequitable) distribution of qualified teachers, classrooms, learning materials, all which require more resources. The management and governance of the sector also plays a significant part in conditioning the nature of outcomes, and improvement in this area is seen as a priority. The ESIP is a sound analysis of the issues in the sector and its consistent implementation should move the sector forward in terms of meeting the EFA targets. Dealing with issues of inadequate capacity of education sector institutions and staff is seen as important for doing this.

Issues of gender are discussed in most development circles expect at the macroeconomic level and in a limited way in the infrastructure sectors. Most economists feel that they would be cheapening their analyses if they mention gender issues. That most people working in the social sectors are gender-issue aware does not mean that they understand how to respond and deal with such issues effectively. In fact some respondents said the familiarity with the gender language poses a threat to effective incorporation of gender issues in development programmes. There is a tendency to put engendered plans on paper and not really follow up if things are not looking up. Or often inadequate funds are allocated for making programmes

really gender responsive, to the extent put down in plans. Some research shows that to effectively implement programmes with gender equity there often required a gender premium of 20 percent (World Bank 2000). For example given the gender dynamics, boarding schools offer a solution for increasing the participation and performance of girls in secondary school. This is an expensive approach that boys need less of. Often inadequate funds are allocated for this.

Environmental issues have been prioritized in the MGDS through the climate change and management of environmental and natural resources KPA. This does not mean the issue is being mainstreamed, except perhaps in the agriculture sector, under the Sustainable agriculture land and water resources management focus area. Often environmental and natural resources management affairs are implemented orthogonal to other programmes. There is need for capacity building to do mainstreaming. Opportunities seem greatest in developing curricula for primary and secondary school.

RBM systems have been established for M&E, but capacity and data gaps hamper their usefulness as well as a weak performance or results oriented culture in the PS that retards demand for the outputs of the systems.

Best practice on capacity building is that it should be nationally/locally driven and be built around sector strategies. Most of the SWAPs or sector plans have good components of capacity building. The OPC is leading in sector based assessment and planning for capacity building. When asked about the main constraints to achieving the MGDS objectives, several respondents referred to 'the obvious issue of capacity development'. There is need to elevate it to the level of a KPA of the MGDS, as without it nothing can be achieved.

Some more analytical work and research may be needed in the following areas:

- **population studies:** A better understanding of the costs and implications of current population trends on provision of social services for example, and how to hasten fertility decline;
- **environmental studies;** including the potential for improved Water Resource Management;
- improving **performance of public servants;**
- **budget planning** for the MGDS in the context of MTEF;
- **development financing:** searching for non-traditional donors and non-traditional ways of finding; development, through for example private public partnerships, particularly for education, health and infrastructure areas. In some cases this is about putting together competent resource mobilization plans and strategies and project proposal and taking them to prospective financiers;
- **AIDS drug contingent liability;**
- **hunger** in face of a successful AISP; and
- **institutional analysis** on the operationalisation of the MGDS.

Of far greater consequence is to close implementation gaps. The literature review and the interviews revealed that there are few sectors or technical areas where there are serious gaps in knowledge or analysis of issues that could prevent the pursuit of a strongly pro-poor development agenda. The none use of HRBA, some of the failure to mainstream gender; environment and disability issues should be remedied. But the main obstacle to successful poverty reduction is an implementation gap in all sectors.

Successful implementation depends on the availability of resources and capacity in the PS, and consistent implementation of well prioritized activities. GoM must avoid policy reversals and incoherence. The MGDS should be linked to budgets based on a sound MTEF. Central government should lead more strongly in coordinating the sector efforts, as well as with its DPs, in a results-focused way. DPs should align with the GoM agenda. The GoM needs to cultivate a culture and capacity for continued assessment of the implementation of development programmes and dialogue of the progress of implementation of the development agenda with the wider citizenry.



**(Footnotes)**

<sup>1</sup> MDG Good Practices, MDG 1, Chapter 1, poverty, employment and hunger, United Nations Development Group, July 2010

<sup>2</sup>Durevall, Mussa-2010

<sup>3</sup> Economics of Sanitation Initiatives for Sanitation Decision Making, WSP 2010

<sup>4</sup> State of The Nation Address at the Opening of the new Parliament, 24 May 2010

<sup>5</sup> For example, the GEF climate change funds, Climate Adaptation Fund, Clean Development Mechanism, REDD+, voluntary carbon markets, etc..

<sup>7</sup> International support for the integration of DRR into sustainable development frameworks is also noted in a number of other international agreements

<sup>8</sup> Estimate extrapolated from intimate partner violence study which indicated that 48 percent of female in Households surveyed reported some form of intimate violence. Therefore, children living in those households are witnessing violence

<sup>9</sup> Malawi: DHS, 2004 - Final Report (English)

<sup>10</sup> Malawi: DHS, 2004 - Final Report (English)

<sup>11</sup> From invisible to indivisible

<sup>12</sup> Malawi Child Labour Survey (2002)

<sup>13</sup>*ibid.*

<sup>14</sup> Registered with the Ministry of Elderly and Disability

<sup>15</sup> Source: Parents of Disabled Children Association in Malawi – July 2010.

<sup>16</sup> United Nations Available at <http://www.un.org/disabilities/default.asp?id=1470>

<sup>17</sup> Basic infrastructure includes water, electricity, working telephone and adequate infection control.

<sup>18</sup> High level infrastructure includes basic medical equipment and supplies such as oxytocin, microscopes, oral dehydration salts, hematocrit determination, and transport, among others.

<sup>19</sup> Infrastructure: electricity, water and adequate infection control.

<sup>20</sup> Staff: Trained in the last two years in IMCI guidelines.

<sup>21</sup> Equipment and supplies: vitamin A, oral rehydration salts, formulary antibiotics and hematocrit determination.

<sup>22</sup> In door residual spraying (IRS) has been piloted in Nkhota Kota. Plans are underway to roll out IRS to six additional districts.

<sup>23</sup> Globally 1.1 billion people (of 6 billion) have no access to safe water and diarrhea kills over 2 million people. According to the WHO/UNICEF Joint Monitoring Programme on Water Supply and Sanitation Assessment 2000 Report, a child dies every 15 seconds from diarrhea, caused largely by poor sanitation and water supply. In Malawi 6 million people lack access to safe drinking water and up to 10 million do not have access to adequate sanitation.

