

PA-ABU-003

Malawi 2000

Country Strategic Plan (CSP)

1995 - 2000

U.S. Agency for International Development
Washington, D.C. 20523

March 1995

THE SECOND HARVEST

(a poem dedicated to the new government of Malawi)

Hope?
Should I dare?

This bittersweet fleeting moment of freedom,
Snatched from tragedy by the bishops tongues;
Intoxicates me momentarily. Tantalizing!

Hope?
Should I dare?

Can Leopards, like United Chameleons,
Change their "Loyal and Disciplined spots"
And free me from this mad Obedience?

Hope?
Should I dare?

So our Gods became Men,
And promised a Second Coming!

Hope?
Should I dare?

Like the Mother of Five skeletal,
drought-starved, sunken eyed orphans;
Just let me live to see the second harvest!!

(John Lwanda, Kamuzu Banda of Malawi: A
Study in Promise, Power, and Paralysis)

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List of Acronyms and Abbreviations

ACDI	Agricultural Cooperative Development International
ADB	African Development Bank
ADF	African Development Fund
ADMARC	Agricultural Development and Marketing Corporation
ADRA	Adventist Development and Relief Agency
ADS	Agricultural Development Strategy
AEPRP	African Economic Policy Reform Program
AFORD	Alliance for Democracy
AFR/DP	Bureau for Africa Office of Development Planning
AFR/SA	Bureau for Africa Office of Southern African Affairs
AFR/SD	Bureau for Africa Office of Sustainable Development
AHL	Auction Holdings Limited
AIDS	Acquired Immune Deficiency Syndrome
API	Assessment of Program Impact
AREO	Assistant Regional Educational Officer
ASAP	Agricultural Sector Assistance Program
ASP	Agricultural Services Project
ATLAS	African Training for Leadership and Advanced Skills
CBD	Community-Based Delivery
CHAM	Christian Health Association of Malawi
CHAPS	Community Health Partnerships
CIF	Cost, Insurance and Freight
CSP	Country Strategic Plan
CYP	Couple Years of Protection
DC&E	Department of Customs and Excise
DECIDE	Democratic and Civic Institutional Development
DEVPOL	Development Policy
DEO	District Education Office
DFA	Development Fund for Africa
D/G	Democracy and Governance
DHS	Demographic and Health Survey
EC	European Commission
EP&D	Economic Planning and Development
ESF	Economic Support Fund
ESP	Environmental Support Program
EU	European Union
FCDA	Foreign Currency Denominated Account
FAO	Food and Agriculture Organization
FMO	Financial Management Office
FEWS	Famine Early Warning System
FSNs	Foreign Service Nationals
FSNPSC	Foreign Service National, Personal Service Contractor
FTEs	Full Time Equivalents
FY	Fiscal Year
GABLE	Girls' Attainment of Basic Literacy and Education
GDP	Gross Domestic Product
GER	Gross Enrollment Rate
GOM	Government of Malawi
GSO	General Services Office
GTZ	German Technical Cooperation Agency
HSA	Health Surveillance Assistant
HIID	Harvard Institute for International Development
HIV	Human Immune-Deficiency Virus
HRDA	Human Resource Development Assistance

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HRID Human Resource and Institutional Development
HYV High Yielding Variety
IBs Intermediate Buyers
IE&C Information, Education, and Communication
IFA Invitation for Application
IFES International Foundation for Electoral Systems
IMF International Monetary Fund
IQCs Indefinite Quantity Contracts
ISA Initiative for Southern Africa
JICA Japan International Cooperation Agency
KAP Knowledge, Attitudes and Practices
KFW German Economic Cooperation Agency
LOP Life of Project/Program
MACS Mission Accounting and Control Systems
MANEB Malawi National Examinations Board
MASTEP Malawi Special Distance Teacher Education Program
MCP Malawi Congress Party
MDC Malawi Development Corporation
MED Malawi Enterprise Development
MEEP Malawi Economic Empowerment Program
MER Monitoring, Evaluation and Reporting
MIE Malawi Institute of Education
MIS Management Information System
MPs Members of Parliament
MOALD Ministry of Agriculture and Livestock Development
MOE Ministry of Education
MOEPD Ministry of Economic Planning & Development
MOF Ministry of Finance
MOH&P Ministry of Health and Population
MOREA Ministry of Research and Environment
MRFSP Malawi Rural Financial Services Project
MRRP Malawi Railways Restructuring Project
MYP Malawi Young Pioneers
NATURE Natural Resource Sector Program
NCC National Consultative Council
NDI National Democratic Institute
NEAP National Environmental Action Plan
NFWC National Family Welfare Council
NCWID National Council for Women in Development
NGOs Non-Governmental Organizations
NPA Non-project Assistance
NRM Natural Resource Management
NSCM National Seed Company of Malawi
NSO National Statistical Office
ODA Overseas Development Administration
OE Operating Expenses
OMS Office of Management Support
OPC Office of the President and Cabinet
ORS Oral Rehydration Solutions
OYBS Operational Year Budgets
O/AFS Office of Agriculture and Food Security
O/DIR Mission Director's Office
O/EID Office of Education and Institutional Development
O/PHN Office of Population, Health and Nutrition
O/PPD Office of Program and Project Development
PA Project Assistance
PAC Public Affairs Committee

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PACD	Project Assistance Completion Date
PAP	Poverty Alleviation Program
PD&S	Program Development & Support
PF	Policy Framework Paper
PHICS	Promoting Health Investment in Child Survival
PHN	Population, Health and Nutrition
PIR	Project Implementation Report/Review
FSCs	Personal Service Contracts/Contractors
PSI	Population Services International
PSIP	Public Sector Investment Program
PSLE	Primary School Leaving Exam
PVOs	Private and Voluntary Organizations
QECH	Queen Elizabeth Central Hospital
RBM	Reserve Bank of Malawi
RCO	Republic of China (Taiwan)
RRSS	Regional Rail Systems Support
SAEDF	Southern Africa Enterprise Development Fund
SARRNET	Southern Africa Root Crop Research Network
SCF	Save the Children Federation
SDR	Special Drawing Rights
SFFRFM	Smallholder Farmers Fertilizer Revolving Fund of Malawi
SGR	Strategic Grain Reserve
SHARED	Support to Health, Agriculture, and Rural Enterprise Development
SMC	Social Mobilization Campaign
SOW	Scope/Statement of Work
SPRS	Semi-annual Portfolio Reviews
STAFF	Support to AIDS and Family Health
STDs	Sexually Transmitted Diseases
TBI	To be Identified
TCC	Tobacco Control Commission
TCN	Third Country National
TIDE	Training for Institutional Development
TTC	Teacher Training Center
UDF	United Democratic Party
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Program
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commission for Refugees
UNICEF	United Nations Children's Fund
UNESCO	United Nations Educational, Scientific and Culture Organization
USAID	United States Agency for International Development
USAID/W	Agency for International Development, Washington
USDHs	United States Direct Hires
USIS	United States Information Service
WB	World Bank
WFP	World Food Program
WHO	World Health Organization
WOCU	World Council of Credit Unions

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Part I

Summary Analysis of Assistance Environment

A. Macroeconomic and Socio-Political Trends

1. Country Background

Malawi is a small, land-locked country about the size of Pennsylvania in southeastern Africa. It is traversed by the Great Rift Valley. Its neighbors are Mozambique, Zambia and Tanzania. Malawi's population in 1994 was estimated at 9.7 million, with a high population density relative to cultivated land. Lake Malawi, the third largest lake in Africa, comprises about 20% of the country's 45,747 square-mile area. The climate is hot in the low-lying extreme South and cool to temperate in the highlands with rains in the summer (November-April). The economy is heavily dependent on agriculture, which contributes about 38% of the gross domestic product (GDP), 90% of export earnings, and approximately 91% of total employment.

Ethnically, Malawi has several tribal groups all of Bantu heritage, including the Nyanja, Yao, Chewa, Tumbuka, Ngoni, Tonga, Khonde, and Lomwe. The country has three major regions which are administratively divided into 24 districts. About half of the population lives in the Southern Region, 30% in the Central Region, and the remaining 20% in the least densely populated Northern Region. The capital city, Lilongwe, is located in the Central Region and is the home of the executive branch of government. There are three other urban centers in Malawi: Blantyre in the Southern Region, which is the commercial capital and home of the president; Zomba, also in the Southern Region, the former colonial capital and current home of the parliament; and Mzuzu in the North.

The country's development is impeded by its narrow economic base and concentrated economic structure, limited foreign and domestic investment, poor mineral resources, and its meager employment opportunities. Its human potential is hindered by high population growth, low educational levels and poor health status. The former authoritarian political structure, which exerted tight economic control and active repression, also contributed to Malawi's slow development and kept the majority of its people poor, illiterate and fearful. The quality of life for the 85% of the population that lives in rural Malawi has worsened over the past two decades. In spite of ten years of sound macroeconomic policy implementation, the country continues to face significant sectoral problems, which were exacerbated by two severe droughts in the past three years. In 1994 the per capita GDP was less than \$150 with about 60% of the people earning below the absolute poverty line, estimated at under \$30 annually. Additionally, female-headed households represent approximately 30% of the population but are disproportionately represented in the bottom 25% of the income distribution.

Malawi has a low but slowly growing level of urbanization, estimated at 15% in 1994 compared to 12% in 1992 and only 6% in 1970. It has a small industrial sector. With the vast majority of the people living and working in rural areas, agriculture is the primary sector of the economy, and maize and burley tobacco are the principal crops. Agriculture, however, is highly dualistic, with a large subsistence sector and a well-developed estate sector that grows most of the country's export crops--tobacco, tea, sugar and coffee. Over 70% of Malawi's export earnings come from tobacco. Malawi's international and domestic transportation costs are among the highest in the world. The modern, commercial economy is small and is dominated by a few firms that hold monopoly or near-monopoly power over trade, agribusiness, and the financial sector.

Life expectancy at birth is under 50 years. The population growth rate (2.7%) and the infant mortality rate (134 per 1,000) are among the highest in Africa. Malaria, tuberculosis, diarrhea, and the Acquired Immune Deficiency Syndrome (AIDS) are running rampant. Only half the population has access to safe drinking water. High population density, small land holdings, traditional agricultural techniques and pervasive poverty contribute to deforestation and overworked soils and result in low agricultural output. Achieving economic growth and improving the quality of life in Malawi are serious challenges.

2. Political History and Current Environment

Pre-colonial Malawi, known also as Nyasaland and the Maravi Empire, was a loosely organized society which included the Chewa and Tumbuka, and later in the 19th century the Yao and Ngoni ethnic groups. During the 19th century, a number of English and Scottish religious missions were established along the shores of Lake Malawi and the Shire river, and in 1891 the British protectorate of Nyasaland was established. In 1953 the Central African Federation of Nyasaland and Northern and Southern Rhodesia (now Zambia and Zimbabwe, respectively) was established by the British. The Federation was opposed by many Malawians, largely because of the economic dominance of European descendants. In 1958, Dr. Hastings Kamuzu Banda returned to Malawi from Ghana to work with this opposition. In 1959, a large number of opposition leaders, including Dr. Banda and the current Minister of Finance, were jailed after being accused of plotting armed rebellion. They were later released. In British supervised elections in 1961, Dr. Banda's Malawi Congress Party (MCP) won 50 of the 53 assembly seats; the other three were allotted to white voters. In 1962, Dr. Banda became prime minister.

On July 6, 1964, Nyasaland, renamed Malawi, gained its independence, and Dr. Banda was elected its first president. By 1971 he had consolidated his power and was named life president. With his MCP and its paramilitary arms, the Malawi Young Pioneers (MYP) and the Youth League, President Banda kept Malawi under firm authoritarian control until the early 1990s.

Following escalating domestic, political and civil unrest and strong pressure on the Government of Malawi (GOM) by the international community to open the political system and improve the human rights environments, in 1993-94, Malawi moved swiftly from a one-party state to a nascent multiparty democracy. Malawi's peaceful transition from 30 years of autocratic rule to a fledgling democracy in which all internationally recognized human rights are respected has been remarkable. It is a true African success story.

The government's main focus now will be to consolidate and complement its political democracy with an economic revolution that permanently improves the lives of Malawi's poor majority. The change from a one-party system to political pluralism was a welcome development to most Malawians. The dramatic deterioration of the economy since the May 1994 elections, however, has made many Malawians associate the political changes with a worsening economy and increasing personal hardship. The United States Government's Mission to Malawi believes that this economic deterioration is probably the most serious threat to Malawi's new democracy. Significant steps must be taken to increase incomes, especially in rural areas, so that the survival of this newborn democracy will be insured.

3. Macroeconomic Environment and Trends

In the 1960s and 1970s, Malawi's economy was open and world market prices for its major exports (tobacco, tea, sugar, and coffee) were relatively high. During this period, the country's development policies favored and encouraged infrastructure and estate agriculture as the primary vehicles to increase production and promote economic growth. Real GDP growth averaged 6%, and real per capita income grew by 3% per year. But the benefits of this growth were highly concentrated, and most Malawians continued to live in deep poverty. The quality of life indicators have not improved significantly since independence and they lag well behind those of most other sub-Saharan African countries.

A series of external shocks, including deterioration in the terms of trade, the oil crisis, the disruption of external transport routes through Mozambique, and droughts ended a period of strong macroeconomic growth in the early 1980s. In response, the government, supported by the donor community, initiated a series of broad-based structural adjustment programs aimed at stabilizing and restructuring the economy. These efforts were complemented by external debt reschedulings in 1982 and 1983. By 1985 the current account deficit had improved as a result of reduced imports and currency devaluations.

That improved macroeconomic performance was derailed by the complete closure of the Beira and Nacala transport routes through Mozambique, which in 1986 forced land-locked Malawi to utilize the most costly southern route for almost all of its international trade. Loss of the Mozambican routes increased the insurance and freight component in the total cost of imports from 22% in 1980 to 41% by the 1990s. This severely reduced the country's international competitiveness and placed additional pressure on its limited foreign exchange resources.

These external shocks led to an economic crisis that had become acute by the end of the 1980s. In response, the GOM doubled its adjustment efforts by further liberalizing the country's foreign exchange allocation system and financial markets and opening the economy to improve the investment climate. Despite these measures, the GOM became even more dependent on donor aid, and only in the early 1990s did it begin to address the root causes of poverty. By 1993, the MCP government was still just beginning to focus on removing the major constraints to sustainable growth outside the modern sector. The new United Democratic Front (UDF) government is seeking to extend this strategy, focusing on a combination of stabilization measures, removal of structural barriers to economic participation and poverty alleviation.

Although Malawi has made progress in deregulating its economy, development of the private sector has remained sluggish. The supply response has not been adequate for sustained growth, and there has been little diversification out of traditional exports. Ownership and control of the formal economy remain highly concentrated, while the financial markets are still narrow and fragmented. Domestic investment response has been slow, with virtually no direct foreign investment. This indicates there are still major barriers to private sector investment.

The degree of concentration of wealth and decision-making power in business, finance and other economic matters in Malawi is one major impediment to increasing foreign and domestic competition and investment. Poverty and a skewed distribution of incomes is another. The bottom 40% of the population of Malawi controls less than 7% of national wealth, much less than at the time

of independence when the bottom 40% controlled 15% of national wealth. At the same time, the top 10% of Malawians own and control 55% of the nation's wealth. While pure monopolies are fewer than at the end of 1980s, concentration (mainly as oligopolies) continues within the industrial, financial and wholesale and retail distribution sectors. For example, taking the relative sizes of total gross returns as a proxy of the degree of concentration, a recent USAID study showed that the three dominant conglomerates, Press Corporation, Malawi Development Corporation (MDC) and the Agricultural Development and Marketing Corporation (ADMARC) represent about 27% of total GDP. However, excluding the traditional agricultural sector, these three control almost 50% of modern sector GDP. The study also showed that the financial sector has a high degree of ownership concentration. Press and ADMARC own 70% of the National Bank of Malawi, while Press and MDC own 61% of Malawi's other major bank, the Commercial Bank of Malawi. As a result, there exists a considerable degree of loan and deposit concentration, with more than 60% of deposits and loans involving these three large entities.

Annex 1 presents more detailed highlights of the economy in 1990s.

B. Overall Development Prospects

In spite of Malawi's development problems, peace in the Southern Africa region and Malawi's peaceful transition to a more pluralistic political and economic system have brought a spirit of hope and opportunity. Macroeconomic management and the policy framework remain fundamentally sound, marked by aggressive and realistic fiscal management, good monetary policy, and market-determined exchange rates. Many of the most serious economic distortions, particularly in agricultural marketing and financial sector concentration, are being reduced with clear benefits accruing to the poor majority. New education policies have increased enrollments in primary schools by more than 50%. The new government's clear policy and program emphasis on poverty alleviation gives hope to the rural poor and has ignited a new sense of purpose in the civil service. It has also raised expectations. Malawi's new-found sense of community with African nations, especially in the southern region, has decreased the average Malawian's sense of isolation and increased government and private sector commitment to improved external economic and political relations.

The government recognizes that failure to mobilize the private sector and reduce rural poverty will cripple Malawi's fledgling democracy. With political democracy a fragile but real achievement, the government is moving quickly to restore growth. To this end, the GOM is aggressively dismantling and privatizing state-owned enterprises as well as the policy apparatus and bureaucracy which stifled private initiative and enterprise development. At the same time, it is attacking rural poverty through self-help programs and policies which encourage income generation in rural communities.

Malawi's experience after 30 years of dualistic development has demonstrated that narrowly-based economic growth does not "trickle down"; growth must begin with the poor and "trickle up." It must begin with sustained income increases among the intended beneficiaries. Because of past failures, it was clear to the new government that a new attack on poverty was needed. In his August 1994 Poverty Alleviation speech, President Bakili Muluzi stated that his government is dedicated to "improving the livelihood of Malawians through economic empowerment."

Realizing that "trickle-up" growth can succeed only if Malawians become better educated and healthier, the new government has increased investment in the social sectors. It is also strengthening and reorienting the country's democratic and economic institutions to rely less on the executive. It seeks to increase participation in and the independence of these institutions. Like its predecessor, the new government also recognizes that a stable macroeconomic environment is a prerequisite to broad-based sustainable economic growth. Its strategy, presented in various international and local fora, calls for a stable macroeconomic environment that emphasizes monetary stability and fiscal restraint.

The government is not alone in its quest to alleviate poverty. Its approaches weave well with donors' emphases on alleviating poverty in Malawi while opening and improving the governance systems. For example, the new government's overall strategy of bringing the poor, disadvantaged and marginalized groups into the mainstream of the economy is a critical component of the overall goal of USAID/Malawi's assistance--that of broad-based sustainable economic growth. The government's sectoral strategies also tie in very well with the donor community's perception of poverty alleviation; i.e., its emphasis is on rural income growth and it favors investments in income generating activities. Annex 2 presents a summary of the government development planning process.

C. Analysis of Constraints and Opportunities

Most of the key constraints that inhibit broad-based and sustainable economic growth in Malawi are cross-cutting, i.e., they apply to more than one sector. The development constraints that USAID/Malawi will address fall into five broad categories: (1) low rural cash incomes, (2) deteriorating natural resource base (3) high population growth, (4) low educational attainment, and (5) untested political and closed economic systems.

1. Low Rural Cash Incomes

Constraints: As indicated earlier, 85% of Malawi's approximately 10 million people live in rural areas and about 80% of the population is composed of smallholders. This is roughly equal to 1.8 million families, the majority of whom live below the poverty line. Low rural incomes are a result of an historical structural bias against smallholders which has confined them to producing low value food crops and barred them from producing cash crops.

Preoccupied with survival, these poor Malawians simply do not have sufficient income to increase their own productivity. They need access to cash to purchase modern seeds, fertilizer, and farm implements, without which productivity cannot increase. Over half of all smallholders cultivate plots of less than 1.5 hectares, which further hampers the increase of agricultural productivity and crop production. Other major constraints to increasing productivity and production include (1) insufficient investment related to lack of credit and savings and (2) low access to technology and extension. The increase of productivity, food security, and rural incomes in Malawi is also challenged by policy constraints including artificially low producer prices and unfavorable marketing arrangements. High domestic and international transportation costs for both inputs and outputs make modern inputs out of the reach of most smallholders. Other factors dampening productivity include high population growth rates, low levels of education, rising numbers of female-headed households, which are particularly disadvantaged in terms of land and labor resources; poor soils; and repeated droughts.

Opportunities: Significant opportunities exist for eliminating constraints at both the macroeconomic and sectoral levels. First, the political and economic environment which captured smallholder surplus has changed radically. The new government's policy is to open and broaden economic opportunity. This is exhibited by renewed adherence to proper stabilization policies, including the policy of a market-based foreign exchange rate, deepening and broadening the financial markets to ensure that necessary credit is available for investment capital, and policies designed to reduce and keep inflation low. At the sector level, the GOM is opening opportunities quickly for smallholders through policy, institutional and market reforms. Carefully selected, effectively executed, and financially and technically supported, these efforts can intensify sustainable agricultural production while accelerating and encouraging production and market liberalization. The GOM's policy on poverty alleviation and its commitment to a market-based liberalized economy support the Mission's optimism about the success of a program focussed on an increase in rural incomes. Both the GOM and the donor community know that freed of barriers and prohibitive requirements, smallholders make rational production and technology decisions. USAID's research on smallholder experience with lucrative cash crops indicates that smallholder incomes can be dramatically increased which lead to greater productivity, greater investment, and higher growth. In short, corrective measures will have the desired multiplier effects through the economy, i.e., growth will trickle up.

2. Deteriorating Natural Resource Base

Constraints: Malawi's high population growth and density have created unprecedented pressures on land, water resources and farming conditions nationwide. These pressures are leading to increased problems of poverty, food security, declining availability of arable land, and severe environmental degradation. Soil erosion and deforestation have reached alarming proportions. For example, between 1972 and 1990, total forest cover declined by an appalling 41%. Soil productivity is declining due to erosion and depletion of nutrients, and this has a negative impact on food and agricultural production, including the main staple, maize. Other serious concerns of environmental degradation are loss of biodiversity and diminishing surface and ground water supplies. Concomitant siltation and contamination of streams, rivers, dams, and lakes have far-reaching effects including increased dangers of flooding. The traditional land-use practices that once preserved the integrity of the natural resource base are changing into exploitation in the people's desperate struggle to survive. Collectively, these factors are undermining the country's agricultural foundation for national and household food security, precipitating an urgent need for action.

Opportunities: As the activities which damage the natural resource base are identified and understood, and as farmers begin to realize cash surpluses from their economic activities, addressing the problems associated with a deteriorating natural resource base becomes possible. The increasing awareness in Malawi of the urgent need to preserve the country's natural resources is encouraging. The new openness has allowed local residents to voice their concern throughout the country. At least 30,000 smallholder families are beginning to realize surplus cash income. The opportunity now exists for USAID and other donors to coordinate their assistance to ensure successful implementation of people-oriented natural resource management action programs and policies. But to be successful, these will have to reinforce the desire of the target population to improve their economic well-being.

3. High Population Growth

Constraints: The main constraints to lowering high population growth rates include poor access to family planning services, low child survival rates and low levels of female educational attainment. In 1964, Malawi's population was about 4.5 million; now it is almost 10 million. With limited cultivated land, Malawi has one of the highest population densities in the world (171 per square kilometer). If the present growth rate of 2.7% continues, the population will double in less than 25 years. This very high population growth rate is probably the most serious constraint to sustained, broad-based economic growth. Rapid population growth reduces the quality of life and labor productivity, which seriously undermine efforts to increase per capita income and improve social well-being. Population growth at rapidly alarming rates undercuts development investments and puts further pressure on the country's limited natural resource base.

The key to lowering population growth rates is lowering fertility rates. There are many constraints to lowering fertility. Chief among them is behavior change and access to services to effect that change. Women have to want fewer children, and they must have control over their sexual decisions. Wanting fewer children is a function both of women's educational attainment and the likelihood of survival of fewer children.

Malawi has one of the highest infant and child mortality rates in the world. The 1992 Demographic and Health Survey (DHS) indicated that nearly half of all children under age five are moderately stunted and about half of these are severely stunted. Low weight for height was found in 5% of these children, one-quarter of whom were severely wasted. Malaria, diarrhea and acute respiratory infections are the principal causes of under-five deaths, and the Acquired Immune Deficiency Syndrome (AIDS) is also becoming a significant factor.

The Human Immunodeficiency Virus (HIV) and AIDS have increased rapidly in Malawi, largely because of failure to translate knowledge of safe sexual practices into behavioral change and availability of protective measures. It is estimated that 12-14% of the adult population is seropositive and young women aged 20-24 are twice as likely as their male counterparts to be HIV positive. An additional 500,000-600,000 deaths from AIDS are expected by 2000. Recent studies suggest that the epidemic in Malawi has not yet peaked and that AIDS will have a devastating impact on development efforts. It is decimating a short supply of trained workers, especially men and women aged 20-40. It further reduces workforce productivity, and is straining limited health care resources. The costs of not addressing AIDS, including increased costs associated with caring for AIDS patients and orphans by the year 2000, are extremely high.

Opportunities: While controlling natality is beyond USAID's manageable interest, research shows that Malawians have a high awareness of modern contraceptive methods, and, thus there is an opportunity to increase the adoption of measures that, in the long run, can influence the total fertility rate. In a recent survey, a majority of Malawian women indicated a desire to limit or control their family size, but reported they lack access to family planning services and commodities. Significant opportunities exist for increasing the contraceptive prevalence rate through (1) increasing the supply and quality of child spacing services, (2) increasing the demand for family planning through effective information and education programs for couples at

risk, and (3) continuing support of child survival initiatives. Finally, since the positive correlation between the number of years of education and women's fertility has been well documented, increased girls' education constitutes a major opportunity for reducing fertility as well as increasing child survival.

USAID believes that although the constraints to child survival will be difficult to overcome during this CSP period, opportunities to affect infant and child mortality exist. For example, increasing the clean water supply in rural areas, improving diagnosis and treatment of malaria, and expanding delivery of child survival services, including commodities, to rural areas will have a significant impact on child survival.

Controlling the spread of HIV infection is beyond the medical and other resources of Malawi, and is certainly beyond the Mission's manageable interest. However, the Mission believes that its program can influence behavior change to reverse the upward trend in HIV infection rates by educating and mobilizing political, social, business, and religious and medical forces. Recent open and explicit campaigns by government on AIDS and family planning suggest that there is a new opportunity to address both issues openly and seriously.

4. Low Educational Attainment

An important element in achieving and sustaining economic development in Malawi is a well-developed human resource base. Although there are severe problems throughout the formal and informal education system, this section discusses mainly those constraints to improving access to and quality of primary education, the foundation of the country's educational system.

Constraints: Although in quantitative terms access to primary education has expanded, especially since 1994, the quality of primary education has not improved, and in many instances has actually declined. In 1992/93, the national teacher/pupil ratio was 1:72, and very little in-service training was offered to teachers. The new government policy of free primary education led to a surge in enrollment which strained the overcrowded classrooms, overwhelmed teachers and accelerated the deterioration in quality. Schools are few, poorly constructed, and far apart. They are severely overcrowded and until 1994, when the new GOM undertook massive procurements, classroom materials and supplies were virtually nonexistent. The system also suffers from internal inefficiencies caused by high rates of dropout and repetition.

Functional illiteracy, especially among girls, remains high and continues to be a major constraint to development. Girls typically drop out of school much earlier than boys, so that in the last year of primary school only 25% of all students are girls and less than a third of those who originally enrolled still remain. According to the 1987 population census female literacy is approximately 29% compared to about 48% for males aged five and above. Until recently, the government budget allocation for the education sector, especially the primary level, was inadequate to meet basic expenses. At the non-formal level, existing traditional institutions for female social training (including initiation ceremonies) emphasize subservience, submission to males, and early sexual activity.

Opportunities: The new government of Malawi's policy of free and universal education at the primary level is encouraging and provides an opportunity to

address constraints to ensuring every Malawian a basic education. However, the impact of the policy on the quality of primary education presents even greater challenges. USAID can help ensure that the primary sector continues to receive sufficient allocations of government budget and that reforms are undertaken to ensure that quality will improve by supporting school construction, school supplies, curriculum and instructional material revisions to increase gender appropriateness, and teacher training.

5. Untested Political and Closed Economic Systems

Constraints: For 30 years, Malawi's political and economic systems have been structured to benefit the few and marginalize the majority of citizens. In agriculture, barriers were erected to keep poor farmers out of the cash economy and tie them to producing food crops, especially maize, the price of which was kept artificially low. In the modern sector, a few individuals owned or controlled the most lucrative businesses. In 1965, the Press Corporation, owned by H. Kamuzu Banda, was a printing press. By 1994, it had grown into the Press Trust, which controls the Press Holding Co., which on its own controls a significant part of modern sector GDP. The Press Corporation, with ADMARC and MDC own a total of 79 modern sector companies and estates, and possess significant share holdings in a total of 31 companies. Together they control about 50% of modern sector GDP. ADMARC and MDC are parastatal companies and fall under the management jurisdiction of the executive branch of government, headed until 1994 by H. Kamuzu Banda.

Political pluralism was unknown until 1992 when former President Banda called for a national referendum on the question of whether Malawi would remain a one-party state or become a multiparty democracy. At that point, the political system gradually opened to new institutions; a Public Affairs Committee (PAC), seven new political parties, a National Consultative Council (NCC), an Electoral Commission, and a multiparty executive and legislature. Human rights abuses were widespread under the single party state, where political challenges were dealt with quietly but permanently and where a culture of fear prevented the development of a culture of challenge, dialogue and compromise.

While the political and human rights environments have changed dramatically in the past two years, a major constraint to Malawi's development is the closed nature of the modern economic sector combined with political and social behaviors of the past. While the new government has taken some steps to open the economy, they have so far been insufficient and poorly communicated. For example, first steps toward privatization have begun, but few Malawians understand why or how they will benefit from privatization. Another major obstacle to privatizing these institutions, their subsidiary parts, and other parastatals is the continuing concentration of ownership and control over the financial sector, which reduces the number of actors who can participate.

Perhaps a greater constraint to increasing participation in the economy and socio-political life in Malawi is the ingrained behavior of an entire generation of Malawians who have grown up in fear of authority. From a population that has little confidence in authority and is largely suspicious of it, flows little creativity or initiative. This is a population comprised of many people that have no other experience with power but its abuse.

This legacy seriously affects every arm of the government, all of the institutions fundamental to a functioning democracy, and much of the country's private sector. The executive branch continues to be the strong arm of

government. The people expect it to continue exercising all authority and power and they suspect every action of government as an abuse of power. The idea of checks and balances between the different arms of government is difficult to understand. The judiciary is seriously compromised by its performance under the Banda regime during which it bowed to the executive, turning over much of its authority to traditional courts. The police, closely allied with the previous regime, are viewed with fear and suspicion. The legislature knows that it is no longer a rubber stamp body and knows that it is the home of the political opposition, but it has only just begun organizing itself into a functioning body. A number of non-governmental organizations have formed around civic education and human rights themes; they are, however, scattered and weak. The media are free and have contributed much to placing issues on the national agenda that were previously banned (e.g., AIDS), but the quality of journalism and the ethics of journalists are so low that their effectiveness as watchdogs is compromised.

Opportunities: With fragile political and social institutions and a concentrated economic system, one might responsibly question the likelihood for a successful consolidation of democracy in Malawi; however, three years ago, few international observers would have imagined a successful, peaceful political transition in Malawi at all. Both challenges to and opportunities for a strong democracy taking root in Malawi are everywhere to be seen.

Educated Malawians are seized with the challenge of making this democracy work. Lawyers have volunteered their time to work on the constitution. Human rights and civic groups have played an important part in organizing and articulating people's views on issues of public importance in spite of severe economic constraints. The churches, so important early on in forging the agreements that resulted in the political transition, have continued their work in civic education. The judiciary has demonstrated its independence from the executive branch since the referendum by handing down constitutional clarifications, by strictly adhering to the rule of law in all trials, including the murder cases against the former state president, and by directing the executive to pay compensation to victims of past abuses. Parliament is still sorting itself out, but it has worked to establish a viable committee structure, define its powers, and engage the executive branch in debate. The opposition parties, most notably the MCP in its capacity as leader of the opposition, have responsibly engaged both the executive and the other political parties in political debate and rebuttal while serving with their colleagues from the UDF on various committees of parliament. In Malawi today there is hope and a short but demonstrated track record that in spite of the severe challenges, democracy will survive and evolve.

On the economic front, poor Malawians are demanding that this democracy deliver a better economic future for them. To do this, the government must move quickly to put its definitive poverty alleviation and growth strategies in place. People must start seeing changes, even little ones, in their lives.

To increase the number of actors in the modern private sector, to broaden the ownership and asset base of the economy, the financial sector must become less concentrated. To accomplish this, the government plans to undertake the following actions: increase competition in the financial sector, improve Central Bank supervision and regulation, establish an economic policy framework conducive to deconcentration, and develop capital markets and financial instruments which disperse ownership. These are all actions which Malawians will lead with relatively little assistance and further demonstrate that government policies are on the right track.

D. Other Donor Activities and Donor Coordination

Malawi is highly dependent on external aid, with about 85% of its development budget financed by donors. The average annual donor assistance to Malawi in the 1990-93 period was \$376 million, which would have been larger had non-humanitarian aid not been reduced by donors in the May 1992 Consultative Group (CG) meeting. Table 1 presents the external assistance to Malawi for the period 1990-1993, while Table 2 shows the distribution of external financing to Malawi by type of activity.

The United States, Germany and the United Kingdom (UK) are the leading bilateral donors, with the US being the largest. The largest multilateral donors are the World Bank, the International Monetary Fund (IMF), and the European Union (EU) through its European Commission (EC). Other donors include United Nations (UN) organizations, African Development Bank (ADB), African Development Fund (ADF), Japan, and Canada.

The US presence in the country has allowed it to maintain a continuing dialogue with both government and the private sector and thus become an intellectual and technical leader in the donor community. Table 3 shows the present donor involvement in the various sectors. Agriculture, health and population, and education command the highest amounts of donor assistance. A substantial amount of the aid to Malawi is in the form of non-project support, used to finance major policy-based reforms. Despite large inflows and extensive financial management and reporting requirements, Malawi's absorptive capacity and management of development resources have been effective, with a few exceptions. One of the reasons is that donors themselves are highly coordinated and jointly seek ways to harmonize their activities.

Donors closely track developments in the various sectors and keep each other informed of important developments. USAID is a leader in the health, education, and private sector donor coordination groups, which meet regularly. Donor chiefs of mission meet weekly to coordinate views across sectors and about once every two months in a development forum to discuss major issues of donor policy and development strategy. Donors also participate on ten presidential task forces charged with designing the GOM's poverty alleviation program and a national steering committee which implements it.

The specific role USAID plays vis-a-vis other donors in the different sectors is presented in Part II of this CSP under the discussions of the strategic objectives.

Table 1: Donor Assistance to Malawi in 1990-1993

Donor	1990	1991	1992	1993	Total 90-93	% of total
<u>(Commitments in \$1,000) a/</u>						
<u>Multilateral b/</u>						
World Bank	105,160	87,483	95,620	107,123	395,386	26.3
UN Agencies	54,247	46,476	83,209	10,226	194,158	12.9
EU	44,528	41,272	39,155	45,473	170,428	11.4
WFP	46,870	42,312	27,085	28,428	144,695	9.6
ADF/ADF	22,147	22,684	38,799	-	83,630	5.6
IFAD	-	6,764	3,022	-	9,786	0.7
Subtotal	272,952	246,991	286,890	191,250	998,083	66.5
<u>Bilateral</u>						
U.S. g/	22,730	56,498	24,604	18,500	122,332	8.2
Germany	34,206	38,626	21,976	25,000	119,808	8.0
U.K.	42,068	27,332	13,220	17,754	100,374	6.7
Japan	10,246	17,888	12,791	-	40,925	2.7
Taiwan	2,110	30,014	5,500	2,300	39,924	2.7
Netherlands 1.0		2,946	4,457	11,012	-	18,415
Canada	5,004	4,274	3,640	3,855	16,773	1.0
France	3,109	12,591	-	-	15,700	1.0
Other d/	9,110	13,203	12,061	-	34,374	2.2
Subtotal	131,529	204,883	104,804	67,409	508,625	33.5
Total 100.0	404,481	451,874	391,694	258,695	1,506,708	

Sources: (1) GOM's Department of Economic Planning and Development (EP&D), Development Cooperation report, 1991-1992, December 1994.

(2) For 1993 information: UNDP, Management Information System, Donor Aid Classified by Grant and Loan, December, 1994.

a/ These are Government of Malawi statistics, except for U.S. figures which are from USAID's records. The figures for each year refer to the total amount committed in a particular calendar year for which a report has been prepared. The figures shown have not been confirmed with the respective donors, and should be used only as indicative of the assistance levels.

b/ U.N. agencies include: the United Nations Development Program (UNDP), United Nations Capital High Commission for Refugees (UNCHR), United Nations Children's Fund (UNICEF), United Nations Population Fund (UNFPA), United

Nations Food and Agriculture Organization (FAO), and the World Health Organization (WHO).

- c/ Figures are fiscal year obligations, and do not include emergency food and drought/disaster relief assistance, or centrally-funded activities.
- d/ Includes South Africa, Austria, Australia, Egypt, Denmark, Finland, Sweden, Norway, India, and other smaller donors.

Table 2: Distribution of external financing to Malawi, by Type of Activity, 1990-1992

Activity	Percent
Investment Project Assistance	41.5%
Technical Cooperation	18.1%
Balance of Payments Support	17.0%
Emergency Relief <u>a/</u>	23.4%
Total	100.0%

Source: GOM, Development Cooperation Report, October 1994.

a/ Includes assistance on drought-related and other emergency expenditures.

Table 3: Sector Emphasis of Donors in Malawi

Sector	Bilateral	Multilateral
Agriculture and natural resources	US, UK Canada, GTZ	WB, UN, EU, ADB/ADF
Health, water, sanitation & child spacing	US, UK, Canada, Germany, ROC	WB, UN, EU,
Education and culture	US, UK Germany, France	WB, UN, ADB/ADF, EU
Democracy and governance	US, UK, Germany	UN, EU
Industrial & enterprise development	US, Germany	EU, WB, UN, ADB/ADF
Structural adjustment and general commodity aid	UK, Japan,	WB, IMF, ADB/ADF, EU
Energy, Communication and other infrastructure	Germany, Japan	WB, EU, ADB/ADF
Transport	US, UK, Germany	WB, EU, ADB/ADF

E. Accomplishments and Lessons Learned

1. USAID's 1990-1995 Strategy

When the 1990-1995 strategy was articulated, Malawi had suffered 30 years of authoritarian rule. For most Malawians, the decades of the 1970s and 1980s resulted in a gradual sinking into deeper poverty. For the vast majority, real incomes declined; child and infant morbidity and mortality barely improved; population increased at dramatic rates; HIV/AIDS grew to epidemic proportions; and literacy rates stagnated at less than 39% of the adult population.

In 1989 USAID/Malawi faced the challenge of developing a meaningful development strategy against this background, and it did so by intentionally starting a peaceful revolution. The goal of USAID's 1990-1995 strategy was to "enhance the economic well-being of the average Malawian household." The strategy approved by the Bureau for Africa in December 1989 had five strategic objectives:

- increase agricultural productivity and production
- increase off-farm employment
- reduce fertility
- reduce infant and child morbidity and mortality
- control the spread of AIDS.

The strategy was subsequently revised in April 1993 to reflect significant economic and political changes which had occurred in Malawi. In that revision, the Bureau for Africa approved the deletion of the "increase off-farm employment" objective from the strategy, while a new target of opportunity, "to improve the democratic environment," was added. In addition, the Mission had another target of opportunity in improving regional transportation, and it was involved throughout the strategy period in humanitarian assistance and drought rehabilitation efforts. USAID also implemented successful primary education and training programs, NGO development activities, and women in development initiatives, which cut across and supported all objectives.

2. Specific Accomplishments and Lessons Learned

a. Agricultural productivity and production

In 1990 USAID/Malawi set out to attack the problem of smallholder exploitation. It chipped away at the economic control of ADMARC and gained legal access for smallholders to world markets for their cash crops. In doing so, it began to weaken the dualistic agricultural structure in Malawi.

The USAID agricultural program in Malawi has already helped increase smallholder production and incomes. Smallholder farmers are growing more cash crops of their own choice, marketing those crops freely, and retaining a higher proportion of the selling price. The number of women farmers selling export crops directly to the international market has increased by almost 30%. The program also is resulting in employment benefits and income increases to rural labor as well as those producing goods and services for farmers with

higher disposable incomes. USAID's and other donors' agriculture and drought relief activities contributed directly to a dramatic increase in the use of high yielding maize varieties in 1993 and will have the same result in 1995. Expanded credit programs in 1993 helped provide seed and fertilizer packs to jump start food production for those most seriously affected by the drought. The strategy's planned increases in the national average maize production and in the gross food crop production were almost achieved in the 1992/93 season; however, overall impact was compromised by severe drought conditions in much of Malawi in the 1993/94 growing season and the collapse of the smallholder farm credit system. Smallholder cropping patterns during the 1992/93 season also showed a substantial increase in other food crops such as sorghum, millet, cassava and sweet potato. That pattern of diversification continued in 1993/94 and, in spite of drought conditions, total national food crop production did not decline as dramatically as national maize production. In 1995, total hectareage planted to these crops has surpassed all previous years.

b. Population growth rate and education levels

In the health and education sectors, the Mission's 1990-1995 strategy sought to directly increase the access of rural people to better health and education services. In doing so, the Mission put the GOM on notice that donors would no longer support ever declining GOM resources going to social sector service delivery. USAID assistance was conditioned on increased GOM resource levels, which would increase primary school enrollments, particularly among girls, and improve health services. Secondly, the Mission's program sought to eliminate the central government as a "beneficiary" through lengthy institution building, forcing it to place its own resources in support of health and education at the community level. As a result of these contributions Malawi is at the beginning of a transition to lower fertility. The total fertility rate declined from 7.2 to 6.7 between 1984 and 1992. Knowledge of modern contraceptive methods increased to 92% among married women, and knowledge, attitudes and practices (KAP) surveys indicate a large unmet demand for contraception. In late 1992, the GOM put in place new guidelines for access to family planning services which make it official policy to offer medically appropriate contraceptives to all those who request them. Girls' enrollment in primary school is rising, as is the number of females in Malawi's higher education system. These improvements are particularly attributable to USAID's activities in female education at both primary and university levels. In 1992/93, for the first time ever, girls' net enrollment in primary school outnumbered boys' at 60% and 57%, respectively. At the university level, female enrollment at Chancellor College climbed from 15% to 24% between 1987 and 1994. The 1992 DHS provided evidence that more educated women prefer to have fewer children than less educated ones. The majority of married women now wish either to space their next child or end childbearing. The increase in the number of women with basic education further enhances demand for smaller families and slows population growth.

c. Child survival and overall health status

As a result of USAID's and other donors' efforts, child mortality rates have dropped, but only slightly and not enough. USAID assistance has set the stage for the Ministry of Health and Population (MOHP) to deliver child survival services to underserved rural areas through training, technical assistance and provision of equipment and financial support. USAID efforts have contributed directly to the following: a revised family planning policy; the training of

over 600 community health workers; provision of potable water for some 40,000 persons; and improved quality of health care at the community level, especially ORS and immunization services. Additionally, USAID-sponsored scientific research has supported and facilitated a revised malaria control program. As a result, Malawi made Fansidar (or Sulfadoxine Pyrimethamine--S.P.) the first line treatment for malaria in 1993. It is available without prescription, but at a fairly high price (\$0.38 per cure), relative to per capita GDP. Compared to five years earlier, infant mortality rates have dropped from 138 to 134 deaths per 1,000 live births, while under five mortality is now reported at 234, as compared with 246.

d. Spread of AIDS

The control of the spread of the AIDS virus has proven to be beyond the Mission's manageable interest. The best available indicators suggest that HIV continues to spread in Malawi at an alarming rate. Blood testing of women attending pre-natal clinics at a major hospital indicated that 32% of women were HIV positive in the January-March 1994 period. The 1993 survey of 12 rural districts found a 12% seropositivity rate, compared with 8% a year earlier. The National AIDS Control Program estimated that as of January 1994, 12-14% of the adult population in Malawi was HIV-infected, with 30% of the urban adult population infected.

There has, however, been some progress in the fight against AIDS in the forms of an increased number of condoms marketed to over two million units in the first seven months of a major new campaign, improved treatment of sexually transmitted diseases (STDs) through revised STD management guidelines and training in those guidelines, and increased access to AIDS education through the promotion of textbooks and training of teachers in primary schools. An important lesson learned is to target specific groups for AIDS intervention. Based on data from HIV/AIDS surveillance in an urban hospital, it became known that HIV was spreading most rapidly among young women 15-23 years of age, with infection rates for girls 20-24 twice that of boys. This lesson has resulted in targeting very young women as a priority group for AIDS control.

e. Democracy

Because of the interrelationship between political democracy and increased participation by average Malawians in the economy (i.e., economic democratization), USAID incorporated throughout its portfolio activities aimed at the development of indigenous organizations to promote human rights, civic education, services to smallholder agricultural families, primary education and basic health services. Such activities were virtually non-existent prior to 1990. Furthermore, USAID played an active and significant role in supporting the remarkable political transition that began in 1992.

The period between the referendum and the election was politically charged. Political parties were organized, an electoral commission was formed, and interim institutions to parallel the parliament and the cabinet were established. USAID's ability to identify a niche early on and to develop a democracy project is now seen as being key to the success of its programs. The Mission was thus able to respond quickly to unforeseen and eleventh-hour crises (such as the need for a crash voter education program and election night radio coverage). It also enabled the Mission to work with unconventional partners, which is vital in a pre-election period. Experience has shown that prudence is needed, however, when dealing with emerging NGOs and political parties.

The donors that rushed to fund and support these groups have learned that their nascent development by and large prevented successful large-scale programming. In addition, women's concerns, including representation in democratic processes, required and received special emphasis by USAID. This has been particularly important in setting the tone for the new democratic era. Finally, the donors' superb coordination not only avoided duplication but produced a unified voice which leveraged a greater impact than could have otherwise been achieved.

3. Other Lessons Learned

a. Non-project assistance: Hybrid project and non-project assistance (NPA) activities have proven highly effective in Malawi. In all its sector and sub-sector program activities, the Mission has been able to successfully obligate and manage funds at the strategic objective level in its program logframe. This has given USAID the leverage required to get high level government action on institutional and structural reforms, while preserving control over US financial resources if agreed upon results were not attained.

In designing NPA sector programs, USAID has emphasized that joint USAID-host country agreements focus on results to be achieved while maintaining flexibility in actual program implementation. This flexibility has allowed program managers to concentrate on end results while adjusting implementation as necessary to respond to changing, dynamic circumstances. By ensuring that each manager's performance is judged on achieving results and not on delivering inputs, USAID has increased commitment to results and enhanced the prospects for sustainability throughout its program.

Additionally, USAID/Malawi has utilized NPA to address and increase attention to gender issues. Under the education and agriculture programs, gender considerations are strategically included as part of the agreed upon actions targeted for budget support. As the line ministries implement these programs, they develop ownership of gender activities that have had a substantial impact on girls and women.

In the transport sector, USAID/Malawi is currently utilizing the combined project/NPA approach to forge much needed public-private sector cooperation on privatization, economic restructuring and policy issues. Success with this approach will enable the Mission to look for additional ways to involve private sector entities more directly in designing and implementing policy programs in the future.

b. Participation: Participation in USAID/Malawi's programs is both a product and a process. As a product, the Mission actively promoted the development of indigenous private and voluntary organizations (PVOs) and non-governmental organizations (NGOs). As a process, USAID worked with the government, private sector, NGOs and community groups in the design and implementation of its programs and strategies. In all these groups the Mission has attempted to have equal participation of both men and women. This approach has paid dividends. The Mission works with several groups representing private sector, democracy, and sectoral interests with whom it meets regularly to discuss current events and test new ideas and approaches to development. Finally, USAID's regular use of local think tanks has enhanced the effective and useful role these institutions play to inform public policy formulation and debate.

c. **Procurement:** USAID has learned from experience to avoid designing activities whose main purpose is to compensate for commodity shortages. Most of USAID's lessons come from its efforts in the transport sector in the 1980s and 1990s. First, commodity provision or "infrastructure capacity expansion" has proven unsustainable without concurrent provision or compensation for associated recurrent costs because the GOM has difficulty using the commodities (track, spare parts, locomotives) effectively without recurrent cost financing. Second, USAID commodity procurement procedures are very complex and filled with pitfalls. In the absence of a full-time commodity procurement officer, the management burden for the Mission is unbearable. Third, complex commodity procurement draws the attention of Mission staff and management towards providing inputs and away from the development impact such programs were designed to achieve.

F. The Accountability Environment

This section (1) examines the extent to which the public sector is accountable to the will of the people; (2) discusses corruption in government and examines the extent to which corruption is part of doing business in Malawi; and (3) examines briefly the question of public financial accountability and recent efforts to improve GOM's budgeting, accounting and control processes.

