

USAID/MALAWI

R4

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ACRONYMS

ACDI	Agricultural Cooperative Development International
ADMARC	Agricultural Development and Marketing Corporation
AFORD	Alliance for Democracy
APRU	Agricultural Policy Research Unit, Bunda College
ASAP	Agricultural Support Assistance Project
AIDS	Acquired Immune Deficiency Syndrome
CARER	Centre for Advice, Research and Education on Rights
CBD	Community Based Distribution
CBNRM	Community Based Natural Resource Management
CHAM	Christian Health Association of Malawi
CSO	Civil Society Organization
CY	Calendar Year
DAC	Development Assistance Committee
D/G	Democracy and Governance
DHS	Demographic Health Survey
EA	Environmental Assessment
EIS	Environmental Information System
EMA	Environmental Management Act
EMIS	Education Management Information System
EU	European Union
FINCA	Foundation for International Community Assistance
FSN	Foreign Service National
FY	Financial Year
GAC	Gender Appropriate Curriculum
GABLE	Girls' Attainment in Basic Literacy and Education
GDP	Gross Domestic Product
GIS	Geographic Information System
GOM	Government of Malawi
GTZ	German development agency
HIID	Harvard institute for International Development
HIV	Human Immunodeficiency Virus
HYV	High Yielding Variety
IEC	Information, Education and Communication
IEE	Initial Environmental Examination
IFES	International Foundation for Electoral System
IR	Intermediate Result
KAP	Knowledge, Attitude, and Practices
MBC	Malawi Broadcasting Corporation
MCH	Maternal Child Health
MCP	Malawi Congress Party
MDHS	Malawi Demographic Health Survey

MIITEP	MOE's teacher development plan
MK	Malawi Kwacha
MKAP	Malawi Knowledge, Attitude and Practices
MOH&P	Ministry of Health and Population
MOE	Ministry of Education
MOREA	Ministry of Research and Environmental Affairs
MP	Member of Parliament
NDI	National Democratic Institute
NEP	National Environmental Policy
NGO	Non-governmental Organization
NRM	Natural Resource Management
ODA	Overseas Development Administration
OE	Operating Expense
ORS/T	Oral Rehydration Salts/Therapy
PMP	Performance Monitoring Plan
PSI	Population Service International
PSLCE	Primary School Leaving Certificate Exam
PVO	Private Voluntary Organization
R4	Results Review and Resource Request
RF	Results Framework
SFFRFM	Smallholder Farmers Fertilizer Revolving Fund of Malawi
SMC	Social Mobilization Campaign
STAFH	Support to AIDS and Family Health
STD	Sexually Transmitted Disease
TBD	To Be Determined
UNDP	United Nations Development Program
UNIMA	University of Malawi
USAID	United States Agency for International Development
WSU	Washington State University

PART I: OVERVIEW AND FACTORS AFFECTING PROGRAM PERFORMANCE

USAID/Malawi's is a mature, sustainable development program producing solid results in an environment conducive to achieving, and continuing to achieve, substantial positive social and economic impact across a broad spectrum of Malawian households.

No changes have occurred over the past year in Malawi's broad development context that would require downward adjustments to the Mission's strategy or elimination of any of its five objectives. In fact, the development context for USAID's Malawi program has continued the steady improvement initiated during the 1993-1994 period with a radical political transformation .

In 1994, the new government turned its attention to correcting the major macroeconomic imbalances it inherited and getting the economic environment "right" for broad-based growth. This entailed implementation of an austerity economic stabilization program simultaneously with the initiation of a wide-reaching structural adjustment program. Both proceeded on track, so that by the end of 1996, the economy was in balance, characterized by low interest and inflation rates, high foreign reserves, a stable market-determined currency, and continuously lower fiscal deficits. Structural reforms aimed at reducing the drag of the government on private economic activity have focussed on privatization or liquidation of parastatal entities, significant reductions and eliminations of trade and export taxes, civil service reform and retrenchment, and establishment of an agricultural pricing and marketing system that is non-discriminatory, competitive, and market-based. In both 1995 and 1996, stabilization and reform programs began paying off with the country registering 9.0% and 10.3% GDP growth, respectively. In 1997, Malawi is poised for even better, private sector-led performance.

The priority placed by the Malawian government on social sector investments for long-term poverty alleviation is another aspect of this positive development environment. The government is matching USAID's focus on health, primary education, agriculture and environment, with increased budgetary allocations to these sectors. The GOM's contributions to these priorities far outweigh donor contributions and are indicative of government leadership in social sector development and government commitment to achieving the goals of its own Poverty Alleviation Programme, initiated in 1994.

With such a conducive environment, it is not surprising that this R4 reports a significant amount of positive change occurring in Malawi today. USAID's role in that change has been pivotal. Our mature programs and the results they have achieved in smallholder agriculture and basic education have demonstrated the wisdom of investing in these areas. Results are so positive that the mission is proposing to expand its work in agriculture over the 1998-99 period through the Agency's new Food Security Initiative. In basic education, an expansion

of activities is proposed over the 1998-1999 period. In the areas of environment and health, a significant sea change in government leadership, commitment and priorities has occurred since 1994, which resulted in new mission initiatives in these areas in 1995 and a proposal for an additional significant initiative in the health sector for 1998. The democracy and governance program, new in 1993, is strengthening the institutions of Malawi's new democracy and human rights environment and the mission is proposing an expansion of activities in this area for 1999.

PART II PROGRESS TOWARD OBJECTIVES

STRATEGIC OBJECTIVE 1: INCREASED AGRICULTURAL INCOMES ON A PER CAPITA BASIS

USAID support for agricultural policy reform, market liberalization and institutional reform in Malawi has had a far greater and more positive impact on Malawi's agricultural economy than ever anticipated. Malawi's 2.2 million smallholder farmers are clearly evolving from subsistence farmers to participants in a dynamic exchange economy. This "revolution" in the agricultural sector is revitalizing the rural economy and laying the foundation for continued and accelerated economic growth.

Between 1995 and 1996, agricultural sector GDP increased by 38.9%. While this is partly a result of improved growing conditions, much of it can be attributed to USAID-supported reforms. With policy reform and market liberalization, Malawi's smallholder farmers are responding rapidly to price signals and new crop and market opportunities and adjusting their cropping patterns to maximize profits. Private traders are also quickly responding to the elimination of subsidies and price controls, and rural trade is expanding rapidly.

Growing conditions in 1996 were only average, yet Malawi's foodcrop production increased to 2,240 kilocalories/person/day, far exceeding the projected 1,800 kilocalories/person/day. Kilocaloric availability in 1996 is second only to the 2,367 produced in the bumper crop year of 1993 and is well in excess of the 2,062 baseline in 1985. If there is no major drought and present trends continue, the 1995-2000 five year average will exceed 2,200 kilocalories/person/day, which is the generally accepted minimum for good nutrition.

1. Performance Analysis/Performance Data Tables

An assessment of performance against the strategic objective and each significant intermediate results indicator is included beneath the data table for each indicator.

STRATEGIC OBJECTIVE 1:	INCREASED AGRICULTURAL INCOMES ON PER CAPITA BASIS
APPROVED: 15/03/95	COUNTRY/ORGANIZATION: USAID/Malawi
STRATEGIC OBJECTIVE:	Increased agricultural incomes on a per capita basis
INDICATOR: Real per capita incomes for smallholder tobacco producers	

UNIT OF MEASURE: \$U.S. SOURCES: Ministry of Agriculture and Livestock Development, Auction Holdings Ltd, Agricultural Credit Development International (ACDI), and survey of intermediate buyers by B. Phiri INDICATOR DESCRIPTION: Measures income earned by smallholder producers both from the sale of their tobacco directly on the international auction floor and to intermediate buyers, which now include ADMARC COMMENTS: The difficulty here is estimating prices paid by the myriad intermediate buyers.	YEAR	PLANNED	ACTUAL
	1991(B)		\$153
	1992		\$263
	1993		\$244
	1994		\$171
	1995		\$191
	1996	\$230	\$315
	1997	\$242	
	1998	\$254	
	1999	\$266	
2000(T)	\$278		

Real per capita incomes for smallholders who produce burley tobacco with their other crops increased far more rapidly than anticipated during the reporting period. In 1996 the estimated real per capita income for the over 104,000 registered smallholder producers was \$315, the highest since the beginning of liberalization. This was much greater on both an individual and cumulative basis than the \$153 for 6,600 producers recorded in 1991 or the \$230 projected for the reporting period. While this unprecedented increase in income was partly due to higher prices for tobacco (approximately 10% higher), the main reason was that smallholders bypassed middlemen to directly market more of their tobacco on the international auction floor (a 174% increase in volume over last year, see I.R. 1.2). This is a clear indication of smallholder farmers taking advantage of new crop and market opportunities.

Significantly, as indicated by the increased number of registered smallholder producers, the actual number of farmers receiving increased income has expanded rapidly. This confirms one of the development hypotheses of this strategic objective: that the positive effects of market liberalization will be equitably distributed.

To enhance its ability to monitor performance at the strategic objective level, the mission is developing a more comprehensive indicator for measuring per capita income. Whereas the current indicator measures only per capita income for smallholders whose production includes tobacco, the system under development will establish a baseline and measure per capita income across the entire agricultural sector. It is anticipated that this will be completed during the next reporting period.

STRATEGIC OBJECTIVE: INCREASED AGRICULTURAL INCOMES ON PER CAPITA BASIS			
APPROVED: 15/03/95 COUNTRY/ORGANIZATION: USAID/Malawi			
INTERMEDIATE RESULT 1.1: Farmer adoption of improved crop production/storage technologies increased			
INDICATOR: Share of smallholder area planted to non-maize crops			
UNIT OF MEASURE: Percentage SOURCES: Ministry of Agriculture and Livestock Development INDICATOR DESCRIPTION: Percentage of total area planted to crops other than maize COMMENTS:	YEAR	PLANNED	ACTUAL
	1985(B)		27.1%
	1990		19.0%
	1991		22.4%
	1992		20.0%
	1993		24.2%
	1994		27.4%
	1995		32.0%
	1996	35.0%	35.0%
	1997	36.0%	
	1998	38.0%	
	1999	38.0%	
	2000(T)	40.0%	

Farmer cultivation of non-maize crops continues to increase, with the share of smallholder cultivated area planted to non-maize crops, calculated conservatively, increasing from 32% to 35% during the reporting period. Other calculations have run as high as 44%. Increased crop diversification is primarily a result of USAID-supported market liberalization, as farmers react to market price signals and plant a more diversified mix of cash, food, and drought-insurance crops.

STRATEGIC OBJECTIVE 1: INCREASED AGRICULTURAL INCOMES ON PER CAPITA BASIS				
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi		
INTERMEDIATE RESULT 1.1: Farmer adoption of improved crop production/storage technologies increased				
INDICATOR: Ratio of smallholder root crop area to smallholder maize area				
UNIT OF MEASURE: Ratio	YEAR	PLANNED	ACTUAL	
	1990(B)		6.8%	
	SOURCES: Ministry of Agriculture and Livestock Development			
	1991		8.6%	
	INDICATOR DESCRIPTION: Ratio of total root crops (cassava and sweet potatoes) area to smallholder maize area.			
	1992		6.1%	
	1993		8.4%	
	1994		9.7%	
	COMMENTS: This measures crop diversification away from the previously predominantly maize diet.			
	1995		12.7%	
	1996	14.0%	14.9%	
	1997	15.5%		
1998	17.0%			
1999	18.5%			
2000(T)	20.0%			

As farmer cultivation of non-maize crops increased, the ratio of smallholder root crop area to smallholder maize area grew dramatically, going from 6.8% in 1990 to 14.9% in 1996. Once again, this significant increase in crop diversification can primarily be attributed to market liberalization, as farmers react to market price signals and plant a more diversified mix of cash, food, and drought-insurance crops.

STRATEGIC OBJECTIVE 1: INCREASED AGRICULTURAL INCOMES ON PER CAPITA BASIS			
APPROVED: 15/03/95 COUNTRY/ORGANIZATION: USAID/Malawi			
INTERMEDIATE RESULT 1.2: Competitive market environment established			
INDICATOR: Share of burley tobacco produced by smallholders			
UNIT OF MEASURE: Percentage SOURCES: Ministry of Agriculture and Livestock Development, Auction Holding, and ACDI INDICATOR DESCRIPTION: Percentage of total smallholder burley tobacco produced of total burley tobacco sold on the auction floors. COMMENTS: Smallholders' share of total burley tobacco sold in malawi is increasing.	YEAR	PLANNED	ACTUAL
	1992(B)		2.8%
	1993		17.0%
	1994		8.2%
	1995		20.4%
	1996	25.0%	42.2%
	1997	30.0%	
	1998	35.0%	
	1999	40.0%	
	2000(T)	40.0%	

The share of Malawi's principal export crop (burley tobacco) produced by smallholders grew more rapidly than anticipated during the reporting period. In 1996, smallholders produced an astounding 42.2% of Malawi's total burley tobacco crop, surpassing not only the 1996 projection (25%), but also the 2000 target (40%). While increases in burley tobacco prices could account for some of the increased production by smallholders, most of the increase is due to the lifting of restrictions on production and marketing. 1996 was the first year in which all production restrictions were lifted. The mission expects the upward trend to continue, but with less dramatic single-year increases.

STRATEGIC OBJECTIVE 1: INCREASED AGRICULTURAL INCOMES ON PER CAPITA BASIS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 1.2: Competitive market environment established			
INDICATOR: Share of burley tobacco marketed directly by smallholders (auction)			
UNIT OF MEASURE: Percentage SOURCES: Auction Holding, and ACDI INDICATOR DESCRIPTION: Percentage of smallholder burley tobacco [of total burley tobacco sold] sold directly by smallholders on the auction floors. COMMENTS: More and more smallholder tobacco is being sold directly.	YEAR	PLANNED	ACTUAL
	1992(B)		1.0%
	1993		5.2%
	1994		5.3%
	1995		4.6%
	1996	10.0%	10.9%
	1997	12.0%	
	1998	15.0%	
	1999	18.0%	
	2000(T)	20.0%	

Smallholders directly marketed 10.9% of all burley tobacco sold at international auction in 1996, slightly exceeding the target of 10%. This increase is due to a more positive response than anticipated to the lifting of restrictions on marketing.

STRATEGIC OBJECTIVE 1: INCREASED AGRICULTURAL INCOMES ON PER CAPITA BASIS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 1.2: Competitive market environment established			
INDICATOR: Volume of burley tobacco marketed directly by smallholders (auction)			
UNIT OF MEASURE: Million kilograms SOURCES: Auction Holding, and ACDI INDICATOR DESCRIPTION: Quantity of burley tobacco sold COMMENTS: This data comes directly from the auction . For various reasons, some clubs may be missed.	YEAR	PLANNED	ACTUAL
	1992(B)	0.01	1.0
	1993		5.4
	1994		3.8
	1995	0.05	4.7
	1996	10.0	12.8
	1997	12.0	
	1998	15.0	
	1999	18.0	
	2000(T)	20.0	

The total volume of burley tobacco marketed directly by smallholders on the international auction floors increased dramatically, going from 1.0 million kilograms in 1992, to 4.7 million kilograms in 1995, to 12.8 million kilograms in 1996. This is almost 3 million kilograms higher than the 10 million kilograms anticipated for 1996 and surpasses the 1997 target of 12 million kilograms. This target was exceeded because farmers responded more quickly and in greater numbers than expected to market liberalization.

STRATEGIC OBJECTIVE 1: INCREASED AGRICULTURAL INCOMES ON PER CAPITA BASIS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 1.2: Competitive market environment established			
INDICATOR: Percentage of registered smallholder burley tobacco growers who are female			
UNIT OF MEASURE: Percentage SOURCES: Ministry of Agriculture and Livestock Development/Tobacco Control Commission, Auction Holdings Limited, ACDI INDICATOR DESCRIPTION: Percentage of registered tobacco growers who are female. COMMENTS:	YEAR	PLANNED	ACTUAL
	1993(B)		12.7%
	1994		15.0%
	1995		29.0%
	1996	32.0%	37.0%
	1997	34.0%	
	1998	36.0%	
	1999	38.0%	
	2000(T)	40.0%	

Importantly, female-headed farm households are benefitting substantially from the liberalized tobacco market. The percentage of registered women burley growers increased from 12.7% in 1993 to 37% in 1996, nearly reaching 1999 targets, demonstrating that women are responding to market signals and entering the cash economy as rapidly as their male counterparts.