<sup>24</sup>Intervention Cost-Effectiveness: Overview of Main Messages, Laxminarayan, Jeffrey Chow, and Sonbol A. Shahid-Salles (2006)

<sup>25</sup> 50/50 is the campaign of the Gender Network to elect women to 50 percent of the seats in national and local government elections according to the SADC protocol on Gender.

<sup>26</sup>Country Data Report for Malawi, 1996-2009; [www.govindicator.org](http://www.govindicator.org)

<sup>27</sup> UN agencies are treated as 'ONE': <http://www.undg.org/?P=7>

<sup>28</sup> In his eloquent analysis of Africa problems and why aid does not work, Calderissi has among his ten proposals the limiting of aid given to governments to only these five countries.

<sup>29</sup> The Malawi target for 2015 is for 0%

**incidence**

of HIV infection (or “zero new infections”) in this age group, rather than HIV

**prevalence**

<sup>30</sup> Percentage coverage based on pre-June 2010 National ART Guidelines for HIV treatment access.

Annexes



## Annex 1: Key documents used for desk review

1. Malawi Vision 2020
2. MGDS 2006 – 2011
3. 2009 MGDS Review Report
4. Malawi Poverty and Vulnerability Assessment (World Bank & Malawi Government 2007)
5. Welfare Monitoring Survey (NSO, 2008)
6. 2008 Population and Housing Census Report (NSO)
7. Census thematic reports (if available)
8. Malawi's Development Assistance Strategy
9. 2009 Human Development Report
10. Debt and Aid Department's Division of Labour Report
11. 2006 MICS – Malawi Indicator Cluster Survey
12. UN Position Paper
13. UNDAF 2008 – 2011 and UNDAF MTR
14. One Plan and 2009 One Plan Annual Report
15. UN Gender Group report 2008
16. National Disaster Risk Reduction Framework, 2010-2015 (to be endorsed)
17. Economic Vulnerability and Disaster Risk Assessment, 2010 (to be endorsed)
18. Malawi Disaster Risk Management Country Note, 2010 World Bank
19. Gender Needs Assessment of the MGDS (2007)
20. Malawi 6<sup>th</sup> CEDAW Report 2008
21. Malawi Gender Development Index report 2010
22. National Disaster Risk Reduction Framework, 2010-2015 (to be endorsed)
23. Economic Vulnerability and Disaster Risk Assessment, 2010 (to be endorsed)
24. Malawi Disaster Risk Management Country Note, 2010 World Bank
25. MDHS 2004
26. Ministry of Health-SWAp Programme of Work
27. Cluster Annual Reports

## Annex 2 - Checklist of Questions for UN Staff

1. Which MGDS theme and KPAs have you currently aligned to? What is your assessment of the quality of that alignment? Or, was the collective response of the UN to the KPAs adequate? And also of other donors? Do you feel that government has been well supported in this area? Explain. What have been the limitations to more effective response/support?
2. Going forward to the MGDS II, what do you see as the main policy alternatives for government to achieve the objectives of the KPA? Which one(s) would you recommend and why?
3. What has been the quality of government leadership and ownership in the area (in terms of defining goals and strategies, the quality of analysis and also in leading donors in aid coordination (DoL, alignment and harmonization) efforts? Describe the current institutional arrangements for achieving these, and particularly what could be done to improve them.
4. In your opinion what further analytical work needs to be done to illuminate the GoM's development needs and policies of this cluster/TWG, particularly from a HRBA, and specifically in terms of incorporating gender, environment/climate change, and capacity issues? Are there analytical documents that the consultant has not seen that you would recommend?
5. What has been the quality of results or performance of the UN agencies in this area? And of the combined donor/GoM efforts? Was the M&E (RBM) system in place effective in defining targets and in monitoring progress and reporting on it? Explain areas requiring improvements.
6. In your Cluster area/TWG, what is the UN comparative advantage vis-à-vis other donors, and (even with government)? Respond with a view to the future, there may be new donors in the cluster, or new directions from DoL dialogue, etc.
7. What specific offerings of financial or technical assistance could the TWG/UNCT make to GoM on this KPA, to accelerate progress towards meeting the MDGs or other IADGs?

OR

8. How would you help to shape the national priorities to more closely reflect GoM's commitment to international/global commitments on development goals and human rights?

### Annex 3 - Checklist of Questions for GoM Staff

1. What activities/programmes are DPs, including the UN agencies funding in the sector?
2. Through what structures/arrangements do you exercise leadership on the development agenda in the sector in terms of defining the issues/priorities to be set, and doing the analytical work to inform planning, and also coordinating DPs?
3. What consultative or coordination meetings/events are you planning to decide the future role of UN agencies in the sector?
4. How well have the UN agencies aligned to the GoM agenda in the sector?
5. To what extent do you use the HRBA, mainstream gender, environment, and climate change issues in your analytical work/programming activities. What are the constraints, if any, to doing it better?
6. What is quality of the M& E systems in the sector and the focus on RBM?
7. What are the main capacity issues in the sector and the main plans for addressing these?
8. Going forward to the MGDS II, what are likely to be the main or priority issues and policy choices?
9. What are the main constraints to accelerating the implementation of the MDG related goals and targets?
10. In pursuing these priorities and accelerating progress to achieving the MDGs, what kinds of assistance would you need from UN agencies or how could the UN help best in your sector, considering its comparative advantage (resources and expertise vis-à-vis what other donors are providing, and taking into account new or existing donors?

## Annex 4 – Checklist of Questions for Donor Agency Staff

1. Which MGDS themes and KPAs have you currently aligned to? What is your assessment of the quality of that alignment? And also of other development partners? What has been the level of resources you have delivered in the last 2 financial years? Do you feel that government has been well supported in this area? Explain. What have been the limitations to more effective response/support?
2. GoM has indicated that it will not change the main thrust of the MGDS and its KPAs. Going forward to the MGDS II, what do you see as the main strategy alternatives for government to achieve the objectives of the KPAs to which you are aligned/will be aligned? Which policy choices would you recommend and why?
3. What has been the quality of government leadership and ownership in the area (in terms of defining goals and strategies, the quality of analysis and also in leading donors in aid coordination (DoL, alignment and harmonization) efforts? Describe the current institutional arrangements for achieving these, and particularly what could be done to improve them.
4. In your opinion what further analytical work needs to be done to illuminate the GoM's development needs and policies around these KPAs or themes of the MGDS? Are there analytical documents that you would recommend to the consultant?
5. What has been the quality of results or performance of the UN agencies in these KPAs/themes? Explain your answers.
6. What is the UN comparative advantage vis-à-vis other donors, and (even with government) in these KPAs/themes? Respond with a view to the future, as there may be new donors in the cluster, or new directions from DoL dialogue etc.