1. Government Accountability to the People

One of the conclusions reached in the political vulnerability assessment (See Annex 3) to explain the defeat of Dr. Banda in the 1994 elections was that the Banda regime lost touch with the people. For the better part of 30 years, Dr. Banda's main strength was his ability to rally the rural masses around his persona, if not his programs and policies. When he started to lose this ability, he started to lose power, his party began to lose prestige, and eventually he was defeated.

Many of the leaders in the new government are former leaders of the MCP and were influential government figures during the early and middle years of the Banda regime. They watched as the MCP, Dr. Banda, and government gradually lost the support of the people. The new government has embarked on a strategy of participation to ensure that the public is involved in government decision making, both directly or indirectly.

In the absence of well-developed mechanisms for public opinion polling and in the absence of an established tradition of constituency consultations for members of parliament (MPs), the new government has sought to ensure direct involvement of voters in program and policy decisions through concerted and continuous town meeting types of consultations. Ministers and deputy ministers are "on the road." They discuss government policies and explain economic and political events. Some MPs are actively consulting their constituencies, although this is by no means sufficient yet. Government accountability has also been increased by NGOs and the media, which are now playing the role of watchdogs.

In the development of the government's poverty alleviation program, President Muluzi has established a network of consultative groups which reach out to every segment of society. Sector task forces explore the problems from the community level and suggest priority programs of action. The task forces feed into a national steering committee composed of representatives of private

sector business, church groups, NGOs, international donors, government and traditional authorities. The steering committee recommends policies and program strategies to a presidential council chaired by the president.

The result of this consultative approach thus far has been a crystal clear message to the new government: its future is directly dependent on convincing the electorate that its actions and policies will improve the living standards of the voting majority.

2. Corruption

Historically, Malawi has enjoyed a reputation for having a relatively clean civil service and a corruption-free government. This may not have been justified. In effect, the whole system managed by the previous regime was based on one man's perception of what public and private interests were. Dr. Banda, his closest associates and the MCP all regarded their private interests and public interest to be one and the same. Resolving ownership rights over 13 "state" houses, public land transfers to a few friends, and the takeover of the Press Corporation by the MCP are a few examples of what has come to public light since the June 1994 elections. New revelations, occurring almost weekly, of past corrupt practices have placed great pressure on the new government not only to attack corruption, but to take bold positive steps to avoid the appearance of corruption within its ranks.

a. Government: In August 1994, the state president launched an attack on corrupt practices. In particular, the Department of Customs and Excise (DC&E) has been the subject of intense scrutiny. In August 1994, the president indicated that the government suspected it was losing almost MK 2 million per day (\$130,000) through customs fraud. In November 1994, the GOM contracted a British firm to investigate the DC&E. The report of that firm concluded that the department was inefficient, undisciplined, and suffered from low staff morale and motivation. The firm established that up to 35% of revenue is currently not being collected. While it was noted that low civil service salaries may contribute to the causes of fraud and corruption in the department, the fundamental reasons lie in poor and corrupt leadership. The GOM took immediate steps to suspend and investigate personnel that it suspected of corrupt practices, institute new procedures, and to establish tough interim control measures to ensure that leakages stop.

In another case of suspected bribery of a public political official, the government halted a procurement in progress and established an independent commission to investigate possible wrongdoing. The official has been cleared of attempted bribery, but the procurement process was violated. In this case, established GOM procurement systems and controls worked to halt a large government purchase. Media pressure acted to ensure that the case was investigated, and it appears that the investigation itself is being handled appropriately. In other words, it looks as if established anti-corruption procedures are working. Nevertheless, government will be forwarding to the next session of parliament a new anti-corruption bill, which will tighten even further current processes for investigation and penalties for participating in corrupt practices.

Finally, the president has insisted that all cabinet ministers file a declaration of personal assets. While it took several months for compliance, most ministers have filed. However, this requirement does not extend to any part of the civil service, nor are the declarations public at this time.

These two issues, at least, are under active consideration by both government and parliament, and some form of draft legislation is likely to be presented in the future.

The role of the media in uncovering and reporting specific cases of corrupt practices should not be understated. While some media allegations of corrupt practices are clearly sensational, others do have a basis in fact which require further investigation. Furthermore, the media's basic distrust of the executive produces abundance of smoke. Lost of smoke implies there are at least a few fires. In short, oversight of public officials is vigorously practiced in Malawi, although its execution is often poor.

b. **Business:** Business practices, including those of foreign-owned firms operating in Malawi, have surfaced showing a pattern of corrupt practices, especially bribery, as a means of doing business. There is every indication that this corruption went on under the previous regime and is being extended to the new government.

This is the flip side of the issue of government corruption described above. Ministers report regularly that they are offered substantial kickbacks, free gifts, and interest-free loans in exchange for official favors. Offers of substantial contributions to the UDF have reportedly been made by well-established local and foreign firms. In some cases, the opening of Malawi has attracted unscrupulous businessmen whose purpose appears to be to "grease the wheels" for the establishment of their businesses. Several offers of quick turn-around financial deals appear linked to money-laundering operations. While many ministers speak openly about these incredible offers, it is probable that some may succumb or may have already succumbed to temptation. In this regard, the government is beginning to develop an interest in tightening anti-corrupt business practices legislation, and several technical advisors will be assisting the GOM to review and revise its legislation.

In sum, additional steps are clearly needed to correct the business environment. Domestic and foreign corrupt practices legislation need to be developed and enforced. Current laws governing business behavior need enforcement, and a code of ethics for doing business in Malawi should be developed and promulgated.

3. Financial Accountability

In spite of the conflict of interest corruption of the past regime, the GOM systems for the budgeting, accounting and control of government funds have historically been excellent. Both accounting and auditing of government funds have been singled out as special cases in Africa where every tambala spent is carefully accounted for. In fact, Malawi's Office of the Auditor General, the supreme audit authority for the GOM, has been certified by USAID's audit authorities to conduct audits over USAID funds.

Government, however, come under some criticism recently, largely because of the inadequacy of the decentralized planning and expenditure reporting system. These inadequacies became apparent as the new government, in an attempt to tighten controls over its deficit financing, instituted new procedures to operate the government on a cash management basis. This has necessarily tightened the government's purse strings and placed increased reliance on forward fiscal planning (the weakest link in the GOM system) for expenditure control, and less reliance on post-expenditure controls (audits), still the strongest link in the chain.

Another weak link in the budget planning process is government's failure to integrate and reconcile the recurrent (operating) budget with the investment budget prior to undertaking new investments. This has resulted in investments without adequate operating expense coverage.

To overcome these weaknesses, the GOM is in the process of devising a new, integrated planning and budgeting system, specifically, a results-oriented budget. This will take some time to develop, but in the meantime, the accountant general has moved to strengthen real-time expenditure controls by reducing the number of accounts available to different ministries and reducing the number of people within government with expenditure authority. Finally, the GOM has established the Reserve Bank of Malawi (RBM) as the final control point in the expenditure process with independent authority to limit government expenditures through its independent control over the government's overdraft authority. In short, government checks are being bounced, and expenditures are coming under control. Since January 1, 1995, these controls have reduced the size of the GOM overdraft from MK 1.5 billion to MK 632 million, now below the legal limit for the first time in years.

Part II

Proposed Country Strategy, Rationale, and Key Assumptions

A. Introduction

Given Malawi's constraints to broad-based, market-oriented economic growth, the absorptive capacity and capabilities of the Government of Malawi and local development partners, other donor programs, and USAID's experience and comparative advantage, USAID/Malawi posed the following questions as it developed this new country strategy:

- What are USAID's strategic choices in Malawi?
- Are these consistent with the Development Fund for Africa (DFA), other US priorities, and Malawi's development needs?
- Are there clear linkages between and among the strategic elements?
- Can the key constraints be adequately addressed by the USAID, GOM and our Malawian and US development partners?
- What impact is within USAID's manageable interest to achieve over the next five years in each strategic area?
- Is the impact sufficient to justify the investment?

Throughout the development of this CSP, groups of citizens broadly representative of Malawian society inside and outside of government (including women's groups, churches, businesses, and traditional leaders) have assisted the Mission in establishing its development priorities. A private business sector group based in Blantyre meets regularly with Mission staff to discuss business priorities and business-government relations. Another senior advisory group has become a part of the Mission dialogue in the past few months. Composed of traditional chiefs, MCP and AFORD members of parliament, religious leaders, and women's leaders, these individuals, who may not be direct beneficiaries of USAID assistance, represent a cross section of Malawian society. Their involvement and advice in formulating priorities have been instrumental in designing this CSP. They wish to continue this development dialogue as the strategy is implemented.

Government at all levels has participated in formulating the strategy; USAID's many development partners (NGOs, PVOs, and other donors) have likewise exerted considerable influence on the strategy.

The proposed strategy is also based on USAID's extensive experience in Malawi. Since the mid-1980s, USAID has worked with the GOM and private sector to address many of the problems facing Malawi, and progress has been made in a number of areas. The fundamentals of Malawi's macroeconomic framework are sound. USAID believes that the open democratic and pluralistic culture that has emerged in Malawi since 1992 provides great opportunity for development progress. Since 1994 when the democratically elected UDF government took office, it has recognized that economic stability and growth are essential for its survival. Public and private pronouncements made by President Muluzi and other political leaders have indicated that Malawi's new leaders have a vision for a better future for all Malawians, and they have repeatedly demonstrated that they also have the political will to address the country's severe developmental problems. In short, a distinctly Malawian vision of a better future is emerging. This has been stated in many forms, most articulately in the Strategy for Growth and Poverty Alleviation statement presented at the December 1994 CG meeting. This fundamental change in Malawian politics has created new opportunities for USAID.

USAID proposes to continue assisting Malawi in areas where there are demonstrated development needs, where other human, technical and financial resources are inadequate to address the constraints, and where the Mission believes that significant impact can be achieved and it has a comparative advantage. For the most part, this means expanding what the Mission was doing right in its 1990-1995 strategy and dropping what did not work or what proved to be of lower priority. For those who are familiar with USAID's previous strategy in Malawi, there will be few surprises in the Mission's proposed program.

The proposed assistance strategy focuses on five strategic objectives. All are within the Mission's manageable interest. The remaining part of this section presents the program goal and a statement of each of the strategic objectives, including a brief description of the rationale for its selection, programmatic approaches, expected program outcomes, performance indicators, and other supportive information. The strategy and each of its elements are also illustrated in an objective tree and other charts.

B. Goal of the Proposed Strategy

The overall goal of Malawi 2000 is to achieve broad-based, sustainable economic growth. USAID believes that based on the current political mandate, government priorities, donor commitments, the various assessments and consultations, and the best judgement of technical observers, Malawi has the potential to make significant strides toward this goal over the next five years. Success, of course, will depend on many factors. These include continued political stability, continued GOM commitment to a sound, outward-looking macroeconomic framework, and strong GOM, private sector and NGO performance in implementing the various programs and policy and institutional reforms. Aside from national disasters and other unforeseen factors, the greatest two challenges will be (1) balancing limited resources between short-term political goals and long-term development objectives and (2) rapidly expanding the sources of Malawi's growth.

Progress towards achieving the strategy's goal will be measured by the following indicators:

- Increased per capita incomes
- Increased gross foodcrop production per capita
- Increased investment as percent of GDP
- Increased literacy rate
- Reduced total fertility rate
- Reduced infant mortality rate
- Reduced HIV sero-prevalence among adult urban women
- Increased child vaccination coverage.

C. Proposed Strategic Objectives

USAID/Malawi will pursue five strategic objectives to help achieve the goal of "broad-based, sustainable economic growth." USAID's program will result in:

1. Increased agricultural incomes on a per capita basis.
2. Increased sustainable use, conservation and management of renewable natural resources.
3. Increased adoption of measures that reduce fertility and risk of HIV/AIDS transmission, including improved child health practices.

4. Increased access to, and quality and efficiency of basic education, especially for girls.
5. Institutional base for democratic participation strengthened and broadened.

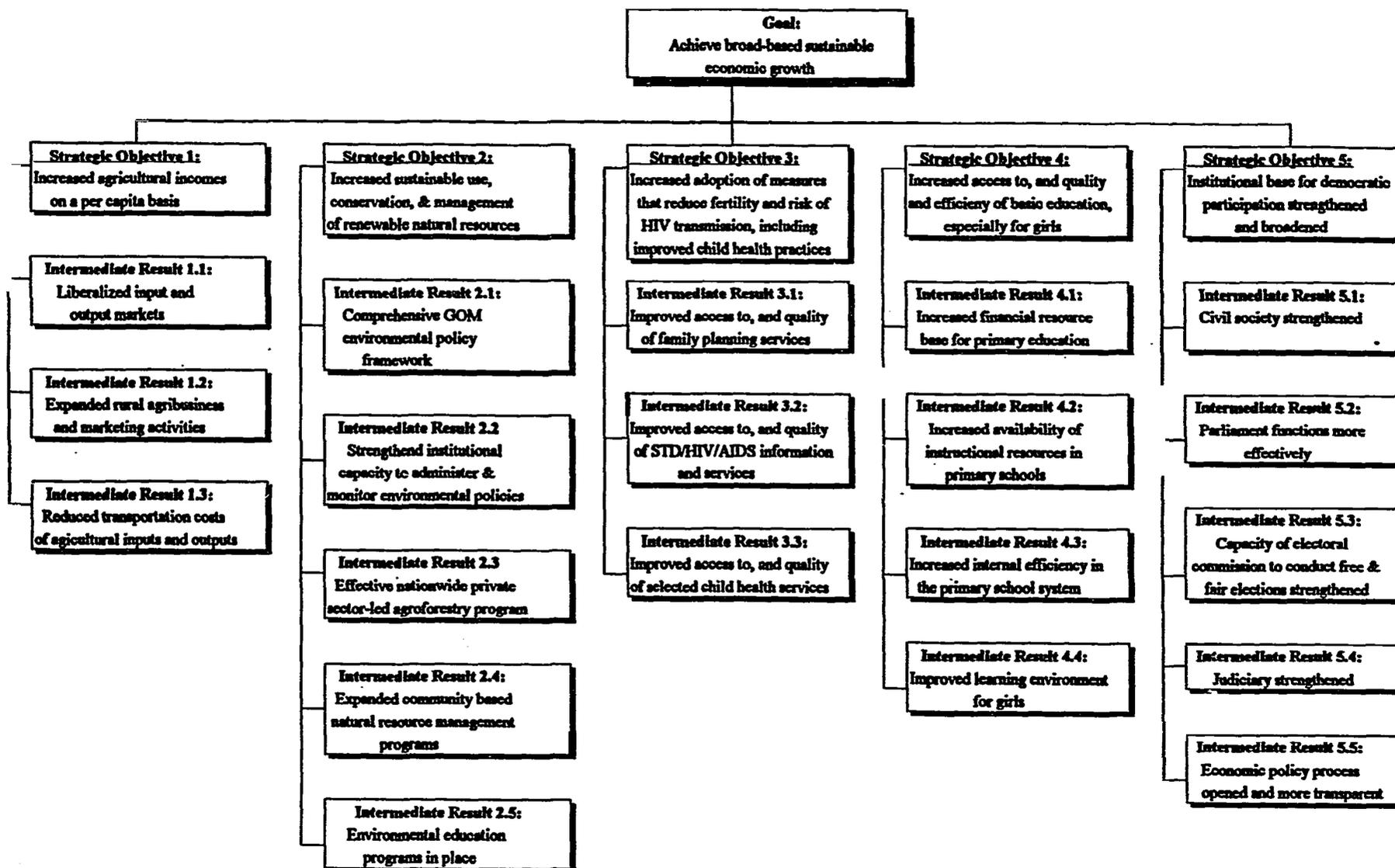
The strategy's objective tree is shown in Chart 1. Annexes 4 and 5 present USAID's policy and analytical agenda, respectively. Annex 6 presents decision trees for the proposed strategic objectives in tabular form. Annex 7 presents a brief discussion of drought and development in Malawi. The Mission's Women in Development (WID) Action Plan is presented in Annex 8.

The proposed strategic objectives are consistent with the Agency's objectives. They are also complementary and mutually reinforcing. For example, an increase in the adoption of measures that reduce fertility will have positive impacts on per capita incomes, food security, and the natural resource base. Improvement in basic education, especially for girls, will help reduce fertility, improve child survival, and enhance productivity and per capita incomes in rural areas, where fully 30% of households are female-headed. The synergism and mutual dependence between food security and protection of the natural resource base is evident at every level of activity, from community action programs to government policy.

USAID/Malawi plans to be involved in three regionally-funded activities during part or all of this CSP period. The Mission will (1) continue its involvement in the transportation sector as presented in the first strategic objective; (2) support the development and distribution of drought-resistant rootcrops to enhance food security as a complement to strategic objectives one and two; and (3) participate in the Southern Africa Enterprise Development Fund (SAEDF), if Malawi is selected. These regional activities have been incorporated in the Mission's program and help the achievement of its strategic objectives.

Finally, economic stability, democratic consolidation, and a supportive macroeconomic and political environment are prerequisites to achieving the strategy's goal and objectives. While the Mission will continue its sectoral focus, it will work closely with the GOM and the international community to influence and monitor macroeconomic and political developments. This is particularly important in light of the recent deterioration in the macroeconomic situation. Annex 5 presents the fiscal, monetary and other macroeconomic indicators the Mission will monitor, analyze and on report to USAID/Washington on regular basis.

**USAID/MALAWI STRATEGIC OBJECTIVE TREE
1995-2000**



1. **Strategic Objective Number One: Increased agricultural incomes on a per capita basis**

"Government is determined, Mr. Speaker, Sir, to remove all policy constraints that hinder the efficient performance of the agriculture and livestock sector. A farmer must be encouraged to grow more of whatever crop he or she wishes to grow through a pricing and marketing policy environment that ensures adequate return for his or her effort."
President Bakili Muluzi, June 1994

"In the final analysis, Malawi has a food problem that is chronic. [It] is chronic because there are fundamental deficiencies in the structure of production and the support mechanisms necessary for increased production." President Bakili Muluzi, August 1994

a. **Rationale for Selecting this Strategic Objective**

Agriculture is the backbone of the Malawian economy. It employs 85% of the economically active population, accounts for about 38% of GDP, involves 91% of the labor force (80% in the smallholder and 11% in the estate sector) and produces over 90% of Malawi's foreign exchange earnings. Malawi's is a dualistic agricultural economy with separate policies and public support institutions for estates and smallholders. For the majority of Malawi's 1.8 million smallholder farmer families, direct access to competitive commercial cash markets and market prices has been severely restricted by government regulations, monopolistic parastatals, price controls and indirect taxes since independence. For the past 30 years government policy has induced smallholders to produce maize at artificially low prices, while siphoning off smallholder value-added in the production of tobacco, Malawi's most lucrative export, and other export crops. Export earnings have benefited primarily the relatively few large estate owners.

From independence in 1964 until the oil crisis in the 1980s, Malawi's economy grew in the aggregate. However, growth in agricultural production varied, averaging about 5% during the 1970s, 1% during the early 1980s and 4.1% during 1987-91. On average from 1973 to 1992, annual growth in agricultural output was 1.96% while the population continued to grow by 2.7 per year. The dualistic nature of Malawi's agriculture ensured that any growth that occurred did not benefit the rural majority. While the estate sector grew and expanded, the smallholder sector became increasingly marginalized. In the late 1960s the poorest 40% of Malawi's population shared 19% of the national income. But by the early 1990s, this share had dropped to 7%, while the richest 10% increased their share of national income from 46% to 55%.

Increasing the productivity of land and labor in agriculture is key to increasing incomes. However, productivity increases in the smallholder sector through known and available technology are severely constrained by the lack of cash income to purchase improved hybrid seeds, fertilizers and labor to improve soil conservation. Increasing population growth and resulting land pressure, combined with low levels of education, health status, soil quality and farm technology, and overwhelming dependence on rain-fed agriculture are major problems affecting Malawi's future agricultural development. For the 30% of rural households headed by women, these problems are compounded by even greater labor shortages, less land, and less cash to purchase inputs.

Food security at both the national and household levels has in the last few years become increasingly critical due both to periodic droughts and loss of soil fertility. Improving food security requires investments in small farm irrigation, soil conservation, diversification into drought resistant crops, small scale livestock production and improved land tenure. All require additional investments by smallholders, in turn dependent on increased incomes. (See also the discussion regarding food security concerns on page 32).

Increasing agricultural incomes through the elimination of market and agriculture price policies which discriminate against smallholders, while improving market access by restricting and restructuring parastatal monopolies, are the first steps to increasing smallholder and tenant farmer incomes and ensuring national and household food security. Increased incomes among these groups are also required to improve effective access to education and health services, without which well-being cannot improve.

This objective supports the Agency's broad-based economic growth goal and contributes to the Agency's goals in environment, education, health and democracy. It will be accomplished through major policy, marketing and institutional reforms. Accelerating the reform agenda has been made feasible by the change in political culture in Malawi and installation of a government whose primary development strategy is focused on broad based poverty alleviation.

It is USAID's successful experience with the Agricultural Sector Assistance Program (ASAP) and its partnership and dialogue with senior members of the new administration in Malawi, the leadership in the agriculture sector, and private sector consultations that led the Mission to choose this objective. There is no higher priority in Malawi, and USAID has demonstrated that the ASAP approach works. It builds on and deepens successful policy reform initiatives undertaken in the last three years, in combination with successful coordination of complementary and supporting activities undertaken by government, US PVOs and other donors. Most importantly, this objective builds on the documented supply response of smallholders to increasing market options, prices and opportunities.

USAID's focus on policy, market and institutional reforms will continue to be complemented by our own and other donor support for agricultural research, extension, credit, technology development, and other major activities to increasing productivity. These efforts have begun to radically change the historical practice of top-down management of agricultural extension and research in Malawi. A major part of USAID's program is the complete elimination of government price controls and of government influence in input and output marketing, which results in the absence of competitive choices and options. These initiatives have been developed through extensive sector analysis and policy dialogue conducted by USAID, the World Bank and other donors. The findings and recommendations have also been verified through the Mission's own village level impact studies.

Finally, this objective is key to Malawi's ability to participate in and benefit from its economic associations within the Southern Africa region. As markets are liberalized both domestically and regionally, new opportunities will emerge for economic cooperation.

b. Key Problems and Programmatic Approaches

Growth in rural income in Malawi is restricted first and foremost by the prices farmers receive for their crops. The absence of market-determined

prices and competitive market outlets, and the policy of artificially holding down farm gate prices and restricting markets in order to subsidize urban consumption and estate development have resulted in the dualistic agricultural development pattern that characterizes Malawi. High transportation costs for imported inputs, such as fertilizers, have further exacerbated the disparity. The notable absence of rural voluntary organizations and service providers, such as cooperatives, marketing associations and other rural business groups has, by design, made smallholder farmers totally dependent on the state and parastatal monopolies. Pervasive state involvement in the smallholder agricultural sector has restricted rather than enabled access to privately supplied inputs and competitive market outlets. The President of Malawi has publicly commented on the "exploitation of smallholders" by the government's marketing board, ADMARC, and stated his administration's intent to end the negative impact of that institution.

To achieve this strategic objective, the policies and institutions which continue to discriminate against smallholders and the production of foodstuffs must be revised, restructured or eliminated. An enabling policy and institutional environment which allows for individual choice based on market forces must be created. The patronizing view that only the state and its institutions can protect and make choices for smallholder farmers must be drastically changed. The approach USAID will employ to bring about these changes is a proactive policy dialogue with policy makers at all levels combined with supporting project activities and government actions targeted at specific policy analyses, field level verification, program and environmental monitoring and technical assistance directed at enhancing program implementation. This approach builds on the experience and comparative advantage of USAID, its hybrid non-project and project assistance modality, and the success of the Agricultural Sector Assistance Program. USAID's policy agenda is presented in Annex 4.

USAID's fundamental approach will be to facilitate the continuation of market liberalization policies and restructuring of public statutory bodies, with special emphasis on the large parastatals, such as the marketing board (ADMARC) and Malawi Railways; the former, because it has been the single most pervasive institution in limiting smallholder access to competitive markets and market determined prices; and the latter, because it is the single most important link to decreasing the cost of essential agricultural imports and increasing Malawi's comparative advantage in agricultural and other exports. The roles of other "smallholder authorities," publicly managed productive assets such as farms and agribusinesses, government "associations" and development schemes will be reviewed to determine how they restrain or promote smallholder productivity and equity, including gender equity. These organizations will be eliminated or restructured accordingly. Price policies will continue to be at the forefront of the policy reform agenda.

USAID will help establish Agribusiness Development Centers in targeted areas to begin the process of converting "clubs" into sustainable business enterprises. As an alternative to existing commercial rural credit facilities, rural savings and loan cooperatives will be promoted to serve these emerging enterprises. While these are long-term development initiatives, they are essential to the sustainability of the policy agenda.

c. Intermediate Results and Performance Indicators

The dramatic changes in Malawi's agricultural sector during the past four years as a result of USAID-supported policy reforms constitute a paradigm shift. Pervasive government intervention in the form of targeted credit

programs, interest rate subsidies, fertilizer and seed subsidies, output price controls and restrictions on private trade have been virtually eliminated. With the added impetus of erratic rainfall, smallholder farmers are adapting their cropping patterns to this radically changed environment much faster than anticipated, and, as a result previously observed historical behavior is virtually worthless as a basis for predicting future trends. The Mission is currently in the process of developing a practical and cost effective methodology for more directly measuring the income effects of changing cropping patterns and practices in this dynamic environment. Until that methodology is developed, the Mission has chosen the following performance indicators to monitor progress on this strategic objective:

- Increased real per capita incomes for smallholder tobacco producers from \$153 in 1991 to \$254 in 1998 and \$278 in the year 2000.
- Increased share of smallholder cultivated area planted to non-maize crops from 19% in 1990 to 41% in 1998 and 45% in the year 2000.
- Increased ratio of smallholder root crop area to smallholder maize area from 6.8% in 1990 to 17% in 1998 and 20% in the year 2000.

An indicator to measure the agricultural income effect, the nature of which to be determined, is shown in Annex 6. It should be noted that baseline data disaggregated by gender on the number of rural enterprises and number of workers employed at those enterprises are available from a 1992 survey. The Mission will also track female owned enterprises, estimated at 46% of all agricultural enterprises in 1992, and the percentage of female smallholders directly marketing their products on the international auction floors and to international buyers.

Achievement of three intermediate results will define success of this strategic objective: liberalized input and output markets, expanded rural agribusiness and marketing activities, and reduced transportation costs of agricultural inputs and outputs.

1. Liberalized agricultural input and output markets

First and foremost, Malawi must realign prices for all agricultural commodities to reflect underlying competitive supply and demand conditions. This will be accomplished through the implementation of policies which broadly liberalize both input and output markets. Given a relatively stable world market, the continued expansion of highly efficient smallholders in the cash export markets alone will substantially increase rural incomes.

Performance indicators for this intermediate result include the following:

- Increased share of burley tobacco produced by smallholders from zero in 1990 to 35% in 1998 and 40% in the year 2000.
- Increased volume of smallholder burley marketed directly on auction floors from zero in 1990 to 15 million kilograms in 1998 and 20 million kilograms in the year 2000.
- Increased share of HYV maize seed sold through private channels from 17.5% in 1990 to 65% in 1998 and 70% in the year 2000.
- Increased share of fertilizer sold through private channels from 33% in 1990 to 65% in 1998 and 70% in the year 2000.

- Increased percentage of female smallholders marketing directly on auction floors from 12.7% in 1993 to 36% in 1998 and 40% in the year 2000.
- Increased percentage of female smallholders registered in the burley tobacco program from 12.7% in 1993 to 40% in 1998 and 45% in the year 2000.

2. Expanded rural agribusiness and marketing activities

The broad liberalization of agricultural input and output marketing resulting from price liberalization and the privatization of government input and output outlets, combined with technical support to nascent rural business groups, will stimulate the establishment and growth of new agribusinesses and marketing operations serving the rural areas. Performance indicators for this intermediate result include the following:

- Increased number of private marketing entities, i.e., intermediate buyers (IBs), clubs, companies buying from and selling to the strategic grain reserve (SGR) from zero in 1990 to a level to be determined for the year 2000.
- Increased number of farmer-owned agribusinesses and cooperatives from zero in 1990 to 5,000 in 1998 and 5,500 in the year 2000.
- Increased number of all-female agribusinesses and cooperatives from zero in 1990 to 500 in 1998 and 550 in the year 2000.

Note that the Mission will promote the establishment of, and track the number of all-female agribusinesses and cooperatives under this outcome.

All indicators will be obtained annually from publicly available sources, with the exception of the number of farmer-owned agribusinesses and cooperatives which will be provided through routine project monitoring.

3. Reduced transportation costs of agricultural inputs and outputs

Finally, the reduction of real input costs relative to realized output prices through the reduction in transportation costs will be a specific result under this objective. This will be achieved through improving efficiency of rail transport and instituting rational domestic and international transport policies that promote competition among alternative transport modes. Performance indicators for this intermediate result include the following:

- Reduced CIF margins on imports from 40% in 1990 to 36% by 1998 and 30% in the year 2000.
- Increased volume of exports transported by rail from 12,000 MT in 1990 to 61,000 MT in 1998 and 68,000 MT in the year 2000.
- Increased volume of imports transported by rail from 24,000 MT in 1990 to 217,000 in 1998 and 232,000 in the year 2000.

d. Assumptions for Success

During the past three years, Malawi has experienced two serious droughts resulting in very low levels of maize production and reduced tobacco production. Hence, a major risk to this strategic objective is the continuation or recurrence of drought conditions which would severely limit farmers' ability to respond to market signals and an improved institutional environment. Drought mitigation efforts are discussed in Annex 7. A determining factor in the selection of this strategic objective is the election of a democratic government in Malawi and that government's publicly announced policies directed at economic stabilization, poverty alleviation and increasing the role and participation of the private sector in the economy. Successful implementation assumes political stability with respect to government and its policies. In turn, political stability in Malawi depends directly on raising incomes and economic well-being among the people.

e. Other Donor Activities

This strategic objective complements and supports the programs of other donors in the agriculture sector. The two other major donors working in this sector are the World Bank and European Community. The World Bank's Agricultural Services Project (ASP) is a five-year \$46 million project directed at improving agricultural research and extension services. The Bank is also funding the Malawi Rural Financial Services Project (MRFSP), a \$25 million effort to transform and privatize rural financial services, and a \$15 million contribution to the Malawi Railways Restructuring Program (MRRP). The EC is currently developing a five-year \$48 million project to improve household food security through expanded use of fertilizers, agroforestry and other land husbandry techniques. While other donors (including the African Development Bank, United Nations Development Program (UNDP), ODA, GTZ and Japan International Corporation (JICA) are also active in the sector, their contributions are limited and geographically focused.

A close working relationship exists among all donors in the agriculture sector in country to ensure that overlaps are minimized and consensus positions are developed with respect to individual donor and policy initiatives. The joint food security assessment described in next page is an example of this relationship.

f. Consultations

Consultations with the senior levels of government take place daily. The Mission's informal private sector advisory group, which meets every six weeks on average, has long held that income constraints among Malawi's 85% rural population are the major obstacle to increasing effective demand for private sector manufactured goods and services. Alleviating this constraint is to them the first order of priority.

Recently, a group of independent Malawians reviewed with the Mission Malawi's highest priority development needs. Increasing rural incomes and improving education were the highest priorities. The Ministry of Agriculture and Livestock Development (MOALD) recently completed a new agricultural strategy in which the unifying focus was poverty alleviation through rural income increases. That strategic focus was also a determining factor in selection of this USAID strategic objective.

USAID fully participated in a public workshop that reviewed the MOALD's strategy document in advance of its presentation at the December 1994 Consultative Group meeting in Paris. The reforms outlined in this USAID strategy are fully consistent with, if not pre-conditions for, the success of the MOALD's strategy. At the village level, USAID continues to support a time series study of the impact of reforms on men's and women's lives. At the institutional level, a consensus on the need to undertake major reforms, restructuring and privatization is emerging. Leaders in both the public and private sectors are also making their views and priorities known, and USAID will incorporate these views when developing its specific activities.

g. Food Security Concerns

There has been dramatic changes in Malawi's agricultural sector during the past four years. In response to variable rainfall and market liberalization, Malawi's farmers are making major changes in their cropping patterns and practices. In this context it is extremely difficult to assess current and future food security situations. For example, in the recent drought and near-drought years prior to the implementation of most of the policy changes, there was a clear national food deficit. In the future, after farmers make adjustments to the new agricultural policies, food availability may be adequate or surplus in years with adequate rain. However, given its inherently erratic weather, there are still concerns that Malawi, or certain segments of Malawi, may remain chronically food deficit.

Regardless of the national food balance, it is clear that a substantial portion of Malawi's population has historically had inadequate access to food. Unemployment and underemployment leave some consumers with low incomes which, when combined with low levels of productivity, leave many families with insufficient access to food. Poor weather aggravates household-level food insecurity, as do increased output and input prices resulting from production and market liberalization. Although farmers are rapidly adjusting to the newly liberalized environment, in the short run many families continue to face food insecurity. The GOM and donors responded to food security fears during the past four years with free food and input distribution programs. However, each year's intervention was organized and implemented on an ad hoc basis. This approach and the levels of intervention which it generated, are clearly unsustainable on the part of donors and government and are inconsistent with market liberalization over the medium to long term.

The GOM and the donor community are currently planning a joint food security assessment to develop a mutual understanding of Malawi's anticipated food security situation over the next five years. The assessment will identify common approaches for addressing household food security needs and ensuring national food security. The assessment is expected to provide the GOM and donors with a framework for developing appropriate approaches to ensuring future national and household food security in the context of dynamic market liberalization and expanded private trade. Because of the importance of food security to the achievement of this strategic objective and to its overall strategy, the Mission will consider the appropriateness of a multi-year PL480 Title III program, as well as other indicated interventions, based on the results of the assessment.

2. **Strategic Objective Number Two: Increased sustainable use, conservation and management of renewable natural resources**

"Africa's economic future is inseparable from its environmental future. An Africa that is yielding to desert sands and scrub, and an Africa whose soil is eroding, is an Africa diminishing its capacity to feed itself. An Africa that is losing its forests and renewable water supplies is an Africa that is compromising its ability to meet basic needs for the future." Secretary of State Warren Christopher, May 20, 1993 speech to African American Institute.

a. **Rationale for Selecting this Strategic Objective**

Food security and income increases can only be assured if Malawi protects its inherited resource base. During the 1960s and 1970s, Malawi experienced growth and stability in the agricultural sector, but this growth was confined largely to the expanding estate sector, and now this too has slowed. Economic policies combined with the country's escalating population density and growth have created unprecedented pressures on land, water resources and farming conditions nationwide. Soil erosion and deforestation have reached alarming proportions. Soil loss is currently estimated to average 20 tons per hectare per annum with disastrous consequences on food security, soil fertility and crop productivity. Between 1972 and 1990, total forest cover declined by 41%. Clearing land to expand cultivation is a major destructive force, exacerbated by high rates of tree cutting to meet wood and fuel demands. Deforestation rates have actually declined recently in some areas of Malawi, but only because there are no longer as many trees to fell. Today, smallholders increasingly face chronic shortages of wood for fuel and shelter. In areas where forest cover remains relatively abundant, deforestation has accelerated. This is also evident in and around urban areas, in broad swaths along major roads, and in the more remote forest and park reserves where there is heavy cutting of trees for cultivation, fuel wood, timber, and other needs. Much of the increased felling of trees through unauthorized cutting can be attributed to the declining enforcement ability of government agencies combined with increasing poverty, need for cash and encroaching population. Other serious concerns of environmental degradation are loss of biodiversity and diminishing surface and ground water supplies. Concomitant siltation and contamination of streams, rivers, dams, and lakes have far-reaching effects including increased dangers of flooding.

Despite efforts to generate and promote production-increasing technologies among smallholder households, nearly 60% currently live below the poverty line, as characterized by deprivation of basic needs such as adequate food, water, fuel, health, shelter, and education. Worse still, few rural households have the means or opportunity to reverse this situation. Access to credit, inputs, cash cropping, marketing, extension services and relevant production-increasing technologies is declining due to rising costs and a general deterioration of farm productivity due to low rural cash incomes. The supply of family labor, so vital to the nature of smallholder agriculture and conservation practices in Malawi, is decreasing due to the necessity of engaging in off-farm employment. This is especially acute among the resource poor, notably the female-headed households burdened by the additional labor-consuming activities of fetching water and fuel wood, cooking and child rearing. The lack of cash income also prevents smallholders from undertaking sound agronomic, resource conservation and management practices.

The problems and issues highlighted above are altering the context of Malawi's economy in general and the environment in particular. Agricultural production

is declining or stagnant, costs of fossil-fuel based inputs are escalating, foreign exchange earnings are inadequate, and the country's natural resources are deteriorating. Traditional land-use practices that once preserved the integrity of the natural resource base are changing into exploitation because of the desperate struggle to survive. Collectively, these factors are undermining the country's agricultural foundation for national and household food security, thus precipitating an urgent need for action. However, resource conservation for its own sake will not succeed in Malawi. It must be tied to improving incomes, creating jobs and saving family labor.

In addition to the above, the rationale for selecting this objective includes an increasing awareness on the part of Malawian officials and the public at large that urgent actions are needed and will be supported. The government has recently completed a National Environmental Action Plan (NEAP) and a conservation-oriented Agricultural Development Strategy (ADS) which reflect careful analysis and lengthy deliberation. The opportunity now exists for USAID and other donors in a coordinated effort to assist government and local communities to ensure successful implementation of people-oriented natural resource management action programs. Finally, achievement of this objective is a precondition for sustainable improvements in rural incomes and national and household food security.

b. Key Problems and Programmatic Approaches

The list of key environmental problems in Malawi is headed by the current 2.7% population growth rate, one of the highest in Africa, if not the world. Insecure land tenure for the majority of Malawian farmers also dominates the list. To this is added extensive soil erosion throughout the country, massive deforestation, extensive water resource degradation and depletion, uncontrolled depletion of fish resources, the increasing threat to Malawi's remaining biodiversity, and human habitat degradation. Increasing vulnerability to drought and other natural phenomena compounds these problems. Malawi's ability to respond to these environmental problems is constrained by a proliferation of institutions with weak coordination, ineffective administrative procedures, a weak legislative framework, and the absence of public environmental education and awareness.

The Mission proposes to achieve this objective by first establishing a policy framework and an enabling environment that will empower Malawians supported by legislation, institutions and an effective administrative structure to attack and reverse the current destruction of the nation's natural resource base. USAID will work with government and public pressure groups to bring about the necessary policy changes. At the same time, project activities will target institutional restructuring and people-oriented action programs in cooperation with local and international NGOs in environmental education, agroforestry and wildlife management and conservation.

In addition, USAID will expand its current environmental monitoring efforts. This comprehensive approach builds on the experience and comparative advantage of USAID within the donor community, its hybrid non-project and project assistance modality, and the success of previous work in the agricultural policy area. It will also support and enhance the work currently being initiated on land tenure policy by the ODA and World Bank and provide the stimulus to resolve policy, legislative and institutional weakness identified in the NEAP. Finally, financing a specific set of project activities will enable the Mission to ensure the results of the policy program are extended to rural populations through income increases.

c. Intermediate Results and Performance Indicators

The indicators for this strategic objective are being refined, and as yet no data gathering has taken place. However, the Mission is committed to having operational performance monitoring systems in place for this strategic objective by the end of FY 1996. The Mission has, however, tentatively identified the following performance indicators for the successful implementation of this strategic objective:

- Increased area of indigenous woodland under community-based management (baseline and targets to be established).
- Increased area of cultivated land under improved conservation practices (baseline and targets to be established).

Five intermediate results are envisioned to accomplish this strategic objective: 1) the establishment of a comprehensive GOM environmental policy framework conducive to improved natural resource management and conservation; 2) strengthened institutional capacity to administer and monitor environmental policies and programs; 3) implementation of effective nation-wide private sector-led agroforestry program; 4) expanded community-based natural resource management programs; and 5) environmental education program in place. The policy framework and programs designed will take into account that men and women often have different perceptions of and access to natural resources and therefore different economic interests in their use.

1. Comprehensive GOM environmental policy framework conducive to improved natural resource management and conservation established

The Mission will work with the GOM and public interest groups to establish a comprehensive legislative, institutional and administrative framework to address environmental and natural resource problems in nine key areas identified in the NEAP: soil erosion, deforestation, water resource degradation and depletion, threat to fish resources, threat to biodiversity, human habitat degradation, high population growth, air pollution, and climatic change. The Mission will also work with the GOM to identify, develop and implement key policies and programs conducive to improved natural resource management and conservation. Specific activities and outputs will be identified during the design phase of this program. The tentative performance indicator is:

- Key legislation defining property rights relating to natural resource management adopted.

2. Strengthened institutional capacity to administer and monitor environmental policies and programs

One result under this strategic objective is to strengthen Malawi's ability to respond to environmental problems, which is constrained by an excessive number of institutions characterized by weak coordination, unclear or overlapping authorities, and frequent lack of adequate resources at the field level. The Mission will work with the GOM to rationalize and strengthen its institutional capacity. The exact nature of this activity will be fully developed during the design phase of our natural resources program. Some performance indicators the Mission is considering include:

- A rationalization of budgetary resources to implement natural resource activities, including focussing resources at district/community level, reducing central ministry expenditures, and ensuring adequate budgetary

financing for goods and materials in support of environment enforcement activities.

- The development and implementation of an institutional plan for MOREA which clearly sets and limits its role to coordinate environmental monitoring.

3. Effective nationwide private sector-led agroforestry program established

The agroforestry extension activity piloted under ASAP I, which has developed proven, low-cost agroforestry practices with encouraging rates of farmer adoption, will be expanded nationwide under private sector leadership. The tentative performance indicator for this intermediate result will be:

- Increased proportion of tobacco estate land in managed woodlots.

4. Expanded community-based natural resource management programs

Performance indicators the Mission is considering under this intermediate result include, but are not limited to, the following:

- Increased area managed under community-based protected areas programs.
- Increased number of communities participating in and receiving income from community-based natural resource programs.

5. Environmental education programs established

The Mission is considering two principal activities to increase environmental awareness and encourage conservation practices. The first is to improve the extension services that educate farmers about soil conservation and fertility. The second is to develop and implement a program that will enable teachers to integrate environmental and natural resource awareness into their science curricula. Performance indicators being considered include the following:

- Natural resource conservation incorporated into primary school curriculum.
- Natural resource conservation techniques incorporated into extension program.

d. **Assumptions for Success**

For natural resource conservation and management to become effective in Malawi, rural incomes for the majority smallholders will have to increase and the rate of population growth will have to decline. The companion strategic objective number one deals explicitly with the former issue, while the latter is dealt with under strategic objective number three.

In two of the past three years, Malawi has been hit hard by droughts, decreasing national and household food security, seriously reducing smallholder ability to respond to resource management and conservation programs, and increasing stress on forest, park and wildlife reserves. Program outcomes will be hampered if Malawi continues to be hammered by natural disasters. A determining factor in the selection of this objective is a new government that has opened a dialogue and initiated an action-oriented development strategy focusing on natural resource conservation.

e. Other Donor Activities

Other donors, primarily the World Bank, EU and ODA, are actively developing assistance programs directed at natural resource management and addressing constraints that USAID's program will complement. The ODA, with support from the World Bank, is analyzing a comprehensive set of land tenure related activities and policies. For many years, ODA has provided support for the conservation and management of the Malawi capture fisheries sector. In addition, the World Bank has supported the process that led to the development of the NEAP and is currently supporting Malawian efforts to develop a comprehensive Environmental Support Program (ESP) which will implement specific geographic-based activities. The EC is developing a region-specific forestry program with emphasis on the rehabilitation of areas previously occupied by Mozambican refugees. All of these efforts are complementary and will continue to be closely coordinated in the field. The comparative advantage of USAID/Malawi is to support all these efforts with a policy driven program to ensure that an enabling policy environment is in place to enhance feasibility, success and sustainability of all GOM and donor-financed program and project activities in this sector.

f. Consultations

Several comprehensive studies and strategies have recently been developed that provide justification and incentive for USAID to select this strategic objective at this time. First is the recently completed NEAP. This extensive study documents the rampant depletion of Malawi's natural resource base. It also provides a guideline for future action and identifies key constraints; foremost among these are the lack of a national policy framework and the proliferation of institutional players. A follow-on exercise is now under way to develop the comprehensive ESP of which this USAID initiative will be a major component. As a complement to these efforts, USAID has commissioned a national natural resource management (NRM) survey to identify and evaluate current and past efforts and activities of government, donors, NGOs and the private sector (estates). A primary focus of this survey will be to identify policy, institutional and administrative constraints that impede successful program efforts in this sector. Major studies have also recently been completed dealing with community forestry programs and water resource policies. Financed under the USAID ASAP support project are field activities focused on developing and testing community based agroforestry practices for smallholders, approximately one-third of whom are female. The ASAP project has also supported field based environmental monitoring activities which developed the baseline for the performance indicators mentioned above.

Depletion of Malawi's natural resource base is viewed by community groups and private businesses as an impediment to economic growth. Public interest groups regularly hold dialogues with the government on the urgency of the problems in this sector. When setting priorities for action, the Malawians generally place natural resources management behind accelerating incomes, education and health. However, as siltation in the rivers and lack of water catchment of facilities begin to cause interruptions in power and water supply, public awareness will increase. Still, environmental education and the relationship between rural incomes and the natural resource base will need to go hand in hand for USAID investment in this sector to be effective.

3. **Strategic Objective Number Three: Increased adoption of measures that reduce fertility and risk of HIV transmission, including improved child health practices**

"The birth of a child has traditionally been a cause for jubilation but we, Malawians, like the rest of the people in Africa, must seriously consider reducing the population growth rate otherwise our jubilation will end in misery. ... Malawi's population is expected to be over 21 million by 2017. But as the population is projected to triple in about 20 years, our land is not expected to grow even by an iota of an inch. So our viable option is to reduce the pace at which the population is growing." The Daily Times, July 9, 1993.

a. **Rationale for Selecting this Strategic Objective**

Fertility reduction supports the Agency goal to assist countries in achieving more sustainable population growth rates and promote better health. Malawi's fertility, HIV infection and mortality rates are among the highest in the world. Malawi's population is growing at 2.7% per year; the total fertility rate (1992) is 6.6. Maternal mortality is estimated to be 620 per 100,000 live births and the infant mortality rate is 134 per 1,000 live births. One of every four children does not survive to his or her fifth birthday. An estimated 12-14% of the adult population is infected with HIV; 37,000 persons died from AIDS in 1994. It is clear that Malawi's high fertility and mortality are closely interlinked and are both a cause and effect of poverty, illiteracy, and the poor health, educational attainment and socio-economic status of women.

Despite growing interest in family planning, it has yet to become widely practiced. Real government commitment to reducing the population growth rate is relatively recent, but it is increasing rapidly. Some 61% of women want either to space their next child or end childbearing altogether, yet only 7% currently use modern contraceptive methods and another 7% use traditional methods (1992 Malawi DHS). This suggests that there is considerable unmet need for family planning services, perhaps as much as 47% of women of fertile age. Malawi has now formally ratified a progressive population policy which seeks to reduce fertility by stimulating demand and increasing access to services. The GOM has opened the airwaves to family planning and AIDS messages, and in the next few years hundreds of new service points will be opened. Although other donors support family planning, USAID's program is the most extensive one focused on increasing access to family planning in rural areas. With strong support for expansion of access and quality of family planning services, reinforced by increased educational opportunities for girls, economic opportunities for women, and effective promotion and communication, the proportion of Malawian families using modern methods of contraception will increase.

Because studies in Malawi and other African countries have shown that contraceptive use is low where infant and child mortality is high, improved child survival contributes significantly to reducing fertility. Although infant and child mortality rates have declined from levels of the mid-1980s, Malawi's child and infant mortality rates are still among the highest in the world. Major causes of death among under-fives are malaria, diarrheal diseases, acute respiratory infections, and malnutrition. AIDS is expected to become one of the five major causes of infant death within the next five years.

While over 90% of adults are aware of HIV/AIDS and know the AIDS-causing virus is sexually transmitted, risk-reducing behaviors such as reduction in number of sexual partners and use of condoms are slow to be adopted. According to studies carried out in two urban hospitals, some 30-40% of pregnant women attending urban antenatal clinics have one or more sexually transmitted diseases (STDs), including syphilis, and rural STD rates are between 10-20%. The role of STDs in facilitating HIV transmission has been well documented, and controlling their spread is fundamental to any HIV/AIDS control strategy. With the exception of the EC's support for building awareness among bar girls and bar managers to reduce risk of STD/HIV transmission, USAID is the only donor providing significant support to STD control and condom promotion.

A 1991 USAID-financed study of the economic impact of AIDS concluded that AIDS will reduce Malawi's GDP by 14-21% by the year 2000. The estimates used in that study are now considered too conservative and an updated study is under way. AIDS afflicts those in their most productive years and disproportionately debilitates those who are above average in education and income. Thus, GDP per capita will continue to be adversely affected by AIDS, perhaps more dramatically than previously thought.