STRATEGIC OBJECTIVE 1: INCREASED AGRICULTURAL INCOMES ON PER CAPITA BASIS			
APPROVED: 15/03/95 COUNTRY/ORGANIZATION: USAID/Malawi			
INTERMEDIATE RESULT 1.2: Competitive market environment established			
INTERMEDIATE RESULT 1.3: Private sector agribusiness and transport activities expanded			
INDICATOR: Share of HYV maize seed sold through private channels			
UNIT OF MEASURE: Percentage SOURCES: National Seed Company of Malawi and Pannar Seeds (Lever Brothers) INDICATOR DESCRIPTION: Percentage of high yielding maize seed (hybrid and composite) sold by non-government bodies COMMENTS: This indicator measures progress against both IR 1.2 and IR 1.3. N/A = Targets not set because information was difficult to collect at that time.	YEAR	PLANNED	ACTUAL
	1985(B)		11.8%
	1990		17.5%
	1991		10.8%
	1992		10.1%
	1993		25.6%
	1994		42.0%
	1995	N/A	45.0%
	1996	50.0%	73.5%
	1997	55.0%	
	1998	65.0%	
	1999	68.0%	
	2000(T)	70.0%	

Private dealers expanded the size and geographic coverage of their operations, actively competing for a share of the market more rapidly than expected during the reporting period. For example, the share of HYV maize seed sold by private suppliers in 1996 was 73.5% of total sales, compared to the anticipated 50%. Note: The total volume of sales declined as a result of a temporary GOM free seed and fertilizer distribution program supported by some donors (not USAID). However, private traders sold more than in the previous year.

STRATEGIC OBJECTIVE 1: INCREASED AGRICULTURAL INCOMES ON PER CAPITA BASIS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 1.2: Competitive market environment established			
INTERMEDIATE RESULT 1.3: Private sector agribusiness and transport activities expanded			
INDICATOR: Share of fertilizer sold through private channels			
UNIT OF MEASURE: Percentage SOURCES: ADMARC, SFFRFM, Norsk Hydro, OPTICHEM, Farmwise, Farmers' World, INTERFERT, etc. INDICATOR DESCRIPTION: Percentage of fertilizer sold by non-government bodies COMMENTS: This indicator measures progress against both IR 1.2 and IR 1.3. Data to measure progress against this indicator are no longer easy to collect as there are now many fertilizer traders in Malawi and the availability of fertilizer is no longer a problem. It may be necessary to drop this indicator altogether next year. Reporting on it was only possible this year because a consultant carried out a study of the effect of free inputs on trade.	YEAR	PLANNED	ACTUAL
	1985(B)		42.1%
	1990		33.0%
	1991		6.0%
	1992	38.0%	27.7%
	1993		28.1%
	1994		40.0%
	1995	47.0%	47.0%
	1996	50.0%	57.0%
	1997	55.0%	
	1998	65.0%	
	1999	68.0%	
	2000(T)	70.0%	

At an estimated 57% of total sales, the share of fertilizer sold by private suppliers in 1996 also exceeded its target of 50%. Importantly, increased competition in the fertilizer market also caused prices to decline. Between 1995 and 1996, the nominal price of CAN declined from MK 275 to MK 220, while the nominal price of D-Compound remained constant at MK 335. Given that the rate of inflation averaged 37.4%, the **real** price of both types of fertilizer declined.

STRATEGIC OBJECTIVE 1: INCREASED AGRICULTURAL INCOMES ON PER CAPITA BASIS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 1.3: Private sector agribusiness and transport activities expanded			
INDICATOR: Farmer-owned agribusinesses and cooperatives (clubs)			
UNIT OF MEASURE: a) Number-total b) Number-all female <hr/> SOURCE: ACDI <hr/> INDICATOR DESCRIPTION: The number of farmer-owned agribusinesses and cooperatives operational in Malawi. Initially these were only credit clubs; they have now become agribusinesses. <hr/> COMMENTS: Most clubs will eventually become cooperatives/agribusinesses. Data for all female clubs were not collected until 1995.	YEAR	PLANNED	ACTUAL
	1993(B)		a) 1,095 b) n/a
	1994		a) 1,228 b) n/a
	1995		a) 2,476 b) 169
	1996	a) 4,500 b) 400	a) 5,044 b) 436
	1997	a) 4,800 b) 450	
	1998	a) 5,000 b) 500	
	1999	a) 5,250 b) 525	
	2000(T)	a) 5,500 b) 550	

The number of smallholder tobacco marketing clubs (farmer-owned business enterprises) with direct access to the international auction floors more than doubled from 2,476 in 1995 to 5,044 in 1996, exceeding the target of 4,500 clubs. With membership in each club averaging twenty farm families, the number of smallholder families organized into agribusinesses to increase their market power and influence totals as many as 103,500.

The number of all-female marketing clubs also exceeded its target of 400 by 36, indicating that Malawian women are also eager to take advantage of market opportunities to increase their family incomes.

STRATEGIC OBJECTIVE 1: INCREASED AGRICULTURAL INCOMES ON PER CAPITA BASIS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 1.3: Private sector agribusiness and transport activities expanded			
INDICATOR: Volume of goods transported by rail			
UNIT OF MEASURE: a) Thousands of tons, exports b) Thousands of tons, imports <hr/> SOURCE: Malawi Railways Limited <hr/> INDICATOR DESCRIPTION: The total amount of exported/imported goods transported by Malawi Railways Limited. <hr/> COMMENTS: The data are given per GOM fiscal year. But, beginning with 1996, are aggregated by calendar year because the data are received approximately three months after the end of each quarter. The figures for previous years are therefore different from the ones calculated by calendar year. The old series has been kept as it was.	YEAR	PLANNED	ACTUAL
	1990(B)		a) 11.3 b) 25.1
	1991		a) 14.0 b) 23.0
	1992		a) 13.8 b) 60.8
	1993		a) 13.6 b) 76.6
	1994		a) 29.6 b) 75.7
	1995		a) 50.4 b) 112.2
	1996	a) 52.0 b) 188.0	a) 37.6 b) 104.3
	1997	a) 58.0 b) 210.0	
	1998	a) 61.0 b) 217.0	
	1999	a) 64.0 b) 224.0	
	2000(T)	a) 68.0 b) 232.0	

The cost of transportation for both imports and exports remains a significant constraint to income growth. In an effort to lower those costs through competition, the restructured Malawi Railways is seeking to increase the volume of rail-carried import and export traffic. While import traffic increased from 76,600 metric tons in 1993 to 104,300 metric tons in 1996 and export traffic rose from 13,600 to 37,600 metric tons during the same time period, these increases fell short of the projected 188,000 and 52,000 metric tons for two principal reasons. First, a major wash out of a portion of the railway in Mozambique closed the line for several weeks. This had not only the short term consequence of interrupting traffic, but also the more long-term implication of reducing customer confidence in the reliability of the railroad. Second, the concrete mill in Blantyre, one of the principal users of the railway, experienced difficulties with one of its kilns in 1996, causing production at the plant to cease for several months. Heavy factory-related input and output traffic halted during this period.

2. Expected Progress through FY 1999 and Management Actions

As demonstrated, the impact of USAID-supported policy, market liberalization and institutional reforms in Malawi has had a far greater impact on agriculture than anticipated. Because tobacco sector reform was the early focus of activities under this strategic objective, the most striking results have been achieved in that sector. However, other sectors are quickly following suit. Progress in the maize marketing and input marketing areas has also been impressive, registering a positive impact on overall production, prices and food security. Over the past four years, USAID/Malawi has twice revised its targets in these areas upward. Because the last revision was carried out only last year, the mission prefers to wait another year to examine trends before undertaking another major revision of targets.

During the next two years, the mission will continue to support activities in all three intermediate results. These activities will be enhanced and expanded under the proposed FY 1998 Food Security Initiative. A principal focus of that Initiative will be on accelerated formation and expansion of small farmer organizations, cooperatives, and business enterprises.

In the transport sector, USAID will continue to support the privatization of the railroad system, encouraging lower prices through increased inter-modal competition and increased volume of transported goods. The success of efforts in Malawi, however, will always depend on events in Mozambique, as a preponderance of Malawian imports and exports transported by road and rail come through Mozambique. Mozambique has indicated agreement in principle to privatizing its railway system, and USAID/Malawi will continue to coordinate and cooperate with Mozambique on this important regional issue.

As mentioned previously, by the end of the next reporting period, the mission expects to have a more comprehensive means of measuring achievement at the strategic objective level. With USAID support, the Agricultural Policy Research Unit (APRU) at Bunda College is in the process of developing a methodology for measuring per capita income across the entire agricultural sector, including income earned from tobacco and other crops as well as from other income-generating activities for both smallholders and tenants on estates. This will require supplementing current crop and market surveys with direct and indirect household surveys. APRU is currently testing a preliminary model in a pilot area. Based on feedback in the pilot area, the model will be refined before being implemented at the national level.

STRATEGIC OBJECTIVE 2 INCREASED SUSTAINABLE USE, CONSERVATION, AND MANAGEMENT OF NATURAL RESOURCES

Implementation under this new strategic objective began in January 1996. While designed just prior to the initiation of reengineering, the agreement defining USAID-supported activities in the renewable natural resource sector is strongly performance-based. The targets in the agreement provide the basic framework against which performance during this reporting period has been monitored. A focus of activities during this period has been on initiating a broad policy, legislative and institutional reform agenda geared toward improving natural resource management (NRM) in Malawi. GOM performance exceeded expectations.

Considerable attention was devoted to laying the base for achieving national-level results through involving a broad range of partners and stakeholders in the results framework (RF) and performance monitoring plan (PMP) process. Because six line ministries, the private sector, numerous NGOs, local communities and many donor organizations are all directly engaged in NRM activities, the use of a participatory approach for the exercise was a *sine qua non* for success. While such an inclusive process has been time consuming, initial results are well worth the effort. A major milestone was achieved during the period when the Ministry of Research and Environmental Affairs (MOREA) assumed ownership of this process. The Ministry is now experimenting with using the RF tool as a national level programmatic coordinating, planning and monitoring instrument, with emphasis on “operationalizing” the priorities identified in the GOM’s Environmental Support Program. Under MOREA’s auspices, the preliminary RF and PMP are being refined through a series of multi-partner workshops geared to each major branch of the framework. The first workshop, covering IR 2.4, is scheduled for March 4-6, 1997. The attached data tables are therefore subject to revision and refinement.

Poor inter-agency coordination has been a long-standing impediment to improved NRM management. Significant progress was made in removing this obstacle with the enactment of the Environmental Management Act (EMF), which clarified the role of the institution responsible for coordinating/monitoring environmental activities (the Department of Environmental Affairs of MOREA). The department subsequently underwent a comprehensive institutional reorganization involving the establishment of 18 senior positions, of which 14 have already been filled. To better support the development of indigenous capacity, not only within MOREA but also within other agencies, the cooperative agreement with the University of Arizona, which provides technical support to MOREA, was expanded to include the placement of a senior environmental policy advisor in MOREA, an environmental scientist in the University of Malawi, and a public lands specialist with the Ministry of Lands and Valuation.

The cross-sectoral nature of NRM activities poses special challenges for improving donor coordination. However, under USAID’s leadership, approximately 15 donor representatives

meet each month at USAID for a presentation on a specific topic and to exchange information. This has resulted in several concrete examples of joint planning, funding and/or implementation in areas such as policy and legislative reform, endowment fund development, environmental information system procurement, and environmental education strategy development. It has also led to improved coordination between the protected area management program supported by Germany's development agency (GTZ) and USAID's program agenda. For example, the GTZ successfully negotiated with the GOM for the sharing of revenues from one national park with adjacent local communities. USAID expanded on this initiative and, as a result, the GOM agreed to implement revenue sharing with communities around all protected areas.

1. Performance Analysis/ Performance Data Tables

An assessment of performance against the strategic objective and each significant intermediate result indicator is included beneath each data table.

STRATEGIC OBJECTIVE 2: INCREASED SUSTAINABLE USE, CONSERVATION, AND MANAGEMENT OF NATURAL RESOURCES			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
STRATEGIC OBJECTIVE 2: Increased sustainable use, conservation, and management of natural resources			
INDICATOR: Land area under improved agroforestry/soil conservation practices			
UNIT OF MEASURE: a) 1000 hectares b) 1000 farm families <hr/> SOURCE: <hr/> INDICATOR DESCRIPTION: <hr/> COMMENTS: Under its amended cooperative agreement, Washington State University (WSU) will play a lead role in facilitating the development of a common, multi-agency/donor framework for increased adoption of appropriate agroforestry and soil conservation practices. Prior to May 1997, WSU will submit baseline data and four year targets for this indicator. The indicator description will be clearly defined at that time as well. See IR 2.3 for additional detail.	YEAR	PLANNED	ACTUAL
	1996(B)		a) TBD b) TBD
	1997	a) b)	
	1998	a) b)	
	1999	a) b)	
	2000(T)	a) +75 b) +75	

STRATEGIC OBJECTIVE 2: INCREASED SUSTAINABLE USE, CONSERVATION, AND MANAGEMENT OF NATURAL RESOURCES			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
STRATEGIC OBJECTIVE 2: Increased sustainable use, conservation, and management of natural resources			
INDICATOR: Land area under community-based natural resource management (CBNRM)			
UNIT OF MEASURE: 1000 hectares <hr/> SOURCE: <hr/> INDICATOR DESCRIPTION: <hr/> COMMENTS: Indicator to be defined and targets set at national-level CBNRM workshop to be held March 4-6, 1997. See IR 2.4 for a description of anticipated interim CBNRM results.	YEAR	PLANNED	ACTUAL
	1995 (B)		TBD
	1996		
	1997		
	1998		
	1999		
	2000(T)		

STRATEGIC OBJECTIVE 2: INCREASED SUSTAINABLE USE, CONSERVATION, AND MANAGEMENT OF NATURAL RESOURCES			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
STRATEGIC OBJECTIVE 2 : Increased sustainable use, conservation, and management of natural resources			
INDICATOR: Protected areas under improved management practices			
UNIT OF MEASURE: Number of protected areas (cumulative) with: a) management plan developed b) management plan implemented SOURCE: Department of Parks and Wildlife reports INDICATOR DESCRIPTION: Protected areas are those under the auspices of the Department of Parks and Wildlife. Improved management practices indicate that a management plan has been developed and approved and is being implemented. COMMENTS: Planned workshop (to be funded by the German development agency) will refine this indicator and establish targets. USAID is not the lead donor for this area of intervention.	YEAR	PLANNED	ACTUAL
	1996(B)		a) 1 b) 0
	1997	a) b)	
	1998	a) b)	
	1999	a) b)	
	2000(T)	a) 6 b) 6	

Given the long-term nature of environmental impact programs, it was not anticipated that any measurable progress would be evident at the strategic objective level after only one year of implementation. As noted above, significant progress was made in reaching agreement between the government, donors, NGOs and the private sector on potential indicators and targets. Baseline data and initial progress should be available by the next reporting period.

STRATEGIC OBJECTIVE 2: INCREASED SUSTAINABLE USE, CONSERVATION, AND MANAGEMENT OF NATURAL RESOURCES			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 2.1 : Comprehensive policy and legislative framework established			
INDICATOR: National-level policies approved/passed by Parliament			
UNIT OF MEASURE: Specific policy <hr/> SOURCE: GOM documents/Parliamentary action <hr/> INDICATOR DESCRIPTION: NEP=National Environmental Policy approved EMF=Environmental Management Act enacted into law <hr/> COMMENTS:	YEAR	PLANNED	ACTUAL
	1996	NEP	NEP, EMF
	1997	EMF	
	1998		
	1999		
	2000		

Progress in the establishment of national NRM policies exceeded expectations in two areas. First, in August 1996, one year earlier than anticipated, the President signed into law Malawi's first national Environment Management Act (EMF). This legislation provides the requisite architecture for accelerating and harmonizing implementation of sectoral-level environmental policy reform programs. The EMF clearly delineates the role of the institution responsible for coordinating and monitoring environment, conservation and natural resource management activities (the Department of Environmental Affairs within MOREA) and establishes formal and high-level mechanisms for addressing cross-sectoral problems.

Second, the GOM recently established a Presidential Commission of Enquiry on Land Policy Reform to promote equitable access to land, security of land title and improved land administration. This action will facilitate the review and reform of land tenure policies planned under this IR and supports the characterization of publicly held lands activity under IR 2.2.