## Annex 5 - Checklist of Questions for Civil Society Leaders: MEJN, MEHN, CSQBE

1. Which MGDS themes and KPAs is your network working on? What has been the level of resources you and your network have delivered and/or used in the last 2 financial years? Do you feel that government has been well supported in this area? Explain. What have been the limitations to more effective response/support?
2. GoM has indicated that it will not change the main thrust of the MGDS and its KPAs. Going forward to the MGDS II, what do you see as the main strategy alternatives for government to achieve the objectives of the KPAs to which you are aligned/will be aligned? Which policy choices would you recommend and why?
3. What has been the quality of government leadership and ownership in the area (in terms of defining goals and strategies, the quality of analysis and also in leading donors and consulting civil society on development planning and aid coordination (DoL, alignment and harmonization)? Describe the current institutional arrangements for achieving these, and particularly what could be done to improve them.
4. What consultative or coordination meetings/events are you planning to hold with GoM and with Donors or UN agencies in particular on development planning for the MGDS II?
5. To what extent do you use the HRBA, mainstream gender, environment, and climate change issues in your analytical work/programming activities. What are the constraints, if any, to doing it better?
6. In your thematic/ sector, what is quality of the M& E systems in the GoM and also NGOs and the focus on RBM?
7. What are the main capacity issues in the sector (both government and NGO) and the main plans for addressing these?
8. What are the main constraints to accelerating the implementation of the MDG related goals and targets?
9. In your opinion what further analytical work needs to be done to illuminate the development needs and policies around the KPAs or themes of the MGDS that you support? Are there analytical documents that you would recommend to the consultant?
10. What has been the quality of results or performance of the UN agencies in these KPAs/themes? Explain your answers.
11. What is the UN comparative advantage viz a viz other donors, and (even with government) in these KPAs/themes? Respond with a view to the future, as there may be new donors in the cluster, or new directions from DoL dialogue etc.



## Annex 6: Mapping of MGDS themes and KPAs into MDGs and SWGs

| Thematic Areas and Sector Working Groups  | MGDS Key Priorities  | MDGs  | UN Strategic Priorities  |   |
|---|--|---|--|---|
| <b>Theme 1:</b><br>Sustainable Economic Growth<br><br><b>(4 MGDS Priorities and 3 MDGs)</b> | 1. Agriculture   | 1. Agriculture and food security                              | 1. Eradicate extreme hunger & poverty<br>MDGs & Poverty Reduction (UNDP) FAO, WFP  |   |
|   | 2. Integrated Rural Development                                      | 6. Integrated Rural Development                               | 1. Eradicate extreme hunger & poverty<br>Rural Development (FAO), WFP, <b>UNIDO, UNCDF</b>   |   |
|   | 3. Environment, Lands & Natural Resources                            | 5. Climate change, Natural Resources & Environment Management | 7. Ensure environmental sustainability<br>Energy & Environment (UNDP, FAO)<br><b>UNEP, UNIDO</b>   |   |
|   | 4. Tourism, Wildlife & Culture                                       |   |  | Culture & Cultural Heritage ( <b>UNESCO</b> )   |
|   | 5. Water, Sanitation & Irrigation                                    | 2. Green Belt Irrigation & Water Development.                 |  | Agenda 21 ( <b>UNEP</b> ), UNDP, UNICEF, FAO, <b>UNESCO, UN-HABITAT</b> )   |
|   | 6. Trade, Industry & Private Sector Development                      |   | 8. Develop a global partnership for development  | Trade & Development ( <b>UNCTAD/UNIDO</b> ), ILO Industrial Development ( <b>UNIDO</b> ) PSD ( <b>UNCDF</b> ), UNDP |
| <b>Theme 2:</b><br>Social Protection & Disaster Risk Management                             | 7. Vulnerability, Disaster & Risk Management                         |   |  | Crisis Prevention & Recovery (UNDP); WFP, UNICEF, FAO, <b>UN-HABITAT</b>  |
| <b>Theme 3:</b> Social Development<br><br><b>(3 MGDS Priorities and 5 MDGs)</b>             | 8. Health  | 7. Public Health, Sanitation and HIV                          | 4. Reduce child mortality<br>5. Improve maternal health<br>6. Combat HIV/AIDS, malaria & other diseases<br>Health (WHO), UNICEF, FAO, <b>ILO</b><br><br>HIV & AIDS (UNAIDS), UNICEF, WFP |   |
|   | 9. Education   | 3. Education Science & Technology                             | 2. Achieve universal primary education<br>Education for All ( <b>UNESCO, UNICEF</b> ), WFP, <b>ILO</b>   |   |
|   | 10. Gender, Youth Development & Sports                               | 8. Youth Development & Empowerment                            | 3. Promote gender equality and empower women<br>Gender (UNFPA), UNDP, UNAIDS, FAO, WFP, UNICEF, <b>UNCDF, UN-HABITAT, ILO</b>  |   |
| <b>Theme 4:</b><br>Infrastructure Development<br><br><b>(2 MGDS Priorities )</b>            | 11. Roads, Public Works & Transport                                  | 4. Transport Infrastructure and Nsanje World Port             |  |   |
|   | 12. Information, Communication & Technology & Research & Development |   |  | Universal access to Information & Knowledge ( <b>UNESCO</b> )   |
|   | 13. Energy & Mining  | 9. Energy, Mining and Industrial Development                  |  | Energy ( <b>UNIDO</b> ); UNDP(E&E)  |
| <b>Theme 5:</b><br>Improved Governance  | 14. Economic Governance  |   |  | Cap. Dev. (UNDP)  |
|   | 15. Democratic Governance  |   | 8. Develop a global partnership for development  | Democratic Governance (UNDP), UNICEF, <b>UNCDF</b>  |
|   | 16. Public Administration  |   |  | Capacity Development (UNDP), <b>ILO</b>   |

*Note:* UN Strategic Priority Areas marked in **Red** denotes those that fall under Non-Resident Agencies.