By the year 2000, AIDS will result in some 500-600,000 orphans. Tragically, the AIDS epidemic will severely strain the ability of families and communities to raise the young and care for the old and sick, and it will reduce incomes and productivity. Substantial assistance from donors and NGOs, including dozens of new indigenous NGOs, has resulted in some innovative approaches to the crisis, including home-based care, women's associations and youth clubs which are involved in AIDS prevention. However, the scale of intervention is small in relation to the immensity of the epidemic. Since more than one million people are infected with the virus, it will continue to spread.

b. Key Problems and Programmatic Approaches

While there are many indications that Malawians are ready for rapid behavioral change, there are still strong social and cultural elements which resist the use of modern contraceptive methods and chafe at the notion of educating young people about STDs and HIV/AIDS. Myths and misunderstandings still abound. For example, some adults believe that condoms are a health hazard to women, that sex with condoms is not enjoyable, that having more children discourages men from wandering, etc. Traditional authorities, including grandmothers and in-laws, still advocate large families. Girls' traditional initiation rites also encourage early and sustained sexual activity. These influences in behavior will be the most difficult to reverse. The largely rural nature of the population, women's low rates of literacy and participation in the formal economy, and asymmetrical power relationships between men and women which reduce women's ability to control sexual activity also present formidable challenges.

While the senior levels of the GOM have done much to establish a new and conducive policy framework and increase public awareness of the need to reduce family size and change sexual behavior, institutional ability to respond with effective programs is dismal. Efforts in the health sector have been hampered by serious management, institutional and capacity problems at the Ministry of Health and Population (MOH&P), as evidenced by slow and inefficient implementation of donor projects. These problems, coupled with inadequate funding for services and essential drugs at the district and community levels, limit the absorptive capacity of the ministry and hinders delivery of effective health services, especially to rural communities. While the GOM sorts out its institutional problems, other service providers especially local and international PVOs and NGOs are mobilizing programs.

Progress will be required on a number of fronts for the Mission's proposed targets to be achieved. Supply-side measures to increase the availability of modern contraceptives, counseling and information services are clearly necessary. USAID assistance will result in increased access to oral contraceptives, barrier methods, injectables and voluntary sterilization methods through health facilities not currently providing these services, and through social marketing by community-based distributors in peripheral areas. Increased education and message dissemination to girls and boys will help to inculcate the values associated with personal responsibility, increase knowledge of protective measures and increase demand for planned parenthood. Multiple channels of information sharing and message delivery will be utilized to foster behavioral change. The impact of these efforts will be monitored through consumer research and provider statistics.

USAID's health sector program will also seek to expand the institutional capacity of the public and private health delivery system, especially at the community level. To reduce infant and child mortality and morbidity, which has been linked to reducing women's fertility, USAID's program will support activities to (1) improve access to water supply and basic sanitation in rural areas, (2) improve the accuracy of diagnosis and effectiveness of treatment of malaria, and (3) expand delivery and quality of child survival services to rural areas.

The Mission's activities to improve girls' education, increase rural incomes and increase participation in civic and democratic society will also address some of the key constraints to reducing fertility. Increases in agricultural production and rural incomes, particularly among female-headed smallholders, will contribute to a lessening of malnutrition. Female literacy and educational attainment are strongly correlated with acceptance of family planning. Hence, the Mission's other strategic objectives reinforce fertility reduction and HIV/AIDS prevention.

c. Intermediate Results and Performance Indicators

Achievements in the following performance indicators will demonstrate an increase in the adoption of measures to reduce fertility and the risk of HIV transmission while promoting child health services:

- Increased percentage of women using modern contraceptive methods (CPR) from 5.9% in 1991 to 20% in the year 2000.
- Reduction in the average number of sex partners in the last four weeks reported by males (baseline and targets to be established).
- Reduction in the average number of sex partners in the last four weeks reported by females (baseline and targets to be established).
- Increased condom use reported by males from 7.2% in 1992 to 25% in the year 2000.
- Increased condom use reported by all females from 1.4% in 1992 to 25% in the year 2000.
- Increased ORT use rate from 63% in 1992 to 80% in the year 2000.

The primary sources for measuring progress are demographic and health surveys which will be conducted approximately every five years. Where appropriate, other surveys concerning specific health issues will be undertaken. For

example, because the GOM disallowed any questions in the 1992 DHS concerning the nature of sexual acts, behavioral data relating to the risk of HIV/AIDS transmission will be obtained in a smaller survey. While routine data on client attendance at family planning, STD and under five clinics have not been gathered on a regular basis, USAID will obtain and analyze these health service utilization statistics for trends and impact.

Three intermediate results will achieve this strategic objective: 1) improved access to and quality of family planning services; 2) improved access to, and quality of STD/HIV/AIDS information and services; and 3) improved access to, and quality of selected child health services.

1. Improved access to, and quality of family planning services

Efforts to increase access to and utilization of modern contraceptives will be most directly reflected in increased couple years of protection (CYP). This program indicator for which the data are relatively easy to collect, relies upon a wide body of research that suggests, for example, that 13 cycles of orals distributed to end-users constitute one couple year of protection. Finally, increasing couple years of protection will be accomplished by increasing the supply of contraceptive services.

Performance indicators of this outcome include the following:

- Reduced distance to sources providing modern contraceptives from 6.3 kilometers in 1992 to a level to be established for the year 2000.
- Increased CYP from 65,250 in 1993 to 213,200 in 1997 and to a level to be established for the year 2000.
- Increased number of community-based distribution (CBD) agents providing limited family planning services from 134 in 1993 to 868 in the year 2000.
- Increased number of MOH&P and CHAM hospitals providing comprehensive family planning services from 8 in 1992 to 33 in the year 2000.
- Increased number of MOH&P and CHAM hospitals providing core family planning services from 175 in 1992 to 593 in the year 2000.

The Mission will track the number of male and female CBD agents.

2. Improved access to, and quality of STD/HIV/AIDS information and services

Slowing down the spread of HIV/AIDS requires not only that people understand the realities of STDs like HIV/AIDS, but that they make (or negotiate) appropriate choices in regard to their sexual behavior. This is equally important for fostering fertility reduction. The main intervention in this campaign for behavior change involves communication, education and counseling. Preliminary data indicate that levels of knowledge and sources of information about AIDS are different among males and females. Men are more likely to be exposed to messages through the major media, i.e., radio and newspapers, while women are more likely to have received information from health workers. In addition, clinical assessments conducted in Malawi's largest health facilities (from 1991-1993) suggest that the drugs used for treatment of STDs are largely ineffective. This has resulted in the revision of treatment guidelines. Provider training, continual monitoring of drug resistance, development of appropriate educational materials, as well as provision of effective STD drugs

will lead to improved delivery of services to STD patients. Performance indicators for this intermediate result include the following:

- Increased percentage citing limited number of partners as a means to prevent AIDS from 56% in 1992 to 75% in 1997 for males, and from 41% in 1992 to 60% in 1997 for females. Targets for the year 2000 to be established.
- Increased percentage citing use of condoms as a means to prevent AIDS from 30% in 1992 to 50% in 1997 for males, and from 12% in 1992 to 30% in 1997 for females. Targets for the year 2000 to be established.
- Increased condom sale through contraceptive social marketing (CSM) from 140,000 in 1992 to 7,500,000 in the year 2000.
- Increased free distribution of condoms from 3,000,000 in 1992 to 10,000,000 in the year 2000.
- Increased access to employer-based HIV/AIDS information services from 10% in 1992 to 90% in the year 2000.
- Increased percentage of STD clinic patients given education and counselling from 29% in 1994 to 60% in the year 2000.
- Improved percentage of STD clinic patients assessed and treated in an appropriate way from 13% in 1994 to 60% in the year 2000.
- Reduced percentage of pregnant women in urban areas infected with syphilis from 13.4% in 1989 to 8% in the year 2000.

Other information that will be gathered on an ad hoc basis includes the extent to which people have learned about HIV/AIDS and where they can find information and HIV-related services. Such information will come from surveys and focus group work.

3. Improved access to, and quality of selected child health services

It has been established that in areas where child survival has improved, women's fertility has decreased. Consequently, the adoption of successful child survival practices will also ultimately help to reduce fertility. In the next five years, the increased practice of contraception will reduce the number of high risk births (born too early, too late or too often in a woman's reproductive cycle), and thereby increase child survival. The proportion of births attended by a qualified birth attendant will increase, along with the diagnosis and treatment of malaria and diarrhea. A higher percentage of female health surveillance assistants will reach mothers who feel more comfortable discussing sensitive reproductive health issues with other women. Increased access to and use of oral rehydration solutions (ORS) and effective anti-malarial drugs will help reduce the debilitating effects of malnutrition and disease, again with salutary effects on child survival. Improved nutrition associated with income increases will also help reduce infant and child mortality.

Since the installation of the new government in June 1994, management and policy reforms at the Ministry of Health and Population (MOH&P) have had a slow start. Although the ministry is still suffering from a breakdown in the drug supply, slow implementation of decentralization, and inadequate attention paid by health officials to primary health care, there are signs of change.

For example, the ministry has recently announced that it will work toward cost sharing at its facilities. Hospitals have prepared patient fee schedules. A plan to establish an independent and publicly accountable system for procurement of drug and medical supplies is being developed, and health received 95% increase in the 1995/96 GOM budget. There are also indications that an increasing percentage of budgetary resources are making their way to district level (versus central) health care programs and facilities.

USAID's strategy in child survival is to move quickly towards a more focussed approach that will wean the MOH&P from budgetary support for recurrent expenditures. While the bulk of USAID's assistance will go to AIDS control and fertility reduction, the Mission support for improved and expanded child survival will continue, subject to availability of adequate resources. As indicated in the other donor activities section, they, also, provide substantial assistance to in the child survival area.

Performance indicators for this intermediate result are:

- Increased percentage of people with knowledge of malaria transmission from 59% in 1992 to 90% in the year 2000.
- Increased number of people in targeted areas with access to safe water from zero in 1996 to 400,000 in the year 2000.
- Increased the percentage of rural private outlets providing first-line anti-malarial drugs from 2% in 1995 to 60% in the year 2000.
- Increased percentage of first-line treatment of malaria within 48 hours of onset of fever from 16% in 1992 to 60% in the year 2000.
- Increased percentage correct dose given of first-line treatment during last fever episode from 17% in 1992 to 60% in the year 2000.

The primary sources for indicators for this result will be demographic and health surveys, and smaller surveys conducted every four to five years.

d. Assumptions for Success

An official population policy that establishes national targets for reduced fertility through strong advocacy of and support for voluntary family planning services is in place. The president and his cabinet have gone to the public alerting them to the "AIDS emergency." In order to be successful, the GOM will need to match its professed interest with a continued, long-term commitment of resources and programs to ensure that family planning and AIDS issues remain on its action agenda. Another assumption for STD/HIV/AIDS control is that the common sexually transmitted diseases will continue to respond to affordable antibiotic regimens and highly resistant strains will not develop here.

e. Other Donor Activities

The UNFPA actively engages the GOM on population policy issues; it also supports a number of training and communication initiatives, primarily through the Ministry of Women and Children Affairs, Community Development and Social Welfare. The ODA is working with NGOs to expand the number of subsidized family planning clinics in urban and semi-urban areas; the number of supported clinics is expected to increase from five in 1994 to 40 by 1998. Injectables and Norplant are also provided by ODA. The World Bank supports the National Family Welfare Council (NFWC) and the MOH&P in training health workers and in

improving clinic facilities. The German development bank, KFW, is co-funding with USAID the AIDS prevention and Contraceptive Social Marketing Project managed by Population Services International (PSI), a US PVO. Donor support for voluntary family planning programs is mutually reinforcing and supportive of both supply and demand enhancement. Other donors, including the EC, World Bank, ODA, UNICEF, WHO, UNFPA, UNDP and the Dutch, have been actively involved in developing USAID's long-range sectoral goals.

f. Consultations

The ministries of Health and Population, Finance and Economic Planning and Development, and Women and Children Affairs, Community Development and Social Welfare's NFWC have all been actively engaged in determining the nature of USAID's proposed assistance. PVOs and NGOs like Save the Children Federation (SCF), Project HOPE, Banja la Mtsogolo, the Adventist Development and Relief Agency (ADRA) and Africare have also contributed substantively to the Mission's strategy. In addition to frequent site visits, the PHN Office meets formally with villagers gain their perspective to hear about their community.

The primacy of population on USAID's development agenda is a direct outcome of the Mission's consultations with non-governmental, non-health sector groups. Business groups, private investors, village chiefs, religious leaders and politicians unanimously underscore the need for Malawi to address its high population growth as a matter of urgency.

4. **Strategic Objective Number Four: Increased access to and quality and efficiency of basic education, especially for girls**

"Education is one of the greatest forces for change in women's lives because it influences women's chances of obtaining paid employment, her age of marriage, her control over child bearing, her exercise of legal rights and her chance of empowerment. A higher level of formal education facilitates involvement in public spheres of the country."
Catherine Munthali, Executive Director, Society for the Advancement of Women. Malawi, October 13, 1994

a. **Rationale for Selecting this Strategic Objective**

Experience from around the world, particularly the fast-growing Asian economies, demonstrates the importance of human resource development, especially basic education, for a country's economic and social development. Starting with literacy, education helps people to accept new ideas and to question old ones, whether they concern agricultural technology, family planning, or politics.

Most Malawians have been denied basic education (defined as the eight years of primary school) and are illiterate. The Ministry of Education estimated that in 1992 only 35% of the population over age ten was literate. While about 65% of the adult male population had completed primary level five or higher, only about 35% of the women had. The loss to the economy caused by this unfulfilled human potential is incalculable, but cost-benefit studies for 16 African countries in the 1980s suggest that social rates of return to investment in girls' education are 26% for primary, 17% for secondary and 13% for higher education (The World Bank, Sub-Saharan Africa -- From Crisis to Sustainable Growth, 1989). In Malawi, the 1992 Demographic and Health Survey shows that a woman's fertility is strongly linked to her level of education.

Education is also important for democratic development. In a series of focus group discussions with Malawians representing a wide range of society, illiteracy was cited as a major obstacle to participation in Malawi's new democracy. Illiteracy prevents voting in an informed manner, understanding complex issues and participating in policy debates. Across the board, NGO leaders, members of parliament and the university community have stated that real grassroots democracy requires a population that has attained a level of basic education.

The new government of Malawi is committed to providing quality primary education to all children. The Mission-supported Girls' Attainment of Basic Literacy and Education (GABLE) program's school fee waivers for non-repeating girls benefited approximately one million primary school girls in 1992/93 and 1993/94 and resulted in girls' net enrollment outnumbering boys for the first time ever in the 1992/93 school year. Encouraged by the strides made under the GABLE program, the GOM fulfilled its campaign pledge and, in September 1994 launched a policy of free primary education. As a result, primary school enrollment skyrocketed from 1.9 million in 1993/94 to 2.9 million in 1994/95. The major concern now is whether the already weak education system can cope. As stated by the former Minister of Education, his worry is no longer getting children into school, but "keeping them there."

Concerns about access to education, quality, efficiency and relevance are paramount to the GOM because they are fundamental to parents' and children's attitudes about enrolling and staying in school. Therefore, they are central to achieving this USAID strategic objective. There is strong agreement within government, communities, villages and the donor community on these issues.

USAID's articulation of this objective and the convergence of people, government and donor views around it is based on years of work, which includes a large body of research carried out by the government, USAID and other donors, and Malawian research institutions. It also includes lessons from project experience in the sector, especially GABLE, as well as activities supported by other donors. Further, it includes findings from ongoing consultations with development partners in government, NGOs and communities throughout the country. The conclusions from this work are embodied in the recent amendment of the GABLE program and in the discussion of the strategic objective below.

b. Key Problems and Programmatic Approaches

Malawi's basic education system was already weak and overtaxed before the advent of universal free primary education. Schools, which were overcrowded and too few and far between, were staffed by insufficient and poorly trained teachers and supplied with an inadequate number of learning materials. The system is now overwhelmed, and the MOE is trying hard to respond. Key problems in the system are:

Poor access and equity: Access to primary education has been a serious problem in Malawi, especially for girls. But in 1992/93, girls' net enrollment rate exceeded that of boys for the first time ever at 60% and 57% respectively. Furthermore, while gross enrollment has been increasing steadily since GABLE's inception, gross enrollment jumped from roughly 83% (79% for girls and 87% for boys) in 1992/93 to an estimated 140% (135% for girls and 145% for boys) in 1994/95 as a result of the GOM's free primary education policy. As more pupils enroll, the percentage increase will peak and then begin to decline, reaching 120% by 2000. The continuing challenge will be to ensure that girls remain a representative part of future enrollments.

Poor human and physical infrastructure: Even before the introduction of free primary education in 1994, primary education in Malawi was characterized by large and overcrowded classes, insufficient and dilapidated classrooms (with the classroom:pupil ratio averaging 1:119 in 1993), insufficient and poorly trained teachers (average teacher:pupil ratio stood at 1:72), and learning materials being almost non-existent (pupil:exercise book ratio of 1:2 per year for ten subjects per pupil in the higher standards, and a pupil:textbook ratio of 1:8). Schools are few and far between with most children walking an average of ten kilometers from their communities. These problems have been compounded by the large enrollment increases of from 1.9 to 2.9 million in 1994/95 school year, although some progress has been noted in spite of the large enrollment increases.

Low internal efficiency: Dropout and repetition rates reduce the internal efficiency of the primary school system. Over the past five years dropout rates have hovered around 10% and repetition rates around 20-25%. These stark realities translate into an average investment of 15 pupil years to produce one primary school graduate.

Poorly trained teachers/low achievement scores: The quality of education suffers from, among other things, poorly trained teachers, who negatively affect students' ability to learn and their commitment to stay in school. Less than half the girls who enroll in primary school persist through standard eight, and for those who do, the pass rate on the primary school leaving exam (PSLE) is lower than boys'. In 1993, girls' pass rate was just 56%, whereas for boys, it was 73%. To make matters worse, the advent of free primary education brought with it 15,000 new teachers "trained" with just one week of orientation thereby increasing the demands for in-service training many-fold.

Lack of curriculum relevance: The old curriculum was criticized for placing too much emphasis on passing an exam to enter secondary school, and not adequately preparing the majority of children for directly entering the workforce. GABLE is assisting in the development of a new primary school curriculum in a number of ways. First, it is ensuring that the curriculum will be gender appropriate. Schoolbooks that portray women as household decision makers and professionals help to keep girls in school by building public understanding of the positive benefits and impacts of educating girls. GABLE will also assist in the development of a civic education curriculum which will emphasize democratic values and will steer away from the past emphasis on discipline and obedience. The incorporation of AIDS and environmental education into the curriculum at higher standards also reinforces USAID's strategic objectives in these areas. All told, the new curriculum that has begun to be introduced at the lower standards will make learning more relevant for girls and boys in the new Malawi.

Underlying problems in education in past years have been inadequate leadership and resources, and weak planning and management by the MOE. In 1991, the education sector received only 13% of the total government budget, low even by African standards. Through policy reform and support from GABLE, this increased to almost 15% in 1992/93, and the new government raised it to well over 21% in 1994/95 with even greater increases to the primary sector and materials. Primary education received 69% of the education sector revenue budget in 1994/95, and 8.6% of the primary education revenue budget was allocated to learning materials in the same financial year. But resources alone will not solve the problems of Malawi's primary schools.

USAID provides a mix of project and non-project resources to support government and NGO/PVO activities to achieve needed institutional, policy, and social changes. USAID plans to continue the successful approach of the first phase of the GABLE program where agreement is reached with the GOM on specific results to be achieved. Support will then be provided to implement plans and reforms to achieve the agreed upon results. For example, under GABLE, USAID will promote greater participation of communities in their schools through school committees and parent-teacher associations. The Mission will support the GOM in teaming up with NGOs to encourage this participation and with the private sector for competitive procurement and distribution of learning materials. In addition, GABLE will strengthen MOE's planning capacity.

USAID/Malawi has learned from the first phase of GABLE that this combined approach is welcomed by the government and is an effective way to build Malawian ownership of USAID-assisted programs. Critical to success, though, is USAID's presence and in-house technical expertise, which have permitted consistent monitoring of the sector and the development of close, confident working relationships with key Ministry of Education, MOF, education parastatals, NGO/PVO and other officials.

c. Intermediate Results and Performance Indicators

The following performance indicators will show an increase in access to and quality and efficiency of basic education, with special consideration for girls, as this strategic objective is successfully implemented:

- Increased net enrollment rate in primary school:
 - a) overall, from 55.9% in 1992 to 98% in the year 2000; and
 - b) girls, from 57.4% in 1992 to 98% in the year 2000.
- Declined pupil:teacher ratio from 72:1 in 1992 to 61:1 by 1996/97 and remain at this level or below thereafter.

Sources for monitoring these indicators are routine statistics collected by MOE, including the primary pupil registration system and the annual school survey.

Four intermediate results will achieve this strategic objective: 1) increased financial resource base for primary education; 2) increased availability of instructional resources in primary schools; 3) increased internal efficiency in the primary school system; and 4) improved learning environment for girls.

1. Increased financial resource base for primary education

The GOM will increase the share of the GOM recurrent budget allocated to the education sector and within the education sector to primary education, in order to increase the supply of teachers and learning materials. These additional resources are required to address existing problems of low and deteriorating quality which is exacerbated by the additional enrollment under the free primary education policy implemented in the 1994/95 school year. Also, the GOM is expected to increase the size of the development (investment) budget over the next budget cycle, as GOM and other donors move aggressively to attack school infrastructure constraints.

Performance indicators for this intermediate result outcome include the following:

- Increased share of GOM revenue budget allocated to the education sector from 14.9% in 1992 to 21.3% in the year 2000.
- Increased share of education revenue budget allocated to primary education from 46.1% in 1992 to 69% in the year 2000.
- Increased share of primary education revenue budget allocated to learning materials from 1% in 1994 to 10% in the year 2000.

Sources for these data are GOM annual budget documents.

2. Increased availability of instructional resources in primary schools

The GOM will improve the quality and availability of education through a number of means including increases in the number of primary schools and the number of classrooms, increases in the supply of teachers and the percentage of teachers trained, and increases in the supply of learning materials. Performance indicators for this program outcome include the following:

- Increased cumulative number of primary school blocks built under GABLE from 20 in 1993 to 172 in the year 2000.
- Increased percentage of qualified/trained teachers from 73.3% in 1989 to 80% in the year 2000.

These data will be collected through routine statistics collected by the MOE, reports provided by MOE to USAID, and periodic surveys and field visits.

3. Increased internal efficiency in the primary school system

A number of policies are expected to affect repetition including improved allocation of resources among standards, establishment of a maximum age of entry into primary school, double shifts in urban schools, and age and gender streaming. Performance indicators for this intermediate result include the following:

- Net overall admission rate increased from 50% in 1994 to 75% by 2000.
- Net admission rate for girls increased from 53% in 1994 to 75% by 2000.
- Overall repetition rate declined from 22.7 in 1990 to 13% in the year 2000.
- Girls repetition rate declined from 22.8 in 1990 to 13% in the year 2000.

These data will be collected through routine statistics collection by the MOE, reports provided by MOE to USAID, and periodic surveys and field visits.

4. Improved learning environment for girls

The relevance of primary education for girls will be enhanced through the activities of the gender-appropriate curriculum unit and the Social Mobilization Campaign (SMC), by establishing a girls' scholarship fund for forms one to four of secondary school, disseminating the pregnancy policy that allows girls to return to school after having a child, suspending the uniform policy whose costs are higher for girls, establishing gender-balanced community primary schools to encourage attendance, and testing the efficacy of gender streaming in mathematics and, if successful, implementing a nationwide gender streaming scheme. Performance indicators for this intermediate result include the following:

- Increased number of teachers who receive in-service gender training from zero in 1995 to 40,000 in the year 2000.
- Increased number of standards where core subject curricula are gender sensitized from zero in 1992 to 8 in the year 2000.
- Increased percentage of girls entering standard one aged 6-8 inclusive from 68.7% in 1990 to 73% in the year 2000.
- Increased percentage of girls as total enrollment in standard 8 from 38.4% in 1992 to 41% in the year 2000.
- Increased share of girls as percentage of total enrollment to Form 1 from 30.9% in 1992 to 40% in the year 2000.

Principal sources of data for measuring performance in these areas will be the annual national education statistics collected and analyzed by MOE, the PSLE results produced by the Malawi National Examinations Board each year, MOE reports and field visits.

d. Assumptions for Success

Achievement of this objective depends on the GOM's continuing commitment to promote primary and girls' education. It also depends on the government providing adequate financial resources to the primary education sector. This in turn will be affected by the government's fiscal situation. It is worth noting that the Mission is not underestimating the "hard choices" that the GOM's commitment to primary education will require. Cost recovery, higher fees and a reduction in scholarship and maintenance support for secondary and tertiary students will be difficult politically. These measures will adversely affect Malawi's most vocal economic groups. Nevertheless, one year into the program, the GOM has demonstrated incredible resolve to maintain its commitment to primary education both financially and politically. The free primary education policy has also proven to be immensely popular, a fact which will help the GOM maintain its commitment. USAID along with other donors will continue to work directly with the GOM to focus attention and resources on primary education.

e. Other Donor Activities

At present, USAID is the largest active donor in the primary education sector, but several other donors have been providing significant assistance. The World Bank has supported primary and secondary education through its first and second Education Sector Credit, which is winding down. In addition, the World Bank is supporting the GOM's free primary education program through its Emergency Primary Education project, and is also planning to launch the third sector credit in late 1996. The ODA had concentrated on secondary and tertiary education and has recently launched the Primary Community Schools project. UNICEF has been involved in several small projects supporting adult literacy, pre-school and out-of-school youth. UNDP and UNESCO have supported the Malawi Institute of Education in curriculum development and the MOE in decentralizing planning and management. The EC has supported school construction, equipment and teacher training. Germany's GTZ has supported teaching of science in primary schools and is now launching a basic education project. The African Development Bank has focused on building and equipping primary and secondary schools in urban areas as well as regional and district offices for the MOE.

f. Consultations

In addition to the years of ongoing consultations with the GOM, donors, and communities about the education sector and the GABLE program, USAID has undertaken more formal consultations to prepare this CSP. These consultations have been with a wide range of groups, such as NGO leaders, parliamentarians, private sector leaders and political and traditional leaders. These consultations have confirmed the overriding importance and basic elements of this strategic objective. They have also sharply focused the Mission on developing curricula for behavioral and social value change which promote the rights and role of women and foster democratic values.

5. **Strategic Objective Five: Institutional base for democratic participation strengthened and broadened.**

"Malawians have been used in the past three decades to hearing the president threatening to feed them to crocodiles or to send them to detention where they would rot. A departure from those days...is most refreshing.... We should all be worrying about the arduous task of rebuilding the nation and nurturing the fragile democracy which is just beginning to emerge." The Nation, May 23, 1994

"People cannot eat democracy." President Bakili Muluzi, September 1994.

a. **Rationale for Selecting this Strategic Objective**

After 30 years of repressive one-party rule, Malawians on May 17, 1994, freely elected Bakili Muluzi as their new president. His party, the UDF, gained a plurality in the parliament, with the MCP, formerly in power, coming in second and the AFORD party coming in third. The day before, Malawi adopted a new constitution guaranteeing basic human rights, including equal rights for women.

With these steps, Malawi joined the family of democratic nations. Since then it has continued to make impressive strides in implementing its new democracy. A new parliament has convened regularly, established committees and procedures, and debated and challenged the new executive. The High Court has demonstrated independence in its decisions concerning the conduct of the new government. NGOs, including various human rights groups, formed and began challenging government, and the print media has exhibited active independence. Malawians are enjoying their new-found freedoms.

But in the last several months sobriety has set in. While proud of their achievements, Malawians from across society agree with The Nation newspaper that their democratic experience has only begun: a successful election is just one step in the difficult challenge of building democracy. They realize how much there is to learn about what democracy is and what is necessary for consolidating a democracy appropriate to Malawi's circumstances. They are concerned that their new democratic institutions are weak and that the large majority of Malawians, who are generally rural, poor and illiterate, have little understanding of democracy and are barely participating in it. Women are concerned that despite pre-election promises, only one cabinet minister is female. After 30 years of fear and repression, representative democracy must be built from the ground up.

On the economic front, Malawi's poor majority are demanding that democracy deliver a better economic future for them too. If their quality of life does not improve, democracy could be associated with economic hardship rather than socio-political advancement. As the new State President has stated, "people cannot eat democracy." Across various strata of society, Malawians have consistently stressed the importance of broad-based economic growth if the fragile gains in political democracy are to be preserved. To achieve this will require reform of the skewed structure of the economy, and opening up of the policy reform process to effectively tackle economic challenges.

Malawians appreciate the significant role the U.S Government and USAID played in the political transition to democracy. They seek USAID's assistance for civic education, for defining and strengthening the institutions of democracy, for improving economic policies by making the process of economic reform more

participatory and transparent. USAID has a unique opportunity to contribute to Malawi's democratic and economic development that is unparalleled. Malawians are enthusiastic and open to new ideas, and their desire to strengthen democratic and economic institutions and people's participation in them is consonant with USAID's guidelines for promoting democracy and economic growth.

This convergence of views between the U.S. Government and Malawians is also found among the other donors. It has been built on shared experience in supporting the referendum and elections, joint participation in several workshops and conferences, shared assessments, and most importantly, extensive, continuous dialogue among all parties. This collaboration has resulted in the definition of this strategic objective.

b. Key Problems and Programmatic Approaches

Under one-party rule, there was no culture of debate, discussion or challenge on economic, political or social issues. A clear legacy of the Banda years is that people expect the government to provide everything and tell them what to do. Building democracy against this backdrop requires a strong civil society and participation at all levels--from men and women in the countryside, to NGOs, political parties, parliamentarians, and even leaders of government-- in democratic institutions -- and education about what the rights and responsibilities of individuals and institutions are in a democracy. Without such education, it will be impossible for Malawians to establish and consolidate their own effective democratic, economic and civic institutions, and it will be impossible to achieve meaningful Malawian participation in them. Special attention must be given to promoting the rights and roles of women in democracy as advocates and decision makers.

Assistance in formulating, sharing and making transparent the economic decisions of government is also crucial to democratic consolidation. The government must more effectively seek inputs from a wider range of Malawian sources for its policy making and economic restructuring; it needs to work more actively with parliament and civic society to legitimize its policies; and it must better and more actively communicate its economic policies to the electorate.

Malawians seek help in defining, establishing and strengthening the entire range of institutions vital to political and economic democracy. Some of these institutions are:

- **Parliament:** It should be independent, effectively represent the citizenry and oversee the executive branch to assure good governance. Members of parliament acknowledge that they do not have a clear understanding of their jobs and what the parliament and its committees should be doing.
- **Justice system:** It should effectively provide justice, protect the rights of citizens, and safeguard the integrity of Malawi's constitutional democracy. Confidence in the justice system is undermined by a poorly trained, misoriented police force and by the slow and inconsistent performance of the judiciary in handling cases.
- **Executive branch:** Good governance, including economic management, is undermined by weak capacity and lingering tendencies for authoritarian practices. It is further undermined by a natural tendency to choose to do the politically expedient over tough economic actions which may be in

the interests of the nation beyond this government's term of office. Building capacity to articulate and communicate policies with clarity is critical, especially for economic management. Improved systems and procedures for consulting with stakeholders on policies, and stronger checks and balances provided by watchdogs in other branches of government, the media, and civic organizations are needed.

- **Electoral commission:** It should be an effective, independent custodian of elections so that all people have the right to vote and the ability to exercise that right. It must define its organization and build its capacity to be independent and to maintain the confidence of the electorate.
- **Political parties:** There is poor communication between the parties and the electorate. The parties do not articulate positions on substantive issues but focus on the politics of personality. Nor do all offer significant support for women candidates, despite early enthusiasm. The legacy of the previous government particularly disadvantages women who might be interested in entering the political arena. Under the former government, many women participated unwillingly in politics as President Banda's "mbumba." For some, this identification of women with politics and with the former regime remains. Potential women candidates have expressed uneasiness about this association and many are, therefore, less likely to participate.
- **The media:** While the print press has grown in size and outspokenness since the one-party era, it generally suffers from political bias, lack of analytical and investigative skills, and at times irresponsible behavior. There is one, government-controlled radio station and one religious radio station. Strengthening the Malawi Broadcasting Corporation Act and the powers of its board, training for journalists, and competition from private radio are needed.
- **Human rights groups and other NGOs:** There are several NGOs operating in the human rights and democracy fields that are starting to provide civic education and a check on government. They are mostly new, urban-based, institutionally weak, and lack coordination among themselves. They need stronger capacity to reach the population, especially in rural areas. NGOs in all sectors need to learn about advocacy and the role they can play in demanding better performance from government and in influencing government actions.
- **Think tanks:** The university, its faculty and affiliated policy think tanks are enthusiastic about the improved environment for them to provide civic education and analysis to inform policy making. They need stronger capacity, particularly for networking.

USAID plans to use a three-pronged approach to support Malawi's democratic development: program integration, targeted interventions, and attention to process--how we do business.

Program integration: USAID seeks to promote this strategic objective in all its activities. For example, the Mission supports the development of rural voluntary associations in its agriculture programs, school committees and parent-teacher associations in its education programs, and NGOs in all development sectors. In this way, Malawians can take greater responsibility for and be more empowered to promote their own development, they can more effectively demand better performance from their government, and they can

lobby government for improved policies. Also, the GABLE program will support civic education through the development of the civics, human rights and democracy curricula. In all activities, USAID promotes good governance by emphasizing performance-oriented management, accountability and auditing, and competitive procurement.

Targeted interventions: USAID will target key institutions for assistance. Primary candidates are human rights and other civic groups (with special attention to women's groups), the parliament, the judiciary and the electoral commission. USAID will concentrate on selected institutions outside the executive branch where it has greater flexibility and more experience than other donors, and where the institutions themselves are committed to and already undertaking reform.

To strengthen good governance and to establish the means to increase participation in the economic reform process, USAID will focus on (1) strengthening the checks on the executive branch, and 2) strengthening the Ministry of Finance's (MOF) and Ministry of Economic Planning and Development's (MOEPD) capacity to formulate, communicate and implement policies (such as an objective-based budget) in a more participatory, transparent and accountable manner. In this area, the Mission works closely with other donors who lead efforts on civil service reform, improving the customs service, etc.

In order to not be spread too thin, there are some important areas where USAID will not focus: political parties and the media are two. While political parties need help in articulating positions and communicating with the electorate, USAID impact in this area is less certain than in others. Although there is great potential for USAID to help strengthen the media, USIS and other donors are active in this area. In addition, other donors have provided a full range of assistance for police reform, legal reform in the Ministry of Justice, and local government development. In the good governance area, other donors have planned programs in customs reform and civil service reform. USAID will support this very comprehensive agenda through policy dialogue, but not through targeted interventions.

Process: For much of this work USAID will rely on its US development partners that have demonstrated ability to develop close, confident relationships with local organizations. Their work behind the scenes and their innovative approaches have been key to their success. Their work also extends to providing independent, but critical technical support to the executive for transparent policy and budget formulation and implementation. USAID will continue to closely coordinate with other donors to assure complementarity. Also, USAID will continue to work closely with other members of the US Mission through the interagency democracy and governance committee to assure consistency and avoid duplication.

Not only will USAID seek to promote greater transparency of government programs, it will work to make its own programs more transparent by providing more information on them to a wider Malawian audience and by inviting their participation in overseeing activities, e.g., encouraging membership on policy, program, and implementation committees, particularly the Mission's strategic objective team for the democracy objective. Further, USAID will advocate such approaches with other donors. Finally, the Mission's two advisory groups will continue to serve as important sounding boards for sensitive interventions under this strategic objective. Traditional and religious leaders will provide feedback on USAID's education efforts. The business community is especially interested in involving itself more actively in economic policies.

c. Intermediate Results and Performance Indicators

Democracy and governance is a relatively new area for USAID programming. Hence there is very little prior experience to draw on in formulating objectively verifiable indicators. However, a recent consultancy provided by USAID/W assisted the Mission in developing a monitoring and evaluation plan for this strategic objective. It should be noted that the Mission believes that progress indicators towards improved democratic and economic institutions and governance processes cannot and should not all be quantified. Therefore the monitoring strategy developed by the Mission includes some discrete actions expected to occur, some qualitative assessments of key issues, and some quantifiable indicators.

The Mission has chosen four indicators to demonstrate that people are taking actions to increase their own economic, social, and political participation:

- The number of occasions parliamentary committees consider submissions by non-governmental and/or private sector associations.
- The percentage of people (disaggregated by gender and urban/rural) who feel that the courts are providing justice.
- The percentage of laws discriminating against women that are amended or overturned by parliament.
- The percentage of people (disaggregated by gender) who are aware of a public meeting organized by their MP.

The first indicator brings together two key areas in the Mission's work in Malawi, namely the openness and effective functioning of parliament and political civil society. The second indicator focuses on people's perceptions and reflects on a major set of activities undertaken by USAID and other donors in the area of judicial and legal reform. The third indicator has a very clear focus on issues of concern to women. The last indicator seeks to measure contact between MPs and their constituents, an issue identified by focus groups as being of considerable significance.

From voting patterns in the 1994 elections, two issues emerge. Voting was split almost universally along regional lines with 95% of all voters selecting the party affiliated with their region. In addition, only 10 of 177 MPs and one cabinet minister of 27 are women. The Mission expects that, as political parties develop ideologies and voters become more aware of issues, and as women begin to exercise their voice:

- voting patterns in 1999 will be less regionally-based than in 1994, and
- the number of women elected MPs and appointed to the cabinet will increase.

Five intermediate results will contribute to achievement of this strategic objective: 1) civil society strengthened; 2) parliament functions more effectively; 3) capacity of electoral commission to conduct free and fair elections strengthened; 4) judiciary strengthened; and 5) economic policy process reformed. All of these results will focus on linking institutions to the Malawian people in both urban and rural areas.

1. Civil society strengthened

Without a stronger civil society, it will be impossible for Malawians to consolidate their democratic and civic institutions. NGOs operating in the human rights, women's rights, and the democracy field can provide civic education to citizens and serve as a check on government. They need a stronger capacity to reach the population, especially in rural areas, to influence government on behalf of the people, and to take advantage of their own and other Malawian resources. The performance indicators used to monitor progress under this intermediate result are the following:

- Primary school civic education (key events for development and use of new curriculum).
- Increased percentage of people (disaggregated by gender) in selected districts who can answer five key civics questions will increase. (Baseline and targets to be established).
- Increased percentage of population (disaggregated by gender) who say they are members of non-governmental or voluntary associations. (Baseline and targets to be established).

The first indicator measures the process of development and implementation of key events such as curriculum development, testing, and introduction in standards 6-8. These will be discrete actions. While in a more advanced democratic environment this would be seen as input and output rather than impact indicators, in Malawi it will indicate the results of substantial activities, with the impact anticipated in the next CSP period. The second indicator will be used as a simple measure of the effectiveness of civic education in districts where USAID-sponsored and other NGOs provide such education. The principal sources of data for measuring this performance will be focus groups and public opinion surveys. The third indicator seeks to capture the growth and outreach of non-governmental and non-party associations in Malawi society. This reinforces USAID's broad vision of civil society development. This indicator will be measured through a survey.

2. Parliament functions more effectively

The intention during this CSP period is to improve the functioning of parliamentary processes in order to have a measurable impact on people during the next CSP period. Indicators that the parliament functions effectively, is representative of the Malawian people, and serves as overseer of the executive branch to ensure good governance, include the following:

- Increased percentage of committee oversight hearings on non-procedural issues. (Baseline and targets to be established).
- Increased percentage of occasions during legislative debate in which the following conditions occur: 21 days notice; committee debates; and amendments introduced and debated. (Baselines and targets to be established).

The first indicator indicates a strengthening of the committee system process and a more active parliamentary role. This could be monitored by the clerk of parliament and/or a USAID-funded NGOs. The second indicator is intended to be broader than the first by looking at different stages of the parliamentary process; it would measure debates and MPs' ability to work through procedures and also to contribute to legislation.

3. Capacity of the electoral commission to conduct free and fair elections strengthened

The electoral commission should be an effective, independent custodian of elections so that all people have the right to vote. It must define its organization and build its capacity to be operationally independent and effective and to maintain the confidence of the electorate. Performance indicators for this intermediate result include:

- The electoral commission runs all elections in a manner that is considered free and fair by independent monitors.
- In all elections a minimum of 70% of eligible voters register; a minimum of 40% (local) or 60% (national) of those registered vote; and a maximum of 5% of ballot papers are spoiled.

The first indicator seeks to test whether an increasingly self-reliant electoral commission can continue to supervise (even if less than perfect) elections. This will require either an independent monitoring agency to confirm, or an agreement could be reached among the parties and an independent organization. The second indicator differs from the first insofar as it attempts to measure quantity and quality of participation by the public and by voters, and not simply the technical fairness. Its targets should be set at modest levels, based on recent elections.

4. Judiciary strengthened

The judicial system should effectively provide justice for and protect the rights of Malawians (and foreigners), and safeguard the integrity of Malawi's constitutional democracy. This focuses on an important objective of the Mission's work with the High Court and magistrates' courts. The following three performance indicators have been chosen for this intermediate result:

- The number of cases brought to conclusion by the High Court. (Baseline and targets to be established).
- The percentage of magistrate court sentences on selected crimes set down for review by the High Court because they fall outside an acceptable range. (Baseline and targets to be established).
- The percentage of first and second tier magistrate court decisions set down for review by the High Court. (Baseline and targets to be established).

The first is a well recognized indicator that will reflect upon USAID's efforts to strengthen the court and its information system. It can be measured and a benchmark set by the High Court with limited USAID support. The second indicator attempts to measure improvement in quality of justice and to do so at magistrate's level. Measurements would be most feasible if limited to the most common crimes and possibly a limited number of courts. The last indicator focuses on lower level court, and as such comes closer to justice for a broader category of the population. This is measurable by the High Court, possibly with USAID help.

5. Economic policy process reformed

Increased participation in economic reform by stakeholders as well as government ministries staff will require systematic efforts at opening up the entire process, from problem identification, to analysis, policy development, implementation and evaluation. An important element of this includes strengthening the ability of MOF and MOEPD, which are at the center of GOM economic decisionmaking. USAID will also provide assistance to these institutions to help them establish mechanisms for more systematically drawing on inputs from a wide range of non-governmental actors (e.g. stakeholders, think tanks) and for holding dialogue on proposed policies with these groups. This would make the policy reform process more participatory, transparent and accountable, and at the same time would help them generate timely macroeconomic and financial information to guide both private and public sector decision-making. Finally, USAID's assistance will help these agencies in establishing mechanisms for more meaningful dialogue with parliament.

Performance indicators to measure progress towards more transparency, accountability and improvement of economic policy analysis in, and public education by, three economic agencies (MOF, MEP&D and the Reserve Bank of Malawi, RBM) are:

- The number of occasions on which the three concerned government agencies consider inputs into the economic policy process from non-governmental, professional, or private sector organizations or parliament. (Baseline and targets to be established).
- Improved quality of the policy analysis process.

The first indicator seeks to assess progress of the three agencies in publicizing policy proposals, inviting and processing outside comment, and of NGO actors being able to take advantage of this opening. One of the three agencies should be able to provide a benchmark and also maintain the monitoring role, with initial USAID support. The second indicator is a purely qualitative one, aimed at getting beyond "number of occasions" and transparency. Criteria could include quality of research, clarity and internal consistency of draft materials, quality of exchange between the government and the non-governmental actors, and the likelihood of the policy instruments having their anticipated consequences.

Another important way to promote broader participation in economic reform is to strengthen parliament's role in reviewing economic policies, such as the budget and the performance of the executive branch.

While the issue of broad-based participation in the economy itself, relative to equitable asset ownership and distribution, will not be addressed directly by the Mission, the full impact of this intermediate result can be achieved only if capital markets in Malawi are further developed and strengthened; if investment, both domestic and foreign, are encouraged; and if economic policy and management decisions are made openly and well communicated to all actors in the economy. To this end, the Mission believes that by strengthening the management and analytical capacity of the MOF and MOEPD, plus highlighting their public responsibility to promote economic democracy, they will be more able to play significant roles in promoting good governance and in addressing issues related to economic participation.

d. Assumptions for Success

In the long term, USAID believes that stronger democracy will lead to more informed decision making, better policies, and improved economic and social well-being. Malawians have repeatedly stressed that for democracy to endure,

there must be economic progress. Illiteracy, poor health, and poverty reduce people's ability to participate in economic and political debate, and economic misery can create political instability. Malawi's economy depends on sound decision making and increased participation. But for the foreseeable future, it will depend on satisfactory international markets, the good will of the donors, and the all-important cycles of weather. Political leaders will be tempted to make compromises that undermine the country's new democratic principles or economic stability. USAID's interventions as well as those of the broader US Mission will help political leaders maintain their economic policy resolve.

e. Other Donor Activities and Coordination within the US Mission

Donor coordination on democracy issues in Malawi has been excellent. Donors developed a common position at the 1992 Consultative Group meeting to promote Malawi's political liberalization, and USAID has subsequently collaborated with the donor community to promote the successful 1993 referendum and 1994 elections. Donors meet weekly to discuss assistance needs in this area and the country's democracy and governance issues.

To a certain degree, donors adopted a "wait and see" attitude after the May 1994 elections. Recently, however, confidence in the transition process has encouraged the donors to begin planning for a number of activities. UNDP plans to support constitutional and legal reform and decentralization. UNDP and the IMF, working with the GOM, are taking the lead on public sector capacity building. The European Community is interested in media reform and development. The EC is also planning to carry out a human rights assessment and provide a human rights advisor, as well as provide support to the judiciary in close coordination with USAID. ODA will help the Ministry of Justice improve administration, by providing lawyers to reduce the current backlog of cases and train court interpreters. It will also provide support to improve police training and a code of conduct. The Germans have pledged support for a second radio station and are interested in getting involved in industrial relations, civic education and government decentralization.

The American Embassy in Malawi chairs an interagency democracy and governance committee to review and coordinate US democracy activities in Malawi. Under current plans, the United States Information Service (USIS) will send Malawians to the US for short-term programs in government ethics, the role of the Congress, women in politics, the administration of justice and journalism. It will also use Worldnet to spread the message of democracy. The Department of Defense plans a seminar and short-term training on military-civilian relations in a democracy. Under the Democracy and Human Rights Fund, the US Embassy has provided support for the press, administration of justice, the development of NGOs involved in human rights monitoring, and promoting the rights of women. Besides continuing support in these areas, the Mission plans to use the fund to purchase books for the parliamentary library and to establish a law library at the University of Malawi. This fund has been useful in gaining experience with Malawian groups before providing them greater support under USAID project funding.

f. Consultations

In addition to ongoing consultations with the government, civic organizations and other donors concerning the development and implementation of assistance activities, USAID held a series of consultations especially for developing this CSP strategic objective. These consultations were held with justices and

administrators of the High Court, NGO and human rights leaders, the electoral commission, leaders in the media, the speaker and other leading members of parliament (from all three major parties), university faculty and think tank directors, university students, and senior women in the civil service.

These consultations came at a unique, promising time in Malawi's history. USAID plans to continue this dialogue by including key Malawian partners on our strategic objective team for democracy. Besides confirming the importance of the objective and the need for USAID support in many areas, previous consultations emphasized the overriding need for civic education at all levels but primarily among the rural populace and members of parliament, and the importance of economics for sustaining democracy. Malawians encouraged USAID to focus attention on supporting the constitutional review process, strengthening the parliament, supporting the judiciary as a protector of individual rights, and facilitating networking among Malawian organizations.

On participation in the economy, the impetus for a program to open the economic policy formulation process came from two sources, simultaneously. First, senior ministers in the GOM recognize that even pro-poor policies are not being communicated to Malawi's rural poor. They have pushed for assistance in this area. Secondly, people interviewed in focus groups around the country expressed their lack of understanding of GOM economic policies and their ability to influence those policies. The limited USAID activity will focus on bringing these groups together. In addition, USAID has consulted average Malawians in a variety of formal and informal fora, consulted extensively with all strata of private business, the financial sector, and the major parastatals.

Part III**Action Plan****A. Assistance Activities in FY 96 - FY 97**

The development strategy described in Part II was designed to accord with the Mission's management and staff capabilities. USAID/Malawi will continue to concentrate on broadening and deepening the impact of its development activities in three major areas: agriculture and natural resources, health and population, and basic education. In addition, because of the incredible changes in Malawi's political culture since 1993, the Mission will retain its existing intervention in the democracy area, but will expand its activities in this area.

The intent of this CSP is to focus USAID resources on those strategic objectives that are both developmentally critical for Malawi and within the Mission's manageable interest. All the activities identified in this section, which support the proposed five strategic objectives, meet both of these criteria.

To carry out the proposed strategy, the Mission proposes to implement a total of 10 activities, four of which are comprehensive sector or sub-sector policy and institutional reform efforts combining project and non-project assistance. Six activities are ongoing. Over the CSP period, the portfolio will include three new bilateral activities: one in natural resource management (NATURE), one in child survival (CHAPS) which replaces an ongoing project, and a third to provide local and regional training opportunities in support of all five strategic objectives. This last effort will replace two bilateral activities which have been phased out in FY 95. Building on its success, the Mission amended the DECIDE project (democracy and governance) in FY 95, and plans to amend the following two projects and increase their funding levels to expand the level of intervention: ASAP Support Project (agriculture), and SHARED (NGO development).