STRATEGIC OBJECTIVE 2: INCREASED SUSTAINABLE USE, CONSERVATION, AND MANAGEMENT OF NATURAL RESOURCES			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 2.1 : Comprehensive policy and legislative framework established			
INDICATOR: Sector policies and legislation updated			
<p>UNIT OF MEASURE: % completed for each step for policies and legislation in forestry, fisheries, parks/wildlife, land use, agriculture and water/irrigation sectors.</p> <hr/> <p>SOURCE: University of Arizona reports; GOM documents</p> <hr/> <p>INDICATOR DESCRIPTION: Steps AP=sector action plan prepared PR= sector policy reviewed PU=sector policy updated LR=sector legislation reviewed LU=sector legislation updated</p> <hr/> <p>COMMENTS:</p> <p>Action plans lay out the schedule for policy/legislative review and updates for each sector. Therefore, tracking of the review and updating process tracks implementation of the action plans.</p>	YEAR	PLANNED	ACTUAL
	1996 Forestry AP	100%	100%
	Fisheries AP	100%	100%
	Parks/WL AP	100%	100%
	Land Use AP	100%	100%
Agric. AP	100%	100%	
Water/Irr. AP	100%	100%	
1997-Forestry PR	100%		
Fisheries PR	75%		
Parks/WL PR	75%		
Land Use PR	75%		
Agric. PR	75%		
Water/Irr. PR	75%		
Forestry PU	100%		
Forestry LR	100%		
1998 Fisheries PR	100%		
Parks/WL PR	100%		
Land Use PR	100%		
Agric. PR.	100%		
Water/Irr. PR	100%		
Fisheries PU	100%		
Parks/WL PU	100%		
Land Use PU	100%		
Agric. PU	100%		
Water/Irr.PU	100%		
Fisheries LR	100%		
Parks/WL LR	100%		
Land Use LR	100%		
Agric. LR	100%		
Water/Irr. LR	100%		
Fisheries LU	100%		
Parks/WL LU	100%		
Agric. LU	100%		
Water/Irr. LU	100%		
Forestry LU	100%		
1999 Land Use LU	100%		

The GOM remained on target for all sector-related projections under this indicator. Time-phased action plans for reviewing and improving sectoral policies, institutional relationships and legislation in nine agencies were prepared. The plans emphasize the management of natural resources by communities and the private sector and/or by partnerships between

government, NGOs and resource units.

Implementation of action plans will be the top priority during the next reporting period. Under the University of Arizona agreement, a senior -level policy advisor was recruited to assist the GOM in executing the plans. While the GOM has committed itself to funding action plan activities and approved the funding levels contained in each plan, GOM adherence to strict cash budgeting procedures is likely to result in disbursement delays for implementing agencies, which will, in turn, result in implementation delays. The mission will continue to monitor this situation closely.

STRATEGIC OBJECTIVE 2: INCREASED SUSTAINABLE USE, CONSERVATION, AND MANAGEMENT OF NATURAL RESOURCES			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 2.2 : Capacity of national NRM institutions strengthened			
INDICATOR: Performance-based budgeting program operational for priority NRM programs			
UNIT OF MEASURE: Phases completed	YEAR	PLANNED	ACTUAL
SOURCE: GOM documents	1996(B)	Phase 1	Phase 1
INDICATOR DESCRIPTION: Phase 1: Operating guidelines developed and approved Phase 2: Participating ministries have prepared/submitted budgeted, multi-year, priority work programs Phase 3: Performance indicators have been achieved in a timely manner	1997	Phase 2	
	1998	Phase 3	
	1999	Phase 3	
	2000(T)	Phase 3	
COMMENTS:			

Activities proceeded on target. As part of its institutional strengthening process, the GOM is committed to applying the principals of performance-based budgeting to priority NRM programs by linking line agency disbursements with field-level performance. During the reporting period, the GOM successfully completed the first phase of this process through the preparation, with participating line ministries, of the "Administrative Guidelines for Performance-based Budgeting Proposals under the NATURE Program." The guidelines inform line agencies on the proposal preparation and submission process, provide guidance and the respective roles of participating agencies, define monitoring and evaluation procedures, and provide specific instructions on the use of project submission and monitoring forms designed for this purpose.

STRATEGIC OBJECTIVE 2: INCREASED SUSTAINABLE USE, CONSERVATION, AND MANAGEMENT OF NATURAL RESOURCES			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 2.2 : Capacity of national NRM institutions strengthened			
INDICATOR: Prototype environmental information system (EIS) developed and applied			
UNIT OF MEASURE: Phases I , II, and III: percentage (cumulative) of activities completed Phase IV: Yes/No <hr/> SOURCE: University of Arizona reports <hr/> INDICATOR DESCRIPTION: Phase I: Develop initial proposal for Shire River Pilot EIS; refine strategies for resource coordination, information sharing and compatibility of information systems; develop technical design of Shire River EIS Phase II: National data archiving standards established and adopted Phase III: Prototype EIS produces/disseminates Shire River Environmental Situation Report Phase IV: Other EIS analyses produced and distributed <hr/> COMMENTS: This indicator is being achieved through the technical and financial support of both USAID and the World Bank.	YEAR	PLANNED	ACTUAL
	1996	Phase I 100%	35%
	1997	Phase I 100% Phase II 100% Phase III 60% Phase IV Y	
	1998	Phase III 100% Phase IV Y	

Phase I activities were originally scheduled for completion in the final quarter of 1996. However, due to scheduling conflicts, a key consultant was not available during that time frame. This resulted in shifting some phase I actions to January 1997. Phase I is now completed and it is anticipated that implementation of the remaining phases will continue on schedule.

STRATEGIC OBJECTIVE 2: INCREASED SUSTAINABLE USE, CONSERVATION, AND MANAGEMENT OF NATURAL RESOURCES			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 2.2 : Capacity of national NRM institutions strengthened			
INDICATOR: National endowment fund established (sustainable NRM financing)			
UNIT OF MEASURE: Phases completed	YEAR	PLANNED	ACTUAL
SOURCE: MOREA	1996	Phase I	Phase I
INDICATOR DESCRIPTION: Phase I: Working group established Phase II: Full-time coordinator hired; action plan developed and being implemented satisfactorily Phase III: Action plan fully implemented Phase IV: Fund operational	1997	Phase II Phase III	
	1998	Phase III	
	1999(T)	Phase IV	
COMMENTS:			

Activities proceeded on target. During the reporting period, initial steps were taken to establish a national endowment fund which will ensure a sustainable source of development finance for NRM activities. This included the organization of the Endowment Trust Working Group comprised of representatives from NGOs, the business community and the GOM. Financial and technical support are being provided by USAID and UNDP.

STRATEGIC OBJECTIVE 2: INCREASED SUSTAINABLE USE, CONSERVATION, AND MANAGEMENT OF NATURAL RESOURCES			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 2.2 : Capacity of national NRM institutions strengthened			
INDICATOR: Environmental research and training strengthened			
UNIT OF MEASURE: Activity 1: Percent trained/capable Activity 2: Yes/No Activity 3: Yes/No Activity 4: Yes/No <hr/> SOURCE: University of Arizona reports INDICATOR DESCRIPTION: Activity 1: 18 GOM technicians trained & capable of conducting GIS environmental research Activity 2: New curricula developed and in use for environmental science courses at University of Malawi (UNIMA) Activity 3: GIS training offered by at least one UNIMA campus on a regular basis Activity 4: Local environmental research grants program operational and grants awarded <hr/> COMMENTS: The University of Arizona recruited a long-term environmental science advisor in early 1997 to assist in the implementation of activities 2-4.	YEAR	PLANNED	ACTUAL
	1996	Act. 1: 100%	Act. 1: 100%
	1997	Act. 2: Y Act. 3: Y Act. 4: Y	
	1998	Act. 2: Y Act. 3: Y Act. 4: Y	
	1999		
2000			

Projection met.

STRATEGIC OBJECTIVE 2: INCREASED SUSTAINABLE USE, CONSERVATION, AND MANAGEMENT OF NATURAL RESOURCES			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 2.2 : Capacity of national NRM institutions strengthened			
INDICATOR: Compliance and enforcement of legislation/regulations in forestry, fisheries and wildlife improved			
UNIT OF MEASURE: Phase completed	YEAR	PLANNED	ACTUAL
SOURCE: Ministry of Natural Resources reports	1996	n/a	n/a
INDICATOR DESCRIPTION: Phase I: Action plan developed by Min. of Natural Resources Phase II: Selected activities in action plan implemented Phase III: Action plan fully implemented	1997	Phase I	
	1998	Phase II	
	1999	Phase III	
	2000	Phase III	
COMMENTS: Phase II selected activities will be defined during the action plan development process.			

No activities planned for this reporting period.

STRATEGIC OBJECTIVE 2: INCREASED SUSTAINABLE USE, CONSERVATION, AND MANAGEMENT OF NATURAL RESOURCES			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 2.2 : Capacity of national NRM institutions strengthened			
INDICATOR: Characterization of publicly held lands (PLUS) completed			
UNIT OF MEASURE: % (cumulative) of part completed <hr/> SOURCE: University of Arizona reports <hr/> INDICATOR DESCRIPTION: Characterization presents environmental status and optional use scenarios of publicly held lands. Characterization is divided into two parts: Part I: physical characterization (spatially referenced maps and corresponding data) and Part II: study of land use and resource use patterns in five selected protected areas and neighboring communities. Subsequently (Part III) a framework for decision-making will be developed and deliberated on by policy-makers. <hr/> COMMENTS:	YEAR	PLANNED	ACTUAL
	1996	Part I: 100% Part II: 75%	20% 75%
	1997	Part II: 100% Part III 100%	

The public lands utilization study (PLUS) proceeded slower than anticipated due to difficulties in obtaining satellite imagery and land resource evaluation data from the United States.

There were problems obtaining the satellite imagery, which is used to map land cover, first because of heavy cloud cover in Malawi, then because the data that were received were corrupt. These technical problems have been overcome, and all of the necessary satellite imagery has now been received in Malawi in a usable form.

Obtaining land resource evaluation data has been a more difficult problem. When 1996 projections were set, it was anticipated that vital information on soils and agroclimate would be available in a digital form of the Land Resources Evaluation Project data set. However, the agency which digitized the data experienced numerous personnel changes and ended up losing the data. Having no alternatives, the University of Arizona has had to digitize the data itself, a time-consuming process which is still not completed.

While these problems delayed implementation of the first phase of PLUS, the study is moving forward. It is expected that all three parts will be completed by October 1997. While this is several months later than anticipated, it will still meet the needs of the Ministry of Lands, which has requested the PLUS results by December 1997. Therefore, by the end of the current calendar year, the mission expects this indicator to be back on track.

STRATEGIC OBJECTIVE 2: INCREASED SUSTAINABLE USE, CONSERVATION, AND MANAGEMENT OF NATURAL RESOURCES			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 2.3 : Service programs improved			
INDICATOR: Agroforestry technologies and support services tested, evaluated and adapted at farm level			
UNIT OF MEASURE: Percent (cumulative) of testing, evaluating and adapting completed for each technology SOURCE: WSU quarterly reports INDICATOR DESCRIPTION: Each technology goes through on-farm testing, which identifies what technologies work where and why, and what does not. Technologies are then evaluated and adapted to enhance farmer adoption with faster or greater returns and reduced costs through better understanding the socio-economic and bio-physical factors that affect adoption. a) Pegging/marker ridges/contour ridges b) Gully reclamation c) Tree nurseries/seed banks d) Vetiver nurseries/contour vegetation strips e) Tree interplanting/alley intercropping f) Improved fallows/fodder banks g) Living fences/woodlots h) Living barns i) Undersowing leguminous shrubs j) Reduced tillage with crop residue management COMMENTS: Projections for 1997-2000 may be revised, based on Washington State University's annual workplan, due in May 1997.	YEAR	PLANNED	ACTUAL
	1995(B)		a) 100% b) 60% c) 75% d) 75% e) 60% f) 40% g) 80% h) 20% i) 20% j) 10%
	1996	b) 80% c) 85% d) 100% e) 70% f) 50% g) 90% h) 30% i) 40%	b) 80% c) 85% d) 100% e) 70% f) 50% g) 90% h) 30% i) 40%
	1997	b) 100% c) 100% e) 80% f) 70% g) 95% h) 40% i) 80% j) 35%	
	1998	e) 100% f) 80% g) 100% h) 60% i) 100% j) 60%	
	1999	f) 90% h) 80% j) 80%	
	2000	f) 100% h) 100% j) 100%	

Activities progressed on target.

STRATEGIC OBJECTIVE 2: INCREASED SUSTAINABLE USE, CONSERVATION, AND MANAGEMENT OF NATURAL RESOURCES	
APPROVED: 15/03/95	COUNTRY/ORGANIZATION: USAID/Malawi

INTERMEDIATE RESULT 2.3 : Service programs improved				
INDICATOR: Agroforestry support network developed				
UNIT OF MEASURE: a) Percent (cumulative) developed b) Percent (cumulative) operational c) Percent (cumulative) completed d) Percent (cumulative) completed e) Number of new partnership agreements each year <hr/> SOURCE: WSU quarterly reports <hr/> INDICATOR DESCRIPTION: a) Framework to support, guide and prioritize agroforestry research/extension among stakeholders developed b) Framework operational c) Multi-partner M & E plan for assessing environmental change and adoption of technologies developed d) Comprehensive agroforestry data base completed e) USAID/NGO/private sector partnership agreements <hr/> COMMENTS: Projections for 1997-2000 may be revised, based on Washington State University's annual workplan, due in May 1997. During 1996, WSU continued to work with the six partnership agreements initiated in late 1995. No new starts were envisioned, as WSU wished to thoroughly test and evaluate the new approach before entering into new partnerships.	YEAR	PLANNED	ACTUAL	
		1995(B)		a) 0% b) 0% c) 0% d) 25% e) 6
		1996	a) 10% c) 10% d) 25% e) 0	a) 15% c) 20% d) 25% e) 0
		1997	a) 45% c) 60% d) 75% e) 4	
		1998	a) 100% b) 50% c) 80% d) 90% e) 7	
		1999	b) 75% c) 90% d) 100% e) 4	
		2000(T)	b) 100% c) 100% e) 4	

Activities in support of this indicator proceeded as expected. During the reporting period, Washington State University and the GOM, USAID's principal partners for activities in this IR, experimented with an innovative approach for promoting the nationwide adoption of improved agroforestry and soil conservation technologies. Building on several years of on-farm pilot programs, the modified approach emphasizes developing: i) a common framework for multi-partner agroforestry and soil conservation programs; and ii) partnership agreements with donors, government agencies and NGOs in promoting the adoption of appropriate soil

conservation and agroforestry practices. Under this new approach, WSU will play the lead role in coordinating the process of data base development, partnership planning, target-setting and monitoring and evaluation with each partner; thus helping to establish a common framework for promoting and monitoring soil conservation initiatives in Malawi. Use of this approach was formalized through an agreement amendment in February 1997. By May 1997, WSU will submit to USAID/Malawi baseline data and four-year targets for this initiative. This data will be used to update the information/targets currently contained in the performance monitoring plan for land area under improved agroforestry/soil conservation practices.

One exciting example of the new approach being promoted by WSU was the pilot "GreenPack" Program, which involved a consortium comprised of WSU, the private sector, NGOs, and government. Under Greenpack, 20,000 seed packages were distributed and sold to smallholder farmers--sufficient seeds to plant 5 million trees. Another activity under this program was WSU's technical support to the European Union (EU) soil conservation program, which involved the provision this growing season of design, implementation and supervisory support (50% WSU effort; 50% EU effort) for 200 on-farm demonstrations of farmer-proven agroforestry and soil conservation practices.

STRATEGIC OBJECTIVE 2: INCREASED SUSTAINABLE USE, CONSERVATION, AND MANAGEMENT OF NATURAL RESOURCES			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 2.3 : Service programs improved			
INDICATOR: Agroforestry extension and training methods strengthened			
UNIT OF MEASURE: a) Number per year b) Yes/No c) Number per year d) Number per year <hr/> SOURCE: WSU quarterly reports <hr/> INDICATOR DESCRIPTION: a) Field staff receiving new and/or followup training in agroforestry extension methods b) 5000 copies of agroforestry field manual produced and distributed c) Community awareness campaigns/village-level participatory rural appraisals d) Active village conservation committees <hr/> COMMENTS: Projections for 1997-2000 may be revised, based on Washington State University's annual workplan, due by May 1997.	YEAR	PLANNED	ACTUAL
	1995(B)		a) 270 b) n/a c) 226 d) 108
	1996	a) 200 b) Y c) 200 d) 70	a) 200 b) Y c) 195 d) 70
	1997	a) 200 c) 250 d) 50	
	1998(T)	a) 400 c) 250 d) 50	
	1999		
	2000		

Activities proceeded on target.