## Annex 7: Budget allocation to the MGDS themes and KPAs – 2008/9

| Budget Allocation by MDGs Themes 2005-2010                                 |                        |                        |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
|  | 2005/06<br>(revised)   | 2006/07<br>(revised)   | 2007/08<br>(revised)   | 2008/09<br>(Revised)   | 2009/10<br>(Approved)  |
| <b>Theme 1:<br/>Sustainable<br/>Economic Growth</b>                        | 29,716,529,828         | 31,743,743,526         | 41,046,620,109         | 62,262,355,953         | 53,761,729,194         |
| <b>Theme 2: Social<br/>Protection and<br/>Disaster Risk<br/>management</b> | 2,630,647,182          | 3,571,954,944          | 3,184,080,405          | 3,202,295,788          | 3,030,784,721          |
| <b>Theme 3: Social<br/>Development</b>                                     | 38,061,438,530         | 49,718,958,048         | 66,370,099,617         | 81,682,181,173         | 82,116,082,115         |
| <b>Theme 4:<br/>Infrastructure<br/>Development</b>                         | 14,374,191,232         | 15,116,150,845         | 17,917,538,587         | 23,822,385,092         | 32,451,446,957         |
| <b>Theme 5: Improved<br/>Governance</b>                                    | 21,513,345,540         | 26,405,111,120         | 32,380,002,613         | 44,858,433,010         | 52,924,307,462         |
| <b>Others</b>  | 23,266,000,000         | 22,218,000,000         | 22,375,600,900         | 29,944,000,000         | 37,334,510,892         |
|  | <b>129,562,152,312</b> | <b>148,773,918,483</b> | <b>183,273,942,231</b> | <b>245,771,651,017</b> | <b>261,618,861,340</b> |
| <i>Source: Ministry of Finance, Budget Division</i>                        |                        |                        |                        |                        |                        |

## Annex 8: References

African Governance Report II (2009)

Bello, G., Simwaka, S., Ndhlovu T., Garnet, G., Salaniponi, F., and Hallett, T. (2009) 'Evidence for Declines Changes in Behaviour Leading to Reductions in HIV Prevalence in Urban Malawi', *Sexually Transmitted Infections* (submitted).

Burton, P. (2005) *Suffering at School: Result of Malawi Gender Based Violence in School Survey*

Calderissi, R. (2007) *The Trouble with Africa: Why Foreign Aid is not Working*. Yale University Press, New Haven.

DHS (2004) Malawi: DHS - Final Report (English)

Global Fund Report (2009)

Global Fund (2010) *Health Impact of the Scale-up to Fight AIDS, TB and Malaria with Special Reference to the Global Fund*. Country Report for Malawi.

Government of Malawi (1992) *Malawi Demographic and Health Survey*. National Statistical Office, Zomba.

Government of Malawi (2000) *Malawi Demographic and Health Survey*. National Statistical Office, Zomba.

Government of Malawi (1998) *Malawi Vision 2020*, Ministry of Development Planning and Cooperation, Lilongwe

Government of Malawi (2003) *National HIV and AIDS Policy: A Call for Renewed Action*. Ministry of Health, Lilongwe.

Government of Malawi (2004) *Malawi Demographic and Health Survey*. National Statistical Office, Zomba.

Government of Malawi (2005) *Scaling up Malaria Control Interventions: Malaria Strategic Plan 2005–2010*. Ministry of Health, Lilongwe.

Government of Malawi (2006) *Malawi Growth and Development Strategy (2006–2011)*, Ministry of Development Planning and Cooperation, Lilongwe.

Government of Malawi (2007) *Malawi AID Atlas (FY 2007/2008)*. Ministry of Finance, Lilongwe.

Government of Malawi (2008) *Health Systems Strengthening and Orphan Care and Support: Malawi's Application to the Global Fund's 5th Funding Round*. National AIDS Commission, Lilongwe.

Government of Malawi (2008) *The National Gender Policy*. Ministry of Gender

Government of Malawi (2009) *Malawi Growth and Development [Strategy?] Review Report*. Ministry of Development Planning and Cooperation, Lilongwe.

Government of Malawi (2009) *Malawi Millennium Development Goals Report*. Ministry of Development Planning and Cooperation, Lilongwe.

Government of Malawi (2009) *MGDS Review Report*

Government of Malawi (2009) Economic Report, Ministry of Development Planning and Cooperation, Lilongwe.

Government of Malawi (2009) *MGDS: A Summary*

Government of Malawi (2009) National Education Sector Implementation Plan, Ministry of Education

Government of Malawi (2010) *SWAp Mid-Year Report for 2009/2010 Implementation Period*. Ministry of Health, Lilongwe.

Government of Malawi (2010) *Sector Working Group Assessment Report*. Ministry of Gender.

Government of Malawi (2010) *The Gender and Development Index*. Ministry of Gender / National Statistical Office.

Government of Malawi (2009) Annual Debt and Aid Report 2008/9.

Government of Malawi (2009), Agriculture Sector Wide Approach, Ministry of Agriculture, Lilongwe

Government of Malawi/MoL and ILO (2010) Employment Diagnostics Analysis in Malawi

Government of Malawi, AusAid, National AIDS Commission (NAC) and UNICEF, Social Protection, June 2008

Kadzandira J., and Munthali, A. (2004) *The Coverage and Utilisation of Insecticide Treated Nets and Malaria Prevention and Treatment Practices at the Community Level in Malawi*. National Malaria Control Programme, Ministry of Health, Lilongwe.

Liwewe, O., Ngwira, N., and Sibale, B. (2006) Gender Needs Assessment of the Malawi Growth and Development Strategy (MGDS), Lilongwe.

Malawi Country Economic Memorandum (2009), Volume 1, World Bank

Malawi Demographic and Health Survey (1992), NSO, Zomba

Malawi Demographic Health Survey (2000), NSO, Zomba

Malawi Education Sector Report (2009), Ministry of Education, Lilongwe

Malawi National Road Authority and HDM4 database, CEM 2009

Malawi Public Expenditure Review (2006), World Bank

Mathanga, D., and Bowie, C. (2006) 'Malaria Control in Malawi: Are the Poor being Served?', *Malawi Medical Journal* 18 (1): 28–32.

Ministry of Finance (2008) Budget Division – An Analysis of Estimates for 2008/9

Ministry of Finance (2009) *Debt and Aid Department's Division of Labour Report, 2009*. Ministry of Finance, Lilongwe.

Ministry of Finance (2007) *Development Assistance Strategy*, Lilongwe

Ministry of Health (1999) *Malawi National Health Plan 1999–2004*. Ministry of Health, Lilongwe.