Table 4 presents the activities proposed for funding in FY 96 and FY 97 by strategic objective, along with the type of assistance and approximate time-frame for each.

Table 5 presents those activities that have been or will be phased out from the Mission's portfolio because they will be completed during FY 95 or will be replaced by other more effective and streamlined activities. The Mission will, in fact, reduce the total number of management units (i.e., separate project and program activities) by three assistance activities. Table 6 shows USAID/Malawi's projects and programs, and indicates which strategic objective(s) they support.

Table 4: Assistance Activities Proposed for Funding in FY 1996-1997, by Mission Strategic Objective

Strategic Objective/ Activity (project)	Project Number	Type of Assistance a/	FY 96	FY 97	PACD
Strategic Objective # 1:					
ASAP	(612-0235)	PA	X b/	X	9/98
ASAP	(612-0239)	NPA	X	X	9/98
Strategic Objective # 2:					
NATURE	(612-0247)	PA	X	X	9/01
NATURE	(612-0248)	NPA	X	X	9/01
Strategic Objective # 3:					
STAFH	(612-0238)	PA	X	X	9/98
CHAPS	(612-0246)	PA	X	X	9/01
Strategic Objective # 4:					
GABLE	(612-0237)	PA	X	X	9/98
GABLE	(612-0240)	NPA	X	X	9/98
Strategic Objective # 5:					
DECIDE	(612-0243)	PA	X	X	9/01
SHARED	(612-0232)	PA	X	X	8/99
Cross-cutting Activities:					
TIDE	(612-0249)	PA	X	X	9/01
ATLAS	(698.0475.12)	PA	X	X	5/06
Other:					
PD&S	(612-0234)	PA	X	X	N/A

a/ PA = Project Assistance and NPA = Non-Project Assistance.

b/ An "X" in the column indicates that the activity is proposed for new or previously authorized funding.

Table 5: Activities Phased Out in FY 1995 a/

Project Title	Number
Human Resources and Institutional Development (HRID)	612-0230
Promoting Health Investment in Child Survival (PHICS) b/	612-0231
Malawi Enterprise Development Program (MED)	612-0233
WOCCU Assistance to MUSCCO (WOCCU)	612-0242
Human Resource Development Assistance (HRDA) c/	698-0463
Northern Corridor d/	690-0237
Regional Rail Systems Support (RRSS) d/	690-0247

- a/ Except for participant training under HRID and PHICS, scheduled for completion by the end of 1996.
- b/ This project was phased out in FY 1995. A new child survival project (CHAPS) was designed and obligated in FY 95.
- c/ The Mission will design a new bilateral Training for Institutional Development Project (TIDE) in FY 96.
- d/ These are regional SARP-funded projects.

Table 6: Interdependency and Complementarity of USAID Activities and Strategic Objectives a/

Project	Mission Objective Supported:				
	1 Agric Income	2 Natural Resources	3 Population and Health	4 Basic Education	5 Democracy
ASAP	P	S			S
NATURE	S	P			
STAFH	S	S	P		
CHAPS	S		P		
GABLE	S		S	P	S
DECIDE	S				P
SHARED	S	S	S	S	S
TIDE	S	S	S	S	S
ATLAS	S	S	S	S	S
PD&S	S	S	S	S	S
SARRNET b/	P	S			
MRRP b/	P				
Emergency food aid	P	S	S		S

- a/ A "P" designates the primary objective this activity supports, while an "S" designates other objectives being supported by the activity.
- b/ Regionally-funded projects.

B. Resource Requirements in FY 95 - FY 97

Successful execution of the proposed strategy can be achieved only if the resource requirements, in terms of program funding, full-time equivalents (FTEs) and operating expenses (OE) outlined in this section are approved by USAID/Washington. Alternative programming scenarios with resource levels different from those presented here are presented in section E.

Although no Title II PL 480 food aid is programmed, the Mission could request Title II emergency food aid if drought conditions occur and the GOM is unable to procure the necessary food requirements.

1. Program Funding

The Mission assumes that the US bilateral assistance level to Malawi in FY 96 and FY 97 will be maintained at about the same level as in FY 95. This assumption is essential to finance the proposed strategy and continue to meet congressional earmarks. Any funding commitment significantly below the FY 95 level would give rise to concern and would make the US appear less supportive of Malawi's democratic transition and its integration in the Southern Africa region. Therefore, USAID/Malawi is requesting bilateral funding of \$34 million in both FY 96 and FY 97. Resource requirements under reduced funding scenarios are presented in Section E. Funding for all scenarios is requested from the DFA/DA only, with no ESF funds anticipated during the planning period.

Table 7 presents the resource requirements by project for the period FY 1995-1997. It should be noted that the life of project/program (LOP) column in that table reflects all planned/proposed amendments during the next two fiscal years. Table 8 shows the resource requirements for each of the strategic objectives and the programming split between non-project assistance and project assistance during the period FY 1995-1997. Table 9 shows the resource requirements by project for the remaining years in the strategic plan, assuming \$34 million straight-lined annual funding levels for the period.

The following is a breakdown of the funding requirements by strategic objective.

Strategic Objective One: Achievement of the Mission's objective to increase agricultural incomes on a per capita basis and foodcrop production requires \$39.33 million during the FY 95-97 period, divided as follows: \$20.0 million in FY 95, \$8.00 million in FY 96, and \$11.33 in FY 97 (Table 8). USAID/Malawi will achieve this objective through a combination of NPA and PA activities under its Agricultural Sector Assistance Program (ASAP), as well as the regionally-funded Southern Africa Root Crops Research Network (SARRNET) and Malawi Railways Restructuring (MRR) activities. During FY 96, the Mission will amend ASAP's Support Project component (612-0235) to increase the LOP by \$5.0 million to finance additional support activities associated with the expanded policy reform agenda approved in FY 94.

Strategic Objective Two: Increasing the sustainability of the natural resource base will require \$20.3 million during the FY 95-97 period, divided as follows: \$5.3 in FY 95, \$9.0 in FY 96, and \$6.0 million in FY 97 (Table 8). USAID will achieve this objective by a combination of project and non-project assistance through its new activity in the natural resource management area, the Natural Resources and Environmental Management Program (NATURE/NPA), and its companion project (NATURE/PA). The amounts required are based on the

Mission's best estimate of the financing needs for the project component and the disbursement schedule for the non-project assistance component. Depending on the interface with regional activities to be designed in this area, which will be funded under the Initiative for Southern Africa (ISA), some of this program's activities might qualify for regional funding.

Strategic Objective Three: USAID's objective to increase the adoption of measures that reduce fertility and HIV transmission including reducing infant and child mortality and morbidity will be realized through two activities. Achievement of this objective will require a total of \$22.37 million during the FY 95-97 period, as follows: \$9.50 million in FY 95, \$4.8 million in FY 96, \$8.07 million in FY 97 (Table 8). In addition, \$1.1 million will be reobligated in FY 96 to an activity supporting this objective (this is the amount that will be deobligated from the PHICS project--see below). The ongoing Support to AIDS and Family Health (STAFH) activity and the Mission's new child survival intervention, Community Health Partnerships (CHAPS), are the primary vehicles to achieve this objective. The new project, CHAPS, will be designed and implemented in FY 95, and its LOP funding will include planned obligations under the current child survival project, PHICS (612-0231), which is being phased out.

Strategic Objective Four: Achievement of this objective will require \$19.00 million during the FY 95-97 period, broken down as follows: \$9.70 in FY 95, \$6.30 million in FY 96, and \$3.00 in FY 97 (Table 8). To increase access to and quality and efficiency of basic education, especially for girls, the Mission will continue its highly successful Girls Attainment in Basic Literacy and Education (GABLE) activities. These include supporting the GOM's policy of expanding access to primary school to all children, especially girls, and introducing a series of creative solutions to improve the quality of education. Additional funding may be necessary during the CSP period for a follow-on activity in the primary education sector.

Strategic Objective Five: Achievement of this objective will require \$10.50 million in the FY 95-97 period, allocated as follows: \$ 1.20 in FY 95, \$4.80 million in FY 96, and \$4.50 million in FY 97. USAID's assistance to consolidate Malawi's democracy, improve participatory and transparent governance, and expand economic participation will be provided through expanding the existing Democratic and Civic Institution Development (DECIDE) Project and the Support to Health, Agriculture, and Rural Enterprise Development (SHARED) Project. The Mission has amended the DECIDE project in FY 95 to support the range of activities described in Part II, and plans to amend the SHARED project in FY 96 to add more funds to continue supporting the development of local non-governmental organizations (NGOs).

Cross-Cutting and Other Activities: In addition, the Mission also implements the following activities which support and/or cut across all strategic objectives: (1) African Training for Leadership and Advanced Skills (ATLAS), and (2) Training for Institutional Development (TIDE) project, a new activity that will provide training opportunities in support of the Mission's strategy. The \$2.00 million requirements for these activities during FY 95-97 are detailed in Table 8. Finally, the Mission requirements for Program Development and Support (PD&S) over the three-year period amount to \$1.00 million.

2. Operating Expenses (OE)

The operating expenses (OE) resource requirements to carry out the strategy over the FY 1995-97 period are as follows:

<u>FY</u>	<u>Amount Required</u>
1995	\$1,847,500
1996	\$1,904,000
1997	<u>\$1,950,000</u>
Total for Period	\$5,701,500

Annex 9 presents the operating expenses budget estimate by expense category and functional code for the FY 95-97 period. The Mission has recently received its last trust funds, equivalent to \$500,000, and has decided to spread them over the FY 95 and FY 96 period. No additional trust funds are anticipated under any of the Mission's proposed activities. Therefore, it is necessary that the dollar amount of OE funds shown above are approved by USAID/Washington.

Table 7: Mission's Resource Requirements in \$1,000 for FY 1995-1997, by Project

Project Acronym	LOP as of End of FY95	Actual FY 95 Oblig.	End of FY 95 Mortgage	Proposed FY 96 Addition	Total New LOP	Proposed FY 96	Obligation FY 97	End FY 97 Mortgage	PACD
Bilateral:									
SHARED	15,000	0	0	10,000	25,000	1,000	1,500	6,000 ^{b/}	8/99
PD & S	N/A	400	N/A		N/A	300	300	N/A	N/A
ASAP/PA	15,000	2,000	1,328	5,000	20,000	1,000	2,328	3,000	9/98
GABLE/PA	10,500	2,200	2,300		10,500	2,300	0	0	9/99
STAFH ^{a/}	45,000	6,500	24,000		45,000	4,800	6,072	13,128	9/98
ASAP/NPA	55,000	6,000	16,000		55,000	7,000	9,000	0	9/98
GABLE/NPA	35,000	7,500	7,000		35,000	4,000	3,000	0	9/99
DECIDE	14,500	1,200	9,800		14,500	3,800	3,000	3,000	9/00
CHAPS	4,100	3,000	1,100	10,900	15,000	0 ^{c/}	2,000	8,900	9/01
NATURE/NPA	30,500	5,000	25,500		30,500	6,000	4,000	15,500	9/01
NATURE/PA	9,500	300	9,200		9,500	3,000	2,000	4,200	9/01
TIDE	0	0	0	5,000	5,000	500	500	4,000	9/01
ATLAS	N/A	400			N/A	300	300	N/A	5/06
Regional:									
MRR/NPA	20,000	10,000	0		20,000	0		0	9/99
MRR/PA	5,000	0	0		5,000	0		0	9/99
SARRNET	7,000	2,000	0		7,000	0		0	9/98
Total	\$266,100	\$46,500	\$96,228	\$30,900	\$297,000	\$34,000	\$34,000	\$57,728	

^{a/} Including obligations to the Global Bureau's Central Contraceptive Procurement (CCP) project. STAFH's PACD will be extended by two years, to September 2000.

^{b/} Reflects a \$1.5 million reobligation in FY 96 of funds that have been deobligated from the HRID project.

^{c/} However, \$1.1 million would be reobligated from funds deobligated from the PHICS project.

Table 8: Dollar Resource Requirements to Implement the Proposed Strategy, by Strategic Objective and Type of Assistance, FY 1995 - 1997 (\$1,000)

Strategic Objective	Project	FY 1995			FY 1996			FY 1997		
		PA	NPA	Total	PA	NPA	Total	PA	NPA	Total
One Rural income	ASAP	2,000	6,000	8,000	1,000	7,000	8,000	2,328	9,000	11,328
	SARRNET a/	2,000	-	2,000	-	-	-	-	-	-
	MRR a/	-	10,000	10,000	-	-	-	-	-	-
	Sub-total			20,000		7,000	8,000	2,328	9,000	11,328
Two Natural Resources	NATURE	300	5,000	5,300	3,000	6,000	9,000	2,000	4,000	6,000
Three Pop/Health	STAFH	6,500	-	6,500	4,800	-	4,800	6,072	-	6,072
	CHAPS	3,000	-	3,000	-	-	-	2,000	-	2,000
	Sub-total			9,500	4,800	-	4,800	8,072	-	8,072
Four Basic Education	GABLE	2,200	7,500	9,700	2,300	4,000	6,300	-	3,000	3,000
Five Democracy	DECIDE	1,200	-	1,200	3,800	-	3,800	3,000	-	3,000
	SHARED	-	-	-	1,000	-	1,000	1,500	-	1,500
	Sub-total			1,200	4,800	-	4,800	4,500	-	4,500
Cross-cutting	TIDE	-	-	-	500	-	500	500	-	500
	ATLAS	400	-	400	300	-	300	300	-	300
	Sub-total			400	800	-	800	800	-	800
Other	PD & S	400	-	400	300	-	300	300	-	300
	Total	18,000	28,500	46,500	17,000	17,000	34,000	18,000	16,000	34,000

a/ Regionally-funded, but obligated and managed by USAID/Malawi.

Table 9: Mission's Resource Requirements in \$1,000 for FY 1998-2000, by Project at Annual OYB of \$34 Million

Project Acronym	End FY 97 Mortgage	Add LOP FY98-99 a/	Obligations			End FY 00 Mortgage	Revised PACD
			FY 98	FY 99	FY 00		
Bilateral:							
A. Ongoing:							
SHARED	6,000 b/	0	2,500	2,500	1,000	0	9/01
PD & S	N/A	0	400	400	300	N/A	N/A
ASAP/PA	3,000	0	3,000	0	0	0	9/98
GABLE/PA	0	0	0	0	0	0	9/99
STAFH c/	13,128	0	7,000	6,128	0	0	9/00
ASAP/NPA	0	0	0	0	0	0	9/98
GABLE/NPA	0	0	0	0	0	0	9/99
DECIDE	3,000	0	2,000	1,000	0	0	9/00
CHAPS	8,900	0	3,600	3,300	2,000	0	9/01
NATURE/NPA	15,500	0	6,500	9,000	0	0	9/01
NATURE/PA	4,200	0	2,200	2,000	0	0	9/01
TIDE	4,000	0	500	800	1,000	1,700	9/01
ATLAS	N/A	0	300	300	300	N/A	5/06
B. New Activities:							
New Agriculture	0	40,000	3,000	2,000	9,000	26,000	9/03
New Health/Pop	0	40,000	3,000	3,000	9,000	26,000	9/03
New Education	0	40,000	0	3,000	9,000	28,000	9/04
Other d/	0	35,000	0	572	2,400	32,028	9/05
Regional:							
MRR/NPA	0	0	0	0	0	0	9/99
MRR/PA	0	0	0	0	0	0	9/99
SARRNET	0	0	0	0	0	0	9/98
Total	\$57,728	155,000	34,000	34,000	34,000	112,728	

a/ FY 98 for the new agriculture and health activities, and FY 99 for the new education and other activities.

b/ Reflects a \$1.5 million reobligation in FY 96 of funds that have been deobligated from the HRID project.

c/ Including obligations to the Global Bureau's Central Contraceptive Procurement (CCP) project.

d/ Activities other than those in the three primary sectors. May include extensions and expansion of ongoing activities.

3. Mission Organization and Staffing

USAID/Malawi has completed a reorganization plan, to be submitted to Washington in conjunction with this CSP and implemented by late 1995. The reorganization reflects realignment to increase FTEs for program implementation and technical leadership, flatten the Mission hierarchy and delegate more authority and responsibility to division chiefs.

In addition to the Mission Director's Office (O/DIR), USAID/Malawi has an Office of Program and Project Development (O/PPD), three technical offices, and two management support offices. The O/PPD provides program planning, design, and budgeting, strategy monitoring and evaluation, and implementation backstopping. The three technical offices are: Office of Agriculture and Food Security (O/AFS), the Office of Population, Health and Nutrition (O/PHN), and the Office of Education and Institutional Development (O/EID). The technical offices have the responsibility for management and implementation of activities in their respective technical areas (Table 10). Finally, the Office of Management Support (OMS) and the Financial Management Office (FMO) supervise the Mission's administrative and financial management functions and responsibilities.

Table 10: Office Project Management Responsibilities, FY 95-97

Office	Project
Agriculture and Food Security (O/AFS)	ASAP, NATURE, MRR, and SARNET ^{a/}
Population, Health, and Nutrition (O/PHN)	STAFH and CHAPS
Education and Institutional Development (O/EID)	GABLE, ATLAS, TIDE, DECIDE, and SHARED
Program and Project Development (O/PPD)	PD&S

^{a/} MRR and SARNET are regionally-funded projects, obligated and managed by USAID/Malawi.

Until July 1995 USAID/Malawi's professional staff consisted of 12 (14 FTEs) US direct hire (USDH) foreign service officers, of which five are members of USG tandem couples; one USDH PASA (TAACS) employee assigned to the Ministry of Health; four overseas-hire US and third country national (TCN) personal service contractors (PSCs) who also count in the current Mission's PSC ceiling; three local-hire US and TCN PSCs who also count in the Mission's PSC ceiling; and four USG spouse PSCs who do not count in the PSC ceiling. As of July 1995, USAID's total FSNPSC (foreign service national personal service contractors) workforce was 71 (for which there is no ceiling) of which 25 are professional (FSN-8 and above). For FY 95, the Mission planned for an FTE ceiling of 13 and a PSC ceiling of eight.

Table 11: USAID/Malawi Professional Staffing Requirements, FY 1995-1997

Office	USDH	PSC	FSN	Total
Director	1	-	-	1
Management Support (MS)	1	4	5	10
Financial Management (FM)	1	0	8	9
Population, Health, and Nutrition (PHN)	2	1	3	6
Education and Institutional Development (EID)	2	3	2	7
Agriculture and Food Security (AFS)	2	2	4	8
Program and Project Development (PPD)	4	1	3	8
Total	13	11	25	49

To implement the current and proposed program, the Mission requests 13 USDH employees and a total PSC allocation of 11, as outlined in Tables 11 and 12. The issues associated with these personnel requirements are the following:

a. USDH FTEs--In its reorganization, the Mission is implementing management reforms aimed at reducing hierarchal layers, placing more responsibility and authority directly with program managers, and evening out the workload (management units) between offices. The major increase in responsibility will occur in the technical offices, and, therefore, a corresponding increase in human capacity must also take place these offices. With 13 USDH FTEs, the Mission can place two USDH employees in each of its three technical offices. With one FTE in the O/PPD dedicated to program management, this will result in a total of seven Mission FTEs totally dedicated to policy and program implementation activities. The remaining six FTEs will be devoted to planning, design oversight, and general management. This will result in a about 50/50 split between technical expertise and management expertise, an increase in total FTEs dedicated to technical duties, and the minimum of expertise required to ensure USAID/Malawi's technical leadership among donors in USAID's strategic areas.

b. US and TCN PSCs--There are four types of professional PSC employees in USAID/Malawi. These are overseas hires, local hires, local hire spouses of USG employees, and FSN hires. The Mission gives preference in its hiring in reverse order; that is, if a longer-term job can be effectively done by a professional FSN, preference is given to FSN-hire. If, however, a qualified FSN is not available--or if the only qualified FSNs available require USAID to hire good professional staff away from the GOM--the Mission looks to its second priority, hiring from within the community of USG spouses. As a third alternative, the Mission will consider hiring a USPSC or TCN PSC locally because costs are less than if a person is hired from the fourth category, overseas. It is only this last category of PSC which compares in cost to a USDH. Unfortunately, the PSC ceiling imposed in 1994 included local hire USDH spouses in the calculations leading up to the ceiling. The imposition of a PSC ceiling of 8 allows the Mission no flexibility when spouses of USG employees performing vital functions depart post (e.g., the Mission monitoring and evaluation advisor) or when USAID/W-funded contracts (e.g., Famine Early Warning System--FEWS) are redesigned and alternative mechanisms are required. To calculate the number of PSCs required to implement the strategy outlined in this CSP, the Mission is requesting USAID/W to (1) consider and approve total

needs and (2) agree with Mission's order of hiring preference, thereby ensuring that those PSCs which require compensation and benefits equal to USDH employees are the last alternative to hiring.

Given the Mission's best estimates at this time, it anticipates the PSC needs outlined in Table 11 over the CSP period. The Mission requests that USAID/W concur with both its approach and needs.

Table 12: USAID/Malawi, US and TCN PSC Staffing

Office	Overseas Hire	Local Hire	Spouse Hire	Comments
Management Support				
1. Systems Administrator	0 a/			no replacement in country
2. General Services (GSO)		0		
3. Procurement Assistant			0	recommended by procurement evaluation installation and maintenance of new security and generators, residential, office maintenance oversight
4. Building Maintenance Assistant			0	
Population/Health/Nutrition				
1. Project Manager	0			to be phased out under reduced funding scenario
Education and Instit. Develop.				
1. Education Advisor		0		
2. Democracy/Gov. advisor	0			
3. NGO advisor			0	
Agriculture and Food Security				
1. NRM advisor	0			
2. Parast. restruc. advisor	0			
Program and Project Dev.				
1. MER advisor		0		
2. Program officer				TBI
Total	5	3	4	

a/ 0 = position is currently filled and is ongoing.

4. USAID/W Technical or Other Support

a. Contracting

USAID/Malawi will continue to use buy-ins to indefinite quantity contracts (IQCs). According to the January 1995 new policy on streamlining the acquisition process, the authority to issue IQC delivery orders has been delegated to the field. Therefore, no IQC contracting actions will be required from USAID/W on its buy-ins. This, however, assumes that the Mission will have an adequate share of a regional/multi-mission contracting officer.

b. Procurement and Technical Support

The Mission will transfer funds to procure services and commodities under various Global-managed projects and activities. For example, USAID plans to transfer about \$300,000 annually to the ATLAS project (698-0475.12) and varying amounts to the Central Contraceptive Procurement project (936-3057). The Mission also plans to utilize Global's DHS III (936-3023) and other projects as needed during the CSP period. The Mission further anticipates assistance from the Bureau for Africa's Office of Sustainable Development (AFR/SD) and other offices in the Agency, as appropriate and needed for design, evaluation and analytical tasks.

c. Backstopping

The Mission expects that it will continue to receive routine backstopping services from the Office of Southern African Affairs (AFR/SA), as well as from the office of Development Planning (AFR/DP).

C. Update on Other Donor Programs

A full discussion of other donor activities by strategic objective is included in Part II of this CSP.

D. Monitoring and Evaluation Plans: FY 95 - FY 97

USAID/Malawi's monitoring, evaluation and reporting (MER) system, coordinated by the Mission's Office of Program and Project Development (PPD) is a fully integrated component of USAID/Malawi's management system. The Mission recognizes that MER is critical to the success of its program in Malawi, and its accountability to its US clients. As a management tool, the MER system assists the Mission to reorient its strategy and amend activities, as appropriate.

To be accountable the Mission must be able to generate meaningful results in an efficient manner. For an MER system to meet this criterion, however, substantial financial and human resources are required. During the 1990-1994 CSP period, the Mission employed a full-time MER advisor; this will continue during the 1995-2000 CSP. In addition, the Mission will add a senior FSN specialist to its MER team in FY 96, with the hope of phasing out the need for an expatriate advisor by the end of the period.

The existing MER system was developed in close cooperation with the Mission's technical offices and relies heavily on input from the GOM and other Malawian institutions. It builds first on the sectoral projects and programs supporting the Mission's strategy. To ensure that the information received is both reliable and timely, each of the Mission's sectoral programs and projects provides specific resources to support the Mission and the GOM in primary data collection. The Mission uses existing information sources as much as possible, but also uses project and program mechanisms to collect and analyze performance and impact information.

The Bureau for Africa's semi-annual portfolio reviews (SPRs) and financial reporting through the Mission Accounting and Control System (MACS), provide the foundation of USAID's monitoring and reporting. Over this CSP period, the Mission's technical offices will continue to report on progress made in implementing activities, linking this to achievement of the strategic objectives. Mission portfolio reviews focus on this linkage.

The indicators monitored at the sectoral level provide the basis for the Mission's overall program monitoring and evaluation, as measured against the program outcomes and performance indicators described in Part II of this CSP. This will be reported to the Bureau for Africa each year in the annual Results Review and Resources Request (R4), the prime vehicle for monitoring and reporting on country program level results. Following USAID/Washington's initial review of the proposed strategy in March 1995, the Mission requested a MER assistance team to help it refine the CSP performance indicators and its program performance monitoring and reporting plan. The MER team visited Malawi in June and worked closely with the Mission's MER advisor, program officer, and technical offices to confirm and determine the availability of baseline data and sources, and develop a final plan of surveys for collection of monitoring and baseline data. The results of the MER team's efforts are reflected in the text and annexes of this CSP.

Formal evaluations of the following projects and programs will be conducted during the FY 95-97 period:

- Regional Rail Systems Support (Malawi component) (690-0247.12), final evaluation.
- DECIDE (612-0243)
- ASAP (612-0235) and (612-0239)
- STAFH (612-0238)

These evaluations, along with the SPR and R4 reporting will allow the Mission to make mid-course adjustments and inform USAID/Washington of program impact.

Finally, in addition to the above, the Mission closely monitors program implementation through weekly management team meetings chaired by each of the technical offices. These meetings are attended by the Mission Director, O/PPD, and other offices at the request of the chair.

E. Alternative Programming Scenarios

USAID has supported Malawi for more than 30 years and is encouraged by its peaceful transition to a more democratic system of government. The Mission assumes that the political environment will continue to improve and that the economic progress and developmental needs will continue to justify the straight-lined funding levels outlined in Section B.

The recent political developments in the US, and especially the discussions on foreign aid and the possibility of reduction in foreign assistance, necessitate exploring alternative scenarios that assume that the US will not maintain the assistance level to Malawi requested in this CSP. This section presents two alternative programming scenarios. As with the "fully-funded scenario," all funding will come from bilateral and regional DFA/DA funds.

Tables 13 through 16 present the resource requirements, by project, for the period FY 1995-1997 under two different funding scenarios for the life of the strategic plan. The life of project/program (LOP) and other figures in these tables reflect all planned/proposed activities over the life of the strategic plan.

1. Scenario Number One

a. Description of Changes in Content of the Strategy

This scenario assumes that the Mission's FY 96 OYB funding is set at \$29.2 million (\$4.8 million less than requested to fully implement the proposed strategy), and that the same level will be maintained for FY 97 and beyond. The effects of this funding scenario on FY 96 and subsequent years' project obligations are shown in Tables 13 and 14. While under this scenario the Mission would retain all of the five proposed strategic objectives, it would reduce the planned additional funding to and/or limit the scope of the SHARED, ASAP/PA, CHAPS, STAFH, and TIDE projects. USAID would also reduce its planned FY 96 and FY 97 obligations to these five projects, as well as to the NATURE/NPA activity. It should be noted that reducing the planned FY 96-97 obligations to the STAFH project, which has a large pipeline due to previously large obligations in the population/HIV/AIDS areas, would free up funds to finance other activities in the portfolio. None of these changes, however, would necessitate the rescheduling of tranche releases under the three bilateral and one regional non-project assistance activities. The end of FY 97 total portfolio mortgage, however, would be reduced by \$8.4 million. Finally, because of the lower OYB in the out years, the planned LOP funding for the post-FY 97 new activities would be reduced by \$12 million. The new agriculture and health activities would start one year later than originally scheduled under the fully-funded scenario.

b. Projected Impact

Reducing the planned addition to ASAP/PA's LOP funding and the TIDE activity budget would reduce the scope of both activities and cut into Mission's ability to achieve the full impact anticipated. This, however, would be softened by prioritizing the specific activities under these projects and implementing only those that would maximize the impact--or minimize the negative impact of reduced funding. Reducing the funding for the STAFH and CHAPS projects would reduce the anticipated activities and impact on family planning, HIV/AIDS, and child survival (strategic objective 3). The Mission plans to work with its US PVO partners and Malawian NGOs to maximize the people-level impact in the health sector, while overcoming the management problems in child survival and other health activities have encountered in the past. This approach would negate some of the impact of reduced funding. If additional resources (additive to OYB) were to be made available, however, the Mission would restore the full range of activities in the health sector. Finally, while reducing USAID's direct NGO support through the SHARED project would have negative impact on civil society development in Malawi, the Mission will continue to utilize NGOs in implementing its various activities in the health, agriculture and democracy sectors.

Table 13: Mission's Resource Requirements in \$1,000 for FY 1995-1997, by Project, Scenario 1

Project Acronym	LOP as of End of FY95	Actual FY 95 Oblig.	End of FY 95 Mortgage	Proposed FY 96 Addition	Total New LOP	Proposed FY 96	Obligation FY 97	End FY 97 Mortgage	PACD
Bilateral:									
SHARED	15,000	0	0	5,000	20,000	500	1,500	1,500 ^{b/}	8/99
PD & S	N/A	400	N/A	N/A	N/A	300	300	N/A	N/A
ASAP/PA	15,000	2,000	1,328	2,000	17,000	1,000	1,000	1,328	9/98
GABLE/PA	10,500	2,200	2,300		10,500	2,300	0	0	9/99
STAFH ^{a/}	45,000	6,500	24,000	(3,000)	42,000	7,300	6,500	7,200	9/00
ASAP/NPA	55,000	6,000	16,000		55,000	5,200	4,800	6,000	9/98
GABLE/NPA	35,000	7,500	7,000		35,000	3,400	1,600	2,000	9/99
DECIDE	14,500	1,200	9,800		14,500	3,000	3,000	3,800	9/00
CHAPS	4,100	3,000	1,100	5,900	10,000	0 ^{c/}	2,000	3,900	9/01
NATURE/NPA	30,500	5,000	25,500		30,500	3,000	6,000	16,500	9/01
NATURE/PA	9,500	300	9,200		9,500	2,900	1,700	4,600	9/01
TIDE	0	0	0	3,000	3,000	0	500	2,500	9/01
ATLAS	N/A	400	N/A			300	300	N/A	5/06
Regional:									
MRR/NPA	20,000	10,000	0		20,000			0	9/99
MRR/PA	5,000	0	0		9,500			0	9/99
SARRNET	7,000	2,000	0		7,000			0	9/98
Total	\$266,100	\$46,500	\$96,228	\$12,900	\$279,000	\$29,200	\$29,200	\$49,328	

^{a/} Including obligations to the Global Bureau's Central Contraceptive Procurement (CCP) project. Also, assumes that STAFH's PACD has been extended by two years.

^{b/} Reflects a \$1.5 million reobligation in FY 96 of funds that have been deobligated from the HRID project.

^{c/} However, \$1.1 million would be reobligated from funds deobligated from the PHICS project.

Table 14: Mission's Resource Requirements in \$1,000 for FY 1998-2000, by Project at Annual OYB of \$29.2 Million, Scenario 1

Project Acronym	End FY 97 Mortgage	Add LOP FY99 ^{a/}	Obligations			End FY 00 Mortgage	Revised PACD
			FY 98	FY 99	FY 00		
Bilateral:							
A. Ongoing:							
SHARED	1,500 ^{b/}	0	1,500	0	0	0	9/01
PD & S	N/A	0	400	400	300	N/A	N/A
ASAP/PA	1,328	0	1,328	0	0	0	9/98
GABLE/PA	0	0	0	0	0	0	9/99
STAFH ^{c/}	7,200	0	3,072	4,128	0	0	9/00
ASAP/NPA	6,000	0	6,000	0	0	0	9/98
GABLE/NPA	2,000	0	2,000	0	0	0	9/99
DECIDE	3,800	0	3,000	800	0	0	9/00
CHAPS	3,900	0	2,000	1,900	0	0	9/01
NATURE/NPA	16,500	0	6,500	10,000	0	0	9/01
NATURE/PA	4,600	0	2,600	2,000	0	0	9/01
TIDE	2,500	0	500	1,000	1,000	0	9/01
ATLAS	N/A	0	300	300	300	N/A	5/06
New Activities:							
New Agriculture	0	37,000	0	3,000	8,100	23,900	9/04
New Health/Pop	0	37,000	0	3,000	7,400	26,600	9/04
New Education	0	37,000	0	2,672	7,400	26,298	9/04
Other ^{d/}	0	32,000	0	0	4,700	27,300	9/05
Regional:							
MRR/NPA	0	0	0	0	0	0	9/99
MRR/PA	0	0	0	0	0	0	9/99
SARRNET	0	0	0	0	0	0	9/98
Total	\$49,328	143,000	29,200	29,200	29,200	106,098	

^{a/} FY 99 for the new agriculture, education, and health activities, and FY 00 for the other activities.

^{b/} Reflects a \$1.5 million reobligation in FY 96 of funds that have been deobligated from the HRID project.

^{c/} Including obligations to the Global Bureau's Central Contraceptive Procurement (CCP) project. Also, assumes that STAFH's PACD has been extended by two years.

^{d/} Activities other than those in the three primary sectors. May include extensions and expansion of ongoing activities.

2. Scenario Number Two

a. Description of Changes in Content of the Strategy

This scenario assumes that the Mission's FY 96 OYB funding remains at the \$29.2 million level, but that the FY 97 through FY 2000 OYBs are reduced to \$25.0 million. Tables 15 and 16 show the resource requirements under this scenario for FY 95 through FY 2000. The Mission would retain all of the five proposed strategic objectives, but would: (1) eliminate the \$15 million child survival activity (CHAPS), (2) not begin the new training project (TIDE), (3) reduce the number of sectors by one, compared to the fully-funded scenario, and postpone the starting date for the post-FY 97 new activities by one year, (4) reduce the planned addition to ASAP/PA from \$5 million to \$2 million, and (5) limit the proposed addition to the SHARED project's LOP to \$3.5 million.

Eliminating the child survival (CHAPS project) from the Mission's portfolio means that USAID would focus its health program in Malawi on family planning and AIDS activities. This scenario would maintain the current LOP funding levels for both STAFH (\$45 million), and would necessitate a revision of SO #3's statement. All future interventions in the health sector would be carefully designed and targeted where there is a clear commitment from the GOM and a high chance of achieving significant people level impact.

b. Projected Impact

The lower-than-planned support to the umbrella NGO activity (SHARED) would necessitate focusing the project on only civil society activities. The reduced funding, would, however, limit the Mission's ability to achieve full impact on civil society development in Malawi. As under scenario 1, the Mission will continue to utilize NGOs in implementing various activities in health, agriculture, education, democracy, and natural resources. By eliminating TIDE, the technical offices and SO teams would have to identify and fund long-term training from their activity funds. All short-term and participants training would continue to be coordinated by O/EID.

Table 15: Mission's Resource Requirements in \$1,000 for FY 1995-1997, by Project, Scenario 2

Project Acronym	LOP as of End of FY95	Actual FY 95 Oblig.	End of FY 95 Mortgage	Proposed FY 96 Addition	Total New LOP	Proposed FY 96	Obligation FY 97	End FY 97 Mortgage	PACD
Bilateral:									
SHARED	15,000	0	0	3,500	18,500	500	1,000	500 b/	8/99
PD & S	N/A	400			N/A	300	200	N/A	N/A
ASAP/PA	15,000	2,000	1,328	2,000	17,000	1,000	1,000	1,328	9/98
GABLE/PA	10,500	2,200	2,300		10,500	2,300	0	0	9/99
STAFH a/	45,000	6,500	24,000		45,000	7,300 c/	3,000	13,700	9/00
ASAP/NPA	55,000	6,000	16,000		55,000	5,200	5,800	5,000	9/98
GABLE/NPA	35,000	7,500	7,000		35,000	3,400	3,600	0	9/99
DECIDE	14,500	1,200	9,800		14,500	3,000	2,000	4,800	9/00
CHAPS	4,100	3,000	1,100 c/ (4,100)		0	0	0	0	Drop
NATURE/NPA	30,500	5,000	25,500		30,500	3,000	6,200	16,300	9/01
NATURE/PA	9,500	300	9,200		9,500	2,900	1,900	4,400	9/01
TIDE	0	0	0	0	0	0	0	0	Drop
ATLAS	N/A	400			N/A	300	300	N/A	5/06
Regional:									
MRR/NPA	20,000	10,000	0		20,000			0	9/99
MRR/PA	5,000	0	0		5,000			0	9/99
SARRNET	7,000	2,000	0		7,000			0	9/98
Total	\$266,100	\$46,500	\$96,228	\$2,500	\$267,500	\$29,200	\$25,000	\$46,028	

a/ Including obligations to the Global Bureau's Central Contraceptive Procurement (CCP) project. Also, assumes that STAFH's PACD has been extended by two years.

b/ Reflects a \$1.5 million reobligation in FY 96 from funds that have been deobligated from HRID project.

c/ The 3.0 million that were obligated in FY 95 to CHAPS would be deobligated in FY 96, and along with the \$1.1 million that have been deobligated from the PHICS project would be reobligated to the STAFH project in FY 96. This would reduce STAFH's mortgage by \$4.1 million.

Table 16: Mission's Resource Requirements in \$1,000 for FY 1998-2000, by Project at Annual OYB of \$25 Million, Scenario 2

Project Acronym	End FY 97 Mortgage	Add LOP FY99 a/	Obligations			End FY 00 Mortgage	Revised PACD
			FY 98	FY 99	FY 00		
Bilateral:							
Ongoing:							
SHARED	500 b/	0	500	0	0	0	9/01
PD & S	N/A	0	300	300	300	N/A	N/A
ASAP/PA	1,328	0	1,328	0	0	0	9/98
GABLE/PA	0	0	0	0	0	0	9/99
STAFH c/	13,700	0	10,072	3,628	0	0	9/00
ASAP/NPA	5,000	0	0	0	0	0	9/98
GABLE/NPA	0	0	0	0	0	0	9/99
DECIDE	4,800	0	3,800	1,000	0	0	9/00
CHAPS	0	0	0	0	0	0	Drop
NATURE/NPA	16,300	0	6,300	10,000	0	0	9/01
NATURE/PA	4,400	0	2,400	2,000	0	0	9/01
TIDE	0	0	0	0	0	0	Drop
ATLAS	N/A	0	300	300	300	N/A	5/06
New Activities:							
New Agriculture	0	37,000	0	4,000	8,400	24,600	9/04
New Health/Pop	0	37,000	0	0	8,000	29,000	9/05
New Education	0	37,000	0	3,772	8,000	25,228	9/04
Regional:							
MRR/NPA	0	0	0	0	0	0	9/99
MRR/PA	0	0	0	0	0	0	9/99
SARRNET	0	0	0	0	0	0	9/98
Total	\$46,028	111,000	25,000	25,000	25,000	78,828	

a/ FY 99 for the new agriculture and health activities, and FY 00 for the new education activities.

b/ Reflects a \$1.5 million reobligation from funds deobligated from the HRID project.

c/ Including obligations to the Global Bureau's Central Contraceptive Procurement (CCP) project. Also, assumes that STAFH's PACD has been extended by two years.

F. Summary of Proposed Activities and Timeline

Table 17 presents a summary of the proposed activities during the FY 95-97 period, showing the first fiscal year the activity was or will be implemented (i.e., first FY funds were obligated) and the planned activity completion date for each. It should be pointed out that the information in Table 13 is based on the fully-funded scenario discussed in Section B. The table groups together projects that support USAID's sectoral emphases.

In addition to the ongoing and proposed activities for the FY 95-97 period, Table 17 also presents potential post-FY 97 activities that will be needed to consolidate the Mission's current initiatives in its three focus sectors: agriculture/rural enterprise, population, and education. Table 17 also lists the possibility for "other" activities which will allow the Mission to either respond to potential opportunities in other sectors or to expand its efforts within the existing portfolio.

Table 17: Summary of Proposed Activities and their Implementation Timeline

Proposed Activity/ Sector	Project Number	FY Activity First Implemented	FY Activity is Planned to be Completed
<u>Agriculture & Natural Resources:</u>			
ASAP/PA	(612-0235)	1991	1998
ASAP/NPA	(612-0239)	1991	1998
NATURE/PA	(612-0247)	1995	2001
NATURE/NPA	(612-0248)	1995	2001
SARRNET a/	(690-0268.12)	1993	1998
MRR/PA/NPA a/	(690-0276/7.12)	1994	1999
<u>Health and Population:</u>			
STAFH	(612-0238)	1992	1998
CHAPS	(612-0246)	1995	2001
<u>Human and Institutional Resources:</u>			
GABLE/PA	(612-0237)	1991	1999
GABLE/NPA	(612-0240)	1991	1999
TIDE	(612-0249)	1996	2001
ATLAS	(698.04.7.12)	1993	2006
<u>Democracy and Governance:</u>			
DECIDE	(612-0243)	1993	2001
SHARED	(612-0232)	1990	1999
<u>Other:</u>			
PD&S	(612-0234)	N/A	N/A
<u>New Activities After FY 97: b/</u>			
New Agriculture/rural enterprise		1998/99	2004
New Education		1998/99	2004
New Population		1998/99	2004
Other		1999/00	2005

a/ Regionally funded projects.

b/ New activities to be designed and implemented as follow up to current Mission's activities in the indicated sectors. All dates are tentative.

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Malawi 2000

USAID/Malawi: Country Strategic Plan (CSP)

1995-2000

Annexes

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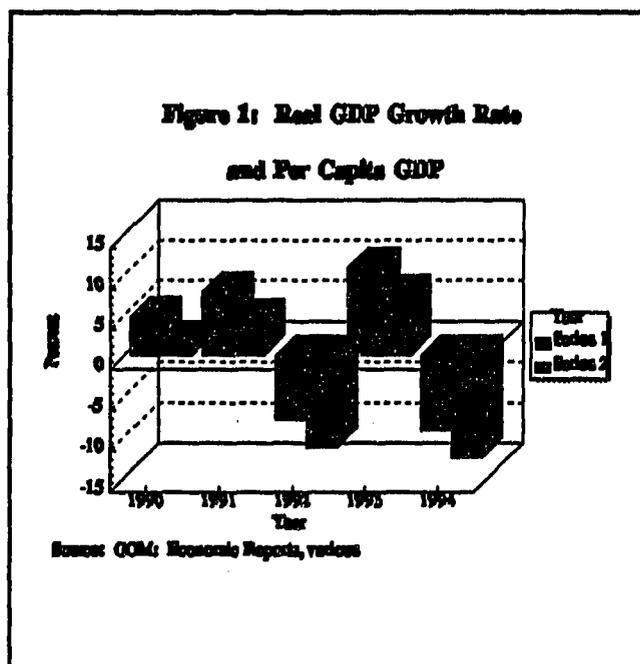
Annex 1

Malawi's Economy in the 1990s

During the first four years of the 1990s, Malawi's economy faced exceptional external and internal economic challenges. Extreme fluctuations in weather caused drastic drops in food production, which heightened national and household food insecurity and stymied efforts to reduce rural poverty. Further reduction in agricultural production led to a general decline of economic activity in other productive sectors, a decline in domestic savings, and suppressed investment. Inflation rates also increased, fueled by drought-related food shortages, the deteriorating fiscal and monetary discipline, and the sharp depreciation in the value of the Malawi Kwacha.

(1) Economic Developments

Economic Growth: Growth in economic activity averaged 0.2% per annum between 1990 and 1994. However, the average growth concealed large annual variations in real GDP movements (Figure 1). After registering negative growth in 1986 and 1987, real output grew by 4.8% in 1990 and 7.8% in 1991, restoring real per capita growth to positive levels. The economy contracted by about 8% in 1992, largely because of crop failure due to the most severe drought since the 1960s. The return of normal weather during 1993 helped agricultural production to show a strong recovery, which resulted in a healthy 11% growth in real output (from a low previous year). Performance in 1994, however, was again overshadowed by yet another drought, the second in three years, resulting in an estimated 10.2% decline in real output.



Inflation: The inflation rate dropped from about 30% in 1987 and 1988 to 16% in 1990 and to 12% in 1991. It rose to 23.3% in 1992, fueled by food shortages caused by the drought, and remained almost the same in 1993, at 22.8%. Unlike in 1992, inflation in 1993 reflected domestic factors, primarily wage settlements. The 1994 end-year inflation was estimated between 36% and 40% propelled by monetary expansion, the depreciating kwacha, and food shortages due to the drought.

Current Account Balance: The current account deficit of the balance of payments averaged 11.7% of GDP, ranging from a low of 7.4% of GDP in 1993 to a high of 15.9% of GDP in 1994. The worsening current account position was largely on account of rising transport costs. With an export base almost exclusively centered around tobacco (about 70% of all export revenues), Malawi was also subjected to tremendous terms of trade shocks as world market prices declined. It is estimated that Malawi's terms of trade losses in 1992 and 1993 amounted to \$200 million.

Savings and Investment:

Investment and savings rates declined in the 1990s. National domestic savings dropped from 9.4% in 1990 to 1.8% of GDP in 1993, and to a negative 1.3% in 1994. Total investment also declined, due to the droughts and lack of foreign exchange, from 20.1% of GDP in 1991 to 12.3% of GDP in 1993, but showed some recovery in 1994, up 17.5% (Figure 2).

(2) Fiscal Developments

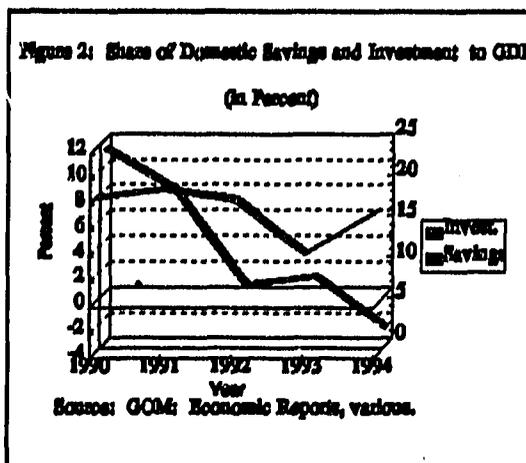
After several years of fiscal discipline, macroeconomic balances started to deteriorate in the early 1990s. The fiscal deficit-to-GDP ratio (excluding grants) rose from 6.9 in the 1990/91 to 14.3% in 1992/93, and to 15.9% in 1994/95. The worsening fiscal deficit situation was largely due to unexpectedly large increases in civil service wages, weak revenue performance, costs associated with the 1993 referendum and 1994 general elections, and rising local value of debt service payments due to devaluation and depreciation of the kwacha.

(3) Monetary Developments

Given the growing fiscal deficit, the government borrowed excessively from the domestic banking system for deficit financing. This led to a large expansion of the money supply and crowded out potential private sector borrowers. The ratio of gross private sector domestic credit to total net domestic credit averaged about 81% in 1990 and 1991 but declined to 49% between 1992 and 1994. Total money supply grew at an annual average rate of 22% between 1990 and 1992, accelerated to 57% in the run-up to the May 1994 general elections. The rate of expansion, however, slowed down to 25% in last quarter of 1994 because of the strict expenditure control measures by the Government, including the introduction of a monthly cash budget system whereby expenditure ceilings for ministries and departments are established based on estimates of actual revenue collected in the preceding month. To reduce the excess liquidity in the system, in November 1994 the Reserve Bank of Malawi increased the discount rate and raised commercial banks' liquidity reserve requirement to reduce excess liquidity in the system. Subsequently, commercial banks adjusted their nominal interest rates, to keep the rates positive in real terms. The prime rate in early 1995 starts at 40%, with most commercial loans commanding 47%.

(4) Exchange Rate

Until February 1994, the exchange rate of the Malawian currency, the Malawi kwacha, relied on periodic, managed adjustments against a basket of major trading currencies. Historically, the kwacha was pegged to the British Pound sterling until November 1973 when it was based on a weighted average of the sterling and the United States dollar. From June 1975, the Kwacha was pegged to the Special Drawing Rights (SDR). In January 1984, the currency peg was changed from the SDR to a trade-weighted basket comprising the United States dollar, the British sterling, the German mark, the South African rand, the Japanese yen, the French franc and the Dutch guilder. Prior to 1992 the



kwacha was devalued several times to offset losses in the country's export competitiveness. Despite these devaluations, the value of the kwacha remained under considerable pressure due to inappropriate fiscal and monetary policies which reduced the country's export competitiveness and resulted in deteriorating terms of trade.

In response to the problems associated with overvaluation of its currency, and under pressure from multilateral financial institutions, the GOM on February 7, 1994 replaced the fixed exchange rate system with a market-based system. The new system also provides for licensing of additional foreign exchange dealers, brokers and bureaus of exchange. In addition to the commercial banks, a number of foreign exchange bureaus and brokers are now operating in Malawi, and exporters with regular foreign exchange inflows now open and operate foreign currency denominated accounts (FCDAs).