STRATEGIC OBJECTIVE 2: INCREASED SUSTAINABLE USE, CONSERVATION, AND MANAGEMENT OF NATURAL RESOURCES			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 2.3 : Service programs improved			
INDICATOR: Supply and distribution of agroforestry planting materials increased			
UNIT OF MEASURE: a) Percent completed (cumulative) b) Kilograms collected per year <hr/> SOURCE: WSU quarterly reports <hr/> INDICATOR DESCRIPTION: a) Complete survey of farmer species preferences b) Tree seed <hr/> COMMENTS: a) Completion of this activity will provide information on the species of tree seed that farmers want. Seed collection activities can then be geared toward those species most in demand. b) Most seeds are collected in the wild. Projections for 1997-98 may be revised and those for 1999-2000 will be established in Washington State University's annual workplan, due in May 1997.	YEAR	PLANNED	ACTUAL
	1995(B)		a) 25% b) 400
	1996	a) 65% b) 10,000	a) 65% b) 21,000
	1997	a) 100% b) 40,000	
	1998	b) 50,000	
	1999		
	2000(T)		

Over twice as many kilograms of seed were collected during the reporting period as expected: 21,000 kg. vs. the anticipated 10,000 kg. Demand for a particular variety of pigeon pea seed (used for intercropping and improved fallows) was unexpectedly high. Because this demand could not be met through ordinary collection methods in the wild, farmers were contracted to produce seed. This proved to be a very successful activity which more than doubled the amount of seed available.

STRATEGIC OBJECTIVE 2: INCREASED SUSTAINABLE USE, CONSERVATION, AND MANAGEMENT OF NATURAL RESOURCES			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 2.4 : Capacity of communities to manage natural resources improved			
INDICATOR: CBNRM strategy operational			
UNIT OF MEASURE: Phases	YEAR	PLANNED	ACTUAL
SOURCE:	1996		Phase I initiated Phase II completed
INDICATOR DESCRIPTION: Phase I: National-level CBNRM results framework developed Phase II: USAID CBNRM strategy developed Phase III: National CBNRM management unit established Phase IV: National management unit operational	1997	Phase I Phase II	
	1998	Phase III Phase IV	
	1999	Phase IV	
	2000	Phase IV	
COMMENTS: Tentative indicator pending completion in March 1997 of national CBNRM results framework			

Progress in community-based natural resource management (CBNRM) proceeded more rapidly than expected. During the reporting period a Malawi-specific CBNRM strategy was developed. As part of the strategy development process, USAID supported the visits of eight village chiefs to successful CBNRM initiatives in Zimbabwe and Namibia. The chiefs were able to view these initiatives in terms of their appropriateness for Malawi and make suggestions as to how they could be adapted to suit local circumstances. The strategy has generated interest among other donors, including the World Bank, EU, GTZ, UNDP and ODA, and there is scope for significant donor cooperation in this area. Specific national CBNRM indicators will be developed during the upcoming multi-partner CBNRM results framework workshop. The procurement of services to implement the strategy will be completed during the next reporting period.

STRATEGIC OBJECTIVE 2: INCREASED SUSTAINABLE USE, CONSERVATION, AND MANAGEMENT OF NATURAL RESOURCES			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 2.4 : Capacity of communities to manage natural resources improved			
INDICATOR: Local capacity to promote CBNRM strengthened			
UNIT OF MEASURE: a) # of NGOs trained in Rapid Rural Appraisal b) # of district level action plans developed and implemented <hr/> SOURCE: MOREA reports <hr/> INDICATOR DESCRIPTION: <hr/> COMMENTS: Tentative indicator pending completion in March 1997 of national CBNRM results framework	YEAR	PLANNED	ACTUAL
	1996	n/a	
	1997	a) b)	
	1998	a) b)	
	1999	a) b)	
	2000	a) b)	

STRATEGIC OBJECTIVE 2: INCREASED SUSTAINABLE USE, CONSERVATION, AND MANAGEMENT OF NATURAL RESOURCES			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 2.4 : Capacity of communities to manage natural resources improved			
INDICATOR: Protected areas and neighboring communities with operational "revenue sharing" programs			
UNIT OF MEASURE: absolute number (cumulative) <hr/> SOURCE: Ministry of Natural Resources reports <hr/> INDICATOR DESCRIPTION: <hr/> COMMENTS: Tentative indicator pending completion in March 1997 of national CBNRM results framework	YEAR	PLANNED	ACTUAL
	1996	n/a	
	1997		
	1998		
	1999		
	2000		

2. Expected Progress Through FY 1999 and Management Actions

Performance under this strategic objective during its first year has been uniformly good, and exceeded expectations with regard to national level policy and legislative reform. Over the next two years, performance will hinge on timely government funding to implement the sectoral program, policy and legislative action plans developed during this reporting period by the six ministries involved in natural resource management. Discussions with the Ministry of Finance and the Reserve Bank of Malawi have sensitized them to the importance of this issue. The Reserve Bank has provided assurances that positive movement will be seen before May 1997.

The ultimate success of this strategic objective, however, depends not only on effective execution of this sector program, but also on Malawi's performance in addressing related challenges in population growth and agricultural development.

STRATEGIC OBJECTIVE 3: INCREASED ADOPTION OF MEASURES THAT REDUCE FERTILITY AND RISK OF HIV TRANSMISSION, INCLUDING IMPROVED CHILD HEALTH PRACTICES

The demand for family planning services is increasing rapidly in Malawi. The percentage of women using modern fertility reduction methods doubled from 7% in 1992 to 14% in 1996 and is as high as 40% in some targeted areas. This is a clear indication of the success of USAID-supported efforts to provide family planning information to a broader audience, to increase the number of providers of family planning services, and to improve the supply and distribution of family planning supplies.

Strides are also being made in helping Malawians to care for their children. USAID support focuses on the prevention of malaria and the provision of safe drinking water. Since 1992 there has been a 6% decline in deaths due to malaria. USAID has contributed to this decline through support to both a new drug treatment regime and community revolving drug funds. USAID is also supporting innovative pilot programs to test the effectiveness of impregnated bednets and curtains in schools and homes.

The HIV/AIDS epidemic continues to overshadow other health issues in Malawi. Over 13% of Malawi's adult population is estimated to be HIV positive, with rates highest in urban areas. The economically-productive population group is most affected. A recent study of one of Malawi's largest companies showed that it is losing up to 6% of its gross profits due to AIDS-related causes. Other companies face similar losses. Because companies themselves are well aware of the high costs associated with having employees infected with HIV/AIDS, many firms have begun to provide their employees with HIV/AIDS prevention education. By the end of the reporting period, 56% of the 186 Malawian companies which employ 300 workers or more had developed their own AIDS prevention programs, reaching over 170,000 employees. USAID facilitates access to expertise, information and supplies, while the companies finance the costs of the activities themselves.

During 1996, considerable effort was put into refining the results framework and performance monitoring plan for this strategic objective. This exercise provided an excellent opportunity for bringing together partners, stakeholders and customers in a series of productive discussions. The results reinforced the mission's approach of addressing the cross-cutting issues associated with fertility reduction, rather than looking at family planning, HIV/AIDS and child survival as three separate areas of emphasis.

1. Performance Analysis/Performance Data Tables

An assessment of performance against the strategic objective and each significant intermediate results indicator is included beneath each data table for each indicator.

STRATEGIC OBJECTIVE 3: INCREASED ADOPTION OF MEASURES THAT REDUCE FERTILITY AND RISK OF HIV TRANSMISSION, INCLUDING IMPROVED CHILD HEALTH PRACTICES			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
STRATEGIC OBJECTIVE 3: Increased adoption of measures that reduce fertility and risk of HIV transmission, including improved child health practices			
INDICATOR: Contraceptive prevalence rate (CPR)			
UNIT OF MEASURE: Percentage	YEAR	PLANNED	ACTUAL
SOURCE: 1992 Malawi Demographic and Health Survey (MDHS) 1996 Malawi Knowledge Attitude and Practices Survey (MKAP)	1992(B)		7.4
INDICATOR DESCRIPTION: Married women using modern contraceptive methods	1996	9.6	14.4
COMMENTS: CPR is determined through population-based surveys such as the DHS. The next such survey will take place in 2000.	2000(T)	20.0	

The contraceptive prevalence rate increased far more dramatically than expected, exceeding the projected 9.6% by almost 5%. While it was well-known that there was a high potential demand for family planning services, more women took advantage of the services than anticipated. A more receptive environment combined with increased availability of services were undoubtedly the major contributors to this. The percentage of government (Ministry of Health & Population or MOH&P) and NGO (Christian Health Association of Malawi or CHAM) hospitals providing a full range of comprehensive family planning services increased from 14 to 18 (see targets for IR 3.2) and several new British ODA-supported private sector reproductive health and family planning clinics were established and are flourishing.

STRATEGIC OBJECTIVE 3: INCREASED ADOPTION OF MEASURES THAT REDUCE FERTILITY AND RISK OF HIV TRANSMISSION, INCLUDING IMPROVED CHILD HEALTH PRACTICES.			
APPROVED: 15/03/95	COUNTRY/ORGANIZATION: USAID/Malawi		
STRATEGIC OBJECTIVE: Increased adoption of measures that reduce fertility and risk of HIV transmission, including improved child health practices			
INDICATOR: Percentage of males/females reporting condom use with last non-regular partner			
UNIT OF MEASURE: Percentage a) male b) female <hr/> SOURCE: 1992 Malawi Demographic and Health Survey 1995 Malawi Contraceptive Consumer KAP (PSI) 1996 Malawi Knowledge Attitude and Practices Survey <hr/> INDICATOR DESCRIPTION: Among adults who had sex with a non-regular partner during the preceding 12 months, the proportion who had used a condom as reported by males/females <hr/> COMMENTS:	YEAR	PLANNED	ACTUAL
	1992(B)		a) 7.0 b) 1.4
	1995		a) 30 b) 18
	1996	a) 30 b) 20	a) 43 b) 24
	2000(T)	a) 40 b) 25	

The percentage of both males and females reporting condom use with the last non-regular partner exceeded projections. It was decided to report condom use with last non-regular partner, rather than with regular partners, since this is a more sensitive indicator of changes taking place in high risk sexual encounters.



STRATEGIC OBJECTIVE 3: INCREASED ADOPTION OF MEASURES THAT REDUCE FERTILITY AND

STRATEGIC OBJECTIVE:

Increased adoption of measures that reduce fertility and risk of HIV

INDICATOR: Oral rehydration therapy (ORT) use rate

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UNIT OF MEASURE:

YEAR

PLANNED

ACTUAL

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1992(B)

63

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1996

70

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2000(T)

80

Correct use of ORT shows a steadily upward trend.

STRATEGIC OBJECTIVE 3: INCREASED ADOPTION OF MEASURES THAT REDUCE FERTILITY AND RISK OF HIV TRANSMISSION, INCLUDING IMPROVED CHILD HEALTH PRACTICES.			
APPROVED: 15/03/95	COUNTRY/ORGANIZATION: USAID/Malawi		
INTERMEDIATE RESULT 3.1 : Condoms and other health supplies sold at retail outlets			
INDICATOR: Number of condoms sold			
UNIT OF MEASURE: Thousands per calendar year	YEAR PLANNED ACTUAL		
SOURCE: Population Services International (PSI) sales records	1994(B)		992
	1995	4,000	4,642
INDICATOR DESCRIPTION: Condoms distributed to sales outlets	1996	5,500	5,816
	1997	6,000	
COMMENTS:	1998	6,500	
	1999	7,000	
	2000(T)	7,500	

Condom sales slightly exceeded the 1996 projection. Monthly sales reached the highest peak ever recorded in September 1996, but fell sharply in each month of the last quarter of the year following a price increase. The increased volume of sales in the first nine months of the year can largely be attributed to excellent social marketing.

STRATEGIC OBJECTIVE 3: INCREASED ADOPTION OF MEASURES THAT REDUCE FERTILITY AND RISK OF HIV TRANSMISSION, INCLUDING IMPROVED CHILD HEALTH PRACTICES.			
APPROVED: 15/03/95	COUNTRY/ORGANIZATION: USAID/Malawi		
INTERMEDIATE RESULTS 3.2: Quality family planning, STD/HIV, and child health services accessible and provided to Malawi's citizens			
INDICATOR: Community-based distribution (CBD) agents providing family planning information and services			
UNIT OF MEASURE: Number of CBD agents <hr/> SOURCE: National Family Welfare Council of Malawi records and STAFH Project reports <hr/> INDICATOR DESCRIPTION: CBD agents who are trained, providing services, and reporting <hr/> COMMENTS:	YEAR	PLANNED	ACTUAL
	1993(B)		134
	1994		374
	1995		578
	1996	650	1,000
	1997	750	
	1998	868	
	1999	868	
	2000(T)	868	

The number of CBD agents providing family planning services in 1996 exceeded the projection by approximately 50%, surpassing even the target for the year 2000. This was mainly due to an unexpectedly high interest on the part of local NGOs to support CBD programs. NGOs enthusiastically used the CBD curriculum which was developed and made available during the reporting period to train a record number of agents. Because of the support and training received, it is expected that the majority of the agents will continue to provide services.

STRATEGIC OBJECTIVE 3: INCREASED ADOPTION OF MEASURES THAT REDUCE FERTILITY AND RISK OF HIV TRANSMISSION, INCLUDING IMPROVED CHILD HEALTH PRACTICES.			
APPROVED: 15/03/95	COUNTRY/ORGANIZATION: USAID/Malawi		
INTERMEDIATE RESULTS 3.2: Quality family planning, STD/HIV, and child health services accessible and provided to Malawi's citizens			
INDICATOR: Number of GOM, NGO and private facilities providing core family planning services			
UNIT OF MEASURE: Number	YEAR	PLANNED	ACTUAL
SOURCE: National Family Welfare Council of Malawi records and STAFH project reports	1993(B)		326
INDICATOR DESCRIPTION: Core family planning services include the following: barrier methods, orals, and injectables	1996	450	393
COMMENTS: Twenty <i>Young Pioneer</i> facilities were closed between 1993 and 1996	1999(T)	593	

Year end figures show this indicator falling just short of its projection. One speculation for this is that several facilities that had been providing family planning services were closed because of their political connection with the pre-1994 government (Malawi Young Pioneer Clinics).

The opening of new facilities is currently constrained by a shortage of trained providers. During the reporting period, extensive work went into developing a clinical skills curriculum and training materials for providers. Training of trainer classes have already taken place. As the trainers go forth and train new providers, and as new facilities receive equipment, the projections for the remaining years are expected to be met.

STRATEGIC OBJECTIVE 3: INCREASED ADOPTION OF MEASURES THAT REDUCE FERTILITY AND RISK OF HIV TRANSMISSION, INCLUDING IMPROVED CHILD HEALTH PRACTICES.			
APPROVED: 15/03/95	COUNTRY/ORGANIZATION: USAID/Malawi		
INTERMEDIATE RESULT 3.2: Quality family planning, STD/HIV, and child health services accessible and provided to Malawi's citizens			
INDICATOR: Access to employer-based HIV/STD information and condom distribution			
UNIT OF MEASURE: Percentage <hr/> SOURCE: STAFH project reports <hr/> INDICATOR DESCRIPTION: Employees with access as a percent of the total number employed by the estimated 186 companies with more than 300 employees. Services provided include peer education, free and socially-marketed condom distribution, provision of IEC (pamphlets, videos, posters), etc. <hr/> COMMENTS: Approximately 170,000 employees presently have access to these services	YEAR	PLANNED	ACTUAL
	1992(B)		10
	1993		10
	1994		10
	1995		26
	1996	56	56
	1997	70	
	1998	80	
	1999	85	
	2000(T)	90	

The target for this indicator was achieved, with the percentage of employees with access to employer-provided STD/HIV information services more than doubling between 1995 and 1996. These numbers represent a major success story.

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EMPLOYER-BASED HIV/AIDS PREVENTION PROGRAMS

HIV prevention activities were first initiated in the private business sector in Malawi in 1990, with support from a USAID grant to *Project Hope* to work with the tea estates in the Southern Region. By 1994, all 32 tea estates and 14 companies in Thyolo and Mulanje Districts were providing their staff with family planning and child health services as well as HIV/AIDS prevention education. In 1994, USAID supported the establishment of a Private Sector Task Force, with the goal of reaching the 186 largest companies in Malawi which employ between 300 and 10,000 workers each.

In less than two years, over half of the target companies have developed their own HIV/AIDS prevention programs and over 170,000 Malawian workers have access to these services. One of the largest companies in Malawi--Limbe Leaf, which employs 3,000 workers--has recently said it wants to be a very visible force in Malawi in promoting work-place HIV/AIDS prevention programs,

STRATEGIC OBJECTIVE 3: INCREASED ADOPTION OF MEASURES THAT REDUCE FERTILITY AND RISK OF HIV TRANSMISSION, INCLUDING IMPROVED CHILD HEALTH PRACTICES.		
APPROVED: 15/03/95	COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULTS 3.2: Quality family planning, STD/HIV, and child health services accessible and provided to Malawi's citizens		
INDICATOR: Number of MOH and CHAM hospitals providing comprehensive family planning services		
UNIT OF MEASURE:	YEAR PLANNED ACTUAL	
Number	1992(B)	8
SOURCE:	1993	11
National Family Welfare Council of Malawi records and STAFH project reports	1994	11
	1995	14
INDICATOR DESCRIPTION:	1996	18
Comprehensive family planning services include the following: barrier methods, orals, injectables, IUDs, and long term surgical methods	1997	30
COMMENTS:	1998(T)	33
	1999	33
	2000	33

Projection met.