Ministry of Health (2007) *Road Map for Accelerating Reduction of Maternal and Neonatal Morbidity and Mortality in Malawi*. Ministry of Health, Lilongwe.

Ministry of Health and UNICEF (2001) *Micronutrient Survey Report*. Ministry of Health and UNICEF, Lilongwe.

Ministry of Labour /ILO (2010) *Employment Diagnostic Analysis in Malawi*

Ministry of Trade and Industry (2006) *BESTAP project document*.

Moser et al. (2004) *Gender Audit of DIFD Programs- Malawi*

Moyo, D. (2009) *Dead Aid, Why Aid is Not Working and how there is Another Way for Africa*, Penguin, London.

National Environment Action Plan (NEAP) (1994)

National Health Accounts (2008) *Five-National year Multi-Country Impact Evaluation of the Global Fund on HIV/AIDS, Tuberculosis and Malaria: Malawi NHAs with Sub-accounts for HIV/AIDS, Tuberculosis and Malaria*, Lilongwe.

National Organization of Nurses and Midwives in Malawi (2008) *The Impact of Salary Top-up on Staff Turnover of Health Workers. Survey Report*. National Organization of Nurses and Midwives in Malawi, Lilongwe.

National Statistical Office (1994) *series of accounts*, Zomba

National Statistical Office (2004) *Malawi Demographic and Health Survey*. NSO, Zomba.

National Statistical Office (2008) *National Agriculture and Livestock census [NACAL]* National Statistical Office (2008) *Population and Housing Census Report*. NSO, Zomba.

National Statistical Office (2009) *Population and Housing Census data 2008*, Zomba

National Statistical Office (2008) *Welfare Monitoring Survey, 2008*, Zomba

National Statistical Office (2010) *National Census of Agriculture and Livestock*, Zomba

National Statistical Office (2009) *Welfare Monitoring Survey*. NSO, Zomba.

National Statistical Office and UNICEF (2006) *Malawi Multiple Indicator Cluster Survey (MICS)*. NSO and UNICEF, Zomba and Lilongwe.

National Statistical Office, GoM, IMF and World Bank staff estimates

- Ndhlovu, T. (2008) 'An Assessment of the National Response to Malaria in Malawi', report submitted to Panos Africa, Lusaka.
- Ngwira, N. (1994). *The Role of Dimba and Food Security in Smallholder Farmers' Food Security in Malawi: An Application of Safety First Chance-Constrained Math Programming*, PhD Thesis, Michigan State University.
- Ngwira, N., Chiweza, A., and Binauli, A. (2002) *Engendering Poverty Reduction Strategies, Lesson from Malawi*.
- Ngwira, N., Kayambazinthu, E., and Kamchedzera, E. (2002) *A Situation Analysis of the Access of Disadvantaged Children's Access to Education*, UNICEF.
- Njikho, V.K., and Malumelo, R. (2009) 'Participation of Women in Politics', *Malawi in Democracy in Progress: Malawi's 2009 Parliament and Parliamentary and Presidential Elections*. Zomba.
- Nyerere, J. (1977) *The Arusha Declaration: Ten Years After*. Government Printer, Dar es Salam.
- OHCHR (2006) *Frequently Asked Questions on HRBA to Development Cooperation*. OHCHR, Geneva.
- Oxfam Malawi (2009) *The winds of change: Climate change, poverty and the environment in Malawi*
- Republic of Malawi and European Community (2009). *Country Strategy Paper and National Indicative Programme for the period 2008 to 2013*
- Revised CA/UNDAF 2007 Guidelines (UN 2009) Sanchez de Carmona (2007)
- Semu, L., Kamchedzera, G., and Ngwira, N. (2004) *UN/World Bank Strategic Gender Assessment*.
- Spring, A. (2003) *Using Male Extension Workers to Reach Women Farmers in Malawi*. Ministry of Agriculture, Lilongwe.
- Stamford common understanding of the HRBA to development cooperation (2003)
- UN Malawi (2009) *ONE Plan Annual Report*. UN Malawi, Lilongwe.
- UN Malawi (2009) *ONE Plan Malawi (2009–2011)*. UN Malawi, Lilongwe.
- UNCT Albania (2002) *Country Common Assessment: Albania*. United Nations System in Albania
- UNCT Jamaica (2006) *Country Assessment: Jamaica*. United Nations System in Jamaica
- UNCT Malawi (2001) *Country Assessment: Malawi*. United Nations System in Malawi.
- UNCT Malawi (2008) *UNDAF Malawi (2008–2011)*. Lilongwe, Malawi.
- UNCT Zambia (2000) *Country Assessment: Zambia*. United Nations System in Zambia
- UNDP (2009) *Human Development Report 2009. Overcoming Barriers: Human Mobility and Development*. UNDP, New York.

UNDP (2010) *Malawi National Development Report. Gender and Human Development in Malawi – 2010: Women and the Potential of Achieving the Millennium Development Goals*. UNDP, Lilongwe.

United Nations (2004) *Facing the Future Together: Malawi*. Country Report of the United Nations Secretary-General's Task Force on Women, Girls and HIV/AIDS in Southern Africa.

United Nations (2009) *Country Assessment and United Nations Development Assistance Framework: Guidelines for Country Teams on Preparing a CA and UNDAF*. UN, New York.

United Nations Malawi (2009) *Mid-Term Review of the UN Development Assistance Framework for Malawi (2008–2011)*. UN Malawi, Lilongwe.

United Nations Secretary General's HIV/AIDS Country Report

WFP Malawi (2007) School Meals Programme, Baseline Survey 2007

WHO/Global AIDS Alliance (2009) *Maximizing Positive Synergies between Health Systems and Global Health Initiatives: Civil Society Findings from Malawi*. WHO, Geneva.

World Bank (2000) *Engendering Development*. World Bank, Washington DC.

World Bank (2006) Malawi Public Expenditure Review

World Bank Poverty and Vulnerability Report (2007)

## Annex 9: List of people met

Mr Patrick Wesner, Programme Officer, USAID

Mr Peter Hans, Germany Embassy

Mr Yona Kamphale, Director, Planning, MDPC

Mr Alex Namaona, Deputy Director, Planning MDPC

Dr Ann Phoya, Director, Health SWAp

Ms Lilly Banda, Deputy Team leader, Health Section

Karolyn Kuo, Democracy and Governance section, USAID

Ramsey Sosola, Deputy Team leader, Education section, USAID

Mr Makalande, Deputy Director, Policy and Planning Department, Ministry of Education

Mr Abdoulaye Diop WFP Director

Mr Wathando Mghandira, Policy and Planning section, Ministry of Education

Mr Matemba, Technical and Vocational department, Ministry of Education

Ms Mwayi, Planning Officer, Ministry of Education

Dr Jason Lane, Team leader, Human Development, DFID

Mr Steve Banda, Director, Planning, Ministry of Agriculture

Mr Venge Nkosi, UN, Capacity building Cluster

Mr Dimitri, UNV coordinator.