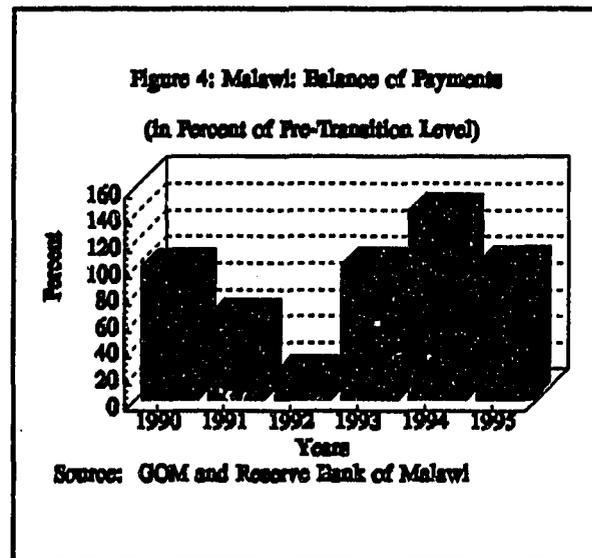
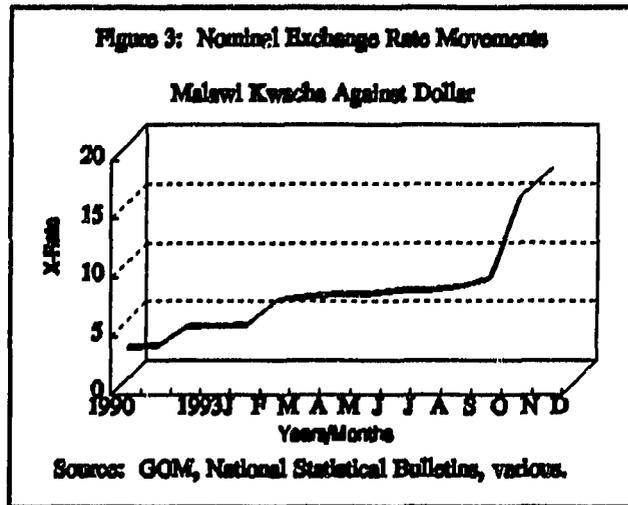
The new exchange rate system resulted in a sharp depreciation of the value of the kwacha, by about 250% against the dollar in nominal terms between February and September 1994 (Figure 3). To redress speculative behavior the GOM in November 1994 introduced a mandatory requirement to convert 90% of export revenues into kwacha not later than 30 days after receipt, unless the foreign exchange is allocated against eligible liabilities due within 90 days.

(5) External Financing

Balance of payments support to Malawi declined sharply between 1990 and 1992, largely due to reductions of non-humanitarian assistance. Balance of payments support to Malawi in 1992 was only about 20% of the 1990 levels (Figure 4). Some balance of payments support was resumed following the 1993 referendum, and continued to increase after the successful May 1994 general elections. All indications suggest that despite donor support, Malawi will continue to face an external financing gap in the foreseeable future.

(6) External Debt

Malawi's external debt is currently estimated at approximately \$ 2 billion. About 80% of the total debt is owed to multilateral donors, largely the International Development Agency (IDA). As in the past,



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Annex 2

Government of Malawi's Development Planning Process

The Government of Malawi's development planning process is articulated through various policy pronouncements and documents. The July 1994 policy framework paper (PFP) covering the period 1994/95-1996/97, prepared by the GOM in collaboration with the World Bank and IMF, outlines the GOM's objectives for this period. The PFP openly recognizes Malawi's central problem as poverty and believes that poverty alleviation will form the core of the development agenda for the 1990s. The Public Sector Investment Program (PSIP) is essentially a rolling five-year development program intended to prioritize GOM's proposed sectoral investments, which are then reflected in the annual development budget. It is intended to ensure that donor-financed activities are consistent with national development priorities, originally expressed in the GOM's 1990-94 Statement of Development Policies (DEVPOL) and that recurrent expenditure implications are reflected in the annual revenue budget. Because Malawi's development budget is heavily financed by donors (about 85%), donors are involved in the review of the document from its inception.

The GOM's 1994/95 development budget before grants was MK958.9 million, compared to MK455.7 million in 1993/94. About 85% of the 1994/95 development budget is financed by foreign donors, indicating Malawi's continuing dependence on donor assistance.

Table A presents a breakdown of the development budget by sector for the period 1989/90-1994/95. As the figures indicate, there has been a shift in the development budget allocations from infrastructure to social services. Specifically, development budget allocations to education, health, and miscellaneous services have increased over the six-year period. Also expanding, but to a lesser degree, were allocations to finance, commerce and industry. On the other hand, allocations to housing, transport and posts and telecommunications have registered a significant decline during the same period, reflecting government's concerns about the status of the social indicators and its desire to improve them.

Policy Framework for Development

According to the GOM, its development strategy is to place greater emphasis on policies and structural reforms that promote a greater supply response in agriculture and smallholders, reduce ownership concentration in manufacturing, distribution and finance sectors, enhance domestic competition, accelerate economic diversification, raise average productivity across all sectors, improve external competitiveness, and increase participation in economic activities without restrictions by area or type of activity. The following is a brief discussion of GOM's medium- and long-term sectoral policy reforms in the various sectors.

Medium-Term Sectoral Policy Reforms

Agriculture Sector: Agriculture will remain the major source of economic growth in Malawi. The government believes that the agricultural sector has untapped growth potentials that can be mobilized through the elimination of remaining formal and informal constraints to production and marketing. The government's strategy is to liberalize agricultural input and product markets and prices and promote private sector activities in the sector.

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Table 2: Government of Malawi Development Budget, 1989/90 -1994/95 a/

Sector	89/ 90	90/ 91	91/ 92	92/ 93	93/b/ 94	94b/ 95
Transport	35.9	36.1	36.1	2.0	2.5	2.7
Agriculture & Livestock	13.3	15.6	15.6	9.7	6.4	12.5
Education	8.7	12.9	12.9	18.6	18.1	12.7
Health	7.2	8.3	8.3	17.1	12.9	14.8
Post & Telecommunications	0.4	3.0	2.0	0.0	0.0	0.0
Water Supply & Sanitation	7.9	5.0	5.0	6.3	8.8	6.8
Miscellaneous Services	3.1	4.3	5.3	35.0	37.1	26.3
Forestry and Wildlife	4.7	3.4	3.4	2.9	6.5	3.1
Finance, Commerce & Industry	2.2	3.7	3.8	1.7	0.8	15.0
Housing	3.9	1.0	1.0	2.3	1.9	1.1
Government Buildings	0.8	3.0	3.0	0.7	1.8	1.1
Power	0.9	1.2	1.2	0.0	0.0	0.0
Surveys and Lands	0.2	0.6	0.6	0.3	0.2	0.2
Community Services	0.3	1.4	1.4	1.6	1.6	2.8
Fisheries	0.5	0.4	0.4	1.8	1.4	1.1

Source: Government of Malawi, Economic Reports, various issues.

a/ Government of Malawi's financial year from April 1 in one year to March 30 in the next.

Manufacturing Sector: The government's strategy emphasizes removal of constraints on private sector activity, elimination of economic monopolies held by parastatals and large private conglomerates, and maintenance of a market-determined pricing system.

Public Enterprise Sector: The government is committed to a comprehensive program aimed at commercializing and privatizing state-owned enterprises. A privatization policy which seeks to transform most statutory bodies (parastatals) into private entities will be developed.

Social Sectors: The social sector strategy is to implement a program to strengthen human resource development in collaboration with the government's stabilization and structural adjustment policies. While some social indicators have improved since independence, they remain unfavorable by sub-Saharan standards. The GOM will increase budgetary resources to maintain and expand support for social development with particular emphasis on the most vulnerable and disadvantaged groups, including women and female-headed households, particularly in rural areas. Primary education has been a primary beneficiary of the new government's "pro-poor" policies.

Long-term Development Policy Reforms

In the long-term, the GOM is committed to addressing the issues of poverty, marginalization of women in major economic activities, and depletion of natural resources.

Poverty Alleviation: The core of the GOM's development agenda for the 1990s seeks to address the root causes of poverty which include (1) historically low income levels, (2) limited employment opportunities, (3) unequal access to land, (4) low physical productivity of land and labor in agriculture, (5) low levels of human capital; and (6) rapid population growth. To this end, a presidential council on poverty alleviation and a national steering committee on poverty Alleviation supported by sector-specific task forces have been established to formulate and initiate poverty alleviation programs and a national secretariat.

Gender Issues: Although women make up 52% of the population, they have significantly lower levels of literacy, education, political representation, formal and traditional employment opportunities, and access to resources to increase agricultural productivity, and employment. Female-headed households represent about 30% of the population but are over-represented in the bottom 25% of the income distribution. The government recognizes the central role of women in the socio-economic development of the country and has increased its support for women in key sectors and for basic education, especially for girls.

Natural Resource Conservation: Given the central role of natural resource management in poverty alleviation and overall economic growth, the GOM introduced the national environmental action plan to provide the policy framework for Malawi's environmental support programs.

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Annex 3

Political Vulnerability Analysis

I. Overview

In 1965 Malawi secured its independence. The Malawi Congress Party (MCP) became the sole ruling party, and a short time later Dr. Hastings Kamuzu Banda was made head of the party. In 1971 President Banda was declared Malawi's President-for-Life.

The rule of the MCP was repressive and brooked no opposition. Enemies and detractors, actual or perceived, were often murdered or imprisoned for long periods (up to 27 years). There was similarly violent suppression of any other dissent or criticism. The notorious armed wing of the Malawi Young Pioneers (MYP) together with the police ensured a cowed obedience from the Malawian people. Many went into exile fearing for their safety. The use of torture was common, as were informants, resulting in a breakdown in trust within communities and even sometimes families. There was accordingly no culture of debate, discussion or challenge, the result of which has been to make people wary of any criticism. The media comprised two newspapers and one state-controlled radio station -- The Malawi Broadcasting Corporation (MBC). No critical independent reporting was possible or permitted. The Daily Times and The Malawi News, both printed by Blantyre Printing, which is owned by Dr. Banda, reported only good news and praise of the president.

The structure of power was entirely vertical. "Civic" activities were directed from the top down, suppressing any sense of civic duty or volunteerism. People were accustomed to being told what to do, think and say. There is now consequently little confidence in making decisions or taking responsibility for actions. Taking the initiative was something that threatened power; people need to be reassured that it is now acceptable and desirable.

The rule of law was treated with contempt. The judiciary was effectively powerless, and traditional courts presided over by traditional authorities without any legal training, dealt with cases as serious as murder. They routinely passed sentences of death when defendants were neither represented, nor entitled to be, and where none of the safeguards required according to international standards were available. Indeed it was in this way on groundless charges that President Banda sought to justify the incarceration of some key rivals. It is therefore unsurprising that people have little or no confidence in law and order.

The combined effects of this regime have left most Malawians with little confidence, less trust and a serious lack of initiative. They have had no other experience of power but its abuse and this is a legacy from which the Government of Malawi (GOM) suffers as much as the ordinary citizen.

II. The Rise and Consolidation of Political and Economic Authoritarianism: 1965-1990

There were a few serious challenges to Dr. Banda's power over his career, and they began early in his tenure. The cabinet crisis of 1964, three short years after independence, was the first major challenge to Dr. Banda's authority made by younger, and more progressive politicians. While the differences were ostensibly over issues of foreign and domestic policy, Dr. Banda's handling of the crisis and the subsequent banishment of the ministers underlined a basic suspicion that Dr. Banda held for the younger, educated generation of Malawian politicians. The result of the crisis, in addition to the loss to Malawi of some "second generation" political leaders, was the restriction of some basic freedoms (of association, for example) through new legislation (Public Security Act, the Forfeiture Act, etc.) and the incarceration of Malawi's first political prisoners. It also caused Dr. Banda to strengthen his direct ties with local institutions (Chiefs, traditional structures) as a way of preserving his power and authority with the largest groups in Malawi. In this respect, it established a pattern which Dr. Banda followed repeatedly throughout his tenure as State President: whenever challenged, he appealed to his traditional bases for support.

By the 1970s, Dr. Banda's suspicion of yet another generation of younger politicians led him to institutionalize measures designed to ensure that no single leader was able to garner sufficient support to effectively challenge him. The cabinet was reshuffled usually annually; in 1972, it was reshuffled a record six times! He regularly expelled anyone he felt necessary from government or party posts, and increasingly used preventive detention laws to silence opposition or suspected opposition. In 1973, another major shake-up sent Aleke Banda, a staunch supporter of Dr. Banda in 1964, into detention for the second time where he remained until 1977. While his ostensible crime had been to admit to foreign journalists that as secretary general of the MCP he expected he would be Dr. Banda's successor it is unclear whether Dr. Banda's sensitivity to challenges brought about his downfall or whether it might have been hastened by other competitors for the succession.

The late 1970s and 1980s saw a further consolidation of Dr. Banda's power with the strengthening of the Malawi Young Pioneers and the red-shirted Youth League of the MCP. The MYP, originally set up to foster rural and agricultural development and to extend Dr. Banda's good works and good name into rural areas, became by the 1980s a paramilitary force which Dr. Banda relied upon regularly to "install discipline" in the populace. The MYP and the Youth League ensured that every inhabitant of Malawi held Malawi Congress Party cards (cost: MK1.00 per person), grew the crops requested by Dr. Banda, repaid their agricultural loans, and participated in community development works. Over time, they developed into a force of their own, regularly handing out punishment for presumed crimes against traditional order. Between the power of the MYP, the Youth League and that of the traditional courts in rural Malawi, Malawians were progressively denied basic human, legal and economic freedoms.

Over this time, Dr. Banda's sensitivity to perceived challenges from within the party continued. In 1980, Gwanda Chakuwamba Phiri, the then-leader of the MYP, and an extremely popular politician in the southern region of Nsanje, was summarily tossed into prison for a total of 13 years for ostensibly having had in his possession articles that indicated his desire to replace Dr. Banda.

In 1983, another cabinet crisis developed. While the causes of the crisis are almost irrelevant, the handling of the crisis became a rallying point for many

Malawians who had become progressively concerned about the ugly nature that authoritarianism had taken in Malawi. When three politically progressive cabinet ministers and a member of parliament who had challenged Dr. Banda were found dead in a car accident, suspicion grew that they had in fact been murdered.

Inextricably woven into the rise of authoritarianism in Dr. Banda's Malawi is the increasing influence of John Tembo and Cecilia T. Kadzamira over President Banda and the affairs of the nation. Ms. Kadzamira, affectionately known as "Mama" Kadzamira, was Dr. Banda's nurse in his private practice after 1958. After he entered into politics, she became his secretary, finally graduating to the post of "Official Hostess" to the president. It has been generally recognized that Mama Kadzamira exercised considerable influence over Dr. Banda. Many cabinet ministers of the era reported that their weekly visits to the palace included two stops, an interview with the president and another with Mama, each one as important as the other.

John Tembo benefited from being Ms. Kadzamira's uncle, and entered politics in about 1961 as an MP from the Dedza district. In fact, it is reported that the rising influence of Mama Kadzamira, as demonstrated by Tembo's appointment into the cabinet was one of the grievances that led to the 1964 cabinet crisis.

John Tembo has survived every challenge to his own and Dr. Banda's authority (and succession) since that time. He has served as a member of parliament since 1961, a cabinet minister on several occasions, the governor of the Reserve Bank, a member of the MCP Executive Committee and as Minister of State in the Office of the President, often concurrently, over the years. Still, he found time to be "an ordinary businessman" throughout the entire period as well, amassing what appears to be a large fortune over the past 30 years. As a senior trustee of the Press Trust, he has direct and indirect power and influence over many of the biggest private sector enterprises in Malawi. He is chairman of the board of Press Holdings, National Insurance Company, Limbe Leaf Tobacco, and the Commercial Bank of Malawi, to name a few. This incredible rise in power and influence and its duration coincided with the rise of authoritarianism in Malawi.

It is generally believed that by 1993, it was more likely that John Tembo and Cecilia Kadzamira were directing the country's affairs than Dr. Banda.

III. The Successful Political Transition: 1990-1994

A. Background

The dissent which had been gathering in the late 1980s and early 1990s came to a head in March 1992 when the Catholic Bishops issued their Pastoral letter. While the letter was worded quite mildly and constructively, in an environment devoid of criticism it was viewed as a scathing attack on the MCP regime and unprecedented as a public denunciation of the practices which everyone feared but nobody dared to challenge. The government reacted immediately by declaring it seditious and therefore possession of it an offence. Nevertheless, all the other religious leaders gave it their support, and it was widely disseminated throughout Malawi and outside the country.

The Bishops' concerns were echoed by the international donor community at its meeting in Paris in May 1992. The bilaterals at that Consultative Group took the decision to suspend non-humanitarian aid until:

"a more open and transparent political system is in operation and the deplorable human rights situation improves significantly."

This, coupled with international outcry at the arrest and conviction of labor leader Chakufwa Chihana for having exercised elementary free speech, increased pressure on the GOM to implement changes. In October, this resulted in President Banda announcing that he would call a national referendum on the issue of a single party versus a multi-party system of government. The referendum took place on June 14, 1993.

During this period opposition groups were able to surface, an independent press began being cautiously circulated and people began to talk more openly. In August the Public Affairs Committee (PAC) was formed as an umbrella non-governmental organization. It represented the religious groups, the business and legal communities, and the nascent political opposition and human rights groups. The government responded by creating the President's Committee for Dialogue (PCD), and meetings began between the two on a wide range of social and political issues.

B. The Referendum

Despite complaints by both sides of intimidation and harassment during the May-June campaign period, and the obstructions which the opposition had to overcome, the climate improved as the referendum approached. For example, MBC broadcast a debate between the PAC and PCD. Newspapers flourished and reported campaign news.

The referendum took place with few problems being reported by international and local observers, who described it as "an accurate reflection of the will of the people of Malawi." Approximately three quarters of the voting population registered, with 3.1 million of the 3.5 million registered actually voting.

The final result of the referendum was 63.2 percent in favor of the multi-party system of government and 34.5 percent for the single party system. 2.3 percent of the votes were void.

With President Banda's immediate acceptance of the result, preparations began for elections the following year.

C. The Elections

Discussions between the GOM and PAC set the agenda for a range of issues which were, and remain in the post-election period, priorities:

- * the establishment and consolidation of democratic institutions;
- * the role of civic education;
- * practical aspects of electoral reform (legislation, delineation of boundaries)
- * decentralization and local government development;
- * the rule of law, the independence of the judiciary and constitutional reform;

- * the role of the media; and,
- * recognition and protection of human rights.

In all there were eight registered political parties in existence over the electoral period, each stating its commitment to a state founded on the rule of law, with separation of powers, freedom of expression and a free press.

The National Consultative Council (NCC) was formed, comprising a equal number of members from each of seven political parties (one party registered too late to have been incorporated into the NCC). This functioned as a parallel body to parliament. It took up the issues which the discussions between GOM and PAC had identified as priorities and was responsible through its various committees for assessing objectionable legislation with a view to its repeal, drafting legislation appropriate to the new system and the forthcoming elections, and drafting a new constitution. It established the Electoral Commission (EC), chaired by Justice Anastasia Msosa, which was responsible for managing all aspects of the elections including legislation, information and education, and enforcement of a new electoral law. The National Executive Council (NEC) was also formed as a parallel body to the cabinet.

In November 1993 the date of the elections was set for May 17, 1994. All activities and decisions from that point forward focused on this one date.

From the time of the referendum up to the elections, there was a determined effort to take advantage of the new freedoms now available in Malawi, especially for public debate over issues which should be a priority for any new government. There was a tangible sense of the political awakening which had begun with the referendum.

The media opened up, mainly through a proliferation of newspapers (more than 20 in number). For the first time in nearly 30 years it was possible for independent papers to be distributed, read and discussed openly, and for them to public articles critical of the government, or those confronting sensitive social issues which had been officially denied before, for example, AIDS, poverty and the increase of orphans and beggars on the streets. MBC remained more cautious in its reporting, although as the election drew closer and with the assistance of a media specialist provided through IFES, it became more and more open in its coverage of events. It broadcast a number of constitutional pieces, including daily coverage of the NCC constitutional conference, and a "roadshow" recording the views of people in the rural areas. It also scheduled a live debate between President Banda and Bakili Muluzi but this was not broadcast since neither candidate attended. After the elections had taken place, it broadcast the results live as they were announced.

It should be noted that the proliferation of newspapers was of largely urban relevance since the transportation and distribution within Malawi are very poor, and illiteracy is about 70 percent. In this regard, the radio could be used more effectively as a medium for the wide distribution of information. Nevertheless this development remained a healthy indication of new tolerance for freedom of expression and the desire for that and other freedoms to be exercised.

Local non-governmental organizations (NGOs) also developed rapidly over this period. those that were hitherto underground were able to surface and new groups also formed, concentrating on social, legal and human rights issues. The human rights groups as a whole played an important role in keeping the constitutional debate on the public agenda.

The drafting of the constitution was a crucial feature of the electoral period. By the time work began, the drafting committee, composed of one representative from each party represented in the NCC with assistance from a UN legal advisor, had three months before it had to be in place. The intent of the NCC was to make sure that it would be passed into law as a new, but interim Constitution before the elections. This would ensure that Malawi's new political era would begin with a solid constitutional base, with basic legal and human rights guarantees in place, regardless of the outcome of the elections. There was criticism that the draft was not widely available for public scrutiny before being finalized, but the tight schedule combined with communications, educational and logistical problems made it impossible to have the whole document prepared in time for any legitimate process of scrutiny to take place. Scrutiny and public discussion for a one year period following its passage, however, was built into the constitution itself.

Still, there was considerable and public participation in the drafting of the constitution. The Legal Resources Center (LRC) organized a constitutional symposium which took place in early February 1994. The (ambitious) aim had been to have the draft constitution available and debate it. For the event a full timetable of pertinent issues was prepared, and there followed two days of open, vigorous and constructive debate on constitutional and wider social issues. There was a sense of euphoria pervading the symposium as people put aside their fear of public argument and aired their opinions and convictions. On some issues there were even votes taken by a show of hands. This would have been unthinkable a matter of months earlier. A complete cross-section of society and interest groups was represented, from the traditional chiefs to law students, representatives of the disabled, and union representatives to interested individuals. The NCC and EC were represented and the constitutional committee played a full part in the plenary discussions and workshops. Although the press also attended, coverage was inconsistent.

Some two weeks later the NCC hosted a National Constitutional Conference which took its lead from the symposium. From that lively and public debate, issues that were important to ordinary Malawians as opposed to politicians were placed firmly on the agenda for discussion at this more formal conference. For example, it was clear that while most people were not interested in revenge for past MCP rule, they did see past and continuing accountability and transparency of government as a priority. Once again a broad cross-section of interest groups was present and the entire NCC attended.

The conference was broadcast daily on the MBC and covered much more thoroughly in the papers than the symposium had been. This may have been the result of journalists still feeling duty-bound to concentrate on "government-sanctioned" issues, or just the fact that the symposium was the beginning of a public constitutional debate, and it may be that some were slow to grasp its relevance.

Civic education was another priority during the election period. This was within the Electoral Commission's mandate and there was assistance offered from international donors. The PAC, which by this time had mutated into a committee representing the religious communities, was seen only as a good vehicle for far-reaching education programs, due to its ability to reach rural areas using the comprehensive network at its disposal. Two donors, the Association of Western European Parliamentarians for (Southern) Africa (AWEPA) and DANChurch AID, funded large civic education programs which were meant to inform people on the mechanics of voting and more general issues such as basic human rights, in preparation for the elections. There were also programs and workshops coordinated by the UN Electoral Assistance Unit (UNEAU), of which a particularly successful initiative was the use of a drama troupe.

There seems to be little feedback available on how successful the PAC-organized programs were. There were serious questions raised as to the efficiency with which both the tight timetable and the considerable funds donated were managed. While indications are that the mechanisms of how to vote did not cause any real problems, with good reports of the assistance given at the polling stations themselves, the wider issues of civic education do not seem to have been adequately met. In a nationwide focus group exercise conducted by NDI in August 1994, it appeared that few people knew of PAC and it appeared that most of the church-based civic education surrounding the elections had come from an independent program administered by the Catholic Church.

The electoral commission estimated that 80 percent of those eligible to vote registered and of that, some 80 percent voted. It may be that had the education programs begun sooner and been more effective, these figures could have been improved upon, particularly in light of some evidence of intimidation and harassment over the registration period. More time was needed for education to meet the ignorance under which some sectors of the population labored. For example, out of a force of several thousand police only 600 registered because of an illegal prohibition on police registration imposed by the inspector general of police. The intervention of the electoral commission averted similar problems with the army.

The limitations of the civic education that was achieved leave a gap which now needs to be filled to ensure that Malawians are equipped with all the information they need to make the new system of government work for them.

The issue of intimidation was one of concern. The number of reported incidence was high over the registration period, and reports persisted over the time of political campaigning. However, while some intimidation did exist, independent investigations by NGOs often concluded that reports were false, or exaggerated. At any rate, as the election drew closer the number of reported incidents reduced. The Human Rights Monitoring Program continued to report isolated incidents of low level intimidation, and the EC admitted that particularly in the central region some intimidation had continued. However, the uncompromising approach of the EC to such issues, including a personal meeting between Justice Msosa and the chiefs, sent out a clear message that any kind of interference in people's choice of voting was unacceptable, despite the lack of support received from the police in prosecuting electoral law offenses.

The elections passed peacefully and observers agreed that the results reflected the will of the Malawian people, although the division of voting along regional lines gave cause for concern. UDF presidential candidate Bakili Muluzi gained a majority, but the government he formed was a minority in parliament, presenting potential problems in the passing of legislation.

There followed talks between the UDF and AFORD leadership which resulted in AFORD being offered three minor ministries in a joint UDF-AFORD cabinet. This was unacceptable to AFORD, and in June 1994 it announced that AFORD and the MCP had formed an alliance. The intent was clearly to create a voting block that could defeat UDF-initiated legislation.

While the president was not obliged to include members of AFORD in his cabinet, given the regional voting patterns and the UDF shortfall in parliament, the benefits of incorporating AFORD into the cabinet were obvious, both in terms of enacting a legislative agenda and incorporating the disaffected North into mainstream politics. The AFORD-MCP alliance forced the president's hand, which is clearly what it was meant to do. As a result, the

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UDF offered a second package to AFORD which created a second vice-presidency and placed AFORD MPs in five cabinet posts, including that of minister of agriculture. This was a pragmatic move by the President and his advisors. However, it also demonstrated a potential lack of respect for the constitution and lack of accountability to parliament. That said, parliament did subsequently debate and pass legislation, in accordance with the terms of the interim constitution, which created the second vice-presidency. But, it did so only after amending the executive's bill to ensure that the post was optional and could only be filled by a member of an opposition political party; i.e., the position may only be activated if the intent is to forge political unity.

The institutional development of political parties in Malawi took a back-seat to politics and campaigning in the period between the 1993 referendum and the 1994 elections. What had been the opposition during the referendum fragmented into seven parties, but they were and remain based on allegiance rather than a particular philosophy or conviction. The regional breakdown of voting both during the referendum and the elections supports the conclusion that these allegiances are regional. People voted for "their man" rather than the policies he embraced. There now remain three effective political parties in Malawi: The UDF, MCP and AFORD.

While there was no real need for discrete political identifies at the time of the Referendum, and in fact a united front was necessary for the defeat of the one-party state of the MCP, there is now a need, if the new democracy is to flourish, for the parties to develop political philosophies and accept that the opposition has an important and constructive role to play. If steps towards this are not made, there will be little choice for the electorate at the next general election but to follow "their man" whatever his policies. This could exacerbate regionalism. These issues need to be addressed in any program of party development as well as any program of civic education.

In these circumstances the role of civic organizations and NGOs, a responsible and challenging press, and an independent judiciary as a strict watchdog of the rule of law, combined with an informed and vocal public will be crucial in safeguarding and consolidating the steps which have been taken towards democracy.

IV. The Challenges Ahead: Weak State to Weak Democracy

While the previous section detailed the actions that led to the successful and peaceful transfer of power in Malawi after 30 years of authoritarianism, this part of the assessment will attempt to analyze what that transfer happened in the way it did. Why did Dr. Banda initiate the process that led to his own defeat? Why and how did the political opposition succeed even though they were widely slit and even though they failed to take advantage of every weakness of the MCP? With this as a backdrop, we will then examine what the experience to date posits for governance and representative democracy in Malawi over the tenure of the current political leadership.

A. Demagoguery and Elitism: The Myth of the Invincible MCP

On June 14 1993, the earth shook under the feet of the Malawi Congress Party. After 30 years of rule and stable government headed by the beloved Ngwazi H. Kamuzu Banda, the Malawian people publicly and forcefully said they wanted a change. How did this incredible event come about? Why did the MCP go to the

polls if it was going to lose by so much? Why did the MCP accept the results? There are several explanations, but four themes stand out:

- * The Malawi Congress Party gradually became seen as distinct from Dr. Banda.
- * The influences controlling the MCP became to be seen as greedy and corrupt.
- * The Malawi Young Pioneers and the Youth League of the MCP became more repressive and cruel.
- * Dr. Banda's mortality was becoming more evident.

Together, these four themes resulted in the disaffection of the rural population, the source of political strength, from the Malawi Congress Party and from Dr. Banda.

Over the 30 years of Dr. Banda's rule, fear of the MCP had gradually replaced the respect that most Malawians held for Dr. Banda. While there were few real challenges to Dr. Banda's rule and authority, there were some significant ones, as noted above and some of them resulted in famous incidents (the Mwanza incident) and others became internationally known human rights cases (the Chirwa case, for example). Over time suspicions and fear grew in Malawi as political leaders disappeared, often without word, and their families fled to neighboring countries, they became more vocal about the situation within Malawi and international attention increased. As international attention increased and as the fear of Soviet hegemony in Africa decreased, the Banda regime came under international criticism for its human rights record as well as its apparent extravagance in the face of poverty at home.

Over the same period, the power and importance of the MYP and Youth League grew, another source of rising fear among the populace. A strong believer in obedience and discipline, Dr. Banda regularly used his Young Pioneers as a force to instill discipline and ensure the obedience of the people of Malawi. Over time, the MYP became a military force which instilled great fear for its firepower as well as its adherence to Dr. Banda's principles. Better equipped than the army, but outnumbered by it, Dr. Banda's reliance on and favoritism shown to the MYP became a source of contention between these two military forces.

The traditional courts became another arm of government for extending control over the people. Originally set up to hear family and disputes over customary land rights and the like, the Malawian system gradually conferred great power on these traditional courts to try all cases, including criminal and capital cases. Defendants were subject to the decisions of the courts without appeal and without having had benefit of any legal representation, forbidden in these courts. While the formal judiciary cowed beneath Dr. Banda's power -- with some reason as any judge who defied Dr. Banda likely found himself on the "inside" of the criminal justice system -- the traditional courts meted out cruel justice with relatively few checks on their power.

Over time, the Malawi Congress Party became distinct from Dr. Banda. Commanding great respect for his role in the independence battle and widely heralded as the champion of the people, Dr. Banda did everything he could to keep the people with him. He appealed directly to the illiterate, provided communities with favors, ensured the loyalty of traditional authorities (through favor or fear), and generally presented himself as a proponent of the peasant classes. In short, he took great care to reinforce his popularity

with the common people directly. At the same time, however, the people had to blame someone for the unfair treatment they received. They blamed the Malawi Congress Party.

With the economic downturn of the 1980s and the gradual erosion of perceived economic well-being during the late 1980s, the contrast between the rich and poor, between the government and the governed became ever more visible.

During the same period that economic growth was declining and rural poverty was worsening, the Press Corporation, held by Dr. Banda's Press Trust, took out government backed loans to undertake a needed restructuring. By the end of the 1980s, Press was converting itself into one of the most profitable business conglomerates in the Southern Africa region and one of the most visible and influential economic forces in rural Malawi with extensive tobacco and other agricultural holdings.

Also over the 1980s the estate holdings of Dr. Banda, John Tembo, and Mama Kadzamira grew; in fact, during the period, thousands of hectares of land were converted from common title to leasehold and freehold land title. This tremendous increase in estate holdings largely favored the few who had friends within the party -- and whose friendship and loyalty the party wanted to buy. Likewise, the granting of a tobacco production quota became an ingrained part of a pervasive patronage system that bought the loyalty and obedience of high-ranking party members and civil servants -- while Dr. Banda continued to enforce loyalty and obedience among the rural population with the force of the MYP and the Young League.

As the enrichment of the few was becoming slowly more obvious during a period of declining growth, Dr. Banda unexplainably began and continued throughout much of the decade the construction of his thirteenth official residence, a lavish palace situated outside of Lilongwe. New State House, begun in 1983, was completed in 1994 at a reported cost of US \$100 million. He also built and staffed the famous Kamuzu Academy outside of Kasungu, a first world educational facility which enrolled a few, select students each year.

By the early 1990s -- and certainly by 1993 -- the level of overt greed and bribery among party members was becoming more known. Dissatisfaction within the civil service was addressed by wage increases. Loyalty became a commodity to be bought and paid for from the coffers of both the government and the MCP. Throughout the period, right up to 1993, contributions to the MCP continued, a result of the "obedience" of the rural masses who continued to buy party cards for themselves, for their deceased relatives and for their yet unborn children at the direction of the party machinery.

However, the increase in greed and the increasing visibility of the economic distance between politically powerful party members and the rural people gradually began to affect the rural people from whom Dr. Banda garnered his strength. First, the people became disaffected from senior party officials and suspicious of the powerbrokers within the party, most especially John Tembo. As whispers about suspected human rights abuses, the elimination of political competitors (the Mwanza murders) circulated and grew, and as international and domestic awareness of ostentatious economic behavior of Malawi Congress Party officials increased, John Tembo and his niece, Mama Kadzamira, the official hostess, were most often cited as the villains. Whether they are guilty of all the crimes of which they have been accused is irrelevant to this analysis; the fact is, the majority of Malawians thought they were guilty and they became the most visible scapegoats.

By mid-1992, the stage was set for the Malawi Congress Party and Dr. Banda to lose the loyalty and support of the very people who had helped him to retain power for so many years. As discussed in the previous section, several events converged: a major drought which worsened the already abysmal circumstances of the rural majority; a challenge from the churches, perhaps the only "organization" in Malawi not under Dr. Banda's or the MCP's direct control; a cut-off in international assistance which further accelerated the economic tailspin; and an increasing awareness of Dr. Banda's frailty and mortality combined with a fear of who might succeed him.

The now-famous crop inspection of 1992 marked a watershed in the people's awareness of Dr. Banda's frailty. The story still circulates in Malawi that after having visited the first maize-growing areas, Dr. Banda declared the crop a successful one when, in fact, most of the country was experiencing the worst drought in a decade. While his political handlers attempted to cover for the gaff, for most people the story and its continual retelling became a symbol of how distant Dr. Banda had become from his people. With much of the population facing the prospects of depending on international relief just to survive to the next season, Dr. Banda's building programs became that much more visible and the overt consumption of party and political leaders continued. Worse yet, throughout the period, the demands of the MYP and rural political apparatus for "contributions" to the MCP coffers continued unabated.

By the end of 1992, Dr. Banda bowed to the pressure of the international community and took the initiative to announce that the referendum would be held. In a sense, it was this decision that put the future of the Malawi Congress Party and Dr. Banda himself on the line. Why did he do it? Did he believe the people were ready for multi-party democracy?

The answer to the latter question is likely "no"; at least there is no indication that Dr. Banda looked upon the referendum as a step forward in Malawi's political development. Then why did he do it? There are probably three answers: (1) the economic pressure had become too great, forcing him to do it; (2) Dr. Banda and the MCP did not dream that they could lose the referendum; and (3) Dr. Banda may have begun to reflect on his mortality and his place in history.

It is true that the economic pressure was great. The drought was severe. While relief assistance did flow, it did not cover all the costs which government had to pick up. The reduction in balance of payments support -- now estimated at about MK 150 million under "normal" levels -- combined with drought expenditures did cut into government's ability to maintain fiscal and monetary discipline. Also, the announced reduction in donor assistance sent a shiver of fear down the backs of both the GOM and the private sector. Investment fell, foreign exchange seeped out, loans were not repaid, and the macroeconomic policy framework of which Malawi had been so justifiably proud began to crumble.

But, many of today's leaders of Malawi Congress Party will now tell you that in 1992, the party just did not think it could lose. In fact, up until referendum day, most thought the party and Dr. Banda would be the overwhelming choice of the Malawian people. But the MCP lost the referendum by a wide margin. And, it was virtually by the same margin that Dr. Banda and his party lost the 1994 general elections. In fact, between 1993 and 1994, only two constituencies in Malawi voted differently than they had in 1993, moving to the UDF and away from the MCP.

The story of Dr. Banda's Malawi will be written and rewritten for years. As new evidence comes to light, his motives and actions over a thirty-one year

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presidency will be analyzed and reanalyzed. However, it is not too early to reach at least one conclusion. Dr. Banda and the Malawi Congress Party left behind a much weaker state than the one they built and controlled.

The relationship between the government and the governed deteriorated under Dr. Banda's regime. The history of political purges, the closing of society, and the impoverishment of the rural population weakened Malawi politically. The people grew to distrust authority. They became suspicious of a civil service and a Young Pioneer structure which appeared to be working more to their own benefit than to the people's benefit. As repression became more rampant the people grew to distrust their traditional authorities, chiefs became viewed as arms of the government; the traditional courts became arms of repression. Distrust and fear of being reported grew so much that people were loathe to speak within their own extended families. It will take years to rebuild the trust between the political leadership and the people that is required in a real democracy.

The relative separation and balance of powers within the government and between the government and the private sector were virtually destroyed over the Banda years. The one-party MCP parliament was nothing more than a rubber stamp, called into session at the will of the president. Over the years, Dr. Banda tested the parliament to dissent with his views, and each time those who rose to the test were punished or ostracized or worse. The judiciary was gutted of independence and became widely known as subservient to the executive's judicial decision. In fact, the determination of a person's guilt or innocence was sometimes announced by the president himself in advance of the trial. Sometimes this extended to the punishment as well!

In sum, at least one legacy of the Banda years -- and the important one for this analysis -- is that structurally, Malawi is a very weak state.

B. Weak but Focused: The "Success" of the Opposition Political Parties.

It is not at all clear that the triumph of the political opposition in the 1994 elections was a result of its success; rather, it is more likely that it reflected the "failure" of the MCP and the disassociation of Dr. Banda and the people. Dr. Banda's illness of late 1993, his resulting brain surgery, and his virtual absence from election campaigning from that time forward only served to seal the fate of the MCP; without its only reverend leader -- and his replacement by one of the most feared men in Malawi -- the MCP could not win.

The seven political opposition parties which contested the elections were a mixed lot. Small groups which had spent many years in exile in South Africa, Zambia and Tanzania campaigned against parties which had formed within Malawi. The two major opposition parties from within Malawi were regionally-based, and one, the United Democratic Front, had a leadership composed of politicians and technocrats who had once been prominent members of the MCP and/or the government of Dr. Banda. Reading the "manifestos" or party platforms of the three major parties reveals few policy differences between the parties, and the campaign for the elections revealed few real issues that would lead the populace to see a political choice. As indicated above, the major election issue was largely confined to the persona of the person running for the presidency.

Virtually all opposition parties ran against the Malawi Congress Party, with little or no effort to distinguish themselves from each other. Although few

campaigners directly attacked Dr. Banda -- and when they did, it was not well received -- attacks on the Malawi Congress Party were direct. Attacks on the leadership of the Malawi Congress Party were less direct, but evident nonetheless. Attacks on the legacy of the Malawi Congress Party were direct; the party was blamed for everything.

And, the opposition promised much: higher incomes, free education, debt forgiveness, free fertilizer, free seed, free food, new hospitals, new clinics, new schools, new roads the list goes on. But the Malawi Congress Party promised much, too, and it attempted to capitalize on a track record of delivering. However, with the convergence of economic events, the absence of Dr. Banda, and 30 years of rural economic decline in rural areas where 80+ percent of the electorate reside, the MCP was fighting a losing battle.

In the final analysis, the voting patterns remained virtually unchanged between the referendum and the general elections, with AFORD and UDF splitting along regional lines the constituencies which had voted overwhelmingly for multi-partyism in the referendum. This split ensured a strong showing for each of the big three parties in the parliament, and no showing for any of the minor parties.

One particularly noteworthy success of the seven opposition parties and the MCP working together during the period between the 1993 referendum and the 1994 general elections was the National Consultative Council (NCC). Composed of equal representation from each political party, the NCC was charged with drafting and supervising legislation and regulations in all matters having to do with the "transition." It was this body and its deliberations, and its ability to compromise and reach consensus which demonstrated that democracy could work in Malawi. Over the course of its short life, the NCC drafted, negotiated, and successfully ensured: (a) passage of an electoral law and; (b) the repeal of all the most repressive legislation passed during the Banda regime; and (c) the establishment of an Electoral Commission with wide powers to both implement and judge the fairness of the elections and the activities leading up to them. The strong desire of Malawians to reach consensus on major issues was amply demonstrated over the ten months of the NCC's existence; the strong commitment of the political parties to ensuring a peaceful transition to a new political order was evident.

C. Can the Former Opposition Govern?

1. The Executive. There is no doubt that the leadership of the United Democratic Front (UDF) is committed to democracy in Malawi. Democratic governance, however, is not something that comes easy to party leaders who learned their politics under the tutelage of Dr. Banda and the Malawi Congress Party.

The leadership of all three of Malawi's major political parties is characterized by persona and charisma and not molded by issues or policies. Leadership is defined by who you are, not what you stand for. This will take time to change.

That said, the leadership style within the UDF executive and the allied UDF/AFORD Presidential cabinet is openly (and perhaps overly) democratic. It seeds consensus on all issues. The president seeks advice from his cabinet, and debates and discussions do not end until each person has said all that he or she wishes to say, usually a very long time. Weekly cabinet meetings usually start early in the morning and continue late into the night. In the

end, the cabinet either reaches consensus or, when it does not, a vote is taken and the majority view dictates. With an overly large cabinet of 27 ministers (itself a manifestation of the UDF's open leadership style), consensus and majority-rule often do not lead to consistent policy-making. Recent examples include a decision to grant an across-the-board civil service wage increase followed by its subsequent retraction after it had been announced. This problem is gradually becoming recognized from within the party. The president is unlikely to curb his quest for consensus, but it is likely that with a reduction in cabinet size and a more formal process for technocratic oversight (e.g., the establishment of a sub-cabinet economic policy group) a more informed process for decision-making can result.

One area of concern both among outside observers of Malawi's transition and among many of the members of the country's new political leadership is the public's perception that some UDF party leaders are involved in conflict of interest situations. Having been members of a political opposition for many years, most of the cabinet and other political appointees have been successful in private business. Some of the businesses owned or run by the political leadership are vital to the economy of Malawi and will be influenced by changes in economic policy. At the same time, public sensitivities to the pursuit of public office for private gain have been heightened in recent months as the extent of Dr. Banda's personal business dealings have become known. As a result, the UDF and AFORD leadership is sensitive, but not yet fully responsive to this issue.

In both August and December 1994, President Muluzi announced a comprehensive anti-corruption program, including sanctions against any political leaders guilty of corruption. Since that time there has been a formal, public commission of inquiry set up to investigate a major education procurement. Also, all ministers were ordered to file declarations of assets. While there was not standard methodology in place for doing this and much confusion ensued, eventually all Ministers did declare their assets and the declarations have been submitted to parliament. While this action is not an end in itself, it does indicate a trend in the right direction, but must be complemented in the future. Interestingly enough, in the area of corruption and conflict of interest, the media has played an influential and pivotal role in calling the political leadership to task when appropriately and openly to the criticism, and in some instances, to the particular complaints.

Public sector management is a challenge in any democracy where a new political leadership must work closely with an entrenched civil service. It is not made easier when that civil service has been in place for 30 years and when much of its loyalty has been literally bought and paid for through the patronage practices of the previous political regime. Needless to say, the political leadership is suspicious of the civil service in Malawi. However, over the past few months much of that civil service has shown itself to be loyal to the "government of the day." Some of it has not, and what appears to be almost constant changes of principal secretaries and other high-ranking civil servants by the UDF government is rally an attempt to deal with this problem, real or perceived. To its credit, the new government has sought to identify those senior civil servants who are loyal to the government of the day and elevate them, offering many the first chance for advancement in years. To its discredit, the government's constant changes in civil service leadership have undoubtedly had a negative effect on its ability to get its programs and policies in place quickly.

A question mark in Malawi's new democracy is the wisdom of having brought one opposition political party but not both into the executive. Politically, it

was a wise move. With five votes short of majority in parliament, the UDF government recognized that the only way to get its agenda through the legislature was to bring at least five non-UDF members of parliament into the executive branch. But, it was not an attempt to forge a government of national unity, and that must be recognized.

Whether history will determine the decision to have been in the best interests of Malawian democracy is another issue. One party, AFORD, appears for the time being to have been effectively sidelined from developing its own political agenda and national identity. Its agenda and that of the UDF's must perforce be one and the same, yet is unclear whether AFORD can deliver all AFORD members of parliament on all legislation. Will both parties survive as distinct entities?

The Malawi Congress Party, on the other hand, remains the only effective opposition in Parliament. Yet, its history of power abuse and its most senior leadership are under serious indictment, both figuratively and literally, at this time. The very survival of the MCP is at question.

Still, there are signs of life. Senior MCP officials played an active role in the period of constitutional review and have assumed leadership roles in the constitutional committee of parliament. There is every indication that the UDF government is working closely with the senior leadership of the MCP to forge a legislative agenda. Also, working in its favor is the simple "staying power" of the MCP and its ability to capitalize on the political skills of its members of parliament, its organization, and its financial resources. It remains a master political maneuverer highlighted by a large number of surprise recruits to its ranks and its ability to capitalize on the mistakes of the UDF. These factors, combined with a continuation of economic distress, could eventually regain support from its old members and gain new converts to a "new" MCP.

2. The Legislature. The parliament in Malawi does not have a strong history. Over Dr. Banda's reign, what originally was set up as a functioning and separate branch of government gradually eroded into a rubber-stamp operation. A one-party legislature over whose "candidates" for election the executive retains veto power and whose loyalty and obedience are bought with patronage and ensured through extreme penalty is not an effective check or balance on the executive branch. The major question is whether the new parliament can overcome that history.

The new parliament clearly wants to be something different than its predecessor. It has new, different and wide ranging powers laid out for it in a new constitution. So far, the constitutional committee of parliament has successfully rejected every attempt by the executive to reduce its powers though the on-going constitutional review.

The new parliament is capitalizing on two strengths, and as long as it can continue to do so, its independence will be assured. First, it is capitalizing on the people's distrust of the executive branch of government. Therefore, every attempt has been made in the development of the constitution and in its review to ensure that presidential power has effective parliamentary oversight. Secondly, and somewhat ironically, parliament's second strength lies in the fact that the MCP is the major, and perhaps only effective opposition party. Released from the yoke of managing the executive branch, the MCP now devotes its considerable political talents to the tasks of building parliament.

Still, the new parliament is a weak institution. Everything from its standing rules forward are being revamped to accommodate multiple political parties. At this point in time, it is not even clear whether there will be one or two houses. There had never been a system for effective, sitting committees of parliament complete with independent powers and independent staff capability. There has never been a capability for drafting of legislation, all done previously within the executive branch. It is even unclear where the parliament will be sitting as it has outgrown the infrastructure located in Zomba.

Finally, there is little sense of accountability of parliamentarians to the people. While members of parliament realize that in a democratic system they must serve the people who voted them into office, it is unclear how that happens. Should parliament be a permanent body with salaried MPs? Should parliamentarians have offices and staff who maintain liaison with their constituency?

For parliament to be an effective arm of government, for it to serve as a check on the executive, and for it to exercise powers that balance those of the executive and the judiciary, Malawi must build and create this new parliament from the ground up. That task has just begun.

3. The Judiciary. From its history as an arm of government reduced in stature and co-opted by the president, the judiciary has made great strides over the past two years to restore its reputation for dispensing justice and maintaining independence from politics. It still has major challenges ahead.

As early as 1992, the courts began exerting a degree of independence not seen before in Malawi. With the general amnesty for political prisoners in July 1993, several cases of unlawful incarceration were filed. The courts not only agreed to hear these cases, but in two famous ones, they even awarded large settlements in favor of the plaintiffs.

However, not all the progress has been that positive. With the closing the traditional courts, a backlog of over 400 murder cases was transferred to the judiciary. With many of the accused languishing in prison and many of the original witnesses deceased or moved on, it is hard to see how the Judiciary will be able to cope. If the principles of fair jurisprudence are applied, it is likely that many of the accused will go free. This act could, in fact, further taint the public's view of the court, a public that has already seen a serious deterioration in law and order coincident with political change.

Another, obvious challenge to the Judiciary is its total lack of modernity. Having been shunted aside for the past 30 years, it is no wonder that modern court procedures and systems have passed by Malawi. Administrative systems and technology are 1950s, at best. The Malawian judiciary has effectively been isolated from the world of legal developments that have taken place over the last 30 years.