STRATEGIC OBJECTIVE 3: INCREASED ADOPTION OF MEASURES THAT REDUCE FERTILITY AND RISK OF HIV TRANSMISSION, INCLUDING IMPROVED CHILD HEALTH PRACTICES.			
APPROVED: 15/03/95	COUNTRY/ORGANIZATION: USAID/Malawi		
INTERMEDIATE RESULT 3.3: Improved knowledge of family planning, HIV transmission and prevention, and child health heath practices			
INDICATOR: Males/females citing <i>limiting number of partners</i> as a means to prevent HIV/AIDS			
UNIT OF MEASURE: Percentage a) male b) female <hr/> SOURCE: 1992 Malawi Demographic and Health Survey 1996 Malawi Knowledge Attitude and Practices Survey <hr/> INDICATOR DESCRIPTION: The percentage of men/women surveyed who know that limiting the number of sex partners can reduce risk of HIV/AIDS <hr/> COMMENTS:	YEAR	PLANNED	ACTUAL
	1992(B)		a) 56 b) 41
	1996		a) 46 b) 65
	1997	a) 75 b) 60	
	2000(T)	a) 80 b) 70	

While there was no projection for 1996 for this indicator, a comparison with 1992 data indicates that men's knowledge has slipped, while women have significantly increased their knowledge of how HIV/AIDS is transmitted. Many women are counseled about HIV in antenatal clinics when they are pregnant--a service not available to men. This may be one factor which accounts for the higher increase in reported knowledge by women and not men.

STRATEGIC OBJECTIVE 3: INCREASED ADOPTION OF MEASURES THAT REDUCE FERTILITY AND RISK OF HIV TRANSMISSION, INCLUDING IMPROVED CHILD HEALTH PRACTICES.			
APPROVED: 15/03/95	COUNTRY/ORGANIZATION: USAID/Malawi		
INTERMEDIATE RESULT 3.3: Improved knowledge of family planning, HIV transmission and prevention, and child health practices			
INDICATOR: Males/females citing <i>use of condom</i> as a means to prevent HIV/AIDS			
UNIT OF MEASURE: Percentage a) male b) female <hr/> SOURCE: 1992 Malawi Demographic and Health Survey 1996 Malawi Knowledge Attitude and Practices Survey <hr/> INDICATOR DESCRIPTION: The percentage of men/women surveyed who know that condom use can protect against HIV/AIDS <hr/> COMMENTS:	YEAR	PLANNED	ACTUAL
	1992(B)		a) 30 b) 12
	1996		a) 46 b) 22
	1997	a) 50 b) 30	
	2000(T)	a) 60 b) 40	

There was no 1996 projection for this indicator, however, comparison with the 1992 base year shows a pronounced increase in knowledge for both men and women. Interestingly, whereas the same percentage of men knew about limiting partners as knew about using a condom to prevent HIV/AIDS, the percentage of women knowing about limiting partners (56%) far exceeded the percentage knowing about condom use. This is very possibly due to the fact that while women are told about sexual transmission of HIV/AIDS at antenatal clinics, they are not told about condom use. Several interventions to increase the number of providers who counsel women on the need to use condoms that were tested this year were not very successful. More activities are being programmed in this area in 1997.

STRATEGIC OBJECTIVE 3: INCREASED ADOPTION OF MEASURES THAT REDUCE FERTILITY AND RISK OF HIV TRANSMISSION, INCLUDING IMPROVED CHILD HEALTH PRACTICES.			
APPROVED: 15/03/95	COUNTRY/ORGANIZATION: USAID/Malawi		
INTERMEDIATE RESULT 3.3: Improved knowledge of family planning, HIV transmission and prevention, and child health practices			
INDICATOR: Males/females who know malaria is transmitted by mosquitos			
UNIT OF MEASURE: Percentage a) male b) female	YEAR	PLANNED	ACTUAL
SOURCE: 1992 Malawi Demographic and Health Survey 1996 Malawi Knowledge Attitude and Practices Survey	1992(B)		59
INDICATOR DESCRIPTION: The percentage of men/women surveyed who know that malaria is transmitted by mosquitos	1996	75	a) 67 b) 40
COMMENTS:	2000(T)	a) 90 b) 75	

Because previous surveys did not disaggregate responses by gender, the 1996 KAP survey was the first indication that women's knowledge of malaria transmission is significantly lower than men's. New activities to increase knowledge of malaria transmission, prevention and treatment will include a special focus on women.

2. Expected Progress through FY 1999 and Management Actions

The environment for working in Malawi's health sector appears to be changing. To date, USAID has been able to achieve its objectives principally by working outside the public sector, in partnership with NGOs and the private sector. Recently, however, the Ministry of Health and Population has indicated a new willingness to work together to address its problems. In response, USAID and the MOH will engage in several initiatives over the next two years that will contribute to improved management of ongoing USAID-supported activities and also inform the design process for a new sector program to start in mid-1998 which will help the MOH&P improve service delivery.

A management audit of the MOH&P will be completed in the first half of 1997 and will set the groundwork for the new design. Analyses of the audit and its implications will be carried out during the second half of 1997.

Over the next six months, district level partnership grants will be awarded to three to five U.S. PVOs for strengthening the abilities of the district health management teams to provide maternal child health (MCH) and reproductive health services. Experience gained in supporting decentralization will also be used to identify target areas for the new activity.

As part of the design process, the indicators and targets for this strategic objective will be reviewed and possibly revised.

The mid-term evaluation of USAID's Support to AIDS and Family Health (STAFH) activities will review the impact of the interventions undertaken to date and the management mechanisms which have been used to implement the various component activities. Recommendations to increase MOH ownership and participation in the project will be sought.

STRATEGIC OBJECTIVE 4: INCREASED ACCESS TO AND QUALITY AND EFFICIENCY OF BASIC EDUCATION, ESPECIALLY FOR GIRLS

With the implementation of free primary education in 1994, the major barrier to basic education in Malawi was removed. The 50% increase in student enrollment, however, only increased the challenge of improving the quality and efficiency of the primary education system. As the data below indicate, progress is slowly but consistently being made.

USAID is supporting the Ministry of Education (MOE) to undertake a variety of actions to improve MOE operating systems. During the reporting period, the MOE initiated a system for integrating the planning and budgetary processes for development and recurrent expenditures. This included introducing an expenditure framework which matches program priorities with available financial resources. The MOE is also redesigning its education management information system (EMIS), including the data collection and school statistic systems. These actions will result in more timely and accurate data for management decision-making and policy makers. Furthermore, in order to increase student/teacher access to learning materials, the MOE is seeking to improve the efficiency of its procurement and distribution system.

However, given the GOM's limited budgetary resources, mobilization of communities to support improved education is critical. The USAID-supported Social Mobilization Campaign (SMC), while mainly targeted at removing constraints to girls' education, has had a much greater impact than expected on generating community support for education for both girls and boys. Districts which have received SMC coverage report:

- . In increasing numbers, communities are initiating self-help projects to assist their girls in enrolling and staying in school. Some communities are contributing monetarily to the construction of bridges and roads to shorten distances to schools; others are molding bricks to help build new classrooms.
- . Special SMC target groups within the communities are playing a major role in encouraging attendance and retention in primary schools for both boys and girls. These groups include initiation counselors and religious education instructors.
- . School committees which have participated in SMC workshops are more actively involved in school operations and are increasingly accountable to both the communities and schools they serve.

Data in the pilot district of Machinga show that during the 1995/96 school year,

- . For the first time, the drop out rate for girls was lower than the drop out rate for boys;
- . Overall enrolment increased by 17.7%;
- . There was a 27% increase in the number of girls passing the Primary School Leaving Certificate Exam (PSLCE); and
- . There was a 53% increase in the number of girls selected for secondary schools.

The extension of the SMC to all 28 districts of Malawi over the next two years is expected to generate the same enthusiasm and results in other communities.

1. Performance Analysis/Performance Data Tables

An assessment of performance against the strategic objective and each significant intermediate results indicator is included beneath the data table for each indicator.

STRATEGIC OBJECTIVE 4: INCREASED ACCESS TO AND QUALITY AND EFFICIENCY OF BASIC EDUCATION, ESPECIALLY FOR GIRLS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
STRATEGIC OBJECTIVE: Increased access to and quality and efficiency of basic education, especially for girls			
INDICATOR: Literacy rate			
UNIT OF MEASURE: Percentage of males and females aged five years and above which is literate SOURCE: UNDP Social Development Program Education Component INDICATOR DESCRIPTION: Literacy is defined as having successfully completed four or more years of primary school. COMMENTS: More accurate data will be available in 1997 following a nationwide population census. The last census was completed in 1987.	YEAR	PLANNED	ACTUAL
	1985 (B)		27.5
	1991		32.7
	1992		33.9
	1993		35.2
	1994		NA
	1995		NA
	1996	39	39
	1997	40	
	1998	41	
	1999	43	
	2000 (T)	45	

Projection met.



STRATEGIC OBJECTIVE 4: INCREASED ACCESS TO AND QUALITY AND EFFICIENCY OF BASIC

STRATEGIC OBJECTIVE: Increased access to and quality and efficiency of basic education,

INDICATOR: Net enrolment rate in primary school

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UNIT OF MEASURE: Percentage

YEAR

PLANNED

ACTUAL

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1992 (B)

(a) 55.9

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1993

(a) 58.2

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1994

(a) 70.3

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1995

(a) 95.7

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1996 (T)

(a) 98

(a) NA

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1997

(a) 98

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1998

(a) 98

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1999

(a) 98

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2000

(a) 98

While data for 1996 are not yet available, it is expected that the net enrolment rate has improved and the projection met due to improved implementation of the new uniform policy (which eliminated the uniform requirement) and the continued extension of free primary education.

STRATEGIC OBJECTIVE 4: INCREASED ACCESS TO AND QUALITY AND EFFICIENCY OF BASIC EDUCATION, ESPECIALLY FOR GIRLS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
STRATEGIC OBJECTIVE: Increased access to and quality and efficiency of basic education, especially for girls			
INDICATOR: Net admission rate			
UNIT OF MEASURE: Percentage a) overall b) girls <hr/> SOURCE: MOE education statistics <hr/> INDICATOR DESCRIPTION: (a) Number of six-year olds enrolled in standard 1 as a percentage of total six-year-old population (b) Number of six-year old girls enrolled in standard 1 as a percentage of total six-year-old population <hr/> COMMENTS: MOE education statistics are not yet out for 1996. These will be available later in 1997. The MOE is currently redesigning its entire education statistics system so that it will be able to provide more timely and accurate information.	YEAR	PLANNED	ACTUAL
	1994(B)		a) 50 b) 53
	1995		a) 73.1 b) 74.4
	1996	a) 75 b) 75	a) NA b) NA
	1997	a) 75 b) 75	
	1998	a) 75 b) 75	
	1999	a) 80 b) 80	
	2000(T)	a) 85 b) 85	

While data for 1996 are not yet available, it is expected that the net enrolment rate has improved and the projection been met due to improved implementation of the new uniform policy (which eliminated the uniform requirement) and the continued implementation of free primary education.

STRATEGIC OBJECTIVE 4: INCREASED ACCESS TO AND QUALITY AND EFFICIENCY OF BASIC EDUCATION, ESPECIALLY FOR GIRLS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
STRATEGIC OBJECTIVE: Increased access to and quality and efficiency of basic education, especially for girls			
INDICATOR: Repetition rate			
UNIT OF MEASURE: Percentage a) overall b) girls <hr/> SOURCE: MOE education statistics <hr/> INDICATOR DESCRIPTION: (a) Number of primary pupils repeating a standard in year t as a proportion of that standard's enrolment in year t-1 (b) Number of primary pupils (girls) repeating a standard in year t as a proportion of that standard's (girls') enrolment in year t-1 <hr/> COMMENTS: As stated earlier, the data for 1996 are not yet published. These will be made available in 1997.	YEAR	PLANNED	ACTUAL
	1990(B)		a) 22.7 b) 22.8
	1991		a) 20.2 b) 20.4
	1992		a) 18.9 b) 18.2
	1993		a) 19.8 b) 20.3
	1994		a) 17.5 b) 17.5
	1995		a) 17.5 b) 17.5
	1996	a) 15 b) 15	a) NA b) NA
	1997	a) 15 b) 15	
	1998	a) 15 b) 15	
	1999(T)	a) 10 b) 10	
2000	a) 10 b) 10		

Data are not yet available for 1996. However, the repetition rate is expected to decline over the next few years due to several factors: the Ministry of Education is placing increased priority on reducing repetition, including ambitious targets in its new Policy and Investment Framework and disseminating new repetition policies; the Social Mobilization Campaign (see IR 4.4) and the secondary school scholarship program are encouraging girls to move up through primary school; and, over time, quality improvements and increased community involvement in primary education should improve children's performance at school.

STRATEGIC OBJECTIVE 4: INCREASED ACCESS TO AND QUALITY AND EFFICIENCY OF BASIC EDUCATION, ESPECIALLY FOR GIRLS	
APPROVED: 15/03/95	COUNTRY/ORGANIZATION: USAID/Malawi

STRATEGIC OBJECTIVE: Increased access to and quality and efficiency of primary education, especially for girls			
INDICATOR: Girls as a percentage of total enrolment in standard 8			
UNIT OF MEASURE: Percentage <hr/> SOURCE: MOE education statistics <hr/> INDICATOR DESCRIPTION: Number of girls in standard 8 divided by the total number of pupils in standard 8 <hr/> COMMENTS: 1996 data not available. Will be published in 1997.	YEAR	PLANNED	ACTUAL
	1992(B)		38.4
	1993		34.9
	1994		37.9
	1995		38.5
	1996	40	NA
	1997	40	
	1998	40.5	
	1999(T)	41	
	2000	41	

While 1996 data are still not available, implementation of the secondary school girls' scholarship scheme is serving as an incentive for girls to persist in primary school. We expect the projection for 1996 to be met.

STRATEGIC OBJECTIVE 4: INCREASED ACCESS TO AND QUALITY AND EFFICIENCY OF BASIC EDUCATION, ESPECIALLY FOR GIRLS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
STRATEGIC OBJECTIVE: Increased access to and quality and efficiency of basic education, especially for girls			
INDICATOR: Girls as a percentage of total enrolment in form 1			
UNIT OF MEASURE: Percentage SOURCE: MOE education statistics INDICATOR DESCRIPTION: Number of form 1 (first year of secondary school) girl entrants divided by total number of form 1 entrants (boys and girls) COMMENTS: Official data for 1996 are not yet out. However, the MOE was able to provide preliminary data on this indicator from the secondary school selection list.	YEAR	PLANNED	ACTUAL
	1992(B)		30
	1993		30.1
	1994		39.2
	1995		38
	1996	40	39
	1997	40	
	1998	40	
	1999	45	
	2000(T)	50	

Preliminary figures indicate that performance was close to, but fell slightly short of expectations: girls as a percentage of total enrolment in form 1 was 39%, rather than the anticipated 40%. Girls' enrolment in secondary school is constrained by the fact that the majority of secondary schools are boarding schools and have fewer facilities for boarding girls than for boarding boys (on average, only one third of the boarding facilities are allocated to girls). This constraint is being addressed in new school construction. Most secondary schools now under construction or planned for the future will include the same amount of boarding facilities for girls and boys. Furthermore, the recently-instituted secondary scholarship scheme for all non-repeating girls at both regular and distance education secondary schools will allow more girls to continue with their schooling.

STRATEGIC OBJECTIVE 4: INCREASED ACCESS TO AND QUALITY AND EFFICIENCY OF BASIC EDUCATION, ESPECIALLY FOR GIRLS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 4.1: Budget allocations for education sector and primary education increased			
INDICATOR: Share of GOM revenue budget allocated to education revenue budget			
UNIT OF MEASURE: Percentage <hr/> SOURCE: GOM budget documents <hr/> INDICATOR DESCRIPTION: Total GOM revenue budget devoted to education as a percentage of the total revenue budget, minus debt amortization <hr/> COMMENTS:	YEAR	PLANNED	ACTUAL
	1992(B)		14.9
	1993		17.4
	1994		18.2
	1995	21	21.3
	1996	21.3	N/A
	1997(T)	22.3	
	1998	22.3	
	1999	22.3	
	2000	22.3	

Based on revised estimates, this target was slightly exceeded (23.3%) , with education continuing to be a priority sector in spite of the GOM's austerity program. This commitment becomes increasingly important as new development expenditures in the sector (e.g. classrooms) require increasing amounts of recurrent expenditures to operate .