Mr F Mwachengere, Assistant Resident Representative UNDP

Mrs Chrissie Kamwendo, World Bank

Mr L Sikwese, OPC, PS Reform Unit

Mr Mr Allan Munday, EU

Ms Wapu Mulagha, EU

Mr Kevin Banda, EU

Deputy Director, DoDMA

Dr Mary Shawa, Department of HIV/AIDS and Nutrition

Mr Andrew Kumbatira, MEJN

Mrs Martha Kwataine, MEHN

CSQBE





### MDG Goal 1: Eradicate Extreme Poverty and Hunger

#### Targets:

- Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day
- Achieve full and productive employment and decent work for all, including women and young people
- Halve between 1990 and 2015, the proportion of people who suffer from hunger

#### Progress

- Malawi is on track to meet this target. The current estimate is that 40 per cent of the population is living below poverty line.

#### Factors contributing to progress

- Initiation of a number of agriculture programmes such as promotion of cash crops, agriculture input subsidy, green belt initiatives
- Establishment of Malawi Rural Development Fund (MARDEF) loans to enhance income generating capacity to poor households
- Establishment of One Village One product
- Rehabilitation of irrigation schemes
- Promotion of advocacy for proper storage of food crops through metal storage facilities

#### Key Challenges

- High illiterate rates that limit adoption of new agricultural technologies
- Inadequate food storage, processing and utilization knowledge that result in food wastage
- Critical shortage of capacity and skills in many institutions that are involved in the delivery of development programmes
- High diseases burden such as HIV and AIDS, TB and malaria which affects the economically productive age group.

#### How the Government and its partners are addressing these challenges

- The development of the National Nutrition Policy.
- Policy and technical support provided to the Agriculture sector through the SWAP.
- Support in school gardens and the Junior Field and Life skills initiatives
- Support in the re-integration into schools of boys and girls engaged in hazardous farm work.

#### Prospects of meeting the MDG

- Likely to be met.



## MDG Goal 2: Achieve Universal Primary Education

**Target:** Ensure that by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling

### Progress

- Malawi is not on track to meet this target. According to the Country Status Report of 2008, only 35 per cent of children who enrol in Standard One complete the full primary school cycle (Standard 8).
- Primary school net enrolment has increased from 58 percent in 1992 to 79 percent in 2008. Assuming the recent rate of change continues, by 2015 the net enrolment rate will reach around 88 percent, which is still not enough for Malawi to achieve universal primary enrolment by 2015.

### Key Challenges

- High drop-out rate: only 35 per cent of children who enrol in Standard 1 complete primary school (Standard 8).
- High repetition rate: 20 per cent of children repeat a grade every year.
- Shortage of classrooms: Malawi has an estimated shortage of 30,000 classrooms. This means existing classrooms are overcrowded and thousands of pupils learn in the open or under trees, contributing to the high drop-out rate.
- Shortage of teachers: 25,000 new teachers need to be recruited if the current demand is to be met. The qualified teacher-to-pupil ratio is estimated at 1:88, some way above the recommended ratio of 1:60.
- An estimated shortage of 300,000 school desks.
- Poor quality of education. According to the Southern African Consortium for Monitoring Educational Quality (SACMEQ), Malawi's mean scores in English reading are at the bottom of the SADC region and its mean scores in Mathematics are only better than those of Namibia.

### How the Government and its partners are addressing these challenges

- The abolition of school fees and mandatory uniforms in 1994 has helped to bring enrolment to near-universal levels.
- The child-friendly schools approach has been adopted to improve the quality of education. It emphasizes child-centred teaching and learning methods, equality between boys and girls, safety and protection of children in and around the school, and community involvement in helping children to stay in school.
- Adoption of a sector-wide approach (SWAp) to the education sector. The SWAp has helped to improve coordination of all the players in the education sector and made it easier to pool resources.
- Adoption of a National Education Sector Plan (NESP) that is the blueprint for reforms in the sector.
- Revision of the national curriculum to make it relevant and appropriate.
- Construction of classrooms to plug the shortfall.
- Training of teachers, with an emphasis on female teachers who act as role models for girls.

### Prospects of meeting the MDG

- Important groundwork has been made to improve the quality of education in Malawi and help keep children in school. Unfortunately, there is still a lot more work to be done and 2015 may be too soon for the country to meet the MDG target of achieving universal primary education.



### MDG Goal 3: Promote gender equality and empower women

#### Target:

- Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education, no later than 2015.

#### Progress:

- Malawi is not on track to meet this target. To date, Malawi has a gender development index of 0.374 which is an indication that large disparities between men and women exist.

#### Factors contributing to progress to date:

- The ratio of girls to boys in primary school has increased from 0.87 in 1992 to 0.91 in 2000 and further to 0.995 in 2007. This trend therefore shows that elimination of gender disparity, meaning by 2015 Malawi will achieve gender parity at primary education level.
- Significant improvement in the proportion of women in decision-making positions. For instance for Parliament, there has been improvement from 8 percent in 1999 to 22 percent in 2009.
- Increased recognition of gender-based violence as a human rights and developmental issue in Malawi which has resulted in increased reporting of Gender-Based Violence cases and the adoption of the Prevention of Domestic Violence Act.