D. The Foundations of Civil Society.

1. Non-government Organizations (NGOs). There are numerous NGOs operating the human rights and democracy field, and all are nascent, weak institutions. To avoid wasteful duplication and confusion, and to achieve the broad aims which they all share more fully and efficiently, some coordination is desirable. However, there is competition between some them as they guard territory and income. At a meeting in September 1994 to promote a cooperative

or consultative committee of "human rights" NGOs following a conference sponsored by Amnesty International of the future for human rights work in Malawi, there was clear rivalry between some groups. There was also little sense of direction or purpose as to what the role of a consultative committee should be. Some tended towards setting up such a committee as a specific legal entity, while others saw it as a committee for information-sharing and cooperation.

The priority for all groups working in the democracy and human rights areas seems to be civic education. While this is undoubtedly an important areas, it would not make sense for each of the 12 or so groups to undertake civic education projects without coordinating their activities. Of course the reality is that funding would not be available to allow all of the groups to participate.

Some of the groups have narrower agendas, for example, working specifically on women's and children's issues or providing legal advice. Others are even more focused on ensuring that a truth commission be established. These would play an important part in: developing the advocacy role of such NGOs vis a vis insisting on transparency and accountability of government and keeping these issues on the public agenda.

There follows a guide to the work being done on planned by several NGOs. These are not the only groups in this field, new ones are starting almost daily, but they are representative of the types of groups and areas of work which are being addressed.

a. Blantyre Synod, Church and Society: Conducts human rights education and awareness-raising for members of the Blantyre Synod. It coordinated the Amnesty Symposium and was key to human rights monitoring in the Southern region over the election period.

b. CILIC (Civil Liberties Committee): This organization is run by Edge Kanyongolo, Professor-in-Law and Acting Dean of the Faculty of Law at Chancellor College. CILIC concentrates on civil liberties issues. CILIC conducted a successful media monitoring program with Article 19 over the election period, working with students from the university. They have plans to support the improvement of standards in journalism in Malawi, which include a Media Standards Board which would build on a network of monitors already established over the election.

c. DEMODA/CONGOMA: DEMODA seeks to assist in the rehabilitation of street children. It is in its infancy, although the problem is acute, and has made some efforts based at the Blantyre Synod to feed and educate children. This is an important area and will grow in significance as the number of children living on the streets, many of them AIDS orphans, increases. CONGOMA is the umbrella body for NGOs operating in Malawi. Over the past year, it has taken this role more seriously and is now working to finalize NGO legislation with the government. It has also had a few notable successes in lobbying government for financing and in generally raising its profile of development partnership with government.

d. Justice and Peace Commission: Father Regis Kamera is setting up the Malawi Justice and Peace Commission, to be based in committees in each Catholic diocese. Currently there is only one committee established, in Lilongwe, which has been having regular meeting over the past few months. It plans to follow the example in Zimbabwe and concentrate on education through workshops and the translation of human rights documents into the local languages.

e. Legal Resources Center: USAID is well acquainted with this NGO, set up under the auspices of the Law Society and directed by Dr. Vera Chirwa who has now resigned to set up another organization, the MALAWI CARER. The future of LRC is uncertain, although it plans to continue with education and legal advice and representation, provided by a group of lawyers on a pro bono basis. There are signs that this service is under strain however, since only a small number of lawyers carry the burden of all the work.

f. Malawi CARER: Vera Chirwa's new organization plans to concentrate on training human rights trainers who can be deployed throughout the country, and on offering legal advice. There is already one member of staff who has funded herself in paralegal training.

g. Muslim Association of Malawi: This organization made a valuable contribution to civic education and human rights monitoring over the election period. It plans to continue educating local Muslim communities on human rights and related issues.

h. Public Affairs Committee (PAC): PAC is in the process of re-evaluating its role. In late 1994, it decided to move back toward its religious role in providing moral guidance, emphasizing the relationship between rights and responsibilities, and working in the areas of healing and reconciliation, with particular concentration on the regional divisions in Malawi. If this aim is followed though it would of course be of great value. Its non-religious activities continue to center on civic education throughout the country, including human rights education. It is likely that German financing will help PAC carry out its activities in this areas.

i. Trade Union Congress of Malawi: The TUC offers introductory and follow-on seminars for its workers, concerning their rights and duties at work. It has just begun to include basic human rights training/information in these seminars.

j. Women's Voice (WV): WV is a relatively new organization formed in 1994. It seeks to raise consciousness on women's issues, and to undertake education with this focus. During the election period they conducted some civic education on voting. The plan to concentrate on girls' education and in particular the rehabilitation of young prostitutes. Another key areas of interest is the issue of widows' rights, advising women in this position on how to protect themselves, their children and property from being taken over by the family of the dead husband; and seeking clarification on the law and the protection it offers women in this all-too-common situation.

2. The Media. The press remains active, but the analytical and investigative skills which it displays are very limited. It needs to develop and improve standards to fulfill its role as public watchdog. The training of editors and journalists is seen as a priority, together with the establishment of an independent standards monitoring board. Although newspapers can now operate independently, most of the papers are owned directly or indirectly by politicians who dictate the papers bias.

Journalists at MBC complain that management continues to stifle hard investigative reporting. This would not be such a problem if there were a strong tradition of journalistic and editorial independence and integrity, but there is no such tradition, and for this reason the support for a strong and independent press is important if the media is to play its vital part in a functioning transparent democracy. There could be particular scope for the development of radio in this field, since it reaches a much wider audience and

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surmounts the problems of illiteracy. There are currently 12 applications pending for new radio stations.

Journalists are not well organized as a cohesive body. Press Clubs have been formed in Lilongwe and Blantyre, but this seems as much out of dissatisfaction with the Journalists' Association of Malawi (JAMA) as out of a determination for action. There is a sense of inertia over issues of strategy, although there are also some excellent ideas for strengthening and improving the media generally. These need to be put into more concrete terms, and then acted upon.

3. Local Government. Progress towards local government elections, originally scheduled for December 1994, but now postponed, is moving at a snail's pace, with no apparent coverage in the media, and little impetus in civic education. The NDI focus groups found a keen awareness throughout the country of what the responsibilities of members of parliament to their constituents should be. People generally expressed either anger or disappointment at the lack of contact which most MPs have had with their constituencies since being elected. Similarly, it is clear that they expect MPs to keep the promises made during the election campaign, and are disillusioned and annoyed as they suspect the promises to have been hollow.

The primary concerns of the rural population are economic. Malawians want out of the poverty trap. While they appreciate not having to buy party cards and dance to the presidents' tune, democracy must also provide them with enough food, housing, health-care and education if it is to prove its worth. A clear legacy of the Banda years is that people expect to be led by government, and local initiative has suffered under years of authoritarianism. This problem permeates all aspects of community life, but it presents a particular challenge to the development of a representational relationship between a village and its elected officials. The history is that the people are accountable to the center; in a representative democracy, the people must learn to make the MP -- or the president -- accountable to them. This will take time, but the starting point is to ensure that MPs themselves have a clear understanding of their roles and the people understand that their role is to demand accountability. The establishment of local-level committees with could have an important advocacy role in keeping the government accountable to the people while building a sense of civic responsibility is one way that Malawians have started.

4. The constitution. One of the earliest tests of the Interim constitution was its use after the 1994 elections to check executive power on the issue of dismissal of the inspector general of police. Later, an electoral commission decision to disqualify a candidate in a bi-election in accordance with the criteria contained in the 1993 electoral law was overturned by the high court. The basis for the court decision was that the electoral law was inconsistent with the terms of the interim constitution. Both decisions reinforced the supremacy of the constitution as well as the role of the courts in interpreting the constitution.

The one-year review period for public discussion on the constitution and for parliament to amend its non-entrenched provisions will end on May 18, 1995. The public debate effectively ended with the National Constitutional Conference held February 20-24, 1995, at New State House in Lilongwe. The parliament will now reflect on the concerns and recommendations raised over the past year and pass a final constitution during its May 1995 session.

The plan for reviewing the constitution was ambitious as it sought to have the document distributed, discussed and debated nationwide. It is not surprising

that given literacy and education levels, a general ignorance of the role of a constitution and issues surrounding it and limited resources, the debate was confined largely to the modern sectors of the country. That said, there were many, localized discussions of the general themes and thrusts of the constitution, its role as a protector of human rights and liberties, and the concept of its supremacy in many constituencies. Awareness of, and education for constitutional democracy increased over the one-year review period, but more will be required.

The National Constitutional Conference itself did provide a forum for a wide cross section of Malawian society to express its views. Those views were publicly recorded and will have to be addressed as parliament debates the final constitution. Public concern for the separation of powers and checks on executive branch power have been repeated themes throughout the debate, and the constitution focuses heavily on these issues. We expect that revisions and amendments which will take place during the final parliamentary session will further reinforce these areas. In the end, Malawi will have a first rate constitution that guarantees rights and liberties while establishing a form of government that uniquely addresses Malawian desires not to repeat the past.

5. The Rule of Law. In a post election action against the President for his summary dismissal of the inspector general of police, the rule of law as well as the constitution was tested. The court ruled that this action had been unconstitutional, and it was a good indication of the determination of the judiciary to regain and reassert its independence and integrity. However, the more mundane law and order concerns of ordinary people are not being met. There are constant articles about the rise in crime, although by any other standards the figures are not high. There have been reports of mob justice following the police failure to respond to acts of crime. It is clear that there is an urgent need for profound improvements to the police force, which is at the moment under resourced and, given the role it played in the previous regime, desperately in need of retraining.

The justice system is under considerable strain. The traditional courts were suspended prior to the elections and since they dealt with the lion's share of criminal cases this will now represent a substantial transfer of work to the already overburdened and understaffed High Court and magistrates courts. There is an enormous backlog of cases awaiting disposal at both levels, which raises serious human rights concerns regarding accused prisoners awaiting trial. There are in excess of 2000 prisoners on remand and many of them have been in custody for considerable periods of time which span years. A graphic example of the backlog faced by the High Court is provided by the murder cases pending. It is estimated that at current rates the backlog of cases will take 10 years to clear.

There is a dearth of lawyers in Malawi, and at the moment Chancellor College is unable to produce anything like an adequate number of graduates. A report submitted at the request of the ministry of justice by the ODA suggests potential for some traditional court staff to be trained, enabling them to enter the graduate course as mature students. There have been a number of good new judicial appointments since the new government took office which will also help to deal with the crisis faced by the justice system.

With regard to court infrastructure, there is a shortage which in itself is damaging to the administration of justice in terms of fulfilling international standards on custody time limits. There is a plan for the ministry of justice to survey the traditional court buildings to assess whether they could be adapted for use by the high court. The EEC may offer assistance in the provision of new buildings.

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With guidance and assistance from the International Committee of the Red Cross, there have been some improvements in respect of the prison situation, with a number of those most notorious being closed. However, it remains an under-resourced service, put under added pressure by the backlog of cases awaiting disposal. It is another area which urgently needs infrastructure and personnel development and support, if it is to meet the international standards to which the government has committed itself.

As this report is being written, probably the most important test to the establishment of the rule of law in Malawi is underway. Ex-President Banda, John Tembo and two others are currently being held on charges of murder and conspiracy to murder, emanating from the 1983 killings of three cabinet ministers and a member of parliament in Mwanza. While it is much too early to judge the quality of the judicial proceedings or to predict an outcome, the case will be an important one to watch.

V. Conclusions

This report has focussed on the challenges the Malawian people are facing as they seek to transform their social, political and economic institutions into those which increase popular participation, preserve and protect their basic rights, dispense justice fairly, and govern them responsibly. These are not small challenges.

If the past year is any indication, over the course of the next months and years, Malawians can expect that there will be moments when this new democracy will be tested; and it will continue to be tested. Both the political leadership and the people are emerging from thirty years of authoritarianism and old habits die hard. Many still prefer to be led; challenging authority is difficult; and trust in the basic institutions of democratic system is still lacking. But, both the times and the people of Malawi are changing.

Not long ago, it would have been difficult for most to imagine that the New State House in Lilongwe, the thirteenth palace building by Dr. Banda which had never been open to the public, would be the site for a conference of 300 Malawian, member of eight different political parties representing a cross-section and all regions of the country. It would have been difficult to imagine 300 Malawians standing up and speaking out over five long days criticizing the laws and people which govern them, making suggestions for change, forging political alliances among themselves, voting in constituent blocks, demanding greater representation and still more open governance systems, and publicly demanding reductions and restrictions on the powers of the president and his cabinet.

But Malawi is a new Malawi, and the people of Malawi want to make their new system work. The experience of two elections in two years; the cooperative spirit among different political parties demonstrated in the National Consultative Council, the Public Affairs Committee, the Electoral Commission, and the new multi-party parliament; a peaceful political transition; the ability to forge alliances among different ethnic groups, different regions of the country, different economic sectors, different income groups, and across gender lines; and to do all this while facing two natural disasters in three years, makes even the most questioning outside observer believe that Malawians can overcome the past and forge a new future together. It is a new Malawi, where there is hope, opportunity, and the knowledge among Malawians that they have the power to make their democracy work.

Annex 4

USAID/Malawi: Anticipated Policy Agenda

This annex presents a summary of USAID/Malawi's actual and planned policy agenda during this CSP period in the areas of agriculture, primary education, and transport. The policy matrices which form the basis for ongoing programs are represented. However, because the Mission's activity in natural resources is in its early stage of design, only potential policy issues are presented in a summary form.

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Agricultural Sector Assistance Program Phase II	
Goal and purpose	Impact indicators
<p>Goal: To increase agricultural productivity, employment, and incomes.</p>	<p>Real per capita smallholder income increases by 3% per annum or by 24% by the year 2000.</p> <p>Food availability increases from 1750 calories per capita daily in 1993 to 2200 calories by the year 2000.</p> <p>Growth rate in employment in rural enterprises increases from a baseline estimate of 10% per year in 1993 to 15% per year by the year 2000.</p>
<p>Purpose: To increase smallholder access to agricultural inputs, output markets, cash crop production alternatives, and labor market information.</p>	<p>Smallholder land planted to non-maize crops increases from 24% in 1993 to 45% by the year 2000.</p> <p>Contribution of HYV maize production to total maize production increases from 49% in 1993 to 60% by 1997.</p> <p>Total value of agricultural export earnings increases by 10% per year.</p> <p>Value of all tobacco grown by smallholder farmers increases from US\$18 million in 1993 to US\$50 million by the year 2000.</p> <p>Amount of fertilizer delivered by the private sector increases from 37% in 1993 to 50% by the year 2000.</p>

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Theme One: Increasing Equity and Efficiency Through Liberalization of Input Markets				
Tranche 4	Tranche 5	Tranche 6	Tranche 7	Program indicators
	<p>Completely eliminate fiscal seed subsidies.</p> <p>Permit unrestricted importation of non-maize/tobacco seeds.</p> <p>Develop TOR for maize seed import liberalization study which will analyze the advantages and disadvantages of liberalizing maize seed imports and make recommendations for modifying current seed import policy.</p>	<p>Complete maize seed liberalization study and incorporate results into revised seed import policy.</p>		<p>Value of total HYV maize seed marketed through private traders increases from 25% in 1993 to 50% of total sales by 1997.</p>
<p>Establish procedure whereby private traders may purchase non-buffer fertilizer stocks.</p>	<p>Completely eliminate fiscal fertilizer subsidies.</p>	<p>Allow private importers to replace GOM fertilizer buffer stocks.</p> <p>Release ADMARC from pan-territorial and pan-seasonal input pricing.</p>	<p>Complete review of maize fertilizer use and publish recommendations.</p>	<p>From 1993 to 1997:</p> <p>Amount of fertilizer sold through private channels increases from 37% to 50%.</p> <p>Amount of fertilizer delivered to revolving fund by private traders increases from nil to 25%.</p> <p>Amount of fertilizer released by revolving fund to private traders increases from nil to 50%.</p>
	<p>Complete plan for eliminating existing laws and administrative practices which allow discrimination on the basis of gender or ethnic background.</p>	<p>Implement anti-discrimination action plan.</p>		<p>Indicators to be developed upon completion of plan.</p>
		<p>Analyze constraints to efficient, affordable rural transport and prepare plan to address constraints.</p>	<p>Implement plan for improving rural freight and transport service.</p>	<p>Indicators to be developed upon completion of analysis.</p>
		<p>Implement improved land lease/sub-lease policies and procedures.</p>		<p>Gazette notifications.</p>

Theme Two: Increasing Equity and Efficiency through Expanded Market Competitiveness and Institutional Reform				
Tranche 4	Tranche 5	Tranche 6	Tranche 7	Program Indicators
	Complete overview of statutory bodies, government trusts, and other parastatals and government sponsored organizations operating in the agricultural sector. Study will list such entities, describe their relevance and structure, and provide plan for specific management and financial audit recommendations.	Implement plan concerning statutory bodies, government trusts, parastatals and other government sponsored organizations.		Indicators to be developed upon completion of overview and plan.
Increase maize producer prices to at or near export parity prices for the 1994/95 crop season.	<p>Release ADMARC from pan-territorial and pan-seasonal consumer and producer pricing obligations for <u>all crops</u>.</p> <p>Require that ADMARC operates as fee paying Intermediate Buyer.</p> <p>Develop TOR for developing a model for stabilizing maize prices based on price band analysis or alternative system.</p>	<p>Eliminate exclusive marketing arrangements of ADMARC and all limitations on private sector buying and selling of smallholder produced commodities.</p> <p>Complete model for stabilizing maize prices and establish an open tendering system for supplying maize to, and removing maize from, the Strategic Grain Reserve (SGR).</p>	<p>Implement model for maize producer and consumer price stability.</p> <p>Amend GOM/ADMARC Memorandum of Understanding to delete the requirement that ADMARC ensure smallholder access to output markets for all crops.</p>	<p>Value of smallholder crops marketed by private sector increases by 5% per year.</p> <p>Amount of maize delivered to the SGR by private traders increases from nil in 1993 to 20% of total deliveries by 1997.</p> <p>Amount of maize released by the SGR to private traders increases from nil in 1993 to 20% of total deliveries by 1997.</p> <p>Area under HYV maize as proportion of total maize area increases from 25% in 1993 to 35% by 1997.</p>

Theme Two: Increasing Equity and Efficiency through Expanded Market Competitiveness and Institutional Reform				
Tranche 4	Tranche 5	Tranche 6	Tranche 7	Program Indicators
<p>Deregulate all smallholder tobacco prices and publicly announced that smallholder producers of all tobaccos, except oriental, have direct access to all legal marketing channels.</p> <p>Legalize direct trading of oriental tobacco between growers and buyers at freely negotiated prices.</p>	<p>Transfer tobacco quota allocation and administration responsibilities from MOA to TCC.</p> <p>Allow retention of tobacco license fees by TCC to cover costs of managing and administering the quota system.</p> <p>Develop TOR for computerized, performance-based quota allocation scheme based on performance criteria.</p> <p>Ensure that Intermediate Buyers' (IB) marketing quotas are additive to national quota and not subject to maximum ceiling.</p>	<p>Improve the efficiency of the national burley quota system by 1) implementing the computerized, performance-based quota allocation scheme; 2) ensuring annually, sufficient new quota and/or reallocated quota to fully meet all effective smallholder demand; 3) eliminating annual quota application requirements except for first-time applicants; and (4) publicizing information on the quota allocation.</p>		<p>Fully operational computerized system at TCC.</p> <p>Gazette notification and radio broadcasts.</p> <p>Total amount of unused quota declines from current estimate of 30% to 5% by 1997.</p> <p>Share allocated to smallholders consistent with allocation scheme to be mutually agreed upon in tranche 5.</p> <p>Share of total value of tobacco sales marketed by Intermediate Buyers increases from nil in 1993 to 25% by 1997.</p> <p>Total value of all tobacco grown by smallholders increases from US\$18 million in 1993 to US\$40 million in 1997.</p>
	<p>Develop TOR for assessing policies and procedures which permit ADMARC to sell, rent, or lease its retail facilities.</p>	<p>Implement plan concerning policies and procedures for ADMARC selling, leasing and renting its retail facilities.</p>		<p>Unused or under utilized ADMARC facilities reduced by 50% through sale or lease of such facilities by the year 1997.</p>

Theme Two: Increasing Equity and Efficiency through Expanded Market Competitiveness and Institutional Reform				
Tranche 4	Tranche 5	Tranche 6	Tranche 7	Program Indicators
		<p>Implement national business license system.</p> <p>Remove all agricultural commodities with the exception of maize from the negative list for import/export licensing requirements.</p> <p>Replace duty drawback system with a duty reduction system for the import of agricultural and agri-business inputs.</p> <p>Implement a national import/export licensing system which eliminates the requirement for prior approval by the Ministry of Agriculture of import/export licenses for agricultural produce, and which provides appeal procedures for licenses that are denied or rescinded.</p>	<p>Legalize improved investment incentives for rural enterprises in support of agricultural diversification and growth.</p>	<p>Gazette notifications and supporting documentation.</p>
		<p>Develop policy on the future institutional framework for smallholder credit and marketing clubs.</p>		

Other Concerns				
Tranche 4	Tranche 5	Tranche 6	Tranche 7	Program indicators
<p>Submit technical assistance request to USAID for establishing Economic Policy Support unit.</p>	<p>Make available sufficient financial and staff resources to implement environmental monitoring and mitigative agroforestry activities.</p>	<p>Make available sufficient financial and staff resources to implement environmental monitoring and mitigative agroforestry activities.</p>	<p>Evaluate environmental monitoring, research and mitigative agroforestry activities, redesign them as recommended, and provide sufficient financial and staff resources to effectively implement them.</p> <p>Implement representative environmental monitoring program nation-wide to identify environmental impacts of ASAP reform.</p>	<p>Letters of intent and budgetary line items consistent with resource requirements.</p>
<p>Submit to USAID Letter of Intent covering each activity/action included under tranche 5 containing: 1) a comprehensive list of actions that the grantee intends to take; 2) the name of the representative/entity responsible for implementing each action; and 3) a line-item budget of financial resources to be committed by the GOM for program activities.</p>	<p>Provide the budgetary resources contained in its Letter of Intent requested under Tranche 4 for expenses related to Tranche 5 activities.</p> <p>Submit to USAID Letter of Intent covering each activity/action included under tranche 6 containing: 1) a comprehensive list of actions that the grantee intends to take; 2) the name of the representative/entity responsible for implementing each action; and 3) a line-item budget of financial resources to be committed by the GOM for program activities.</p>	<p>Provide the budgetary resources contained in its Letter of Intent requested under Tranche 5 for expenses related to Tranche 6 activities.</p> <p>Submit to USAID Letter of Intent covering each activity/action included under tranche 7 containing: 1) a comprehensive list of actions that the grantee intends to take; 2) the name of the representative/entity responsible for implementing each action; and 3) a line-item budget of financial resources to be committed by the GOM for program activities.</p>	<p>Provide the budgetary resources contained in its Letter of Intent requested under Tranche 6 for expenses related to Tranche 7 activities.</p>	<p>Letters of intent and budgetary line items consistent with resource requirements.</p>

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Regional Railways Restructuring Program			
Goal and Purpose		Impact Indicators	
GOAL: To increase trade and investment in Southern Africa			
PURPOSE: To reduce surface transport costs on smallholder inputs and export crops through increased railway efficiency and reliability and resulting intermodal transport competitiveness		Average CIF costs as share of total delivered price paid by smallholders of imported inputs reduced from 41% in 1994 to 35% in 1997. Difference between export price and price received by smallholders for exported commodities decreases by 15% as a result of reduction in transport costs.	
Supporting Objective One: Improve the efficiency and reliability of the Nacala Corridor			
Tranche 1	Tranche 2	Tranche 3	Program Indicators
Draft an "Operational Agreement" between CFM (N) and MR indicating minimum performance standards, modalities for tariff restructuring, and mechanisms for collecting revenues.	Sign the "Operational Agreement". Establish a joint review board (JAB) between the GOM/MR and the Government of Mozambique/CFM (N) to periodically review implementation of the operations agreement. Establish arbitration mechanisms for disputes.	Implement operational agreement and mechanism for arbitration.	Average time required to move transport from Nacala to Blantyre declines from 7 days to 2 days. International traffic on the Nacala line increases from 110,000 MT in 1994 to 300,000MT by 2000. Operational Agreement. Establishment of revenue collecting and arbitration mechanisms. Reports of the JAB.
	Receive from MR an assessment of capacity building requirements for new railway.		MR assessment report

Supporting Objective Two: Restructure and Privatize Malawi Railways			
Tranche 1	Tranche 2	Tranche 3	Program Indicators
<p>Develop a detailed Restructuring Preparatory Plan which outlines activities to be undertaken to implement the restructuring program including arrangements for asset transferrals and the capital structure of the new company.</p> <p>Develop an equitable and transparent retrenchment program.</p>	<p>Incorporate the new railway company under the Companies Act and transfer assets to the new company.</p> <p>Implement the equitable and transparent retrenchment program.</p> <p>Prepare a process for the sale of non-core assets which is transparent.</p> <p>Develop an appropriate mechanism for leasing permanent way to the new railway company.</p>	<p>Implement mechanism for leasing permanent way to the new railway company.</p> <p>Develop employee credit scheme of excess funds from asset disposal.</p>	<p>Reduction in employment from 3500 in 1993 to 1000 by 1995.</p> <p>Incorporation documents.</p> <p>Transparent sale on non-core assets.</p> <p>Lease agreement.</p> <p>Financial statements from credit institution showing deposits from asset disposal.</p>
<p>Prepare and sign a Memorandum of Understanding between the GOM and Malawi Railways on the respective obligations and responsibilities of each, and overall performance targets to be met by the railway.</p>	<p>Draft revisions to all appropriate railway legislation and regulation enabling the New Malawi Railways Company to be autonomous and privatized.</p>		<p>Revised railway legislation.</p>
	<p>Develop employee stock ownership instruments for purchase of shares in the new railway, and reserve shares for this purpose at the time that the new company is established.</p> <p>Develop a transparent process for the privatization of the railway, through sale or concession.</p>	<p>Implement process for the privatization of the railway.</p>	<p>Accounting statement indicating reserve shares for employee stock ownership.</p> <p>Transparent sale of core railway to nongovernment entity.</p>

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Supporting Objective Three: Formulate a transport policy that fosters a sound environment for commercially viable transport activities.			
Tranche 1	Tranche 2	Tranche 3	Program Indicators
<p>Formulate a comprehensive surface transport policy statement which supports and promotes: (a) a fair and open competitive environment for transport operators, through a program of sector deregulation, liberalization, commercialization and privatization; and (b) safe and environmentally sound transport operations. The policy agenda shall cover all modes of surface transport including rail transport, road transport and water-borne transport.</p>	<p>Prepare an agenda of issues and constraints identified in the policy statement for research and analysis.</p> <p>Establish a Transport Policy Unit (TPU) or some other institutional means in the MOTC to undertake analysis and impact assessment for policy formulation.</p> <p>Draft amendments to transport legislation.</p>	<p>Based on findings of analyses undertaken by the Transport Policy Unit, draft amendments and revisions to relevant legislation and regulations which are in support of the new transport policy.</p>	<p>Traffic on the Beira corridor increases from 150,000 in 1994 to 225,000 by 2000.</p> <p>Policy statement.</p> <p>Studies and assessments produced by the TPU.</p> <p>Amendments, revisions, and regulations to new transport policy reflecting recommendations in analyses.</p>
Other activities			
<p>Provide Letter of Intent and Action Plan for implementation of Tranche 2 activities.</p>	<p>Provide Letter of Intent and Action Plan for implementation of Tranche 3 activities.</p>		

Girls' attainment of basic education and literacy program phase 2					
Goal and purpose			Impact indicators		
Goal: To reduce fertility			<p>Total fertility declines from 6.7 in 1993 to 6.0 by 1998.</p> <p>Mean age of women at first birth increases from 19 in 1993 to 21 in 1998.</p> <p>Increase interval between births such that percentage of births spaced less than two years apart declines from 21 in 1993 to 15 in 1998.</p>		
Purpose: To increase girls' attainment in basic education			<p>Girls' gross enrollment rate in primary school increases from 79.4 percent in 1993/95 to 125% in 1996/97.</p> <p>Pass rate of girls on the PSLE increases from 56% in 1992/93 to 70% by 2002.</p> <p>Number of girls persisting in standard 8 as a share of their enrolling cohort increases from 38% in 1992/93 to 55% by 2001/02.</p> <p>Teacher pupil ratio declines from 1:72 in 1993/94 to 1:64 by 1996/97.</p> <p>Years to produce a standard 8 leaver declines from 14.9 in 1993/94 to 14.6 in 2001/02 for boys and from 17.2 in 1993/94 to 14.6 in 2001/02 for girls.</p>		
Supporting Objective A: Increase long-term financial resource base					
Program Area	Year 4/ Tranche 4	Year 5/ Tranche 5	Year 6/ Tranche 6	Year 7	Program Indicators
A.1.a. Increase the proportion of GOM's revenue budget to the education sector.	Allocation of not less than 21% of the GOM's revenue budget to the education sector revenue budget in 1994/95.	Allocation of 27.5% of the GOM's revenue budget to the education sector in 1995/96. Any change in that allocation will be negotiated to attain a teacher pupil ratio of 1:64 and 4 exercise books per pupil.	Allocation of 27% of the GOM's revenue budget to the education sector revenue budget in 1996/97. Any change in that allocation will be negotiated to attain a teacher pupil ratio of 1:64 and 4 exercise books per pupil.		Increase education's share of the GOM revenue budget from 17% in 1993/94 to not less than 27% in 1996/97, unless renegotiated.

Girls' attainment of basic education and literacy program phase 2

<p>A.1.b Increase the proportion of Education's Revenue Budget to the Primary Subsector.</p>	<p>Allocation of not less than 51.5% of the GOM's education revenue budget (excluding TTCs) will be allocated to the primary education revenue budget in 1994/95.</p>	<p>Allocation of 63.5% of the GOM's education revenue budget (excluding TTCs) will be allocated to the primary education revenue budget in 1995/96. Any change in that allocation will be negotiated to attain a teacher pupil ratio of 1:64 and 4 exercise books per pupil.</p>	<p>Allocation of 62% of the GOM's education revenue budget (excluding TTCs) will be allocated to the primary education revenue budget in 1996/97. Any change in that allocation will be negotiated to attain a teacher pupil ratio of 1:64 and 4 exercise books per pupil.</p>	<p>Increase primary education's share of Education revenue budget from 50.5% in 1993/94 to not less than 62% by 1996/97, unless renegotiated.</p>
<p>A.1.c. Create a budgetary line item for learning materials and allocate not less than 10% of the primary education revenue budget to it.</p>	<p>GOM allocation of not less than 10% to learning materials of the primary education revenue budget in 1994/95.</p>	<p>GOM allocation of 10% to learning materials of the primary education revenue budget in 1995/96. Any change in that allocation will be negotiated based on the established minimum requirements for learning materials per pupil per standard per school.</p>	<p>GOM allocation of 10% to learning materials of the primary education revenue budget in 1996/97. Any change in that allocation will be negotiated based on the established minimum requirements for learning materials per pupil per standard per school.</p>	<p>Increase the allocation to learning materials in the primary education revenue budget from 2% in 1993/94 to not less than 10% until 1996/97, unless renegotiated.</p>
<p>A.1.d. Increase allocation to Primary Education.</p>	<p>Submit a plan which (i) reexamines allocations to primary, secondary, teacher training and university education for the purpose of increasing the allocation to primary education in tranches 5 and 6, and (ii) examines options for increased cost-recovery measures for university education.</p>	<p>Implementation of plan</p>	<p>Implementation of plan</p>	<p>Increase allocation to primary education in accordance with A.1.b's impact indicator.</p>

Supporting Objective B: Improve the quality, availability and efficiency of primary education					
Program Area	Year 4/Tranche 4	Year 5/Tranche 5	Year 6/ Tranche 6	Year 7	Program Indicators
B.1. Improve quality and availability of primary schools					
B.1.a. Increase the number of primary schools.	<p>Prepare and submit an acceptable plan for gender-balanced community primary schools.</p> <p>The plan will include: (1) the number of new schools established including the number of previously unassisted primary schools integrated into the community school system; (2) the number of teachers and pupils per school; (3) the amount of learning materials needed per school per year.</p>	Implementation of targets set forth in the Tranche 4 plan that support gender-balanced community schools.	Implementation of targets.	Implementation of targets.	Number of community primary schools increases from 0 in 1994/95 to 640 in 1995/96 to targeted levels established in the plan by 1996/97.
B.1.b. Increase the supply of teachers and their training.	<p>Prepare and submit a plan for increasing the national pool of primary school teachers and their training.</p> <p>The plan will include: (1) a program to integrate day scholars into urban teacher training colleges; (2) a MASTEP type program; (3) the design of a shortened teacher training program to increase the annual capacity of teacher training colleges; (4) recruitment of paraprofessionals; and (5) recruitment of retirees.</p> <p>Increase the number of teachers by 15,000 and provide orientation for them for the 1994/95 school year.</p>	Implementation of targets set forth in Tranche 4 plan that support the increase of the national pool of teachers and their training.	Implementation of targets.	Implementation of targets.	<p>Number of teachers increases by at least 15,000 in 1994/95 over the existing level in 1993/94, and, thereafter, according to targets set in plan.</p> <p>Share of teachers in each cadre is in compliance with plan.</p>

Supporting Objective B: Improve the quality, availability and efficiency of primary education

Program Area	Year 4/Tranche 4	Year 5/Tranche 5	Year 6/ Tranche 6	Year 7	Program Indicators
B.1.c. Increase supply of learning materials in primary schools.	<p>Prepare and submit a plan for an improved system of competitive private-sector procurement and distribution of learning materials. The plan will establish minimum requirements for learning materials per pupil per standard per school. Learning materials are defined as blackboard paint, exercise books, chalk, slates, pencils, pens and textbook replacement.</p> <p>Storage units incorporated into the PIU architectural designs of primary schools.</p>	Implementation of targets set forth in Tranche 4 plan for an improved system of competitive private-sector procurement and distribution of learning materials.	Implementation of targets.	Implementation of targets.	<p>Minimum number of exercise books per pupil supplied by the schools increases from nil in 1993/94 to four books per pupil in 1996/97.</p> <p>Competitive systems for procurement and distribution of learning materials in place.</p>
B.1.d. Increase supply of classrooms.	<p>MOEST continues to meet targets for building schools initiated under GABLE I.</p> <p>Complete a study which assesses the long-and-short range construction and building needs for the primary sector.</p>	Targets for building schools initiated under GABLE I met.			Classroom blocks built under GABLE I increases from 80 to 166.
B.2. Improve internal efficiency in the education sector					
B.2.a. Reduce repetition and late entry.	<p>Establish and disseminate a MOEST policy on the suspension of the uniform requirement and further reduction in repetition targets.</p> <p>Enforce policy on minimum age of entry into primary school.</p>	<p>Establish and disseminate a MOEST policy on double-shifts in urban schools; re-allocation of resources to lower standards; and age streaming.</p> <p>Disseminate information to the public that a new policy on the maximum age of entry into primary school will be implemented in the next school year.</p>	<p>Implementation of policies.</p> <p>Establish and disseminate a MOEST policy on the maximum age of entry into primary school.</p>	Implementation of policies.	<p>Net admission rate increases from 20% in 1994/95 to 50% in 1996/97.</p> <p>Repetition rate declines from 20 percent in 1993/94 to 12 percent in 1996/97.</p> <p>Teacher pupil ratio in lower standards declines. Baseline and targeted levels to be established.</p> <p>Double shifts in place in urban areas.</p> <p>Children without uniform are not dismissed</p>

Supporting Objective B: Improve the quality, availability and efficiency of primary education					
Program Area	Year 4/Tranche 4	Year 5/Tranche 5	Year 6/ Tranche 6	Year 7	Program Indicators
<p>B.3.b. Improve the analytical and planning capacity of MOEST and improve the Planning Section's ability to integrate planning and budgeting processes.</p>	<p>Prepare and submit a plan to improve the analytical and planning capacity of the MOEST's Planning Section. The plan will rationalize the Planning Section's statistical collection system by: (1) streamlining the number and quality of school questionnaires and reporting requirements of schools; (2) establishing mechanisms for improved reporting and feedback between the Planning Section and the regions, districts, and schools; and (3) integrating the PFRS function into the Planning Section's purview.</p> <p>Initiation of a system to integrate the planning and budgetary processes for development and recurrent expenditures which takes into consideration classrooms, teachers and learning materials.</p> <p>Results of the PFRS are submitted to Supplies Units by March 1995.</p> <p>Appoint Education Planning Officers in each region.</p> <p>Establish the GABLE Project Coordinator as a full time position in planning section.</p>	<p>Implementation of the targets set forth in the Tranche 4 plan for rationalizing the Planning Section's statistical collection system.</p> <p>Linkage of statistical collection and program budgeting underway.</p> <p>Implementation of data collection and processing software completed.</p> <p>Time lag between administering school-level questionnaire and keying of data no more than 4 months.</p>	<p>Implementation of the targets.</p> <p>Linkage of statistical collection and program budgeting operationalized.</p>	<p>Implementation of targets.</p>	<p>Time elapsed between administration of school-level survey and statistical reports reduced from 1 year to 4 months.</p> <p>Annual plan for primary education relying on education statistics and tied in with budgetary requirements.</p> <p>Supplies unit receives enrollment data by March each year.</p> <p>Regional planning officers in place.</p> <p>National, regional, district statistical reports are supplied to planners, REOs and DEOs in time for strategic planning decisions.</p>

Supporting Objective C: Improve Relevance of Primary Education for Girls					
Program Area	Year 4/Tranche 4	Year 5/Tranche 5	Year 6/Tranche 6	Year 7	Program Indicators
<p>C.1. Strengthen GAC Unit by separating it into 2 program components, one for teacher training and another for curriculum development.</p>	<p>Add two additional staff members to the GAC Unit at MIE: One to supervise the teacher training component and the other to serve as an administrative assistant.</p> <p>Prepare and submit a plan for the GAC Unit which: (1) incorporates the gender-sensitive case study into the TTC curriculum; (2) schedules in-service training of teachers who have not benefited from the revised TTC curriculum; (3) expands the role of the Assistant Regional Educational Officers for Girls' Education to include in-service training activities; (4) incorporates gender sensitization into the standard 5 through 8 curricula; and (5) identifies the technical assistance requirements for the GAC Unit.</p>	<p>Implementation of targets set forth in Tranche 4 plan for the GAC Unit; e.g.:</p> <p>Curricula completed by MIE for core subjects in Standards 5-8 is gender sensitized.</p> <p>A gender case study is incorporated into the TTC curriculum.</p> <p>Implementation of the in-service training plan to reach teachers who have not benefited from the revised TTC curriculum.</p> <p>Role of AREOs expanded.</p> <p>After approximately one year of overlap of the Gender Lecturer and the Teacher Training Specialist, the Gender Lecturer will depart for the U.S. for a Master's Degree.</p> <p>Recruitment of a replacement for the Gender Lecturer with the approval of USAID.</p>	<p>Implementation of targets.</p> <p>Technical Assistance visits by the Gender Lecturer during her University holidays.</p>	<p>Implementation of targets.</p>	<p>Evidence of gender appropriate curriculum in standards 2-8.</p> <p>Increased percentage of teachers who receive in-service gender training. Baseline and targeted levels will be established in plan.</p>
<p>C.2. Establish a girls' scholarship program for secondary school girls.</p>	<p>Prepare and submit an acceptable plan for implementation of a nationwide scholarship program for secondary school girls. The plan will include selection and eligibility criteria for recipients.</p>	<p>Nationwide implementation of the girls' scholarship program.</p>	<p>Nationwide implementation of the girls' scholarship program.</p>	<p>Nationwide implementation of the girls' scholarship program.</p>	<p>Scholarship program in place.</p>
<p>C.3. Improve the achievement of girls on the PSLE through gender streaming.</p>		<p>Examine the findings of the gender streaming pilot, and if applicable, develop a plan for nationwide implementation.</p>	<p>Implementation of targets set forth in the Tranche 5 plan for gender streaming.</p>	<p>Implementation of targets.</p>	<p>Evidence of gender streaming where appropriate.</p>

Natural Resource Management: Anticipated Policy Agenda

While the Mission's new project in the natural resource management area, NATURE, is in its initial design stage, the policy agenda for NATURE's non-project assistance component will likely incorporate the following issues:

1. **Institutional Policy:** Currently there are seven or eight ministries with overriding and conflicting responsibilities in the environment/natural resource management areas. In addition, government has recently created two new ministries, one for research and environment (MOREA) and one for irrigation and water. The lack of effective coordination and clear lines of authority and responsibility are major constraints to a results-oriented natural resource management/environmental conservation program and will be dealt with in the NATURE policy framework.
2. **Environmental Legislative Policy:** While a new farsighted legislative framework for natural resource management/environmental conservation has been proposed and is due to be formally considered, NATURE will examine the appropriateness of the proposed legislation especially with respect to the critical institutional and enforcement provisions.
3. **Administrative Policy:** The traditional highly centralized structure of all Malawian ministries, departments and agencies in the natural resource management/environment area is not conducive to results-oriented, community-based action programs. Too often, those in the field have little authority or control over their financial resources and hence little motivation to see positive actions. The NATURE policy agenda will address over-centralization, the lack of program ownership and results-oriented action programs by addressing these administrative constraints.
4. **Personnel Policy:** For the most part, all ministries are overstaffed relative to the funding available to effectively implement and support actionable programs. Many times, staff are left without transport, basic supplies and tools to do a job even when the desire is present. The NATURE policy agenda will attempt to establish a process whereby functions are carefully reviewed and staff levels are related to the desired results and the resources available to ensure that those results actually occur. The policy constraints for an incentive program for field staff that actually produces quantifiable results will also be explored.
5. **Community Participation:** Success in the natural resource management/environmental conservation area will not happen without broad community participation and ownership. One of the policy constraints to be carefully examined will be the institutional and legislative framework within which communities throughout Malawi can become effective partners with government and the private sector in this area.
6. **Land Policy:** Current land tenure policy and land distribution throughout Malawi's customary and estate sectors are not conducive to investments in effective resource management and conservation. This is especially true for activities, like re-forestation and contour landscaping for soil conservation, are by nature long term investments. While other donors (EC, ODA and the Bank) are focusing on land policy and distribution issues, the NATURE policy agenda will be used to support the decision making process within the Malawi public and private sectors to ensure that land issues are openly discussed and decisions are made in an effective and timely manner.

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Annex 5

USAID/Malawi: Anticipated Analytical Agenda

This annex contains a summary of USAID/Malawi's analytical agenda in terms of the analyses planned or anticipated during this CSP period in the areas of macroeconomic, agriculture, transport, natural resources and environment, health and population, education, and democracy/governance.

A. Macroeconomic Monitoring

In recent years, Malawi's macroeconomic adjustment efforts have been adversely affected by the country's fiscal deficit, high inflation, and frequent droughts. Despite significant revenue enhancement and expenditure control measures introduced by the Government of Malawi (GOM) under the June 1994 stand-by facility with the IMF, the serious fiscal problems persisted. The Mission recognizes that macroeconomic stability is a prerequisite to achieving its strategy's goal and objectives. While the Mission will continue its sectoral focus, it will work with the GOM and the donor community to influence and monitor the performance of the economy, and will submit to USAID/W two in-depth analytical economic reports on annual basis. In addition, the Mission will develop periodic reports on important macroeconomic issues. Specifically, the Mission will:

- (1) develop, on annual basis, two comprehensive reports on the status of the Malawian economy. These reports will include, inter alia, a country socio-economic data sheet, a historical background section. The release of the first of these reports will coincide with the holding of the annual Consultative Group (CG) meeting on Malawi. Submission of the second report will coincide with the Mission submission of the Results Review and Resource Request (R4) report(s);
- (2) prepare supporting periodic reports on the GOM's fiscal and monetary operations; and
- (3) report, on an ad hoc basis, on other economic developments whose progress requires close monitoring, e.g., major economic-related bills submitted to the parliament and key structural adjustment actions and other policy reforms.

While the comprehensive economic report that will precede the CG meeting will present a broad overview of the country's past economic performance and its medium-term strategies, the report that will coincide with the submission of the R4 report will emphasize Mission's programs and their people level impact, and resource requirements to achieve program goal and objectives. The periodic reports on government fiscal and monetary operations will discuss Malawi's adherence to the development of an effective expenditure control and monitoring system to promote accountability, and maintain fiscal discipline. A suggested outline of issues to be reported in the various reports is given below.

I. Comprehensive Annual Reports

A. Country Socio-Economic Data Sheet

This section will be presented in a tabular form to show key information of the country.

- Population (millions)
- Population growth rate
- GDP per capita in US dollars
- Real GDP (percentage change, 5 year trend)
- Total exports, in US dollars
- Export growth rate (5 year trend)
- Total imports, in US dollars
- Imports growth rate (5 year trend)
- Inflation rate (CPI, 5 year trend)

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- Fiscal deficit/GDP ratio (including grants), current and 5-year trend
- Fiscal deficit/GDP ratio (excluding grants, current and 5-year trend
- Interest rates
- Gross private investment/GDP ratio
- Current account deficit as a percent of GDP
- Debt service (percent of exports and non-factor services)
- External financing requirements
- Gross foreign exchange reserves
- Infant mortality rate (per 1000 births)
- Child mortality rate (per 1000 births)
- Literacy index (15 years of age and above)
- Primary school gross enrollment ratio

B. Historical Background (Narrative)

C. Current Macroeconomic Situation

Each of the following sub-sections will have indicators supported by short analytical narrative that explains what is happening and why. The focus will be on the major changes since the last comprehensive report.

1. Economic Development (Indicator: per capita GDP)

2. Stabilization Policy

- a. **Fiscal Policy**--Indicator: Government budget deficit as percent of GDP, including grants as revenue in computing deficit)
- b. **Monetary Policy**-- This will focus on analysis of inflation and interest rates, in terms of levels, impact on the population (rural and urban), measures taken, and prospects.
- c. **Foreign Exchange Situation**--Indicators: months of import coverage, policies and regulations of allocation, the percentage difference between the official and effective exchange rate).

3. Structural Adjustment Policy

a. **Trade Policy:**

(1) **Imports**--Indicators: the level (by commodity) of imports in US dollars, the level and range of tariffs, and estimates of non-tariff barriers (e.g., percent of imports subject to quantitative restrictions).

(2) **Exports**--Indicators: the level (by commodity) of exports in US dollars, the average level of export taxes, foreign exchange surrender requirements, and the extent of export licensing.

- b. **Gross Private Investment:** Gross private investment as a percent of GDP.

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- D. Status of Economic Policy Reform Programs and Negotiations with the IFIS
- E. Implications of Macroeconomic Reforms on Budget Resources and Priorities
- F. Effects of Economic Policy Reforms on USAID's Sectoral Programs
- G. New Issues and Actions--E.g., anticipated policy and economic issues within the next 6-12 months, and how the Mission intends to monitor and report such developments.

II. Supporting Reports on Government's Fiscal and Monetary Operations

A. Analysis of the GOM Annual Budget and Economic Report

B. Fiscal Operations

1. Quarterly revenues
2. Quarterly allocations
3. Quarterly expenditures
4. Quarterly deficit
5. Quarterly expenditures by major spending ministries
6. Unpaid commitments by major spending ministries
7. Subventions to parastatals

C. Monetary Operations

1. Quarterly broad money growth
2. Quarterly net credit to Government
3. Quarterly outstanding treasury bills (TBs)
4. Quarterly average interest rate on TBs

D External Operations

1. Official reserves
2. Exchange rate

III. Ad Hoc Economic Reports

These will cover a wide range of topics and issues that will arise during the year.

B. Agriculture, Transport, and Natural Resources/Environment

1. **Agriculture**: In addition to contributing to the Mission's strategic objective number one, the following work will contribute to the fulfillment of actions agreed upon with the GOM under the principal elements of the ASAP project.

a. Liberalized Input Markets

USAID support for analytical work described below will increase equity and efficiency in the smallholder agricultural sub-sector through the removal of constraints to expanded private sector participation in input supply and distribution, including the removal of subsidies. These analyses are expected to be completed, and the results implemented, over the course of the next three years. While additional analytical work may also be required in support of the ASAP policy agenda, the following items represent the major work expected:

- (1) **Seed Import Liberalization**: A study will analyze the advantages and disadvantages of liberalizing seed imports and will make specific recommendations for modifying current seed import policies and regulations.
- (2) **Pan-Territorial and Pan-Seasonal Pricing**: A study will analyze ADMARC's pan-territorial and pan-seasonal input pricing policies. The purpose of the analysis is to develop a feasible and mutually agreeable framework for eliminating these pricing policies.
- (3) **Fertilizer Use**: Fertilizer use will be reviewed and soil-specific fertilizer recommendations published for major maize producing areas.

b. Institutional Reform and Expanded Market Competitiveness

USAID support for the analytical work described below will increase equity and efficiency in the smallholder sub-sector through marketing reforms, price liberalization, reform of agricultural parastatals, and rural market development. These analyses are expected to be completed and the results implemented over the course of the next three years. Additional analytical work, particularly in the area of institutional reform, may also be required in support of the ASAP policy agenda. However, the following items represent the major work expected to take place during the period:

- (1) **Government-sponsored Organizations in the Agricultural Sector**: A review of statutory bodies, government trusts, parastatals, and government sponsored organizations operating in Malawi's agricultural sector will be undertaken, leading to a time-phased action plan with specific management and financial audit recommendations for these entities.
- (2) **Maize Pricing**: A study will develop a model for stabilizing maize prices based on price band analysis or an alternative system.
- (3) **Burley Tobacco Quota Allocation**: Analytical work will be undertaken to assess the feasibility of transferring quota allocation and administration responsibilities from the MOALD to the Tobacco Control Commission (TCC) with the objective of improving the efficiency and transparency of the allocation process. In addition, work will be supported to develop a computerized, performance-based quota allocation scheme based on performance criteria mutually agreed upon with the Government of Malawi.