STRATEGIC OBJECTIVE 4: INCREASED ACCESS TO AND QUALITY AND EFFICIENCY OF BASIC EDUCATION, ESPECIALLY FOR GIRLS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 4.1: Budget allocations for the education sector and primary education increased			
INDICATOR: Share of education revenue budget allocated to primary education			
UNIT OF MEASURE: Percentage <hr/> SOURCE: GOM budget documents <hr/> INDICATOR DESCRIPTION: Education revenue budget devoted to primary education as a percentage of total education revenue budget devoted to education <hr/> COMMENTS: Data are based on GOM 1995/96 revised budget estimates. USAID has been given to understand that actual expenditures, which will be published in mid-1997, will be much higher.	YEAR	PLANNED	ACTUAL
	1992(B)		46.1
	1993		54.1
	1994		51
	1995	51.5	67
	1996(T)	69	N/A
	1997	69	
	1998	69	
	1999	69	
	2000	69	

The GOM 1995/96 revised budget estimates indicate that this indicator could fall short of expectations, at 57%. The MOE has provided assurances, however, that the target was actually achieved and that actual expenditure figures will confirm this. Final data for the review of this indicator will not be available until the GOM publishes its actual expenditures in mid-1997. However, other key indicators of GOM budgetary commitment to primary education were exceeded: the teacher:pupil ratio in 1996 was 1:61, up significantly from 1:77 in 1994, and the exercise book:pupil ratio in 1996 was 5:1, up from 0:1 in 1994.

STRATEGIC OBJECTIVE 4: INCREASED ACCESS TO AND QUALITY AND EFFICIENCY OF BASIC EDUCATION, ESPECIALLY FOR GIRLS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 4.1: Budget allocations for education sector and primary education increased			
INDICATOR: Share of primary revenue budget allocated to learning materials			
UNIT OF MEASURE: Percentage	YEAR	PLANNED	ACTUAL
SOURCE: GOM budget documents	1994(B)		1
INDICATOR DESCRIPTION: Primary education revenue budget devoted to learning materials as a percentage of the total primary education revenue budget	1995(T)	10	8.6
	1996	10	N/A
	1997	10	
	1998	10	
	1999	10	
	2000	10	
	COMMENTS: Data are based on GOM 1995/96 revised budget estimates. Actual expenditures, which will be published in mid-1997, are expected to be higher .		

GOM revised budget estimates indicate that this target remained constant at 8.6%. USAID will have a better picture once actual expenditures are published in mid-1997. MOE data, however, indicate that the amount of learning materials per pupil is increasing and the actual target for books per pupil was exceeded.

STRATEGIC OBJECTIVE 4: INCREASED ACCESS TO AND QUALITY AND EFFICIENCY OF BASIC EDUCATION, ESPECIALLY FOR GIRLS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 4.2: Availability of resources (e.g. classrooms, teachers, learning materials) increased			
INDICATOR: Primary school blocks built			
UNIT OF MEASURE: Number (cumulative) built under the GABLE program SOURCE: MOE reports INDICATOR DESCRIPTION: A primary school block consists of two classrooms and one teacher house. COMMENTS: There are no targets beyond 1996.	YEAR	PLANNED	ACTUAL
	1993(B)		20
	1994		40
	1995	80	80
	1996(T)	172	172

This target was met, with USAID completing during this reporting period all classroom construction planned under the GABLE program. Other education donors will continue to support the construction of additional primary school blocks.

STRATEGIC OBJECTIVE 4: INCREASED ACCESS TO AND QUALITY AND EFFICIENCY OF BASIC EDUCATION, ESPECIALLY FOR GIRLS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 4.2: Availability of resources (e.g. classrooms, teachers, learning materials) increased			
INDICATOR: Number of exercise books per pupil			
UNIT OF MEASURE: Ratio SOURCE: MOE/Supplies Unit reports INDICATOR DESCRIPTION: COMMENTS:	YEAR	PLANNED	ACTUAL
	1994(B)		0
	1995	0	1
	1996(T)	4	5
	1997	4	
	1998	4	
	1999	4	
	2000	4	

Target exceeded.

STRATEGIC OBJECTIVE 4: INCREASED ACCESS TO AND QUALITY AND EFFICIENCY OF BASIC EDUCATION, ESPECIALLY FOR GIRLS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 4.2: Availability of resources (e.g. classrooms, teachers, learning materials) increased			
INDICATOR: Percentage of qualified/trained teachers			
UNIT OF MEASURE: Percentage SOURCE: MOE education statistics INDICATOR DESCRIPTION: Teachers who have successfully graduated from teacher training college. COMMENTS:	YEAR	PLANNED	ACTUAL
	1989(B)		73.7
	1991		NA
	1992		86
	1993		87
	1994		84
	1995		58
	1996	60.0	60.6
	1997	61	
	1998	62	
	1999	63	
	2000(T)	65	

Projection slightly exceeded. This is an important component of improving the quality of Malawi's basic education.

STRATEGIC OBJECTIVE 4: INCREASED ACCESS TO AND QUALITY AND EFFICIENCY OF BASIC EDUCATION, ESPECIALLY FOR GIRLS	
APPROVED: 15/03/95	COUNTRY/ORGANIZATION: USAID/Malawi
INTERMEDIATE RESULT 4.3: Classroom teaching improved	
INDICATOR: Primary pupil:teacher ratio	
UNIT OF MEASURE: Ratio	YEAR PLANNED ACTUAL
SOURCE: MOE education statistics	1992(B) 72
	1993 68
	1994 77
INDICATOR DESCRIPTION: Number of teachers compared to the number of primary school pupils enrolled during the prior school year	1995 61
	1996 61 61
	1997 60
	1998 60
COMMENTS:	1999 58
	2000(T) 55

Projection met.

STRATEGIC OBJECTIVE 4: INCREASED ACCESS TO AND QUALITY AND EFFICIENCY OF BASIC EDUCATION, ESPECIALLY FOR GIRLS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 4.3: Classroom teaching improved			
INDICATOR: Number of teachers who receive gender training			
UNIT OF MEASURE: Number trained per year <hr/> SOURCE: Gender Appropriate Curriculum (GAC) Unit reports <hr/> INDICATOR DESCRIPTION: <hr/> COMMENTS:	YEAR	PLANNED	ACTUAL
	1995(B)		0
	1996	3060	0
	1997	1000	
	1998	2000	
	1999	3000	
	2000(T)	3060	

This target was not met, as the training of teachers planned by the Gender Appropriate Curriculum (GAC) Unit did not take place. At the time the GAC Unit set its targets, the MOE's teacher development plan (MIITEP) was in its infancy and did not yet include a training schedule. When the MIITEP did develop a training schedule, the GAC unit responded by integrating its training schedule with that of the MIITEP. The MIITEP plan focussed on training school officials rather than teachers. Therefore, during the reporting period, the GAC teacher trainer trained 241 primary education advisers (inspectors), 100 tutors in the teacher training colleges, and the assistant and deputy regional education advisers. Those trained are expected to train the teachers, producing a multiplier effect.

Targets for 1997 and beyond have been revised to reflect this new strategic approach.

STRATEGIC OBJECTIVE 4: INCREASED ACCESS TO AND QUALITY AND EFFICIENCY OF BASIC EDUCATION, ESPECIALLY FOR GIRLS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 4.4: Social Mobilization Campaign (SMC) undertaken nationwide			
INDICATOR: Target districts covered by SMC			
UNIT OF MEASURE: Number (cumulative)	YEAR	PLANNED	ACTUAL
SOURCE: SMC/MOE reports	1995(B)	1	1
INDICATOR DESCRIPTION: Approximately 12 villages per district are visited by SMC implementors.	1996	7	7
COMMENTS: There are a total of 28 districts in Malawi. There are no targets beyond 1998 as the SMC is currently planned to end in September 1998.	1997	16	
	1998(T)	28	

This projection was met, with GABLE SMC training workshops taking place for local leaders and school committees in both the pilot and all Phase I districts, for a total of 7 districts throughout Malawi.

STRATEGIC OBJECTIVE 4: INCREASED ACCESS TO AND QUALITY AND EFFICIENCY OF BASIC EDUCATION, ESPECIALLY FOR GIRLS			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 4.4: Social Mobilization Campaign (SMC) undertaken nationwide			
INDICATOR: Number of villagers (e.g. local leaders, teachers, community members) trained on girls' issues			
UNIT OF MEASURE: Number trained per year	YEAR	PLANNED	ACTUAL
SOURCE: SMC/MOE reports	1995(B)		4,000
INDICATOR DESCRIPTION:	1996		26,320
COMMENTS: The SMC ends in 1998; no projections are made beyond 1998.	1997	14,040	
	1998(T)	14,000	

No projections were established for this indicator for 1996. However, during the reporting period the SMC trained an astounding 26,320 local leaders, community members and teachers through a total of 1216 workshops. Originally, the SMC planned to disseminate its messages largely through mass media interventions. However, it was observed early on in the campaign that village-by-village interventions were more effective. The SMC therefore put into place an increased level of village-by-village interventions. As a result, in a considerably greater number of villages, communities, schools and groups are being directly targeted, and the program is reaching more individuals on a one-by-one basis than originally planned.

2. Expected Progress through FY 1999 and Management Actions

As explained, the gender training for teachers adopted a significantly different approach than that originally envisioned. USAID fully concurs with the new approach, which should ultimately result in a far greater number of teachers being trained. Through FY 1999 USAID will maintain its close relationship with the GAC Unit to ensure that the cascade effect anticipated by the new approach actually takes place.

USAID expects the GABLE Social Mobilization Campaign to continue to outpace all targets through its current completion date of September 1998. This program will be carefully evaluated for lessons learned/best practices and decisions made as to replicability of selected activities.

The measurement of progress in IR 4.1 -- Budget allocations for education sector and primary education increased -- is becoming increasingly problematic due both to difficulties with data quality and availability and because the indicators are expressed as "shares." Expressing these measurements in terms of shares was useful for policy dialogue during the earlier years of the program, when the shares and absolute expenditures on primary education were so low. Now that they are higher, such indicators seem rather blunt. More refined measures for monitoring and dialogue are appropriate. Over the coming year, the mission will consider revising the set of indicators for this IR to more appropriately reflect the objective of the IR.

USAID's underlying concern in this IR is that adequate teachers and resources be provided for pupils to receive a quality education. The mission will therefore consider tracking the absolute amount of expenditures on primary education and learning materials, and the actual supply of the key ingredients (teachers, classrooms, learning materials, etc.) for quality education. At present, trends in teacher:pupil and learning materials:pupil ratios are extremely promising.

STRATEGIC OBJECTIVE 5: INSTITUTIONAL BASE FOR DEMOCRATIC PARTICIPATION STRENGTHENED AND BROADENED

This is a relatively new area of involvement for USAID/Malawi, having moved from a target of opportunity to strategic objective in 1995. While preliminary indicators were presented in the FY 95 R2(a), these indicators have been refined during the current reporting period and the mission is in the process of collecting baseline data and developing targets for the revised indicators. USAID continues to believe, however, that indicators of improved democratic and economic institutions and governance processes cannot and should not all be quantified. The revised indicators therefore include some discrete actions, some qualitative assessments and some quantifiable indicators.

Progress toward meeting the overall strategic objective proceeded at the expected pace, with some successes and some setbacks. Malawi's democratic institutions remain new and inexperienced, and continue to test the limits of their new roles and responsibilities under an open and transparent system. This was most clearly evident in the Parliament, which was weakened by opposition parties (AFORD and MCP) boycotting in protest of the President's retention of six AFORD "rebel" members of Parliament (MPs) to his cabinet, thereby achieving a de facto majority in Parliament. The three major parties were slow to attempt to resolve this impasse, with the opposition seeking redress from the High Court, instead. However, when the High Court ruled against the opposition, the parties began meeting in early 1997 to work out their differences. Meanwhile, the Parliament continues to sit and increasing numbers of opposition MPs are violating party discipline to return to their seats.

The Women's Caucus, to which all women members of Parliament belong, represents a notable success in the development of representative government. Members from different political parties have been working together to support the reform of legislation that discriminates against women. As a result, five new laws have been drafted to replace five that are gender biased.

The judiciary has been flexing its muscles during the reporting period, with emphasis repeatedly being placed on judicial independence, as demonstrated by decisions made against the executive branch of government. However, the overall standards of judges and magistrates, whose performance is hampered by poor organizational systems, remain low, and the need for support for this weak arm of government will continue. In a complementary activity, USAID/Malawi is successfully helping to foster increasing awareness of the rights and responsibilities of Malawian citizens under democracy through its support to a leading local human rights NGO, CARER.

Malawian civil society organizations (CSOs) are becoming increasingly more active in the nation's economic and political development process. The FINCA program grew more

rapidly than expected during the reporting period, with membership expanded to over 5000 very low income women in 1996. The impact of this program's microenterprise lending and savings activities on the lives of these women and their families is dramatic. Significant progress has been made in resolving several key issues concerning the enabling environment through an excellent partnership between CSOs, the GOM and donors.

Despite the fact that the Electoral Commission remains organizationally weak, several by-elections were successfully held in various parts of the country with good voter turn out. There were some reported incidents of coercion and intimidation in some of the by-elections, but these incidents were both routinely reported and investigated.

Donor coordination in the democracy field continues to be excellent. Political issues tend to be the principal focus of the weekly meetings held by chiefs of missions. This provides the framework for weekly, UNDP-hosted technical-level meetings on democracy and governance (D/G). In addition, toward the end of the reporting period, USAID agreed to coordinate a pilot DAC initiative to introduce a participatory process for assessing democratic consolidation in Malawi. That initiative is underway, with some preliminary output scheduled for later in CY 1997.

1. Performance Analysis/Performance Data Tables

An assessment of performance against the strategic objective and each significant intermediate results indicator is included beneath the data table for each indicator.

STRATEGIC OBJECTIVE 5: INSTITUTIONAL BASE FOR DEMOCRATIC PARTICIPATION STRENGTHENED AND BROADENED				
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi		
STRATEGIC OBJECTIVE: Institutional base for democratic participation strengthened and broadened				
INDICATOR: Occasions on which Parliamentary committees consider submissions by non-governmental and private sector associations				
UNIT OF MEASURE: Number per annum	YEAR	PLANNED	ACTUAL	
	1995(B)		0	
	SOURCE: Parliament through the National Democratic Institute (NDI)	1996	2	1
	INDICATOR DESCRIPTION: This will be tied to the number of bills presented to Parliament in a calendar year	1997	2	
	COMMENTS:	1998	4	
		1999	6	
		2000(T)	8	

Progress in this area did not meet expectations due to both budget constraints and the focus on the opposition's boycott of Parliament. Four Parliamentary committees did meet several times in 1996, including MPs from all three parties, but all of their sittings were closed sessions.

However, USAID/Malawi, through NDI, has continued to work with Parliament to pursue ways of assisting the new committee structure. The Women's Caucus of Parliament held open consultations with women's CSOs before the draft legislation, which amended five of the sixty laws which discriminate against women, was finalized.

STRATEGIC OBJECTIVE 5: INSTITUTIONAL BASE FOR DEMOCRATIC PARTICIPATION STRENGTHENED AND BROADENED			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
STRATEGIC OBJECTIVE: Institutional base for democratic participation strengthened and broadened			
INDICATOR: Laws discriminating against women which have been amended or overturned by Parliament			
UNIT OF MEASURE: Percentage (cumulative) SOURCE: NDI, Law Commissioner INDICATOR DESCRIPTION: A total of 60 laws discriminating against women have been identified. The percentage will therefore be based on that number. COMMENTS:	YEAR	PLANNED	ACTUAL
	1995(B)		0
	1996	8.3%	0
	1997	25%	
	1998	50%	
	1999	75%	
	2000(T)	100%	

While five new laws were drafted during the reporting period to replace five that discriminate against women, the projection for this indicator was not met since there was insufficient time in Parliament's December sitting for the five new bills to be considered. It is anticipated that they will be considered in the March 1997 Parliamentary session.

STRATEGIC OBJECTIVE 5: INSTITUTIONAL BASE FOR DEMOCRATIC PARTICIPATION STRENGTHENED AND BROADENED			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
STRATEGIC OBJECTIVE: Institutional base for democratic participation strengthened and broadened			
INDICATOR: People aware of a public meeting organized by their MP within walking distance in the last six months			
UNIT OF MEASURE: Percentage	YEAR	PLANNED	ACTUAL
	SOURCE: USAID-funded baseline and follow up surveys		
	1997(B)		TBD
	INDICATOR DESCRIPTION: Measures contact between MPs and their constituents.		
	1998	N/A	
COMMENTS: The baseline will be established by a public opinion survey to be conducted in mid-1997; the impact will then be assessed in a follow-up survey in the year 2000.			
	1999	N/A	
	2000(T)	TBD	

This activity is not due to commence until mid-1997.