#### Key Challenges:

- High illiteracy level among women (56 percent as compared to 28 percent for men).
- High girl drop out rates from the formal schooling which result into disparities of boys and girls in secondary schools
- High dropout rates especially among girls in primary schools due to long distances to schools that poses as a security problem in the face of sexual abuse and gender based violence;
- Poor learning environment which affects girls in primary and secondary schools such as sanitary facilities especially for adolescent girls.
- There exists gender inequality affecting more women than men in accessing productive resources, development opportunities and decision making negatively affect economic growth and development
- There are no laws to establish a minimum quota for participation of women e.g. in government or district assemblies

#### How the Government and its partners are addressing these challenges

- The availability of a policy framework through which gender equality and women's empowerment could be achieved
- Existence of platforms to oversee coordination and harmonisation of Gender related work
- UN's support to the Government of Malawi in the implementation of the national Gender policy and the national gender programme.
- Creation of an enabling policy environment and capacity building in the field of gender
- Strengthening the institutional capacity for effective co-ordination of gender policy implementation and advocacy
- Construction of girls boarding facilities in secondary schools so that distance to schools is reduced
- Expansion of girls boarding facilities in teacher training institutions so that numbers of female teachers is increased specifically targeted for rural area deployment. These teachers apart from teaching are also expected to be role-model for girl pupils and students.
- The 50:50 campaign which is coordinated by the Ministry of Gender, Community and Child Development with support from international donors including the United Nations.
- Support to the 50-50 campaign programme toward elections
- Revision of the re-admission policy in 2006, which makes it friendly for students who withdraw on pregnancy grounds
- Supporting Formulation and review of Gender-related Laws for example gender Equality Statute, Family relations Bill.
- Supporting awareness on cultural/traditional factors which create and perpetuate gender inequalities

#### Prospects of meeting the MDG

- According to MDGs report for Malawi MDG 3- is off track and unlikely to be met.



#### MDG Goal 4: Reduce Child Mortality

**Target:** Reduce by two thirds, between 1990 and 2025, the under-five mortality rate

##### Progress

- Malawi is on track to meet this target.

##### Factors contributing to progress

- High Immunization coverage.
- Increased uptake of and access to community-based integrated management of Childhood illnesses.
- Wide spread of use of ITNs.
- Recruitment, training and retention of health workers including community workers (HSAs).
- Strong MOH and partner coordination in the implementation of child survival interventions.

##### Key Challenges

- High levels of chronic malnutrition.
- Children are still dying from malaria, diarrhoea and pneumonia: 52% of all children under five in the in-patient department (IPD) are due to malaria and anaemia. This accounts for nearly 60% of all hospital deaths in children.
- Outbreak of measles.
- Lapses in surveillance.

##### How the Government and its partners are addressing these challenges

- Resource mobilization.
- Training health care providers.
- Provisions on nets, drugs and vaccines.
- Taking part in vaccine trials and mobilizing resources for new vaccines (pneumo and rota viruses)
- Strengthening disease surveillance.
- Addressing chronic malnutrition through the Nutrition policy using a multi-prolonged approach.

##### Prospects of meeting the MDG

- Likely to be met.



## MDG Goal 5: Improve maternal health

### Targets:

- Reduce by three quarters the maternal mortality ratio
- Achieve universal access to reproductive health

### Progress:

- Malawi is not on track to meet this target.

### Factors contributing to progress to date:

- In 2007, Malawi launched the Road Map for accelerated reduction of maternal and neonatal mortality and morbidity.
- Improved availability, accessibility, utilisation and quality of basic emergency obstetric care services in Malawi.
- Improvement in the availability and accessibility of skilled attendants at birth.
- Implementation of community RH activities.
- The country has also redefined the role of Traditional Birth Attendants to one of being counsellors and support system for the pregnant woman and family.

### Key Challenges

- Cultural and religious beliefs which contribute to the first delay to seek skilled care when giving birth. This is also linked to high illiteracy levels among women.
- Weak referral System.
- Shortage of Human Resources and shortage of equipment, drugs and supplies.
- Macroeconomic Policy – this has a direct influence on Malawi's health care systems. Constraints to investments in the health sector including infrastructure bottlenecks (roads, electricity, water supply and school structures). Education policies related to the empowerment of women also have a bearing on health outcomes.

### How the Government and its partners are addressing these challenges

- Partners, including the UN, are providing technical and financial support at policy level, support is being provided for development of sexual and reproductive health guidelines.
- Malawi has been implementing a 6-Year Emergency Human resource Plan which includes the increase of financial support to training institutions to increase intake of health care trainees.
- Increase in skilled attendants at birth,
- Increase in the contraceptive prevalence rate.
- The launch of the Campaign on Accelerated Reduction of Maternal Mortality in Africa (CARMMA).

- Scaling-up community maternal and neonatal health activities through the provision of sexual and reproductive health information to men, women and young people in order to increase access to family planning services as well as skilled attendance at birth.
- Additional skilled attendants where non-physicians are providing skilled attendance at birth especially Comprehensive Emergency Obstetric Care.
  - Partners are involved in the procurement of equipment for provision of Basic Emergency Obstetric Care services, procurement of family planning commodities which are key to the reduction of maternal mortality.
  - Improvement of both transport and radio communication has been one of the vital strategies in addressing the many problems in MNH care. As of March 2009; 95 percent of health facilities had functional communication system.
  - The Ministry of Health has procured motorcycle ambulances, which are stationed at rural maternity units to ease transportation problems of pregnant women needing referral for hospital care when need arises.

#### Prospects of meeting the MDG

Malawi's maternal mortality rate is still one of the highest in Africa and the country is unlikely to achieve MDG 5. However, from a maternal mortality rate of 1120 in 2004 to 807 women per 100,000 live births in 2006 and to 510 women per 100,000 live births in 2008; Malawi is making good progress in the quest to reduce maternal mortality.



## MDG Goal 6: Combat HIV/AIDS, Malaria and other diseases

### Targets:

- Have halted by 2015 and begun to reverse the spread of HIV/AIDS
- Achieve, by 2010, universal access to treatment for HIV/AIDS for those who need it
- Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases

### Progress

- Malawi is on track to meet this target.

### Factors contributing to progress

- Change in policy to utilization of ACTs and Universal access for free ITNs
- Greater investments in training health workers on management of sick children
- Massive resources mobilization through the Global Fund and Roll-Back malaria initiative

### Key Challenges

- LA is not yet available in the community as it has to be coupled with use of rapid diagnostic kits
- Indoor residual spraying is still limited to a few districts: has piloted in Nkhota-kota and will soon be expanded to 6 other districts with highest incidence i.e. Karonga, Nkhatabay, Chikwawa, Nsanje, Mangochi and Salima using pyrethroids rather than DDT
- Case management still needs to improve
- ITNs are being abused
- Drug leakage
- Community attitudes such as late-treatment seeking behaviour, myths and misconceptions about IPT, ITNs and LA negatively influence uptake of malaria treatment and prevention services
- Malawi does not have an integrated vector management (IVM) strategy that includes other vector control interventions such as larviciding and environmental control that could be appropriate for urban areas.