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- (4) ADMARC Divestiture: An assessment will be made of any changes required in Government of Malawi policies and procedures to permit ADMARC to sell, rent and/or lease its retail facilities. The assessment will include development of a time-phased action plan for the development and implementation of policies and procedures to carry out the sale, renting and/or leasing of these facilities.
- (5) Smallholder Farmer Clubs: The role of smallholder credit and marketing clubs in developing a sustainable base for rural economic growth will be reviewed, and a policy on the future institutional framework in which such clubs are to function will be developed.

2. Transport: Malawi's relatively isolated geographic position and its overwhelmingly rural population make its economy particularly susceptible to relative transport efficiency. Mission strategy in this area is focused on reducing the cost and improving the efficiency of both international and domestic freight services. Reduced transport costs from these actions will directly contribute to increasing rural incomes.

a. Rural Transport

The constraints to efficient and affordable rural freight and transport services will be analyzed and a time-phased action plan developed to address, among other concerns, multi-purpose (passenger and freight) transport, import duties on domestic transport trucks (and spare parts and tires), and appropriateness of domestic rate guidance in a liberalized agricultural sector.

b. Transport Competitiveness

International and domestic transport policies and regulations will be systematically reviewed and analyzed with the goal of improving the competitiveness of intermodal transport in Malawi.

3. Natural Resources and Environment: The analytical agenda in the area of natural resources and environment remains largely undefined at this time. However, considerable analytical work will be certainly be required in the following general areas:

a. Environmental Monitoring

Different approaches to the establishment of a nationally representative environmental monitoring system will be examined and tested, with the aim of establishing a system capable of identifying the environmental impacts of policy reform programs and development projects.

b. Environmental Policy

USAID will work with the GOM to establish a comprehensive legislative, institutional and administrative framework to address environment/natural resource problems in the key areas identified in the national environmental action plan. This will include the identification, development and implementation of key policies and programs conducive to improved natural resource management and conservation.

C. Health and Population

1. Impact Assessment

a. 1996 Health and Reproductive Practices Survey

This survey would repeat elements of the 1992 Malaria KAP survey, explore AIDS/STD related behaviors and contraceptive use among men and women, assess rural residents' sanitary conditions (including access to safe water) and hygienic practices. Data will be collected at the household level and may be stratified by urban/rural, region and possibly by district.

b. 1997/98 Malawi Demographic and Health Survey

The 1997/98 DHS will provide data on contraceptive prevalence rate, total fertility rate, and infant and child mortality rate. The last survey was in 1992. Depending upon the resources available, the DHS will provide breakdowns by gender, region, urban/rural and possibly by district.

c. An Assessment of the Economic Impact of AIDS

This will be done using secondary data and updated epidemiological estimations to assess the impact of AIDS on economic measures such as GDP, per capita GDP, and labor market impact on highly affected industries.

2. Mission-funded Analytical Studies and Formative Research

a. Market Research on Condom Use and Acceptance

A study on condom and oral contraceptives will be undertaken during May-June, 1996. The survey will involve consumer exit interviews, focus groups and possibly some household surveys. The study will be looking for information to guide marketing of condoms and oral contraceptives including perceived quality, consumer acceptance, reactions to printed and radio advertising, knowledge of brand name and competitive products, etc.

b. A Quality Assessment of Community-based Family Planning Services

This will investigate the quality of services provided in up to 20 different sites employing community-based volunteers in the distribution and promotion of contraceptives. The lessons learned will be applied to future training of volunteers, program design and funding decisions. Cost-effectiveness (cost per couple years of protection by method) will also be determined. To be done jointly by institutional contractor for the STAFH project and local partners.

c. Feasibility of Social Marketing of Malaria Preventive Measures

Grants to two PVOs from the PHICS project will permit testing of two different methods of controlling malaria, impregnated bed nets and curtains. If either (or both) of these methods prove to be effective, a number of donors as well as the GOM have expressed interest in upscale replication - with potentially important consequences for child survival.

d. Analysis of Condom vs Other Contraceptive Methods

Under the STAFH project, a desk study to determine how a "condoms only" program targeted at achieving family planning and HIV/AIDS control program goals measures up against a program that dispenses a number of contraceptives and involves distinct HIV/AIDS prevention measures. STAFH's institutional contractor will conduct this assessment in collaboration with local partners, PSI, and USAID staff.

e. Health Expenditure and Financing Survey

Randomly selected heads of household will be interviewed to determine what they expended on health care in the recent past. The expenditures will be broken down by clinic, traditional healer, pharmaceuticals, etc. and include estimates of travel, time and psychological costs as well as cash outlays. The research will also involve patient exit interviews to determine customer satisfaction with care and attitudes toward paying for services. This is a joint study by USAID, MOH&P and UNICEF--to be completed in April 1995.

In addition to the above, the Mission will consider funding a study to examine the feasibility of marketing of ORS and anti-malarials. If the study results are positive, then PSI and its local partners would carry out formative research on consumer knowledge and behaviors regarding diarrhea and malaria, particularly in children.

3. Research and Analysis Supported by Global and/or Regional Programs

a. Community Health Systems Assessment

A team supported by the BASICS Project will assess the effectiveness of various community health delivery systems, the social soundness of expanding these approaches, and the potential impact of child survival and maternal health interventions delivered through these channels. The assessment will focus on deployment and functioning of HSAs (Health Surveillance Assistants), growth monitoring volunteers, village health committees, village water committees and designated repair persons, and the support and supervisory structures of PVOs, NGOs and District Health Offices (MOH&P).

b. Field Test of Simplified Procedures for Diagnosis of Zinc and Iron Deficiency in Women

Under sponsorship of the OMNI project, researchers from the University of Guelph propose to test newly developed measures for rapid diagnosis of zinc and iron deficiencies in women; their study will also investigate means of increasing dietary uptake of these vital micronutrients. Mission involvement is minimal; the study team will operate independently under auspices of the Ministry of Health. UNICEF has expressed interest on following up any findings in terms of programming.

c. Safe Water

This is a proposed study to investigate the health and socio-economic impact of providing safe water to rural Malawians, focusing on health benefits to women and children, effects on women's energy consumption, and use of time saved from more convenient access to water. One important policy issue this study would address is the use of potable water and latrinization as entry

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points in child survival. The use of water as the "leading edge" would be in contrast to programming which begins with more intangible interventions, e.g., ORS, vaccines and health education. The proposed study is based on consultations with women in a number of drought-stricken areas, where donor and NGO representatives were advised that the need for safe, accessible water is their most pressing problem. The proposed assessment would have important national, regional and global implications for donors and governments.

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D. Education Sector

The following is a list of the analytical work to be carried out in the education sector:

1. Budget and Planning consultant in early 1995 to undertake an intensive review of the education sector and primary subsector budgets in order to ascertain the level of budgetary allocations that are required to achieve the expected improvements in the primary education. The analysis will include
 - a. examination of allocations to primary education, secondary education, teacher training education and university education in order to ascertain how allocations to primary education can be increased; and
 - b. options for increased cost-recovery measures at the university level.
2. Budget and Planning consultant in early 1995 to analyze the current and expected costs (recurrent and capital) associated with the maintenance and building of classrooms, training and salaries of teachers and supply and distribution of learning materials. The consultant will work closely with the MOE's planning section in order to establish a system which integrates the planning and budgetary processes for development and recurrent expenditures, taking into consideration the costs of classrooms, teachers and learning materials.
3. A long-term (two years) civics advisor to examine and analyze the civics curriculum needs of the Department of Social Studies at Malawi Institute of Education (MIE). S/he will help to develop strategies for integrating civic education, pilot testing the intervention, and assessing the final form for evaluation.
4. Analysis and evaluation of MOE's Malawi Special Distance Teacher Education Program (MASTEP) program. The MASTEP program (funded by the World Bank) was launched in 1990 with a goal of bringing into the teaching force 4,000 qualified teachers within three years. The MOE plans to replicate the MASTEP program and has approached USAID for assistance on this. However, before this type of program can be repeated, it is necessary to analyze the impact and lessons of MASTEP.
5. Analysis and study on teacher training and teacher requirements. Shortage of teachers, particularly qualified ones, is an acute constraint in Malawi and serves as barrier to educational quality. The MOE needs to develop an overall strategy for assessing current and future teacher requirements and for balancing the need for greater numbers of teachers and the concern for higher academic qualifications. Technical assistance will be recruited to work with the MOE in assessing the supply and demand of teachers for primary education and for helping MOE to prepare a time-phased action plan for increasing the national pool of primary school teachers and their training. The consultant will in particular examine the feasibility of and make recommendations for the following:
 - a. a program to integrate day scholars into urban teacher training colleges

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- b. a program for training newly recruited teachers through a combination of distance education and Teacher Training College (TTC) residency during school vacations
 - c. the design of a shortened teacher training program to increase the annual capacity of teacher training colleges
 - d. a program for the recruitment of paraprofessionals and retirees.
6. Study on the effect/impact of moving the school year to begin in January. Many classes in Malawi are held outdoors. This results in a high rate of absenteeism during the rainy season, which begins in October. In addition, children are kept at home during the harvesting season. A consultant will be recruited to examine and analyze the feasibility of moving the school year to begin in January and also analyze the impact that this would have on other levels of education, e.g., on the university and secondary schools.
 7. Studies and analyses on girls' attainment and achievement factors affecting them. These studies undertaken over a period of six months in 1995 and 1996, will include both quantitative samples and classroom observational components of factors affecting girls' attainment and achievement. These will include an analysis of
 - How combination of gender and age affects girls' persistence
 - Differences in achievement between boys and girls and reasons
 - Teachers' practices and girls' achievement and participation
 - Impact of gender of teacher on students by gender
 - Whether and how changes in school day or school calendar might affect girls' attainment.
 8. Assessment of long- and short-term construction and building needs for the primary sector. This will require an analysis and evaluation of the different approaches on building schools, and an assessment of MOE's short- and long-term construction needs for classrooms and teachers' houses. The analysis will include recommendations on the best and most cost-effective approaches and preparation of an implementation schedule for such construction, including detailed cost estimates.
 9. Distribution Mapping Study. This study, which will be carried out by the Survey Department, will map out and identify distribution routes to DEOs, zones and schools. The study will also examine the feasibility of using selected schools as distribution centers and identify such schools. The maps produced will be used by the MOE supplies unit and transporters for the purpose of distributing learning materials to schools.
 10. Study and analysis of feasibility of introducing age streaming in classes. Currently there are many under- and over-age students enrolling in schools. This results in young children learning in the same classes as considerably older pupils. This one-month study will examine and assess the feasibility and suitability of introducing age-streaming in the schools.

E. Democracy and Governance (D/G)

It is difficult to approach this particular area with rigid guidelines, especially in the Malawian context, where, unsurprisingly, the field of democracy and governance is one that is constantly evolving. USAID/Malawi was involved in this evolution from the beginning in supporting the Malawian lobby for a referendum on the issue of multi-party versus one-party government.

Ongoing familiarity with not only what has occurred in Malawi over recent years, but also with day to day developments, debates and setbacks, and with key players in this area, is crucial to any evaluation of DG issues. This necessitates constant contact not only at government level, but also with grass roots organizations, the media, academics, lawyers and judges, traditional structures and specific interest/lobbying groups such as women's groups, which grow in strength and influence on an almost daily basis.

The dynamics of these groups are far from static or even easily predictable, and for these reasons, it is more appropriate to adopt an ear-to-the-ground approach to DG issues and to be part of what is an ongoing process. With this in mind, the DECIDE project has a Democracy and Governance advisor who is constantly in touch with the relevant groups and individuals. The DG advisor works closely with NDI which will concentrate on supporting and strengthening civic institutions, helping to develop the advocacy skills and institutional capacity of NGOs, in addition to carrying out regular focus groups to keep abreast of developments and difficulties which may arise. Necessarily, the DG advisor and NDI staff are all people who have an in-depth knowledge of and familiarity with the recent DG developments in Malawi, as well as excellent relations with key interest groups and individuals as mentioned above.

It is expected that this approach will be a more effective and accurate way of analyzing DG developments and identifying needs, than specific studies carried out over discrete periods of time with fixed objectives and indicators. By its nature this is a fluid field, but this is particularly so at this stage in Malawi's experience of democracy and all that it entails.

The DECIDE project focuses on three key areas: elections, judicial and legal reform, and civic institution development. USAID provided substantial support to the election process which took place between June 1993 and May 1994 culminating in presidential and parliamentary elections which were declared free and fair. Through IFES and NDI and in excellent collaboration with the other donors, the following were successfully undertaken:

- * voter education
- * education of political parties
- * strengthening of the Electoral Commission
- * organization of the registration and election process
- * strengthening and assisting in the development of media coverage.

In addition, USAID supported the constitutional process. A national constitutional conference took place in which issues were widely debated and recommendations made for the drafting of a new Malawian constitution which provided fundamental human rights to men and women and was passed before the May 1994 elections.

Building on the work already carried out during the electoral and constitutional processes, Judicial and Legal reform support will continue with USAID giving crucial support through NDI to a second national constitutional conference which will make recommendations to parliament on amendments before the constitution is finalized and the development with key members of the judiciary of a package including training and other institutional strengthening.

In addition, the following areas will be closely monitored:

- * the setting up and functioning of the Law Commission, which will be charged with the review and drafting of old and new legislation. This will be a crucial area for the development of strengthening democratic structures and ensuring good governance through legal checks and balances.
- * the setting up and functioning of the Land Compensation Tribunal
- * the setting up and functioning of the Commission of Inquiry
- * the functioning of the office of the human rights ombudsman
- * the functioning of the judicial system
- * developments in the media
- * developments in the human rights situation throughout the country
- * support to women's groups.

These areas, together with general work with NGOs and civic institution building as outlined above, and the potential grant later in the year to one or more legal/human rights NGO(s), will all be part of the development of the DG picture in Malawi. The respective development of each of these components will be a gradual and ongoing process, as will their monitoring and evaluation. There will no doubt be times when little seems to be happening and other periods when plans fail or exceed the wildest most optimistic expectations. The analysis of both achievements and needs in the DG field will mirror the process of Malawians themselves, as well as structures and institutions adapting to and developing with the new democratic culture.

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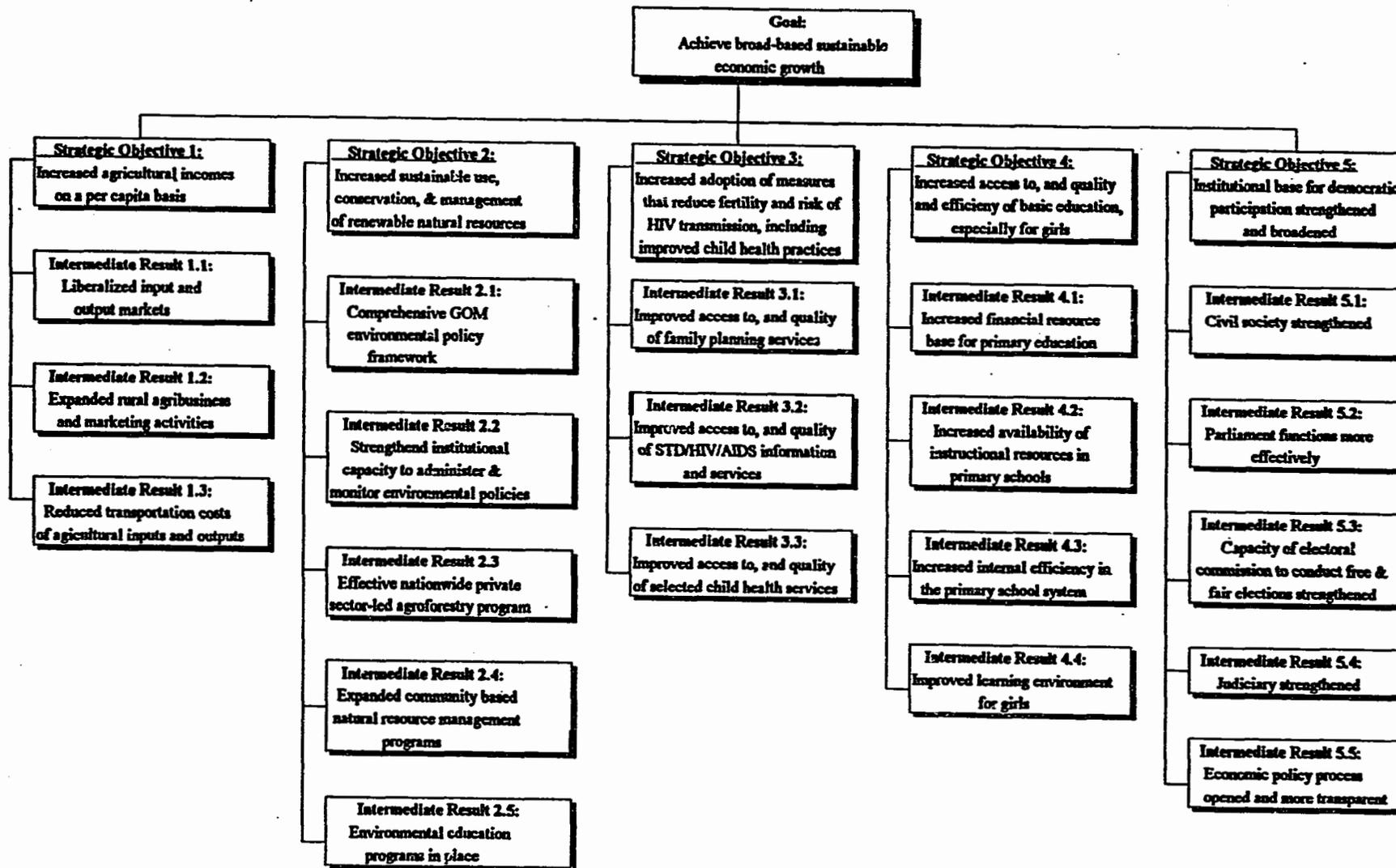
Annex 6

Strategic Objectives

Objective Tree and Performance Indicators Tables

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**USAID/MALAWI STRATEGIC OBJECTIVE TREE
1995-2000**



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PERFORMANCE MONITORING PLAN FOR PROGRAM GOAL

PERFORMANCE INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH	FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED	RESPONSIBLE PERSON/ OFFICE
Program Goal: Achieve broad-based, sustainable economic growth						
0.1. Per capita incomes	Definition: GDP at 1978 factor cost/total population Unit: Kwacha	Annual Economic Report, MEP&D Population: Mission estimates	Analysis of secondary data	Annual	Yes	PPD Office
0.2. Gross foodcrop production per capita	Definition: Total agricultural production of calories/total population Unit: Calories	Annual crop estimates, MOALD Planning Division Population: Mission estimates	Analysis of secondary data	Annual, with two revisions	Yes	AFS and PPD Offices
0.3. Investment as percent of GDP	Definition: Gross capital formation by private and small scale enterprises/GDP Unit: %	Annual Economic Report, MEP&D	Analysis of secondary data	Annual	Yes	PPD Office
0.4. Literacy rate	Definition: Percentage of population aged 10 and over that has completed four years of primary education Unit: %	GOM education statistics; Demographic Projection Model	school census or sample; demographic projections	Annual	Yes	EID Office
0.5. Total fertility rate	Definition: Average number of children a woman will have assuming that current age-specific birth rates remain constant throughout childbearing years Unit: #	1992 MDHS, 1996	sample surveys	every 4 years	Yes	PHN Office
0.6. Infant mortality rate	Definition: Annual number of deaths of infants under age one year per 1,000 live births Unit: #	1992 MDHS, 1996	sample surveys	every 4 years	Yes	PHN Office
0.7. HIV zero-prevalence among adult urban women	Definition: percentage of women testing HIV positive at QECH ante-natal clinic Unit: %	Johns Hopkins study	published data	every year	Yes	PHN Office
0.8. Child vaccination coverage	Definition: % of children under 23 months fully vaccinated by 12 months of age Unit: %	Johns Hopkins study	published data	every year	Yes	PHN Office

PERFORMANCE MONITORING PLAN FOR SOI

PERFORMANCE INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH	FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED?	RESPONSIBLE PERSON/ OFFICE
Strategic Objective 1: Increased agricultural incomes on a per capita basis						
1.01 Per capita agricultural incomes	Definition: Unit: US \$ value	To be determined			No	AFS Office
1.02. Real per capita incomes for smallholder tobacco producers	Definition: Smallholder burley sales at auction divided by the number of sellers expressed in constant prices Unit: US \$ value	AHL printouts	Analysis of secondary data	Annual	Yes, ACIDI & DCC	AFS Office
1.03. Share of smallholder cultivated area planted to non-maize crops	Definition: Area in crops other than maize/total area cultivated, for smallholders only Unit: %	Production estimates, MOALD, Planning Division	Analysis of secondary data	Annual, including two revisions	Yes	AFS Office
1.04. Ratio of smallholder root crop area to smallholder maize area	Definition: Smallholder cultivated area devoted to root crops/ smallholder cultivated area devoted to maize Unit: %	Production estimates, MOALD, Planning Division	Analysis of secondary data	Annual, including two revisions	Yes	AFS Office
<p>Comments/Notes:</p> <p>Indicators 2 & 3: if those smallholders that form estates produce a higher proportion of maize than other smallholders, their exiting from the smallholder sub-sector will cause these indicators to increase even if smallholders do not change their cropping patterns. To confirm the validity of this indicator as smallholders combine their holdings to form estates, data for Kasungu and Mzuzu divisions, two divisions where formation of estates is proceeding the quickest, will be compared with the other ADDs.</p> <p>The Mission plans to supplement the indicator information above with data from focussed studies building on the work of:</p> <ol style="list-style-type: none"> 1. Dr Pauline Peters, who has been undertaking longitudinal studies of selected villages in Southern Malawi 2. The 1992 Micro, Small and Medium enterprise survey conducted by the 'Growth and Equity through Microenterprise Investments and Institutions' (GEMINI) project 3. A survey of 100 smallholder tobacco growers undertaken by Benson Phiri in 1991. 						

PERFORMANCE MONITORING PLAN FOR SO1 (Contd.)

PERFORMANCE INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH	FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED?	RESPONSIBLE PERSON/ OFFICE
Intermediate Result 1.1: Liberalized agricultural input and output markets						
1.1.1 Share of burley tobacco produced by smallholders	Definition: Smallholder burley sales at auction/all burley sales at auction Unit: % of volume; average burley sales at auction for 1993-1994 was 87,285 tons	AHL printouts; Annual Economic Reports, MEP&D, ACDI & TCC	Analysis of secondary data	Annual	Yes	AFS Office
1.1.2. Volume of smallholder burley marketed directly on auction floor.	Definition: AHL records of tobacco sales recorded as smallholder Unit: mil.kgs.	AHL printouts	Analysis of secondary data	Annual	Yes	AFS Office
1.1.3. Share of HYV maize seed sold through private channels (non-ADMARC)	Definition: Quantity sold by ADMARC/Quantity sold by NSCM, Lever Brothers & ADMARC Unit: %	NSCM, MOALD Inputs Section & ADMARC	Analysis of secondary data	Annual	Yes	AFS Office
1.1.4. Share of fertilizer sold through private channels (non-ADMARC)	Definition: Total volume of fertilizer sales by ADMARC/total fertilizer sales Unit: %	MOALD Inputs Section; ATC	Analysis of secondary data	Annual	Yes	AFS Office
1.1.5. Percent of female smallholders marketing directly on auction floors.	Definition: as above disaggregated by gender and with females reported. Unit: %	AHL printouts	Analysis of secondary data	Annual	No	AFS Office
1.1.6 Percent of female smallholders registered in the burley tobacco program	Definition: Number of burley smallholders, disaggregated by gender Unit: %	TCC reports	Analysis of secondary data	Annual	Yes	AFS Office
Comments/Notes: At this point, Mission cannot separate the percentage of female smallholders marketing directly on the auction floors from the percentage of female smallholders registered in the burley tobacco program, since registration allows one to market directly. Percentage registered is used as a proxy for the percentage who market directly. However, in the future, we will be able to determine the percentage who actually market directly to the auction floors.						

PERFORMANCE MONITORING PLAN FOR SO1 (Contd.)

PERFORMANCE INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH	FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED?	RESPONSIBLE PERSON/ OFFICE
Intermediate Result 1.2: Expanded rural agribusiness and marketing activities						
1.2.1. Number of private marketing entities buying from and selling to SGR.	Definition: The number of IBs, clubs, companies buying from and selling to SGR, and companies buying from the fund. Entities trading in more than one channel will be counted only once. Unit: Number	TCC, AHL and smallholder MIS, annual reports from SGR and revolving fund	Analysis of secondary data	Annual	No	AFS Office
1.2.2. Number of farmer-owned agribusinesses and cooperatives.	Definition: number of agribusinesses with farmer having majority ownership Unit: Number	ACDI reporting	Analysis of secondary data	Annual	No	AFS Office
1.2.3. Number of all-female agribusinesses and cooperatives.	Definition: number of agribusinesses wholly female owned Unit: Number	ACDI reporting	Analysis of secondary data	Annual	No	AFS Office
Intermediate Result 1.3: Reduced transportation costs of agricultural inputs and outputs						
1.2.1. C.I.F. margins on imports	Definition: (Imports, c.i.f. - imports f.o.b./Imports,c.i.f. Unit: %	Economic Report, MEP&D	Analysis of secondary data	Annual	Yes	PPD Office
1.3.2. Volume of exports transported by rail.	Definition: Total volume of exports transported by rail Unit: Metric Tons	Economic Report, MEP&D	Analysis of secondary data	Annual	Yes	PPD Office
1.1.3. Volume of imports transported by rail.	Definition: Total volume of imports transported by rail Unit: Metric Tons	Economic Report MEP&D	Analysis of secondary data	Annual	Yes	PDD Office

Table 1: USAID/MALAWI Program Performance Indicators Database - SO1 Indicators

ID	Indicator Statement	Unit	Gender Related	Base Year	Value	Actual						Projected				
						1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
0.2	Gross foodcrop production per capita	KCals	N	85	2,062	1,706	1,978	831	2,367	1,115	1,668	1,800	1,900	2,000	2,100	2,200
1.01	Per capita agricultural incomes	\$	Y			To be determined										
1.02	Real per capita incomes for smallholder tobacco producers	\$	Y	91	153.0		153.0	263.0	244.0	171.0	191.0	230.0	242.0	254.0	266.0	278.0
1.03	Share of smallholder cultivated area planted to non-maize crops	Percent	N	90	19.0	19.0	22.4	20.0	24.2	27.4	32.0	35.0	38.0	41.0	43.0	45.0
1.04	Ratio of smallholder root crop area to smallholder maize area	Ratio	N	90	6.8	6.8	8.6	6.1	8.4	9.7	12.7	14.0	15.5	17.0	18.5	20.0
1.1.1	Share of burley tobacco produced by smallholders	Percent	N	90	0.0	0.0	0.0	2.8	17.0	8.2	20.4	25.0	30.0	35.0	40.0	40.0
1.1.2	Volume of smallholder burley marketed directly to auction floor	mil.kgs	N	90	0.0	0.0	0.0	1.0	5.4	3.8	4.7	10.0	12.0	15.0	18.0	20.0
1.1.3	Share of HYV maize seed sold through private channels	Percent	N	90	17.5	17.5	10.8	10.1	25.6	42.0	45.0	50.0	55.0	65.0	68.0	70.0
1.1.4	Share of fertilizer sold through private channels	Percent	N	90	33.0	33.0	6.0	27.7	28.1	40.0	47.0	50.0	55.0	65.0	68.0	70.0
1.1.5	Percent of female smallholders directly marketing on the auction floor.	Percent	Y	93	12.7				12.7	15.0	29.0	32.0	34.0	36.0	38.0	40.0
1.1.6	Percent of female smallholders registered in the burley tobacco program	Percent	Y	93	12.7				12.7	15.0	29.0	32.0	34.0	36.0	38.0	40.0
1.2.1	Number of private marketing entities buying from and selling to SGR.	Number	N	96		mechanism for monitoring is in place but has not yet started										
1.2.2	Number of farmer-owned agribusinesses and cooperatives.	Number	N	90	0.0	0.0	0.0	0.0	1,095	1,228	2,476	4,500	4,800	5,000	5,250	5,500
1.2.3	Number of all-female agribusinesses and cooperatives.	Number	Y	95	0.0	0.0	0.0	0.0			169	400	450	500	525	550
1.3.1	CIF margins on imports	Percent	N	90	40.0	40.0		39.3	38.6	40.0	39.4	40.0	38.0	36.0	33.0	30.0
1.3.2	Volume of exports transported by rail	'000 tons	N	90	12.0	12.0	13.0	12.0	21.0	35.0	50.0	52.0	58.0	61.0	64.0	68.0
1.3.3	Volume of imports transported by rail	'000 tons	N	90	24.0	24.0	25.0	71.0	79.0	78.0	127.0	188.0	210.0	217.0	224.0	232.0

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PERFORMANCE MONITORING PLAN FOR SO2

PERFORMANCE INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH	FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED?	RESPONSIBLE PERSON/ OFFICE
Strategic Objective 2: Increased sustainable use, conservation and management of renewable natural resources						
2.01. Area of indigenous woodland under community-based management	Definition: Area of indigenous woodland covered by written management contract between community and Ministry of Forestry Unit: 000 Hectares	Ministry of Forestry	Analysis of secondary data sources	Annual	No	AFS Office
2.02. Cultivated land under improved conservation practices	Definition: Area of cultivated land benefiting from at least one of a pre-defined list of specific conservation practices. Unit: 000 Hectares	MOALD, MOT and MEM monitoring programs	Analysis of secondary data	Annual	No	AFS Office
Intermediate Result 2.1: Comprehensive GOM environmental policy framework conducive to improved natural resource management and conservation established						
2.1.1. Adoption of key legislation defining property rights relating to natural resource management	Definition: Number of key bills passed Unit: Number	Parliamentary records	Analysis of secondary data	Annual	No	AFS Office
Intermediate Result 2.2: Strengthened institutional capacity to administer and monitor environmental policies and programs						
2.2.1. Rationalization of budgetary resources to implement NR activities.	Definition: Unit: Yes/No	MOF	Analysis of secondary data	Annual	No	AFS Office
2.2.2. Development and implementation of an institutional plan for MOREA.	Definition: as per the indicator statement Unit: Yes/No	MOREA	Analysis of secondary data	Annual	No	AFS Office
Intermediate Result 2.3: Effective nationwide private sector-led agroforestry programs established						
2.3.1. Proportion of tobacco estate land in managed woodlots	Definition: Area of tobacco estates in woodlots managed according to MOF criteria/total area of tobacco estates Unit: %	NRM resource monitoring system	Sample surveys Tobacco Estates Institute	Every other year	No	NRM Project Management Unit
Comments/Notes: The policies, mechanisms and activities for achieving these intermediate results not yet defined. The definition of the indicator and source of data to track it are indicative only.						

PERFORMANCE MONITORING PLAN FOR SO2 (Continued)

PERFORMANCE INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH	FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED?	RESPONSIBLE PERSON/ OFFICE
Intermediate Result 2.4: Expanded community based natural resource management programs						
2.4.1 Area managed under community-based protected areas programs	Definition: Area being managed under written management agreement with MOF, MOREA or MOALD Unit: Hectares	NRM resource monitoring program	Administrative statistics	Annual	No	NRM Project Management Unit
2.4.2. Number of communities participating and receiving income from community based NRM programs.	Definition: as per the indicator statement Units: Number	Administrative statistics	Administrative statistics	Annual	No	NRM Project Management Unit
Intermediate Result 2.5: Environmental education programs established						
2.5.1. Natural resource conservation incorporated into primary school curriculum	Definition: Number of primary school teachers that utilize natural resource reading materials in their curriculum Unit: Number					
2.5.2. Natural resource conservation techniques incorporated into extension programs	Definition: Unit: Number					
Comments/Notes: the unit of indicator 2. in IR 2.2 may be scalar, derived from a matrix of organizational development along the lines devised by Mark Renzi, LIFE program, USAID/Namibia. The policies, mechanisms and activities for achieving these intermediate results not yet defined. The definition of the indicator and source of data to track it are indicative only.						

Table 2: USAID/MALAWI Program Performance Indicators Database - SO2 Indicators												
ID	Indicator Statement	Unit	Type	Gender Related	Base Year	Value	Actual	Projected				
								1996	1997	1998	1999	2000
2.01	Area of indigenous woodland under community-based management	1000 ha.	QUAN	N	96		Indicators to be further refined					
2.02	Cultivated land under improved conservation practices.	1000 ha.	QUAN	N	96							
2.1.1	Adoption of key legislation defining property rights relating to NRM	Yes/No	DISC	N	96							
2.2.1	Rationalization of budgetary resources to implement NR activities	Percent	QUAL	N	96							
2.2.2	Development and implementation of an institutional plan for MOREA	Yes/No	DISC	N	96							
2.3.1	Proportion of tobacco estate land in managed woodlots	Percent	QUAN	N	96							
2.4.1	Area managed under community-based protected areas program.	Hectares	QUAN	N	96							
2.4.2	No. of communities participating in, and receiving income from NRM programs	Number	QUAN	Y	96							
2.5.1	Natural resource conservation incorporated into primary school curriculum.	Yes/No	DISC	N	96							
2.5.2	Natural resource conservation techniques incorporated into extension programs	Yes/No	DISC	N	96							

PERFORMANCE MONITORING PLAN FOR SO3

PERFORMANCE INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD & APPROACH	FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED	RESPONSIBLE OFFICE
Strategic Objective 3: Increased adoption of measures that reduce fertility and risk of HIV transmission, including improved child health practices.						
3.01. Modern method contraceptive prevalence rate (CPR): a) Married Women b) All Women	Unit: % Definition: % of currently married women/all women, ages 15 to 49, who are currently using a modern method of contraception	MDHS 1992, MKAPH 1996, MDHS 2000	sample surveys	every 4 years	1992 Survey completed, others planned.	PHN Office
3.02. Average number of sexual partners reported: a) males b) females	Unit: # Definition: Average number of reported non-regular sexual partners in the last 4 weeks*	MKAPH 1996, MDHS 2000	sample surveys	every 4 years	1992 survey completed, others planned	PHN Office
3.03. Condom use reported: a) males b) females	Unit: % Definition: % of males, ages 20-54, and females, ages 15-49, reporting current use of condoms during recent sexual intercourse of risk.	MDHS 1992, MKAPH 1996, MDHS 2000	sample surveys	every 4 years	1992 survey completed, others planned	PHN Office
3.04. ORT Use Rate	Unit: % Definition: % of children under age 5 who had diarrhea in the last 2 weeks who were treated with ORS or home solution	MDHS 1992, MKAPH 1996, MDHS 2000	sample surveys	every 4 years	1992 completed, others planned	PHN Office
Intermediate Result 3.1 Improved access to, and quality of family planning services.						
3.1.1. Distance to sources providing modern method contraception	Unit: kms Definition: Among women who know a modern contraceptive method, the average distance to the nearest modern method contraception availability	MDHS 1992, MKAPH 1996, MDHS 2000	sample surveys	every 4-5 years	1992 survey completed, 1996 planned	PHN Office
3.1.2. Couple Years of Protection (CYP)	Unit: # (000) Definition: CYP equivalent of contraceptives distributed to MOH&P and CHAM clinics	Health Information System (HIS)	clinic records	every year	HIS now being established. Data will be available this year.	PHN Office
3.1.3a. Number of community-based distribution (CBD) agents providing limited family planning services	Unit: # Definition: # of CBDs, male and female, distributing contraceptives (condoms, oral contraceptives, barrier methods)	John Snow, Inc.	project records	every year	yes	PHN Office

PERFORMANCE MONITORING PLAN FOR SO3

PERFORMANCE INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD & APPROACH	FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED	RESPONSIBLE OFFICE
3.1.3b. Number of MOH&P and CHAM hospitals providing comprehensive family planning services	Unit: # Definition: % of MOH&P and non-Catholic CHAM hospitals providing a full range of modern contraception methods including surgical	National Family Welfare Council of Malawi reports	hospital records, site visits	every year	yes	PHN Office
3.1.4c. Number of MOH&P and CHAM hospitals providing core family planning services	Unit: # Definition: % of MOH&P and non-Catholic CHAM clinics providing modern contraception methods except surgical	National Family Welfare Council of Malawi reports	clinic records	every year	yes	PHN Office
Intermediate Result 3.2: Improved access to and quality of STD/HIV/AIDS information and services.						
3.2.1a. Percentage citing "limited number of partners" as a means to prevent AIDS: a) males b) females	Unit: % Definition: % of sexually active respondents (sexual intercourse in the last 3 months) citing "limited number of partners" as a means to prevent AIDS (male/female)	PSI	Survey.	Annual	Yes	PHN office
3.2.1b. Percentage citing "use of condom" as a means to prevent AIDS: a) males b) females	Unit: % Definition: % of sexually active respondents (sexual intercourse in the last 3 months) citing "limited number of partners" as a means to prevent AIDS (male/female).	PSI	Survey	Annual	Yes	PHN office
3.2.2. Condom distribution: a) sales through contraceptive social marketing (CSM) b) free	Unit: # (000) Definition: a) Condoms sold to retailers, wholesalers, and consumers b) Condoms distributed free	sales: Population Services International distribution: Central Medical Stores	sales records stock distribution report	every quarter	ongoing	PHN Office
Comments/Notes: Modern methods include: injectables, IUDs, vaginal foaming tablets, condoms, oral contraceptives and sterilization. The conversion factors for CYP are 15 cycles oral contraceptives = 1 CYP; 1 IUD = 3.5 CYP; 1 implant = 3.5 CYP; 150 condoms = 1 CYP; 150 vaginal foaming tablets = 1 CYP; 1 sterilization (male or female) = 10 CYP; 4 depo-provera (injectable) = 1 CYP; & 6 noristerat (injectable) = 1 CYP.						

PERFORMANCE MONITORING PLAN FOR SO3

PERFORMANCE INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD & APPROACH	FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED	RESPONSIBLE OFFICE
3.2.3. Access to employer-based HIV/AIDS information services	Unit: % Definition: % of targeted private company and estate employees served through worksite HIV/AIDS information and condom supply services	John Snow, Inc.	project reports	every year	no—will begin reporting in 1996	PHN Office
3.2.4. Quality of care provided to STD patients a) Percentage of STD clinic patients given education and counseling b) Percentage of STD clinic patients assessed and treated in an appropriate way	Unit: % Definition: % of individuals seeking STD care in STD clinics who have received appropriate education and counseling (e.g. condom use and partner notification) Unit: % Definition: % of individuals presenting with specific STDs in STD clinics who are assessed and treated according to national STD standards	Site visits	project reports	every 2 years	yes	PHN Office
3.2.5. Percentage of pregnant women in urban areas infected with syphilis.	Unit: % Definition: as per indicator statement	John Snow, Inc	special study	every year	yes	PHN Office
Intermediate Result 3.3 Improved access to, and quality of selected child health services.						
3.3.1. Percentage of people with knowledge of malaria transmission	Unit: % Definition: % of heads of households citing mosquitoes as the cause of malaria	Malaria KAP survey 1992, MKAPH 1996	nationwide cluster survey	every 4 years	yes	PHN office
Comments/Notes: * A similar survey or situation analysis will be conducted in 1997. Part of the design and implementation of a situation analysis is the collection of data on client satisfaction and on a series of quality factors which can be used to construct an index with which to classify family planning service delivery points. Key factors might be the availability of methods, adequate supplies, trained provider, IEC materials, counseling services.						

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PERFORMANCE MONITORING PLAN FOR SO3

PERFORMANCE INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD & APPROACH	FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED	RESPONSIBLE OFFICE
3.3.2. Number of people in targeted areas with access to safe water	Unit: # (000) Definition: Population in targeted areas with access to safe water due to USAID-supported interventions e.g. gravity-fed water schemes, protected wells, boreholes. Population derived from # of taps, boreholes, shallow wells and springs completed and population in catchment area.	project reports, Save the Children, Africare, World Vision	project monitoring	every year	yes	PHN Office
3.3.3. Percentage of rural private outlets providing first-line anti-malarial drugs	Unit: % Definition: % of rural wholesaler outlets (out of 250) providing generic SP to rural retailers*	Chipiku wholesale distributors*	sales records	every year	no-agreement must first be signed allowing sales to commercial outlets	PHN Office
3.3.4. Percentage of children receiving timely and correct treatment of malaria a) Within 48 hours of onset of fever b) Correct dose during last fever episode	Unit: % Definition: % of children under 5 who received first-line anti-malarial treatment during last fever episode within 48 hours of onset Unit: % Definition: % of children under 5 who received the correct dose of first-line anti-malarial treatment during the last fever episode	Malaria KAP survey 1992, MKAPH 1996	nationwide cluster survey	every 4 years	yes	PHN Office
Comments/Notes: *Mission may consider using the number of retailers as a base once the agreement is signed and Chipiku provides the sales records indicating the number of retailers it supplies.						

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Table 3: USAID/MALAWI Program Performance Indicators Database - SO3 Indicators

ID	Indicator Statement	Unit	Gender Related	Base Year	Value					
0.5	Total fertility rate	Number	Y	92	6.7					
0.6	HIV seroprevalence among urban adult women	Percent	N	85	2.8	30.2	31.6	33.0	33.0	31.0
0.7	Infant mortality rate	Number	N	84	151			130		120
0.8	Child vaccination coverage	Percent	N	92	67.0	70.0	NA	61.0	70.0	75.0
3.01	Percentage using modern methods - CPR for married women	Percent	Y	91	5.9	NA	NA	8.5	9.6	12.5
3.02a	Average number of sexual partners reported in the last 4 weeks - males	Number	Y	96						
3.02b	Average number of sexual partners reported in the last 4 weeks - females	Number	Y	96						
3.02c	Percentage of condom use reported - by males	Percent	Y	92	7.2			30.0	30.0	25.0
3.02d	Percentage of condom use reported - by females (all women)	Percent	Y	92	1.4			15.0	20.0	25.0
3.04	ORT use rate	Percent	N	92	63.0			70.0		80.0
3.1.1	Distance to modern contraceptives (km)	km	N	92	6.3					
3.1.2	Couple years of protection (CYP)	1000	N	90	65,250	NA	65,250	68,100	109,300	166,000
3.1.3	Number of CRD agents providing limited family planning services	Number	N	90	134	0	134	374	578	750
3.1.3	MOH and CHAM hospitals providing comprehensive family planning services	Number	N	92	8	8	11	11	14	18
3.1.3	MOH and CHAM providing core family planning services	Number	N	92	175	175	326	NA	386	430
3.2.1a	% citing "limited number of partners" as a reason to prevent AIDS (males/females)	Percent	Y	92	5641	5641				7500
3.2.1b	% citing "use of condom" as a reason to prevent AIDS (males/females)	Percent	Y	92	3072	3072				5020
3.2.2a	Condom distribution - sales *	1000/year	N	92	140	192	0	4,000	5,300	6,500
3.2.2b	Condom distribution - free	1000/year	N	92	3,000	3,000	7,344	10,038	10,000	10,000
3.2.3	Access to employee-based HIV/AIDS information services.	Percent	N	92	10.0	10.0	10.0	10.0	25.0	30.0

Baseline and targets to be established

targets to be established

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Table 3: USAID/MALAWI Program Performance Indicators Database - SO3 Indicators

ID	Indicator Statement	Unit	Gender Related	Base Year	Value	Actual				Projected							
						1992	1993	1994	1995	1996	1997	1998	2000				
3.2.4a	% of STD patients given education & counseling	Percent	Y	94	29.0												
3.2.4b	% of STD patients assessed and treated correctly	Percent	Y	94	13.0			28.0									60.0
3.2.5	% of pregnant women in urban areas infected with syphilis	Percent	Y	89	13.4	NA	12.2	NA	12.5								60.0
3.3.1	% of people with knowledge of malaria transmission	Percent	N	91	59.9												90.0
3.3.2	Population in targeted areas with access to safe water	1000	N	96	0.0			77.0	218.0								400.0
3.3.3	Availability of first-line anti-malarial drugs in rural private outlets	Percent	N	95	2.0												60.0
3.3.4	% first-line treatment of Malaria within 48 hrs of onset of fever	Percent	N	92	16.0		16.0										60.0
3.3.4	% correct dose given of first-line treatment during last fever episode	Percent	N	92	17.0		17.0										60.0

Note: SOMARC was phased out in March 1994 and replaced by a program managed by PSI which started in Oct 1994.

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PERFORMANCE MONITORING PLAN FOR SO4

PERFORMANCE INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH	FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED?	RESPONSIBLE PERSON/ OFFICE
Strategic Objective 4: Increased access to, and quality and efficiency of basic education, especially for girls						
4.01&02. Net enrollment rate in primary school: a) overall b) girls	Definition: Number of children (girls) aged 6-13 enrolled in primary school as a percentage of total population (of girls) aged 6-13 (result multiplied by 100) Unit: %	GOM education statistics	School census	Annual	Data collected; Ratio calculated irregularly	EID Office
4.03. Primary pupil:teacher ratio	Definition: Total primary enrollment divided by the total number of primary teachers Unit: Average number of children per teacher	GOM education statistics	Gom education statistics	GOM education statistics	Yes	EID Office
<p>Comments/Notes: Enrollment rose from 1.9 million in 1993/94 to approximately 3 million in 1994/95 as a result of the free primary education policy. Enrollment is expected to rise thereafter but at a substantially lower rate.</p> <p>The reporting year refers to the second calendar year of the school year. Thus, for example, FY 1995 reporting should be based on data from the 1994/95 school year. Single years refer to the calendar year in which the school year ends. Thus, 1992, the most common base-line for education indicators, refers to the 1992/93 school year.</p> <p>Standard (or std.) refers to "grade" in the primary school system. The primary education system consists of eight standards. In the secondary school, grades are referred to as "forms," Form I being the equivalent of U.S. grade 9.</p>						

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PERFORMANCE MONITORING PLAN FOR SO4 (Continued)

PERFORMANCE INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH	FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED?	RESPONSIBLE PERSON/ OFFICE
Intermediate Result 4.1: Increased financial resource base for primary education						
4.1.1. Share of GOM revenue budget allocated to education sector*	Definition: Total GOM revenue budget devoted to education as a percentage of the total revenue budget, minus debt amortization (result multiplied by 100) Unit: %	Official budget documents	Actual figures	Annual	Yes	EID Office
4.1.2. Share of education revenue budget allocated to primary education sector	Definition: GOM Revenue budget devoted to primary education as a percentage of the total GOM revenue budget devoted to education (result multiplied by 100) Unit: %	Official budget documents	Actual figures	Annual	Yes	EID Office
4.1.3. Share of primary education revenue budget allocated to learning materials	Definition: Primary education revenue budget devoted to learning materials as a percentage of the total primary education revenue budget (result multiplied by 100) Unit: %	GOM education documents	Actual figures	Annual	Yes	EID Office
Comments/Notes: Education budget is defined to include the Ministry of Education budget and 9 sub-vented education parastatals. Primary education budget includes the line item for primary education as well as that for the Malawi Institute of Education (MIE).						

PERFORMANCE MONITORING PLAN FOR SO4 (Continued)

PERFORMANCE INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH	FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED?	RESPONSIBLE PERSON/ OFFICE
Intermediate Result 4.2: Increased availability of instructional resources at primary school level						
4.2.1. Cumulative number of primary schools built under GABLE	Definition: Number of schools built as direct consequence of GABLE funds Unit: # of schools	MOE reports	Enumeration	Annual	Yes	EID Office
4.2.2. Percentage of qualified/trained teachers	Definition: Total Number of primary teachers with qualifications and/or training over the total number of primary school teachers Unit: Percentage	GOM education statistics	School census Teachers MIS	Annual	Overall data collected; Standard-specific data not collected	EID Office
Intermediate Result 4.3: Increased internal efficiency in the primary school system						
4.3.1. Net admission rate	Definition: Number of six-year olds enrolled in Std. 1 as a percentage of total six-year-old population (result multiplied by 100) Unit: %	GOM education statistics; Demographic projections	School census	Annual	Data collected; Calculation rarely made	EID Office
4.3.2. Repetition rate: a) overall b) girls	Definition: Number of primary pupils (girls) repeating a standard in year t as a proportion of that standard's (girls') enrollment in year t-1 (result multiplied by 100) Unit: %	GOM education statistics	School census	Annual	Data collected; Calculation made irregularly	EID Office

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PERFORMANCE MONITORING PLAN FOR SO4 (Continued)

PERFORMANCE INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH	FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED?	RESPONSIBLE PERSON/ OFFICE
Intermediate Result 4.4: Improved learning environment for girls						
4.4.1. Number of teachers receiving in-service gender training	Definition: Cumulative number of teachers receiving in-service gender training* Unit: %	Reports from MIE-GAC Unit	MIE/GAC records	Annual	No	EID Office
4.4.2. Number of standards where core subject curricula are gender sensitized	Definition: as per indicator statement Unit: cumulative number	Reports from MIE-GAC Unit	MIE/GAC records	Annual	Yes	EID Office
4.4.3. Proportion of girls in standard one between ages 6 and 8, inclusive	Definition: Number of girls enrolling in standard 1 for the first time between ages 6 and 8, inclusive, as a percentage of the total number of girls enrolled in standard 1 (result multiplied by 100) Unit: %	GOM education statistics	School census	Annual	Data collected; Calculation not made	EID Office
4.4.4. Girls as percentage of total enrollment in Standard 8	Definition: Number of girls enrolled in standard 8 as a percentage of total standard 8 enrollment (result multiplied by 100) Unit: %	GOM education statistics	School census	Annual	Data collected; Calculation not made	EID Office
4.4.5. Girls as percentage of total enrollment in Form I	Definition: Number of girls enrolled in Form I as a percentage of total Form I enrollment (result multiplied by 100) Unit: %	GOM education statistics	GOM education statistics	GOM education statistics	GOM education statistics	EID Office
Comments/Notes: Duration and nature of "gender training" to qualify to be specified.						