STRATEGIC OBJECTIVE 5: Institutional Base for Democratic Participation Strengthened and Broadened			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 5.1: Increased participation of civil society organizations in the economic and political development process			
INDICATOR: D/G advocacy activities undertaken by CSOs			
UNIT OF MEASURE: Number a) on women's issues b) on other issues c) by urban CSOs d) by rural CSOs <hr/> SOURCE: NDI <hr/> INDICATOR DESCRIPTION: D/G advocacy activities might cover a wide range of issues, from women's rights to anti-corruption legislation, i.e. everything from grassroots level through to the highest political authority. <hr/> COMMENTS: Data for rural CSOs will not begin to be collected until 1997. Although overall the numbers seem small, the baseline is so low and the political and cultural heritage so strongly against these kinds of activities that it is unrealistic to expect huge increases in the number of effective advocacy activities undertaken. Any increase in advocacy activities of quality will represent a very positive development.	YEAR	PLANNED	ACTUAL
	1995(B)		0
	1996	a) 1 b) 1 c) 2	a) 1 b) 2 c) 3
	1997	a) 3 b) 4 c) 6 d) 1	a) b) c) d)
	1998	a) 5 b) 6 c) 9 d) 1	a) b) c) d)
	1999	a) 5 b) 7 c) 10 d) 2	a) b) c) d)
	2000(T)	a) 5 b) 8 c) 10 d) 3	a) b) c) d)

This projection was exceeded, demonstrating that CSOs are accepting responsibility for researching issues and publicly advocating their positions. This is an indication that citizens feel responsible for the choices made and feel empowered to speak about and recommend courses of action on issues which will affect their lives. For example, in 1996 a group of NGOs worked together to formulate a position on the upcoming anti-corruption legislation which representatives of that group then took to Parliament and lobbied MPs before the debate.

STRATEGIC OBJECTIVE 5: INSTITUTIONAL BASE FOR DEMOCRATIC PARTICIPATION STRENGTHENED AND BROADENED		COUNTRY/ORGANIZATION: USAID/Malawi	
APPROVED: 15/03/95			
INTERMEDIATE RESULT 5.1: Increased participation of civil society organizations in the economic and political development process			
INDICATOR: People who say that they belong to a voluntary organization			
UNIT OF MEASURE: Number SOURCE: USAID-funded baseline and follow up surveys INDICATOR DESCRIPTION: <u>This aims to capture the growth and outreach of non-governmental and non-party associations in Malawian society. The meaning of the term "voluntary organization" will be carefully defined in the survey instrument. Data will relate to whether individuals believe they are members of such an association.</u> COMMENTS: The baseline will be established by a public opinion survey to be conducted in mid-1997; the impact will then be assessed in a follow-up survey in the year 2000.	YEAR	PLANNED	ACTUAL
	1997(B)		TBD
	1998		
	1999		
	2000(T)	TBD	

During the development of the survey instrument, consideration will be given to the practicality and/or desirability of disaggregating by urban / rural and male / female.

STRATEGIC OBJECTIVE 5: INSTITUTIONAL BASE FOR DEMOCRATIC PARTICIPATION STRENGTHENED AND BROADENED			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 5.1: Increased Participation of Civil Society Organizations in the Economic and Political Development Process			
INDICATOR: CSOs which undertake policy analysis			
UNIT OF MEASURE: Number per annum SOURCE: World Learning, International INDICATOR DESCRIPTION: The policy analysis undertaken must be initiated by the CSO (not solicited by a donor) and result in a study or workshop. COMMENTS:	YEAR	PLANNED	ACTUAL
	1997(B)		TBD
	1998	1	
	1999(T)	2	
	2000	2	

Activities in support of this indicator were scheduled to commence in 1997 and are currently underway.

STRATEGIC OBJECTIVE 5: INSTITUTIONAL BASE FOR DEMOCRATIC PARTICIPATION STRENGTHENED AND BROADENED			
APPROVED: 15/03/95	COUNTRY/ORGANIZATION: USAID/Malawi		
INTERMEDIATE RESULT 5.2: Parliament's capacity to function as an independent and representative body strengthened			
INDICATOR: Representatives of civil society testify before committees			
UNIT OF MEASURE: Number a) Male b) Female <hr/> SOURCE: NDI, Parliament <hr/> INDICATOR DESCRIPTION: This brings together two key areas of USAID work in Malawi, namely Parliament and civil society. It focusses on i) open publicity and the effective functioning of Parliamentary committees and ii) the improved capacity of CSOs as demonstrated by conducting policy analysis and lobbying Parliament. <hr/> COMMENTS:	YEAR	PLANNED	ACTUAL
	1996(B)	a) 1 b) 1	a) 0 b) 0
	1997	a) 2 b) 1	a) b)
	1998	a) 2 b) 2	a) b)
	1999(T)	a) 3 b) 3	a) b)
	2000	a) 3 b) 3	a) b)

Activities in support of this indicator did not perform as expected due to both budget constraints and the Parliamentary boycott by the opposition parties. Four Parliamentary committees did meet several times in 1996, including MPs from all three parties, but all of their sittings were closed sessions.

STRATEGIC OBJECTIVE 5: INSTITUTIONAL BASE FOR DEMOCRATIC PARTICIPATION STRENGTHENED AND BROADENED			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 5.2: Parliament's capacity to function as an independent and representative body strengthened			
INDICATOR: Occasions on which specified conditions are obtained during the passage of legislation			
UNIT OF MEASURE: Percentage per annum SOURCE: NDI / Parliament INDICATOR DESCRIPTION: Specified conditions include: a) 21 days' notice b) Committee or Caucus debates c) Amendments introduced and debated on the floor COMMENTS: This indicator measures the level of public scrutiny to which bills presented to Parliament are subjected, thus underlining the importance placed by Parliament itself on its own accountability.	YEAR	PLANNED	ACTUAL
	1995(B)		a) N/A b) N/A c) N/A
	1996	a) 100% b) TBD c) TBD	a) 100% b) 0 c) 0
	1997	a) 100% b) 30% c) 30%	a) b) c)
	1998	a) b) c)	a) b) c)
	1999	a) b) c)	a) b) c)
	2000(T)	a) b) c)	a) b) c)

During the 1996 calendar year, all legislation that was passed complied with the 21 days notice rule. However, in late 1995 this rule was not applied to the controversial Press Trust (Reconstruction) Act. While Parliament did follow its established standing orders in waiving the 21 day rule for this controversial legislation, there clearly was inadequate debate on this issue and much negative political fallout.

STRATEGIC OBJECTIVE 5: INSTITUTIONAL BASE FOR DEMOCRATIC PARTICIPATION STRENGTHENED AND BROADENED			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 5.3: Capacity of Electoral Commission to conduct free and fair elections strengthened			
INDICATOR: Written complaints received by the Electoral Commission which are fully investigated by the Electoral Commission			
UNIT OF MEASURE: Percentage per annum	YEAR	PLANNED	ACTUAL
SOURCE: IFES / Electoral Commission	1997(B)		TBD
INDICATOR DESCRIPTION:	1998(T)	100%	
COMMENTS: To ascertain whether the Electoral Commission is following its own rules regarding the investigation of complaints to the extent that it is legally empowered and expected so to do.	1999	100%	
	2000	100%	

No progress was anticipated in this area for the reporting period. USAID support to the Electoral Commission through IFES only began in late 1996. In addition, there are pertinent pieces of legislation which are yet to be passed which will assist in creating an appropriate environment for the full development of the Electoral Commission. Progress is expected in these areas during mid to late 1997.

STRATEGIC OBJECTIVE 5: INSTITUTIONAL BASE FOR DEMOCRATIC PARTICIPATION STRENGTHENED AND BROADENED			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 5.3: Capacity of Electoral Commission to conduct free and fair elections strengthened			
INDICATOR: Elections calendar established and followed			
UNIT OF MEASURE: a) established - Yes / No b) followed - percentage per annum <hr/> SOURCE: IFES / Electoral Commission <hr/> INDICATOR DESCRIPTION: Once the elections calendar is established, this indicator will measure the number of scheduled actions that take place as a percentage of the total number of actions scheduled for that year. <hr/> COMMENTS: Given that the next National Elections are scheduled in 1999 and local elections are expected to take place before then, the Electoral Commission may have to establish a new Elections Calendar in 1999.	YEAR	PLANNED	ACTUAL
	1997(B)	a) Yes b) TBD	a) b)
	1998(T)	b) 100%	b)
	1999	b) 100%	b)
	2000	TBD	

Activities are scheduled to begin in 1997.

STRATEGIC OBJECTIVE 5: INSTITUTIONAL BASE FOR DEMOCRATIC PARTICIPATION STRENGTHENED AND BROADENED			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 5.3: Capacity of Electoral Commission to conduct free and fair elections strengthened			
INDICATOR: Elections deemed free and fair by independent observers			
UNIT OF MEASURE: Percentage a) national b) local <hr/> SOURCE: IFES / Electoral Commission <hr/> INDICATOR DESCRIPTION: National elections will include by- and local elections. Independent observers would include: church organizations, bona fide NGOs and bona fide international observers <hr/> COMMENTS:	YEAR	PLANNED	ACTUAL
	1996(B)		a) 0 b) 80%
	1997	a) 0 b) 100%	
	1998	a) 0 b) 100%	
	1999(T)	a) 100% b) 100%	
	2000	a) 0 b) 100%	

The baseline for this indicator was established during the reporting period. Five by-elections were held, of which four were considered to be free and fair. The fifth is under dispute and is now being investigated by the Electoral Commission.

Malawi's first democratic elections after thirty years of one party rule were successfully held and administered by the Electoral Commission in 1994. Independent observers found these elections to have been free and fair and the result truly representative of the will of the people. There was enormous international support for the 1994 elections, which will not be the case in 1999, when the next Presidential and Parliamentary elections will be held. The Electoral Commission therefore faces the challenge of maintaining its position with fewer resources, while also coping with an increasing number of by-elections.

STRATEGIC OBJECTIVE 5: INSTITUTIONAL BASE FOR DEMOCRATIC PARTICIPATION STRENGTHENED AND BROADENED			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 5.4: Rule of law strengthened			
INDICATOR: Cases brought to conclusion by the High Court			
UNIT OF MEASURE: Number per annum	YEAR	PLANNED	ACTUAL
SOURCE: High Court	1997(B)		TBD
INDICATOR DESCRIPTION: Measures the number of cases which reach final disposal.	1998	TBD	
	1999	TBD	
	2000(T)	TBD	
COMMENTS:			

The backlog of cases in the High Court is a serious problem which must be resolved. With USAID support, a computer network is currently being installed in the High Court which is expected to increase the efficiency with which cases are handled and justice is served. The computer network will also facilitate the collecting of data to measure performance against this indicator.

STRATEGIC OBJECTIVE 5: INSTITUTIONAL BASE FOR DEMOCRATIC PARTICIPATION STRENGTHENED AND BROADENED			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 5.4: Rule of law strengthened			
INDICATOR: First and second tier Magistrates Court decisions set down for review by the High Court			
UNIT OF MEASURE: Percentage SOURCE: High Court INDICATOR DESCRIPTION: The High Court has powers to review the propriety of any conviction and the sentences passed in all cases dealt with by subordinate courts. If the decisions reached are not satisfactory, the High Court sets the case down for review, which can mean either a full hearing of the issues (effectively a re-trial) or a change in the sentence passed. COMMENTS: In practice, these powers have not been exercised with much vigor. This indicator will measure improvements in the High Court's level of scrutiny of cases from the lower courts on legal and procedural points. Initially an increase in the number would be expected. Later, there should be an overall decrease as the need for review declines due to the increased professional standards of the magistrates.	YEAR	PLANNED	ACTUAL
	1997(B)		TBD
	1998	TBD	
	1999	TBD	
	2000(T)	TBD	

Installation of the computer network in 1997 will allow the High Court to begin tracking progress against this indicator.

STRATEGIC OBJECTIVE 5: INSTITUTIONAL BASE FOR DEMOCRATIC PARTICIPATION STRENGTHENED AND BROADENED			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 5.4 : Rule of law strengthened			
INDICATOR: Human rights messages broadcast per week on the radio			
UNIT OF MEASURE: a) Number of times per week b) Number of weeks per annum <hr/> SOURCE: CARER <hr/> INDICATOR DESCRIPTION: The messages are those broadcast by the Centre for Advice Research and Education on Rights (CARER) over the country's one national radio station, MBC. <hr/> COMMENTS: CARER is a relatively new indigenous NGO which gives free advice to citizens on how to solve legal and human rights problems which they may face.	YEAR	PLANNED	ACTUAL
	1996(B)		a) 4 b) 7
	1997	a) 4 b) 14	
	1998	a) 8 b) 21	
	1999	a) 8 b) 24	
	00(T)	a) 8 b) 26	

The baseline for this indicator was established during the reporting period. The human rights messages being tracked were designed by CARER and developed for broadcasting. The messages deal with issues of concern in Malawi, such as women's property rights and employment. There has been an increase in the number of people seeking advice from CARER since broadcasting of the messages began.

STRATEGIC OBJECTIVE 5: INSTITUTIONAL BASE FOR DEMOCRATIC PARTICIPATION STRENGTHENED AND BROADENED			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 5.4: Rule of law strengthened			
INDICATOR: Cases advised upon by the Centre for Advice, Research and Education on Rights (CARER)			
UNIT OF MEASURE: Number per annum SOURCE: CARER INDICATOR DESCRIPTION: Indicates the impact which CARER is having and the levels of information which citizens have about their rights COMMENTS: CARER is a relatively new indigenous NGO which gives free advice to citizens on how to solve legal and human rights problems which they may face.	YEAR	PLANNED	ACTUAL
	1996(B)		2,250
	1997	3,000	
	1998	4,000	
	1999	5,000	
	2000(T)	6,000	

The baseline figure for this indicator was established during the reporting period. With USAID support, CARER is pursuing a legal and human rights education and advice program. It trained paralegals in conjunction with the Law Society and Law Department of the University of Malawi. The paralegals, together with the office lawyer, give daily advice to people with legal and associated problems. With the initiation of its human rights broadcast program, CARER has noted a marked increase in the number of people seeking advice.

STRATEGIC OBJECTIVE 5: INSTITUTIONAL BASE FOR DEMOCRATIC PARTICIPATION STRENGTHENED AND BROADENED			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 5.4: Rule of law strengthened			
INDICATOR: Districts reached by paralegal clinics			
UNIT OF MEASURE: Percentage (cumulative) per annum SOURCE: CARER INDICATOR DESCRIPTION: Districts in which CARER's paralegals travel, holding human and legal rights education sessions and advice clinics. COMMENTS: There are 24 districts in Malawi and CARER has three teams of two paralegals, one team for each of Malawi's three regions.	YEAR	PLANNED	ACTUAL
	1996(B)		12.5%
	1997	25%	
	1998	45%	
	1999	60%	
	2000(T)	75%	

The baseline figure for this indicator was established during the reporting period. The paralegals were trained in March 1996 and were out in the field from then until December, when heavy rains made meetings held in the open air impractical. The paralegals have encountered enormous enthusiasm for the information and advice they offer and are frequently asked to return to an area.

STRATEGIC OBJECTIVE 5: INSTITUTIONAL BASE FOR DEMOCRATIC PARTICIPATION STRENGTHENED AND BROADENED			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 5.5: Process for formulating and implementing GOM economic policies and programs promotes greater transparency and participation			
INDICATOR: Op Ed articles on economic issues in three leading newspapers			
UNIT OF MEASURE: Number per month in three newspapers combined SOURCE: National Newspapers / HIID INDICATOR DESCRIPTION: Op Ed articles in Malawi's three leading newspapers: The Nation, The Daily Times and The Democrat. COMMENTS:	YEAR	PLANNED	ACTUAL
	1997(B)	TBD	
	1998	TBD	
	1999	TBD	
	2000(T)	TBD	

Activities supporting this IR were only initiated late in the reporting period. However, recently surfacing issues in the Malawian counterpart institution coupled with a civil service reform functional review have raised questions as to the most appropriate place to base these activities. A decision on this issue will be taken soon. While no targets have been set, most observers of Malawi's independent media would agree that the amount and quality of editorial articles about economic issues have grown substantially since 1994. Baseline and target figures for this indicator will be set by mid-1997.