### How the Government and its partners are addressing these challenges

- Provision of technical assistance to write successful proposals to the Global Fund
- Setting up sentinel surveillance sites to monitor and evaluate intervention coverage as well as impact
- Carrying out surveys such as the MIS, doing an intensive program review to inform the next strategic plan
- Empowering communities to improve health-seeking behaviours, HSAs for initial management and referral
- Improving health workers' skills for case-management.

### Prospects of meeting the MDG

- The MDG targets for malaria were never articulated, so the best case scenario is that they will be partially met.



## MDG Goal 7: Ensure Environmental Sustainability

**Target:** Halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation

### Progress

- Malawi is on track to achieve the MDG target of halving the proportion of people without access to safe drinking water and basic sanitation.
  - Around 75 per cent of the population has access to safe water and 47 per cent to improved sanitation, defined as access to a public sewer, septic tank or a pour-flush, simple or ventilated improved latrine.
  - Access to basic sanitation, which includes traditional latrines, is as high as 94 per cent.

### Factors that May Have Contributed to the Progress

- Sustained effort to provide water and sanitation to rural areas and peri-urban communities, including schools.
- Introduction of community-led total sanitation approaches which emphasize community-led solutions. The Community-Led Total Sanitation (CLTS) approach has presented an opportunity to scale up household latrine construction and use and to move Malawi to an open defecation-free environment.
- Improved policy and systems development, guidelines and standards.
- Better understanding of where the needs and gaps are through a system of mapping water points.
- Strengthened planning and implementation capacities at district and community levels for decentralized management of water supply and sanitation.
- Increased involvement of the private sector.
- Acceleration of sector reforms which have led to the development of a Sector Wide Approach (SWAp).

### Key Challenges

- Low implementation capacity, especially at district and sub-district levels, continues to hinder effective delivery of water and sanitation services.
- Sustaining the operation and maintenance of constructed facilities and the new shift from a project to a sector-wide approach require a fundamental change in attitude and places a heavy demand on coordination.

### How the Government and its partners are addressing these challenges

- Capacity development of district and community level players.
- Training of communities in water point management and maintenance.

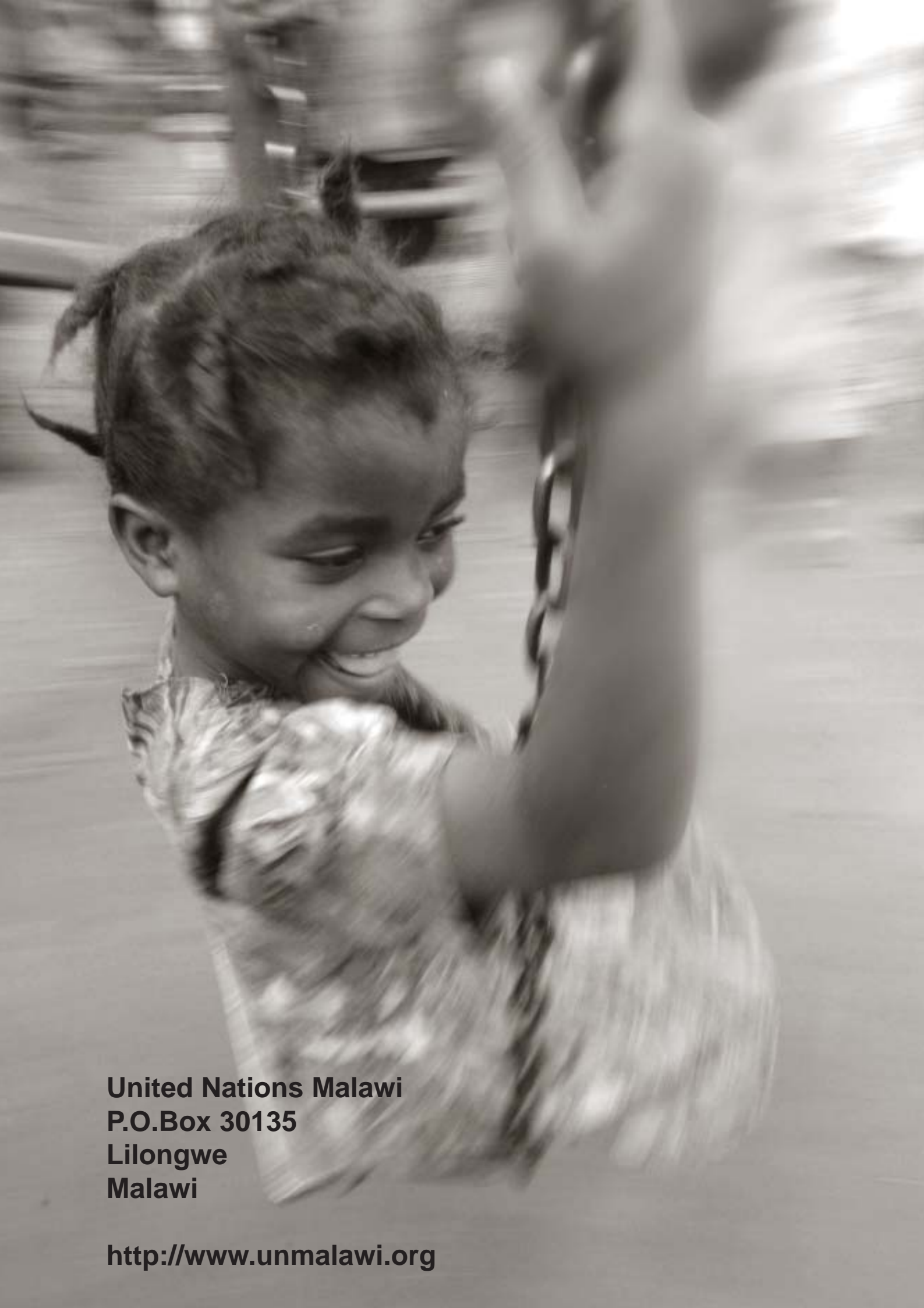
### Prospects of meeting the MDG

- If current progress is maintained, Malawi is likely to meet the MDG target on water and sanitation.



**United Nations Malawi  
P.O.Box 30135  
Lilongwe  
Malawi**

**<http://www.unmalawi.org>**



**United Nations Malawi**  
**P.O.Box 30135**  
**Lilongwe**  
**Malawi**

<http://www.unmalawi.org>