STRATEGIC OBJECTIVE 5: INSTITUTIONAL BASE FOR DEMOCRATIC PARTICIPATION STRENGTHENED AND BROADENED			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 5.5: Process for formulating and implementing GOM economic policies and programs promotes greater transparency and participation			
INDICATOR: Summary of annual departmental budgets disseminated			
UNIT OF MEASURE: Yes / No	YEAR	PLANNED	ACTUAL
SOURCE: HIID	1997(B)		TBD
INDICATOR DESCRIPTION: Dissemination would include publication in local newspapers as well as dissemination to Parliament and CSOs concerned with particular line ministries.	1998(T)	Yes	
	1999	Yes	
	2000	Yes	
COMMENTS:			

Activities in support of this indicator will begin in 1997.

STRATEGIC OBJECTIVE 5: INSTITUTIONAL BASE FOR DEMOCRATIC PARTICIPATION STRENGTHENED AND BROADENED			
APPROVED: 15/03/95		COUNTRY/ORGANIZATION: USAID/Malawi	
INTERMEDIATE RESULT 5.5: Process for formulating and implementing GOM economic policies and programs promotes greater transparency and participation			
INDICATOR: Public fora promoted by GOM to review GOM budgets, policies, programs, etc.			
UNIT OF MEASURE: Number	YEAR	PLANNED	ACTUAL
SOURCE: HIID	1997(B)	1	
INDICATOR DESCRIPTION: The fora are expected to vary in nature and will be more closely defined in conjunction with the GOM during 1997.	1998	2	
	1999	4	
	2000(T)	6	
COMMENTS:			

Implementation scheduled for 1997.

2. Expected Progress through FY 1999 and Management Actions

The next two years will further test Malawi's nascent democracy. It is expected that the new democratic institutions will make mistakes, but will also grow stronger and learn from their mistakes. This is a fledgling democracy which is severely hampered not only by the legacy of thirty years of one party dictatorial rule and all the attendant social effects, but which has also only been "running" since May of 1994. The next general elections are constitutionally due in 1999. The approach of these elections is already very much at the forefront, with each by-election showing signs of being run as a national campaign. This will undoubtedly affect developments in the democracy field through FY 1999 and makes predicting progress over this period very difficult. For these reasons, steady progress cannot always be expected--in Malawi democracy and governance progress is often defined as "two steps forward and one step back." The steps back have never been insurmountable and should not mean abandoning an effort, but rather allowing more time for the right democratic approach to be absorbed, refined and applied. Issues such as staffing, budget and an opposition boycott may hinder expected progress, but are not fatal to Malawi's new democracy. Rather, they suggest that a different time frame may be more reasonable for aims to be achieved; continued forward momentum is key, however.

In order to better understand the people-level impact of democracy programs and better respond to the needs of society, in FY 97 USAID/Malawi will carry out a baseline assessment of the public's knowledge, attitudes and practices with respect to democracy. A follow-up assessment is then planned for the year 2000. These two assessments will provide vital information for assessing progress against several of the indicators for this strategic objective.

With regard to the Judiciary, USAID/Malawi plans to work with other donors and a follow-on task force to build on: i) the training courses provided to the high court for both judges and magistrates during the first half of the reporting period; and ii) the comprehensive survey on the needs of the Malawian legal system, prepared by the Malawi Legal Reform Task Force to define and develop further training and organizational needs.

Implementation of IR 5.5 activities started slowly, pending resolution of institutional issues that surfaced near the end of the reporting period. The Mission will work with the GOM and grantee to resolve these in 1997.

PART III STATUS OF THE MANAGEMENT CONTRACT

No changes are proposed to the management contract. The development environment in Malawi remains conducive to the mission's program and USAID/Washington has maintained the funding levels required to finance activities across all strategic objectives, although with some difficulty in certain areas.

One area in which the resource levels are proposed to dip lower than those anticipated in the management contract is staff resources. As the mission is forced to accept reduced personnel ceilings, its ability to manage this program becomes more constrained. The mission now is at the point of being vulnerable in several areas, although some of these may be transitory. For example, our financial vulnerability is particularly high right now as the transition to AWACS is still incomplete. On the program side, the mission has been able to compensate for the lean staffing levels to some extent through extensive use of combined project and non-project assistance programs, in which considerable program implementation is shouldered by the GOM, NGOs, PVOs and institutional contractors. In addition to extending our management capability, this has resulted in strong partnerships with these agencies.

In implementing the FY 98 staff reduction, the mission may have to undergo a reduction in force. While staff support functions are most likely to fall subject to this reduction, the mission is continuing a thorough examination of its alternatives so as to ensure that programmatic and financial vulnerabilities do not result. Further staff cuts beyond those envisioned for FY 98, however, will jeopardize the mission's ability to implement the current contract and expose the mission to unacceptable levels of vulnerability.

Up to FY 98, OE and program financial resources have been adequate *in toto* to meet the management contract. But, it has not always been possible to distribute resources according to need and program performance due to earmarks and other exigencies. AFR will note that the mission proposes to expand the focus of the strategic objective related to health/population. This is an instance in which funding may, in fact, be driving the program and may result in the need to formally modify the objective over the next year. That said, given Malawi's needs and the renewed spirit of purpose in the Ministry of Health, the anticipated convergence of funding availability with better performance is fortuitous for the USAID program.

PART IV

RESOURCE REQUEST

A. Financial Plans for FY 97, 98, and 99 submitted separately as Lotus spreadsheets.

B. Prioritization of Objectives

The mission could develop several priority rankings of strategic objectives based on indicator results, importance to mission performance, strategic plan compromises or a combination of these factors. No one ranking, however, would adequately establish the order in which the mission would expand or cut back on activities if so required.

Looking back over the last five years, the most dramatic development results have been achieved in the strategic objectives having to do with agriculture and democracy/governance. Certainly, the mission would protect these two strategic objectives under any scenario, as the significant gains realized are fragile. They need to be expanded to a greater number of people and consolidated through institutional development.

Dramatic results have also been achieved in basic education, largely as a result of USAID initiatives and a new government's vision to extend education to all. The mission plans to consolidate the gains made over the past few years and address the many issues related to the quality of basic education in a third generation activity to be designed in FY 1998. If forced to reduce during the current strategic planning period, the mission would reserve the opportunity to rethink this decision.

Strategic objectives in the environment and health sectors are the newest -- but in very different ways. Environment has not been a high GOM priority until recently and the USAID program is just getting underway; it therefore does not enjoy the positive long-term track record of our more mature objectives. Still, it is off to a great start. Results are being achieved and important U.S. partners are building Malawian capacity rapidly.

In health, the government's priorities have heretofore not been sufficiently focused to develop a desperately needed long range program in health delivery, a necessary (and difficult) first step to expanding coverage to all Malawians. The mission has achieved promising results by concentrating on activities in fertility reduction and reduced HIV transmission which are implemented outside the regular government structure. New willingness within the MOH&P to systematically address and resolve service delivery problems have encouraged the mission to move forward in developing a major health reform program with the MOH&P next year.

In sum, any scale back in our management contract may have to be at the expense of one or both of these last objectives, but would require more analysis by the mission. Inter alia, we would want to review other donor commitments to these sectors, future development impact, absorptive capacity, synergies with the rest of our program, etc., before any firm decisions could be made.

As a sustainable development program that has been fortunate to receive promises of stable funding levels through 2000, the mission hopes to avoid any cuts in its objectives.

C. Linkage of Field, Non-emergency Title II and Title III submitted separately as Lotus spreadsheet. .

D. Workforce and Operating Expenses

1. Operating Expenses (OE)

The FY 99 OE budget is straight-lined from the FY 97 funding level. Increased totals for FY 98 and 99 reflect ICASS costs. The mission anticipates remaining within this essential budget over this time frame despite wide fluctuations in personnel movements (eight incoming USDHs in FY97, one in FY98 and none in FY99) and adjustments in planned NXP procurement, maintenance and other discretionary areas. Inflation and ever increasing utility and rental costs, however, will soon consume all discretionary funds. An increase in funding has not been requested at this time.

Resources Request tables (spreadsheets) were submitted separately. The following are specific comments regarding information contained on these tables:

OE-21612:

- a. OCC 22 - post assignment freight - Unusually high in FY97 due to eight incoming USDHs.
- b. OCC 23.2 Rental office space - This line item is showing an extraordinary increase as a result of lease renewal negotiations after several years of high inflation. Prior 5-year rental rates were considerably below market rates due to substantial devaluation of currency throughout CY 1994.
- c. OCC 25.2 - Residential security guards - These costs are escalating due to contract renewals after years of high inflation.

FN21612

- a. Exchange rate used for trust funds is 15.3MK/\$1.00.
- b. In our continuing efforts to reduce recurring OE costs, the mission is using remaining trust funds to purchase real property. The final 636c purchase is nearing completion. The remaining \$88,000 is not sufficient to purchase another adequate property. Accordingly, this amount has been shifted to the "regular" category of local currency trust funds and will be retained to cover unanticipated expenses either this fiscal year or next.
- c. Deposits in the trust funds represent interest earned and not additional trust funds from the government.

2. Workforce

The present total number of USDH positions in RAMPS is 12. The USDH secretary position will be deleted in FY-97 upon arrival of newly established project development officer. All fiscal year tables therefore show 11 USDH.

FY-98 Workforce Resources Table includes 2 FSN/TCN OE/TF non-direct hire, internationally recruited personnel. These are the systems administrator (SA) and general services officer (GSO) positions. The SA position must be maintained for offshore recruitment in mid-calendar 1998 because the expertise required is unavailable in-country. The GSO's personal services contract expires in calendar 1998. It is anticipated that a locally hired replacement will be identified. The mission will not terminate the present GSO's contract for convenience of the government given the ongoing and large responsibilities of this position combined with the large turn over in USDH staff. The FY-99 Workforce Resources table, not FY 98, reflects this reduction, as the present GSO will not be replaced with a local hire until mid-1998.

Mission management is not confident that the present levels of support services and management and financial controls can be maintained given the large (13-percent) cut in OE personnel from FY-97 to FY-98. Despite prior year USDH cuts and the presence of two tandem couples, the number of houses the mission must maintain has increased from 16 in 1992, to 18 in 1997. Internationally recruited, program-funded PSCs have replaced USDH for direct technical oversight of some activities, which has also increased the responsibilities of financial and executive personnel. The number of institutional contractor and grantee employees present in Malawi has also increased, which has similarly increased the amount of assistance and support requested of the financial and management support functions of the mission, particularly those related to financial claims, personnel management, and immigration and customs assistance. USAID office and warehouse space has also increased by approximately 30-percent since 1992 (it should be noted that some office space was leased to enhance USAID's physical security in a landlord-occupied lease).

Mission management wishes to emphasize the problems it will face as it reduces the number of OE-funded personnel, beginning in fiscal 1997.

a. High Turnover Rate: Since 1992, 27 of USAID's foreign service national (FSN) employees (or one-third), ranging from junior staff to professional levels, have separated from service. Voluntary separations (resignations) plus deaths nearly equal the number of involuntary separations. Because of this high turnover rate, training and orientation consume tremendous amounts of USDH attention and time, and institutional memory is lost. The mission will not have sufficient back-up personnel to perform necessary functions upon termination of employees to meet the personnel ceiling levels for fiscal years 1998 and 1999, and if turnover rates follow past experience, much more time will have to be spent on training and orientation; finding this time is problematic given the reductions in USDH and program personnel.

b. Reduction of Mid-Level Oversight: Since 1992, thirteen FSN employees from junior to mid-level have been involuntarily separated. Of those, only two were separated because they were incapacitated by poor health; the rest were separated for cause. Despite increased managerial time and effort devoted to security checks and

management controls, lower grade (and lower paid) employees such as drivers, clerks, and maintenance personnel continue to be separated for theft or attempted theft of government property, or for the misuse or abuse of government equipment or services. In Malawi, living costs are high, salaries are low, and temptations for increasing one's station at the expense of the U.S. Government are high. Unfortunately, some supervision will have to be reduced to meet FY-98 personnel ceilings, so these problems will continue to plague the mission.

c. High Rate of Absenteeism: Annually, mid-level and professional grade FSN employees receive 160 and 200 hours of annual leave, respectively, from the local compensation plan (LCP), in addition to 104 hours of sick leave. Moreover, up to 80 hours/year of special leave is granted for deaths in the family. Cultural and social mores require Malawians to attend funerals of even remote acquaintances if they reside in the same neighborhood or were raised in the same village. The AIDS epidemic in Malawi has resulted in a substantial rate of absenteeism for funeral attendance. Poor health conditions overall also result in frequent and/or lengthy absences. Again, the ceilings imposed for fiscal years '98 and '99 will result in hardship for the mission as personnel will not be available to perform necessary day-to-day operations for absentees.

d. Lack of Adequate Private Sector Services: Since 1992 the mission has attempted to contract out maintenance and small construction services with little or no success. Service contractors lack supplies and materials, or when they do have materials, their cost is extremely high because customs duty and surtaxes have been added and are unrecoverable by USAID. Professional ethics, quality control and customer service are given only lip service. Jobs that take only an hour or two to perform in-house result in constant and frustrating daily and weekly delays when contracted to the private sector. There is little to no on-site supervision of private sector tradesmen or laborers, resulting in poor quality work and delays. Lack of supervision of private sector contractors also represents a substantial security risk to the mission, especially residences. Private sector services in Malawi cost one-and-a-half to two times the cost of maintaining in-house capabilities.

e. Lack of Technological Infrastructure: In Malawi, as in most African countries, nonprofessional staff (i.e., secretaries, clerks, administrative assistants) and tradesmen (i.e., plumbers, carpenters, drivers, mechanics) greatly exceed the number of jobs the economy can provide, and such employees are relatively inexpensive to recruit and train. However, as the mission is compelled to consider reductions in force, professional employees assume the greater import, particularly given the size, complexity, and diversity of the mission's program portfolio and because of management attention to program and financial vulnerabilities. It is, therefore, probable that reductions must come from the nonprofessional class of workers.

That said, in developed countries, some functions of such employees can be replaced with technological innovations like voicemail and cell phones, internet e-mail, electronic commerce and document processing, or by manpower contracts, or capable and dependable private sector service providers. In Malawi, these remedies are

presently uneconomical, unfeasible, or unavailable. The implementation of voicemail, for example, would require a substantial upgrading of the mission's telephone switchboard apparatus (PBX) with a commensurately high cost. The country's phone system is wholly unreliable, so that even the single internet service provider in Malawi is unreachable, and the mission therefore cannot easily communicate with its development partners without vehicles (and the drivers to operate them, and the secretaries or messengers to carry documents or other information). It is estimated that Malawian cell phone retailers have sold forty times as many cell phones as there are lines available for them, and are completely useless outside two or three metropolitan areas. Manpower contracts, although used in USAID/W, are forbidden to the field to replace a reduced number of workers and/or circumvent workforce ceilings. And, as previously noted, reliable service providers are both rare and expensive.

While Malawi's program levels have increased significantly as a result of performance-based budgeting, staffing levels have steadily decreased to a level below our management contract. The mission must conduct a reduction in force (RIF) to meet FY98 and FY99 personnel ceilings. At the end of this exercise, the mission will have approximately 25 percent fewer employees than it did in 1993 and 1994, when program levels were one-third to two-thirds less than in FY97.

In addition, **these imposed personnel ceilings do not allow management any flexibility to increase operational efficiencies or make the best use of funds.** For example, management must replace two janitorial employees, at an annual cost of approximately \$4,000, with an institutional contract costing approximately \$13,000 (excluding the costs of cleaning materials and equipment). Janitorial services are still required as a condition of our building lease, whether or not USAID can employ its own personnel at less cost than that available from the private sector. Given scarce OE funds, this does not make sense.

Inevitably, artificial personnel ceilings, without an analysis of the number of personnel required to perform tasks in a cost effective and efficient manner result in cuts of lower-graded personnel and therefore insignificant OE savings. However, the costs of replacing such services through the private sector, in Malawi, exceed the costs of retaining such personnel, and negatively impact other aspects of day-to-day operations such as timely performance, quality control, managerial control, and security.

Overseas Mission Budget Request submitted separately as Lotus spreadsheet.

Cost of Controller Operations submitted separately as Lotus spreadsheet.

Trust Funds and FSN Separation Fund submitted separately as Lotus Spreadsheet.

E. Environmental Compliance

USAID/Malawi has no issues related to the implementation of requirements under 22 CFR 216 such as IEEs and EAs.

In FY 1997, the mission will amend the Agricultural Sector Assistance Project (ASAP) and the Girls' Attainment in Basic Literacy and Education (GABLE) Project. In FY 1998, the mission plans to initiate the design of new project/non-project assistance activities in health, basic education and agriculture/food security. In addition, democracy activities are scheduled for an expansion in FY 99.

IEEs will be prepared for each. It is not anticipated that there will be environmental issues with any of the amendments or new designs.