Table 4: USAID/MALAWI Program Performance Indicators Database - SO4 Indicators

ID	Indicator Statement	Unit	Gender Related	Base Year	Value	Actual						Projected				
						1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
4.4	Literacy rate	Percent	N	85	27.5	32.2	32.7	33.9	35.2	NA	NA	35.0	40.0	41.0	41.0	41.0
4.01	Net enrollment rate in primary school - overall	Percent	Y	92	55.9	55.8	55.0	55.9	58.2	70.3	95.7	98.0	98.0	98.0	98.0	98.0
4.02	Net enrollment rate in primary school - girls	Percent	Y	92	57.4	53.4	52.4	57.4	59.7	71.8	95.9	98.0	98.0	98.0	98.0	98.0
4.03	Primary pupil/teacher ratio	Ratio	N	92	72.0	64.4	78.1	72.1	68.0	77.0	61.0	61.0	61.0	61.0	61.0	62.1
4.1.1	Share of GOM revenue budget allocated to education sector	Percent	N	92	14.9	12.3	11.7	14.9	17.4	18.2	21.3	21.3	21.3	21.3	21.3	21.3
4.1.2	Share of education revenue budget allocated to primary education sector	Percent	N	92	46.1	47.9	44.7	46.1	54.1	51.0	69.0	69.0	69.0	69.0	69.0	69.0
4.1.3	Share of primary education revenue budget allocated to learning materials.	Percent	N	94	1.0	NA	NA	NA	NA	1.0	8.6	10.0	10.0	10.0	10.0	10.0
4.2.1	Cumulative number of primary school blocks built under GABLE	Number	N	93	20	0	0	0	20	40	80	166	172	172	172	172
4.2.2	Percentage of qualified/trained teachers	Percent	Y	89	73.7	80.5	NA	86.0	87.0	84.0	98.0	68.0	70.0	80.0	80.0	80.0
4.3.1	Net admission rate - overall	Percent	N	94	58.0	NA	NA	NA	NA	58.0	73.1	75.0	75.0	75.0	75.0	75.0
4.3.2	Net admission rate - girls	Percent	Y	94	53.0	NA	NA	NA	NA	53.0	74.4	75.0	75.0	75.0	75.0	75.0
4.3.3	Repetition rate - all	Percent	Y	90	22.7	22.7	20.2	18.9	19.8	17.5	NA	15.0	14.0	13.0	13.0	13.0
4.3.4	Repetition rate - girls	Percent	Y	90	22.8	22.8	20.4	18.2	20.3	17.5	NA	15.0	14.0	13.0	13.0	13.0
4.4.1	Number of teachers who receive gender training	Number	Y	95	0	0	0	0	0	0	0	3,000	27,000	40,000	40,000	40,000
4.4.2	Number of standards where core subject curricula are gender sensitized	Number	Y	92	0	0	0	0	1	3	5	6	7	8	8	8
4.4.3	Proportion of girls in standard one age 6-8 inclusive	Percent	Y	90	60.7	60.7	65.9	61.0	NA	61.2	NA	67.0	70.0	73.0	73.0	73.0
4.4.4	Girls as percentage of total enrollment in standard 8	Percent	Y	92	38.4	34.0	35.6	38.4	34.9	37.4	38.1	40.0	40.5	41.0	41.0	41.0
4.4.5	Girls as percentage of total enrollment in Form 1	Percent	Y	92	30.9	35.8	34.4	30.9	30.1	39.2	NA	40.0	40.0	40.0	40.0	40.0

PERFORMANCE MONITORING PLAN FOR SO5

PERFORMANCE INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH	FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED?	RESPONSIBLE PERSON/ OFFICE
Strategic Objective 5: Institutional base for democratic participation strengthened and broadened						
5.01. Number of occasions parliamentary committees consider submissions by non-governmental and/or private sector associations.	Definition: as per the indicator statement Unit: Number per year	Parliament/NDI	Parliamentary records	Annual	No	EID Office
5.02. Percentage of people (disaggregated by gender and urban/rural) who feel that the courts are providing justice.	Definition: as per the indicator statement Unit: %	Center for Social Research (proposed)	Survey	Biannual	No	EID Office
5.03. Percentage of laws discriminating against women amended or overturned by Parliament.	Definition: as per the indicator statement Unit: %	Women's Caucus	Monitoring of Parliament	Annual	No	EID Office
5.04. Percentage of people who are aware of a public meeting organized by their MP.	Definition: Percentage of people who are aware of a public meeting organized by their MP within walking distance in the last six months. Unit: %	Center for Social Research (proposed)	Survey	Biannual	No	EID Office

PERFORMANCE MONITORING PLAN FOR SO5 (Contd.)

PERFORMANCE INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH	FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED?	RESPONSIBLE PERSON/ OFFICE
Intermediate Result 5.1: Civil Society strengthened						
5.1.1. Primary school civic education key events.	Definition: as per the indicator statement Unit: key events	GABLE	Annual report	Annual	No	EID Office
5.1.2. Percentage of people in selected districts who can answer 5 key civics questions.	Definition: Disaggregated by gender and urban/rural. Unit: %	CARER	Sample survey	Annual	No	EID Office
5.1.3. Percentage of people who say they are members of non-governmental or voluntary associations.	Definition: Disaggregated by gender and urban/rural. Unit: %	CSR (proposed)	Survey	Riannual	No	EID Office
Intermediate Result 5.2: Parliament functions more effectively						
5.2.1. Percentage of committee oversight hearings on non-procedural issues.	Definition: Disaggregated to take note of hearings on women's issues. Unit: % per year	NDI/Parliament	Parliamentary records	Annual	No	EID Office
5.2.2. Percentage of occasions during legislative debate in which the following conditions obtain: 21 days notice; committee debates; amendments introduced and debated.	Definition: as per the indicator statement Unit: % per year	NDI/Parliament	Parliamentary records	Annual	No	EID Office

PERFORMANCE MONITORING PLAN FOR SO5 (Contd.)

PERFORMANCE INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH	FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED?	RESPONSIBLE PERSON/ OFFICE
Intermediate Result 5.3: Capacity of the electoral commission to conduct free and fair elections strengthened.						
5.3.1. The electoral commission runs all elections in a manner that is considered free and fair by independent monitors.	Definition: includes by-, local and national elections. Unit: Yes/No	IFES/Electoral Commission	Electoral observation	Elections	Yes	EID Office
5.3.2. In all elections, a minimum of 70% of eligible voters register, a minimum of 40% (local) or 60% (national) of those registered vote, and a maximum of 5% of ballot papers are spoiled.	Definition: as per the indicator statement Unit: Yes/No	IFES/Electoral Commission	Electoral observation	Elections	Yes	EID Office
Intermediate Result 5.4: Judiciary Strengthened						
5.4.1. Number of cases brought to conclusion by the High Court.	Definition: as per the indicator statement Unit: Number per year	High Court/USAID	Court records	Annual	No	EID Office
5.4.2. Percentage of magistrate court sentences on selected crimes set down for review by the High Court because they fall outside an acceptable range.	Definition: as per the indicator statement Unit: % per year	High Court/USAID	Court records	Annual	No	EID Office
5.4.3. Percentage of first and second tier magistrate court decisions set down for review by the High Court.	Definition: as per the indicator statement Unit: % per year	High Court/USAID	Court records	Annual	No	EID Office

PERFORMANCE MONITORING PLAN FOR S05 (Contd.)

PERFORMANCE INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH	FREQUENCY OF DATA COLLECTION	DATA CURRENTLY COLLECTED?	RESPONSIBLE PERSON/ OFFICE
Intermediate Result 5.5: Economic policy process reformed.						
5.5.1. Number of occasions on which the three concerned government agencies consider inputs into the economic policy process from non-governmental, professional, or private sector organizations or Parliament.	Definition: as per the indicator statement Unit: Number per year	MEP&D, RBM, MOF, HIID	Project records	Annual	No	PPD Office
5.5.2. The quality of the policy analysis process.	Definition: as per the indicator statement Unit: Index	Independent panel	Consultation	Annual	No	PPD Office
Comments: Indicator 2 criteria to include 1. quality of research (including possible effects on the poor) 2. clarity and internal consistency of draft materials 3. quality of exchange between the government and non-governmental actors 4. likelihood of the policy instruments having their anticipated consequences.						

Table 5: USAID/MALAWI Program Performance Indicators Database – SO5 Indicators

ID	Indicator Statement	Unit	Type	Gender Related	Base Year	Value	Actual		Projected				
							1994	1995	1996	1997	1998	1999	2000
0.1	Per capita income	Real MWK	QUAN	N	91	120.2		107.2	109.1	111.2			113.3
0.3	Investment as percent of GDP	Percent	QUAN	N	94	12.3	4.8	12.7	12.5	12.2	12.4	12.5	12.6
5.01	No. of occasions parliamentary committees consider submissions by non-governmental and/or private sector associations.	Number	QUAN	N	96								
5.02	% of people who feel that the courts are providing justice.	Percent	QUAN	Y	96								
5.03	Percentage of laws discriminating against women amended or overturned by Parliament	Percent	QUAN	Y	96								
5.04	Percentage of people who are aware of a public meeting organized by their MP.	Percent	QUAN	N	96								
5.1.1	Primary school civic education key events	key events	DISC	N	96								
5.1.2	% of people in selected districts answering 5 key questions	Percent	QUAN	N	96								
5.1.3	Percentage of people who say they are members of non-governmental or voluntary associations.	Percent	QUAN	N	96								
5.2.1	% of committee oversight hearings on non-procedural issues.	Percent	QUAN	N	96								
5.2.2	% of occasions during legislative debate in which the following conditions obtain: 21 days notice; committee debates; amendments debated.	Percent	QUAN	N	96								

Table 5: USAID/MALAWI Program Performance Indicators Database – SO5 Indicators

ID	Indicator Statement	Unit	Type	Gender Related	Base Year	Value	Actual		Projected				
							1994	1995	1996	1997	1998	1999	2000
5.3.1	The Electoral Commission runs all elections in a manner that is considered free and fair by independent monitors	Yes/No	DISC	N	96								
5.3.2	In all elections a min. of 70% of eligible voters register; a min. of 40% (local) or 60% (national) of those registered vote; and a maximum of 5% of ballot papers are spoilt	Yes/No	DISC	N	92								
5.4.1	Number of cases brought to conclusion by the High Court.	Number	QUAN	N	92								
5.4.2	Percentage of magistrate court sentences on selected crimes set down for review by the High Court because they fall outside an acceptable range.	Percent	QUAN	N	96								
5.4.3	Percentage of first and second tier magistrate court decisions set down for review by the High Court.	Percent	QUAN	N	92								
5.5.1	Number of occasions on which the three concerned government agencies consider inputs into the economic policy process from non-governmental, professional, or private sector organizations or Parliament.	Number	QUAN	N	96								
5.5.2	The quality of the policy analysis process.	Index	QUAL	N	96								

Annex 7

DROUGHT AND DEVELOPMENT Beyond Maize

A. Introduction

Between 85% and 90% of the rural population derive their livelihood from agriculture (UNDP, 1993). Agriculture contributes the largest share of GDP (about 38), employs approximately 80% of the labor force and accounts for over 90% of Malawi's foreign exchange earnings. Malawi's dependence on agriculture is handicapped by a combination of problems, including a deteriorating natural resource base, high population growth rates and its landlocked geographical location.

Poverty is widespread, with more than half of the population living below the poverty line. The UNDP estimates rural poverty at 60%, and urban poverty at 65%. Malawi's chronic malnutrition rates have improved slightly since 1980, but they still remain among the worst in Africa. The 1992 Malawi Demographic and Health Survey estimated that the national rate of stunting (height for age) for children under five years old was 49%, compared to 56% in 1980/81. However, since these 1992 nutritional data were collected, Malawi has experienced a number of significant events which have had a combined negative impact on food intake. Severe drought in two of the last three agricultural production seasons, devaluation of the Malawian Kwacha and the collapse of the rural credit system have limited household food supply, assets and cash markets and access to key agricultural inputs such as improved seed and fertilizer.

Production of maize, Malawi's staple crop, remained relatively stable between the 1982/83 and 1990/91, ranging from 1,201,757 to 1,589,377 metric tons (MT) per annum. However, the major droughts in the 1991/92 and 1993/94 seasons, combined with the collapse of the credit system, led to extreme variability in national maize production, from a low of 657,000 MT in 1992 to an all-time high of 2,003,957 MT in 1993, and only 818,999 MT in 1994. Early estimates of the 1995 maize production of 1,412,928 MT, are only slightly greater than the 1,139,403 MT produced in 1982/83.

During the past ten years Malawi's predominantly rural population has become increasingly vulnerable to food shortages. Food production in general and maize production in particular have failed to keep pace with population growth. This vulnerability has been exacerbated by the failure of the government's strategy to improve national food security by focusing on the intensification of smallholder maize production.

B. Vulnerability

Malawi's smallholder farmers and large segments of the urban population have been and remain particularly vulnerable to food shortages. Smallholder agriculture in Malawi is rooted in a customary land tenure system. Although subsistence oriented, it provides almost 80% of the country's food production. This sub-sector engages about 1.6 million households cultivating about 1.8 million hectares of land. Roughly 13% of these farmers cultivate two or more hectares; 31% farm between one and two hectares; and another 56% of smallholder households cultivate less than one hectare. The cultivation of local maize varieties dominates smallholder agriculture, accounting for about three-fourths of cropped area. Smallholder production technologies are rudimentary, with very little chemical or organic inputs. Total production is

further reduced by small-sized land holdings, widespread use of unimproved crop varieties, and large storage and processing losses. The Southern Region of Malawi is historically a food deficit area, while the Central Region has traditionally been a surplus area. Almost 90% of the nation's population lives in the Southern and Central regions. Despite recent trends toward diversification, it is precisely these regions where high malnutrition rates are chronic.

The absolute poverty of the smallholder sector deepens food insecurity. While they produce 80% of the country's total food crops, fully 60% of Malawi's rural households have incomes below the poverty line. With very little cash available, smallholders are largely unable to make the investments necessary to improve productivity. A compounding factor contributing to low productivity levels in the 1993/94 season, in conjunction with the late start and poor distribution of rains, was the virtual collapse of the agricultural credit system. During the campaign activities preceding Malawi's first multi-party presidential elections, many smallholders were led to believe that loans taken the previous year would be forgiven, even though smallholder clubs that do not repay 100% of their loans are not reissued credit the following season. Entering the 1993/94 season, only 15% of the 1992/93 loans issued nationally had been recovered. Therefore, only 4,137 clubs were eligible for seed and fertilizer credit, compared to 15,730 clubs in 1992/93. Subsequently, drought conditions led to only 27% of the 1993/94 credit being recovered, and only slightly more than 400 clubs are eligible for credit in 1994/95. Without cash or credit, smallholder access to available stocks of hybrid maize seed and fertilizer is limited. In the case of fertilizer, farmers are generally unable to afford even modest amounts because of high and increasing prices (due to the devaluation of the Malawian Kwacha), high external transport costs, and the removal of maize fertilizer subsidies.

C. Analysis of Socio-economic Groups

The principal segments of Malawi's population considered to be more than slightly vulnerable to famine are smallholder "dependent" farmers cultivating less than one hectare of land, estate tenants, and the urban poor (see table below). Smallholders comprise over 80% of the population. Within this group "dependent smallholders" comprise approximately 25% of all smallholders, or 20% of the country's population.

Table 1. Malawi: Socioeconomic Group and 1994 vulnerability

Group	Approximate total population	Number more than slightly vulnerable
Dependent smallholders		
male-headed	1,162,000	1,115,000
female-headed	3,486,000	3,400,000
Estate tenants	480,000	400,000
Urban dwellers	1,300,000	250,000
Farmer/fisherfolk	200,000	-
Total	6,628,000	5,165,000

Source: FEWS/Malawi.

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D. Dependent Smallholders

Dependent smallholder farmers, those with access to less than one hectare of land, represent the largest group vulnerable to food shortages for at least part of the year. Of male- and female-headed households within the dependent farmers grouping 4.5 million of the 5.1 million people are vulnerable. The measures used to define degrees of vulnerability include:

- Highly vulnerable -- having access to less than 1,000 Kcals/person/day
- Moderately vulnerable -- having access to between 1,000 and 1,800 Kcals/person/day; and
- Slightly vulnerable -- having access to more than 1,800 Kcals/person/day.

More than half of the dependent smallholders are net purchasers of maize and dependent on the commercial market for food purchases. This group also spends a disproportionate share of their income on food compared to more self-sufficient smallholders. Because their principal income source is their own farm production (73), they are more exposed in the event of a crop failure.

There are approximately 600,000 female-headed households nationwide, comprising 30% of rural smallholder households and representing 42 of the total farming population. These households tend to have the smallest land holdings and are more affected by shortages of cash, food, and labor. These households are normally the smallest landholders, with limited access to credit and lower wages for "ganyu" (day labor) than their male counterparts. With the exception of those female-headed households which may receive remittances from their migrant husbands, the majority of these households have no other source of income. As such, the women and children in this group are at constant risk.

The three major constraints that limit the income earning potential of Malawi's dependent smallholder population are

- Land shortage -- Approximately 56% of smallholders cultivate less than one hectare of land, and 23% of smallholders cultivate less than 0.5 hectare.
- Access to inputs -- A contributing factor to declining agricultural production is limited access to cash or credit to purchase improved seed and fertilizer. The result is that dependent smallholder farmers rely on local, lower yielding maize varieties, accounting for approximately 75% of total cropped area. Only 30 % of all smallholders had access to credit for improved inputs prior to the collapse of the credit system. Meanwhile, high prices of fertilizer and seed (which have gone up by 49% and 52% in the past 12 months, respectively) have made them simply too costly for almost all smallholders to purchase.
- Labor constraints -- Smallholder households in general, and women-headed smallholder households in particular, experience severe labor constraints at peak activity periods during the agricultural season. This is primarily because cash-starved smallholders without access to sufficient land to produce enough food for their own consumption and sales are obligated to hire out family labor during these peak periods. The result is a decrease in

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productivity through neglect of their own plots, complicating their already deficit production.

To address these constraints, dependent smallholders have historically adopted five major coping strategies:

- Ganyu (day labor)
- Estate labor
- Intensified artisanal fishing
- Dimba (streambed) cultivation
- Artisanal labor

During the 1991/92 and 1993/94 seasons the poor rains and agricultural harvest significantly limited the hiring of day labor or ganyu, and thereby increased the vulnerability of smallholders. The limited number of nonfarm employment opportunities in rural areas and the low level of education in this group further confine the poorest smallholders to marginal subsistence.

The low water tables caused by recent droughts have also reduced off-season dimba cultivation (most prominent in the Southern Region). The ability of households along the lake shores to increase their income from artisanal fishing is also decreasing from increased population and absence of any regulation enforcement. Increased siltation from soil erosion and lower water levels in Lake Malawi have also inhibited fish harvests.

E. Estate Tenants

Almost all of the households (over 80%) in this group are moderately vulnerable to famine. While the number of tenant farmers was estimated to be 105,000 in 1989, the Tobacco Association of Malawi estimates there are currently over 480,000 tenants on tobacco estates alone, with the majority of these living in Lilongwe, Kasungu, and Mchinji districts. Tenant conditions are often directly related to the size of the estate. It is estimated that there are a total of 32,000 estates divided into four categories: 18,000 estates of less than 20 hectares, another 10,000 estates of between 20-50 hectares, 1,860 estates of between 50 and 1,000 hectares, and the final 2,140 estates of over 1,000 hectares in size. The tenants working on smaller estates are generally worse off economically and more vulnerable to food insecurity than their counterparts on the better organized and managed larger estates.

Most tenant farmers are smallholders whose diminutive plots require that they migrate in search of alternate income sources. These tenant farmers rank among the poorest and most vulnerable in Malawi. They work mostly on tobacco estates, but unlike estate laborers they receive cash once a year after selling their produce to the estate owner. They depend on food rations provided by the estate owners, the value of which is subtracted from the value of their produce at the time of sales. Surveys show that the average tenant household is given 384 kg of maize per annum, substantially less than the 945 kg recommended for an average household to meet its food requirements. Although it is not currently known how tenant households supplement their incomes, there are indications that many tenants have access to land in their home area which their relatives continue to farm. This supplements food production, and increases the availability of animal feed.

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F. Urban Poor

An estimated 65% of Malawi's urban population have household incomes below the poverty line. An estimated 20% of these households are considered moderately vulnerable, with the remaining 80% considered slightly vulnerable for the purposes of this report. The four main urban centers in Malawi are Lilongwe (the capital city), Blantyre, Zomba, and Mzuzu. The urban poor constitute between 11 and 17% of the Malawian population. Of this total, 65% (or 2.5% of all Malawians) live in extreme poverty. A recent study has shown that Malawi's rate of urbanization has accelerated rapidly since 1964, and is currently estimated to be increasing at a rate of 2,500 people per week. This rate is above the mean urbanization rate for African countries. Approximately 5% of urban households are female-headed. The urban poor are mostly found in the informal sector, among the unemployed and low wage earners.

Factors that increase the vulnerability of the urban poor are lack of employment opportunities and high inflation rates. The annualized inflation rate for 1994 has been estimated at 35%, largely due to the flotation of the Malawian Kwacha in early 1994. The impact of this dramatic increase in the inflation rate has been a steady decline in the purchasing power of all urban households, but the unemployed and the poor have been severely impacted.

The incomes of the urban poor are generally inadequate to meet household expenditures on rent, food, and fuel (wood). A large share of the income, nearly 68%, is spent on food alone. For the urban poor the main issue is access to food rather than its availability. Price fluctuations of staple foods and significant erosion of purchasing power have led to increases in overall vulnerability.

G. Farmer/Fisherfolk

Populations that rely on income from artisanal fishing to supplement their agricultural incomes are only slightly vulnerable. Farmer/fisherfolk are primarily located along the shores of lakes in Malawi, Malombe, and Chiuta. Overfishing is common and is negatively affecting the ability of poor households to augment food security through this activity. Districts most affected by overfishing include Mangochi, Salima, Nkhata Bay, Nkhotakota, and Karonga. Families who are entirely dependent on fishing for food and cash are rare and number not more than 25,000. However, over 200,000 Malawians are estimated to be working along the lake shores as fish traders, boat builders, and net makers, as well as in other support industries dependent on fishing. Often the male members of an inland farm family migrate to the lake shores to fish, leaving the women to tend to the inland gardens and farms.

Besides overfishing, another factor negatively affecting the fishing industry is the extent of water level fluctuation resulting from climatic variations. Observations in drought years conclude that the fishing yield has been reduced. In fact, the total fish catch reached its peak in 1987 at 88.5 thousand MT and has been declining ever since.

Returns to artisanal fishermen have also been declining since 1987. Diminished fish catches as a result of overfishing in the lakes has adversely affected the incomes of smallholders who live near these fisheries. Ironically, as a result of the below average agricultural harvests in 1991/92 and 1993/94, many smallholder farmer/fisherfolk have increasingly turned to fishing (or intensified fishing) as a coping strategy, thus further accelerating the decline in per capita catches and increasing their very own food vulnerability.

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H. Regional Vulnerability

Analysis of vulnerability by region shows that the Northern Region has only a few concentrations of vulnerable households. The Central Region, historically a surplus producing area, contains a surprisingly large and increasing number of areas where households have moved from slightly to moderately vulnerable. The Southern Region remains a deficit production area. It continues to show a general and steady decline in the production of food and "kilocalorie equivalents" over the 1990s.

I. CONCLUSIONS

Smallholder farm families, especially those that are female-headed, are the most vulnerable population to food shortages. Smallholder farmers, estimated at over 4.5 million people, have access to less than one hectare of land, use lower-yield maize varieties and minimal fertilizer, and have inadequate labor available during peak agricultural activities. Below-average agricultural production in two of the last three years has had a significant impact on reducing this most vulnerable group's access to food.

The variability of food production in Malawi during the past three years, along with its progressive impact on national and household food security, is an eloquent illustration of the pressing need to formulate and implement agricultural development strategies to mitigate the potential impact of recurrent, drought-induced food shortages.

There are indications that, in the face of uncertainty, smallholder farmers are already shifting their cropping practices to ensure more reliable production and availability of food for their households. The hectareage planted to maize production is remaining essentially stagnant as farmers plant increasing areas to drought-resistant, low-input "food security" crops such as cassava, sorghum and millet. The estimated 82,802 hectares planted to cassava in 1995/96 is greater than the previous all-time high of 81,497 hectares in 1983/84. In addition, the 57,929 hectares planted to sorghum in 1994/95 is the highest ever recorded, and the 21,712 hectares planted to millet is only slightly less than 1992/93 and 1993/94 plantings. Malawians have historically consumed these crops in the form of "nsima" (thick porridge), and their increased adoption does not require a change in consumption habits.

Improved varieties of cassava and sorghum have the potential to substantially increase the availability of food for dependent smallholder families, and recent efforts to make these varieties more widely available to smallholders have been unable to keep pace with demand.

J. Recommended Actions

USAID/Malawi will continue its efforts to improve food security during the CPSP period by supporting efforts to:

1. Increase the supply of improved cassava and sweet potato planting material, and make it more readily available to smallholders.
2. Increase the supply of improved sorghum varieties, and make them more readily available to smallholders.

3. Encourage the economic intensification of maize production in areas where it grows well through (a) the development of improved fertilizer applications (reducing the amount while increasing the response), (b) liberalizing input markets by removing subsidies and barriers to expanded private sector trade, thus expanding smallholder market access to hybrid seed and fertilizer, and (c) liberalizing output markets by the removal of price controls and regulations which inhibit both private trade and producer supply response to market forces.
4. Intensify data collection and analysis efforts through FEWS III and Mission investments to help identify and track chronically vulnerable areas and populations, and develop policies to target and address their specific needs.

Malawi cannot meet the food security needs of its expanding population through intensified maize production alone. However, Malawi can significantly improve food availability by encouraging expanded smallholder use of more drought-resistant, subsistence crops and allowing a free market to encourage maize production where appropriate. The market will also move maize production from surplus to deficit areas in response to price and demand more efficiently.

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Annex 8

Women in Development (WID) Action Plan

I. Action Plan Overview

This WID Action Plan was developed in order to assist the Mission to identify actions for improving WID performance within current programs/projects. It also complements and enhances the CSP's integration of gender considerations.

Given the poor statistics on the status of women in Malawi, the Mission has identified a gender focus on women and girls. The Mission recognizes that the exclusion of women/girls from mainstream participation in Malawi's economic and social development is an obstacle to overall development. As such, the Mission's intent is to increase women's access to resources, development opportunities, and avenues of expression to raise women to a more balanced level with men. This plan has two components:

- * background information on the status of women in Malawi. This section describes both the political and economic context for this WID Action Plan and also the gender issues affecting women's participation in and benefits from national development activities; and
- * project-by-project review of Mission projects. Each project review documents progress to date and suggests ways to build upon achievements to sustain WID performance in an integrated and systematic fashion from the design to the final evaluation. Recommended actions will also enhance overall program/project success by taking gender-related factors into account. The WID Officer, Ms. Stephanie Funk, has responsibility for overseeing the WID portfolio as a whole and ensuring that the mission takes women into consideration throughout design, implementation and evaluation in all programs and projects. The individual Project Officers are responsible for implementation of WID activities within their specific projects. Both the Project Officers and the WID Officer will use this document as a planning tool to agree upon next steps and monitor progress on an ongoing basis.

Projects reviewed include:

1. Agricultural Sector Assistance Program Support Project and Agricultural Sector Assistance Program (ASAP) (NPA: 612-0239; Project 612-0235)
2. Services for Health, Agriculture, Rural and Enterprise Development Project (SHARED) (612-0232)
3. Human Resources and Institutional Development Project (HRID) (612-0230)
4. Girls' Attainment in Basic Literacy and Education Program (GABLE) (NPA: 612-0240; Project 612-0237)
5. Promoting Health Intervention for Child Survival Project (PHICS) (612-0231)
6. Support to AIDS and Family Health Project (STAFH) (612-0238)
7. Malawi Railways Restructuring Program (690-0277.12)
8. Democratic and Civic Institution Development Project (DECIDE) (612-0243)

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9. African Training for Leadership and Advanced Skills Project (ATLAS)
698-0475
10. Human Resources Development Assistance Project (HRDA), (698-0453)

II. Status of Women in Malawi

A. Political and Economic Context

In May, 1994, Malawi elected its first democratic government following 30 years of one party rule under president-for-life, Dr. Hastings Kamuzu Banda. Political unrest initially surfaced in 1992, when Malawians began to question the political repression and economic inequalities of the Banda regime. A key factor in this process was a pastoral letter issued by the Catholic Bishops in March, 1992 which boldly called for improvements in the human rights situation. In May, 1992, donors suspended non-humanitarian aid to Malawi until "a more open and transparent political system was in operation and the deplorable human rights situation improved significantly." With support from the church and emerging opposition groups, the Malawian people began a series of unprecedented strikes and political demonstrations that continued through the year.

Internal and external pressure mounted, finally President Banda announced a referendum to determine whether the country would remain a one-party state or be replaced by a pluralistic system. The referendum was held in June, 1993; Malawians voted overwhelmingly for a multi-party system of democracy. By the end of June, there were seven registered political parties. The opposition parties became part of two transitional bodies which paralleled the parliament and the cabinet. Legislative and constitutional changes were drafted to facilitate the multi-party elections which took place in May, 1994, and to protect basic human rights. In general, the human rights climate has improved significantly since the June 1993 Referendum. These improvements have strengthened respect for the individual, civil liberties and political rights.

At the same time that political strides are being made, the Malawian economy continues to stagnate. This is due largely to a severe drought in 1992/93, the perception by the private sector of a potentially risky political transition, a substantial wage increase in both the public and private sectors following labor unrest, and the impact of donor withholding balance of payments support. With a severe decline in foreign exchange reserves, Malawi's per capita gross domestic product (GDP) remains among the lowest in the world. Malawi continues to face a significant external financing gap, low foreign exchange reserves, and a marked increase in inflation.

At the people level, the situation remains alarming. While Malawi's per capita GDP is among the lowest internationally, its infant and child mortality rates are among the highest. And while its population growth rate is among the highest in the world, per capita food production and consumption are falling, exacerbating already widespread malnutrition. Until the recent elimination of school fees, a declining proportion of primary school age children were enrolled in school; and there are insufficient job opportunities for the increasing number of rural Malawians who cannot be productively employed on their shrinking farm plots. In addition, AIDS is rapidly becoming a leading cause of death for children under five as it has already become for young adults: nearly 13% of the adult population is HIV positive. In sum, the social and economic existence of the average Malawian is difficult at best.

B. Gender Issues

Women make up more than 52% of the country's total population. However, national statistics demonstrate that women are disadvantaged compared with men in virtually every social and economic sector. Women have significantly lower levels of literacy, education, political representation, formal and non-traditional employment opportunities, and access to resources to increase agricultural productivity. Female headed households represent approximately 30% of the population but are disproportionately represented in the bottom 25% of the income distribution. In a country where 85% of the total population is rural, 70% of the rural female population are full-time farmers. Studies have shown that women typically work more hours than men to complete the same farm tasks because they rarely have the improved tools and equipment used by men. Furthermore, women have limited access to agricultural extension services, training, and credit.

Because formal sector employment in Malawi is limited, women's participation in this sector is particularly constrained. Women work primarily in a narrow range of occupations such as nursing, teaching, sales and secretarial positions. Overall, women make up less than 5% of the administrative and managerial cadres. In 1994, only 190 Ministry of Agriculture extension workers were female, compared to 2,000 male extension workers. Similarly, only 9 women occupied middle management/decision making posts, representing 1% of the total women in the Ministry. In 1994 in the Ministry of Women and Children Affairs and Community Services (MOWCACS), only 175 of the total 800 community development and social welfare assistants were female.

With regard to education, women and girls face a number of economic and social constraints which hamper their educational attainment. Female literacy is approximately 29% while male literacy is estimated at 48% in the five and above age bracket. Girls typically drop out of school more frequently than boys, so that in the last year of primary school, only 25% of all students are girls. While significant gains have been realized in girls' education in the past few years, large gaps remain between girls' and boys' enrollment, persistence, and achievement. In 1992/93, for example, 73% of boys passed the Primary School Leaving Examination compared to 56% of girls.

In the political arena, female political representation stands at less than 2% in the cabinet, 6% in Parliament, and 5% in local councils. The recent transition to a multi-party system, however, may provide new opportunities for women to increase their political voice.

Malawi's women also face significant health challenges. Most notably, Malawi has among the highest fertility and maternal mortality rates in Africa. A Malawian woman of reproductive age averages 6.7 births, yet only 7% use modern contraceptive methods. AIDS has also become a significant threat, and females in the 20-24 age bracket are almost twice as likely as other age groups to be HIV positive. Further, data from a 1993 study of the economic impact of malaria raise the possibility that incidence of malaria may be significantly higher among adult women than among men. If life is difficult for the average Malawian, it is even more difficult for the average Malawian women.

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III. Project by Project Description

Project: Agricultural Sector Assistance Program II (ASAP II)
612-0235/612-0239

Project Officer: Kurt Rockeman

PACD: 9/30/98

Purpose: To increase smallholder access to agricultural inputs, output markets, cash crop production alternatives and labor market information.

WID Focus: The smallholder burley program under ASAP is specifically intended to target farmers with less than 1.5 hectares of land and female-headed households. This is reflected in ASAP II's two themes: 1) increasing equity and efficiency through liberalizing input markets; and 2) increasing equity and efficiency through expanding market competitiveness and institutional reform.

Progress to date: ASAP I

Deliberate efforts have been made to ensure that female headed households are registered as burley growers in their own right. In the first season of the program, 10% of all smallholder burley club members were women; in 1993/94, two years later, this number had increased to 15%. In fact, between 1992/93 and 1993/94, the number of women farmers participating in smallholder burley tobacco production increased by 29% from 3,663 to 4,710. The number of men farmers increased by 3%, from 25,284 to 26,159 in the same time period.

In March, 1993, the mid-term evaluation included an assessment of gender equity in burley production. One outcome of this assessment was a study conducted by the Ministry of Agriculture's women's program section to profile women in burley clubs in order to better understand their constraints to and opportunities in joining and participating in these clubs. The study provided a mechanism for the women's program section to orient both male and female extension workers on women's participation in burley production. As a result, 1) field assistants (FAs), who are all male and work primarily with male farmers, received additional information and encouragement to register women in burley clubs; and 2) farm home assistants (FHAs), who are all female and have traditionally focused on home economics, had the opportunity to work with women in their agricultural roles. Data from the study have been collected and are now being analyzed.

Next Steps/Recommended Actions: ASAP Phase II

1. ASAP II includes three policy elements related to equity in burley (and hybrid maize) production: 1) the GOM will design and implement a plan for eliminating existing laws and administrative practices which allow discrimination on the basis of gender or ethnic background; 2) the GOM will review entities which have operations in the agricultural sector to determine how and to what extent they promote or restrain smallholder economic growth and equity; based on the results of this review, an action plan to remove identified constraints will be developed and implemented. This will include gender-based constraints; and 3) as part of the conditionality, the GOM is required to increase the proportion of burley tobacco quotas allocated to women (especially female headed households).

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2. Approximately one third of participating farmers in the ASAP Agroforestry Pilot Project are female. The project will review data on technology adoption from a random sample of farmers to identify differences in technology adoption among male and female farmers. The data was collected as part of the project's monitoring and evaluation system.
3. Agricultural Cooperative Development International (ACDI), the contracting firm charged with strengthening burley clubs, will conduct a survey to assess constraints to and opportunities for increasing women's participation in burley clubs. This survey will be part of a larger assessment of factors affecting successful burley club performance and will build on earlier work in this area, including the previously mentioned Ministry of Agriculture survey of women's participation in burley. Discussions are also under way with a women's NGO to use their organizational network to increase the number of women in women-only burley clubs.
4. ASAP will develop an indicator to measure success of strategies to increase gender equity in relevant agricultural policies and organizational practices. Preliminary discussions suggest the indicator will reflect women's participation in burley clubs.

Means of Verification: Project reports, SOW for burley club survey, PIR, API.

Timetable: December, 1994 through the end of the project.

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Project: Services for Health, Agriculture, Rural and Enterprise Development (SHARED), 612-0232

Project Officer: Margaret Sarhan

PACD: 8/31/99

Purpose: To expand the amount and increase the impact of development activities of PVOs/NGOs in Malawi in the key areas of agriculture, off-farm employment and health; and to strengthen the capacity of Malawi NGOs to provide services with positive impact in these sectors.

WID Focus: The SHARED Project has a primary focus on benefiting women, particularly rural women, and on the elimination of gender-specific constraints to equity in Malawi's economic development. Benefits for women from strengthening NGO participation in national development are especially significant, because the NGO sector offers women opportunities not formerly available to them through government or private enterprise. Community-based organizations offer vehicles where women directors and implementors can contribute to national development, and women participants and beneficiaries can address and improve their own conditions.

Progress to date: Within the last few years, a large number of women have become involved in and empowered by NGOs which are assisted by SHARED.

- * Grassroots and women's groups generally have little experience and expertise in planning, administration and monitoring; through SHARED, they gain crucial organizational skills. SHARED has supported the establishment of new women's organizations and new initiatives of existing women's organizations. As of April, 1994, approximately 30% of sub-grant funds were allocated to projects specifically targeting women.
- * The project reporting system incorporates a methodology that collects and compiles gender disaggregated data gathered under each subgrant. Female beneficiaries and participants represented 48% of all participants in SHARED-funded NGO activities in 1993 and 1994.
- * The project provides incentives for organizations to consider gender issues. Criteria for evaluating NGOs which compete for subgrants include a focus on expanding female participation; they also require implementation plans to include gender-disaggregated data for monitoring, evaluating, and reporting on subgrant progress and impact.
- * The project received a \$50,000 OYB transfer from the Office of Women in Development that is being used to fund women focused NGOs and training activities for women from various NGOs supported through SHARED.

Next Steps/Recommended Actions:

The SHARED evaluation, currently in process, reflects the seriousness with which gender issues are taken. It will assess the extent to which sub-grantees collect gender-disaggregated data and the gender-distribution of sub-grantee activities. Based upon the findings of that evaluation, steps to further incorporate gender considerations into the project will be explored.

Means of Verification: Evaluation Report

Timetable/Date: November 1994 - April, 1995.

Project: Human Resources and Institutional Development

Project Officer: Chris Kaliu

FACD: 9/30/95

Purpose: 1) To strengthen, broaden and improve the efficiency of Malawi's post-secondary degree and non-degree training institutional capacity to supply the public and private sectors with critically needed and experienced professional, technical, managerial and administrative human resources; and 2) to improve the efficiency and overall effectiveness of existing professional, technical, managerial and administrative human resources employed in the public and private sectors.

WID Focus: As part of the broad focus of this project, HRID increases opportunities for women to pursue higher education; at present, only 1% of female pupils from the original primary school cohort enter at the university level. HRID also expands the arena for women's participation by encouraging women to move into sectors previously dominated by men.

Progress to date:

- * A Women's Registrar was established at the University of Malawi to recruit female students for non-traditional programs.
- * Chancellor College instituted a Masters Degree Program in Sociology concentrating on Women in Development. To date, seven women have completed graduate studies in this program through USAID funding. The University has stated its commitment to continuing the program after USAID funding is completed.
- * Two Research Fellows placed at the Center for Social Research specialize in research on women's issues in health and education. Their research has resulted in a wealth of Malawi-specific research on women which has informed the university and the Mission's ongoing work in these sectors.
- * The University of Malawi has five constituent colleges: Chancellor College, the Polytechnic, Bunda College of Agriculture, Kamuzu College of Nursing, and the Medical School. The HRID women's scholarship program provides scholarship support for 75 women a year at the University of Malawi. As of August, 1994, a total of 347 HRID scholarships had been awarded to women; of these 18 were graduate scholarships and 329 were undergraduate. In 1994-95, scholarship recipients are studying in such non-traditional fields as transport economics, agricultural economics, and advanced executive management.

During the period 1987-1994, overall female enrollment in Chancellor College nearly doubled; in the process, the age of female students climbed from 17% to 24%. At Bunda College of Agriculture, female enrollment has increased from 14% to 21%. At the Polytechnic, the age of female to total enrollment remains at 10%, though actual enrollment of women has more than doubled during this period. Increases in women's enrollment at the Polytechnic were greatest in the fields of engineering, accounting and business administration.

The University hopes to achieve a goal of 30% for female enrollment in this year's incoming class. To facilitate achieving this goal, they

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have established different cutoff scores for men and women, and women will compete among women for the 30% set aside for female enrollment.

Twenty-nine women graduates of the scholarship program who have entered nontraditional fields and 23 of their supervisors were interviewed in August 1994. Interviews were carried out as part of a preliminary assessment of HRID's outcomes and impact. The results were encouraging; for example, 23 women said they encountered no gender-based barriers or discrimination when seeking employment, and 20 said they experienced no gender-based discrimination in their current organization. Eighteen of their supervisors specifically indicated they would favor recruiting more women. None said they would not recruit women in the future.

- * A women's dormitory has been constructed housing 56 women at Chancellor College. Preliminary discussions are under way with the University regarding the construction of another women's dormitory at the Polytechnic.
- * HRID provides assistance to the National Commission on Women in Development; accomplishments through this support include 1) the development in 1993 of a National Policy and Plan of Action on Women in development. This policy is being incorporated into Malawi's national development policy (DEVPOL); 2) week-long workshops of NCWID Desk Officers in 1993 and 1994 to develop annual workplans for their gender-related activities; 3) follow-on briefing seminars for policy makers in 1993 and 1994 during which Desk Officer workplans were confirmed; 4) a workshop which reviewed and edited the first draft of the national report on the "Status of Women in Malawi" for the 4th World Development Conference on Women; 5) a briefing in 1994 for state ministers and deputy ministers on the status of women in Malawi and the National Report to the United Nations Fourth World Conference on Women; and 6) funding for an NCWID delegation to attend the Dakar Preparatory Conference for the fourth World Conference on Women to be held in Beijing in September, 1995.
- * 21 women benefited from US training; two received their PhDs, 15 received Masters degrees, and four completed certificate programs.

Next Steps/Recommended Actions:

Selected activities funded through HRID will be incorporated into the Mission's planned training project, including support for institutional development of the National Commission on Women in Development and scholarships for women in nontraditional fields.

Means of Verification: CPSP, Project reports

Timetable/Date: January, 1994 - September 30, 1995.

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Project: Girls Attainment in Basic Literacy and Education II (GABLE II)
Program No. 612-0240; Project 612-0237

Project Officer: Shobna Chakravarti

PACD: 9/30/98

Purpose: To increase girls' attainment in basic education.

WID Focus: The GABLE Program aims to increase girls' access, persistence, and completion in primary education. Female literacy is approximately 29% while male literacy is estimated at 48% in the five and above age bracket. Girls typically drop out of school much more frequently than boys so that in the last year, only 25% of all students are girls. The recently-signed program amendment entitled GABLE II has three supporting objectives of 1) increasing financial resources to the education sector in general, and to primary education in particular; 2) improving quality, availability and efficiency; and 3) improving the relevance of primary education for girls.

Progress to date: GABLE I

Enrollment: girls entering primary school as a share of all admissions increased from 46% in 1980-81 to 51% in 1992-93. In 1992-93 for the first time ever, girls' net enrollment outnumbered boys at 60% and 57% respectively.

Persistence: the number of girls who persisted through primary school to enter Standard 8 increased from 30% in 1988/89 to 38% in 1992/93.

Fee Waivers: One of GABLE's interventions to assist girls in persisting through the primary system was the provision of school fee waivers for non-repeating girls from standards 2 through 8. During the 1992/93 school year, over 400,000 girls benefited from these waivers. During the 1993/94 school year, that number exceeded half a million. School fees ranged from between MK 3.5 (\$0.85) and MK 7.5 (\$1.70) per year per student, but even this small amount was enough to discourage parents who earn less than \$200/year from sending their girls to school.

Social Mobilization Campaign (SMC): the SMC, which promotes the importance of girls' education among pupils, parents and communities has been launched with the following activities: 1) The University of Malawi Center for Social Research conducted a survey in Machinga District to assess knowledge, attitudes and practices related to girls' education. A report of their findings has been published; 2) The Theater for Development has written and presented plays promoting girls' education in 12 villages in Machinga District. A written report of their experience is available; 3) The findings of both the KAP Survey and the TFD Report were widely disseminated at a briefing for policy makers; and 4) Messages on the importance of educating girls for local, regional, and national distribution are now being developed with the Ministry of Women and Children Affairs, Community Services and Social Welfare.

Gender Appropriate Curriculum Unit: The Gender Lecturer at the Malawi Institute of Education participated in the design, pilot testing and revision of gender-appropriate instructional materials for primary schools. Supplementary teaching materials and teaching notes have been designed and disseminated for Standards 1 and 2; the curriculum revision for Standard 3 is in publication; and the revised curriculum for Standard 4 has been pilot

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tested. These new educational materials incorporate positive messages about girls' and women's roles in society and school. Portraying women as household decisionmakers and professionals in schoolbooks helps to keep girls in school by building public understanding of the positive benefits and impacts of educating girls.

Teacher training: the Gender Lecturer has also participated in primary school teacher training on gender issues and worked with other donors to ensure gender sensitivity in their education activities, including a GTZ science education project, a UNFPA Population Education Project training workshop, and a UNICEF-funded child survival training curriculum for community school teachers.

Case Study: a case study for use in Teacher Training Colleges on handling classroom situations in a gender sensitive manner has been developed. It will help to ensure equal learning opportunities for boys and girls.

Pregnancy and Other Policies on Girls' Education: In May, 1993, the Malawi Institute of Education/Gender Appropriate Curriculum Unit and the Ministry of Education in collaboration with USAID sponsored a 3-day workshop on Policies on Girls Education. The workshop included participants representing six sections of the MOE, the University of Malawi, Chitukuko cha Amayi M'Malawi (a national women's organization), and the Economic Planning and Development Division. Observers from USAID and UNICEF also attended. At the workshop, participants developed policy proposals on girls' education and a plan of action for the implementation of the policies. One outcome of this workshop was the establishment of a Task Force to review the MOE policy on pregnancy. The Task Force effectively lobbied the Ministry for a change in the pregnancy policy; in December, 1993, the GOM issued a clarifying circular which stipulates that girls may apply for re-admission to school after one pregnancy.

Next Steps/Recommended Actions: GABLE II

1. Gender Appropriate Curriculum Unit: the Ministry of Education will complete an action plan for the Gender Appropriate Curriculum Unit which continues much of the work initiated under GABLE I. Specifically, the plan will 1) incorporate the gender-sensitive case study completed under GABLE I into the TTC curriculum; 2) schedule in-service gender training of teachers who have not benefited from the revised TTC curriculum; 3) expand the roles of the Assistant Regional Educational Officers (AREO) for Girls Education to include in-service training activities; and 4) incorporate gender sensitization into the Standard 5 through 8 curricula.

Also, the Gender Appropriate Curriculum Unit will be separated into two program components, one for teacher training and another for curriculum development. Two additional staff members will be recruited: one will supervise the training component for the TTCs and teachers, and the other will be an administrative assistant to assist the unit in its increasing responsibilities. Finally, the Gender Lecturer will be sponsored to attain a master's degree in the United States. Her departure will be timed so that there will be approximately one year of overlap with the new staff members responsible for teacher training. Additionally, before she departs, a suitable replacement will be identified for her position.

2. Policy on Pregnancy: Informal discussions suggest that information about the pregnancy policy has not been widely disseminated at the community

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level. Project staff will work with MOE headquarters to promote and monitor wider distribution of information about the policy on pregnancy to parents and teachers.

3. Uniform Policy: Under GABLE I, the MOE suspended the uniform policy, although it was not widely enforced. Under GABLE II, the MOE will disseminate information on the policy suspending the uniform requirement. Uniforms for girls cost as much as 90 kwacha, significantly more than the cost of a shirt for boys and a considerable constraint to girls' enrollment.
4. Scholarships for Secondary School Girls: With the elimination of primary school fees, the GABLE I school fee waiver program for non-repeating girls is no longer viable. Evaluation of the school fee waiver program indicated that aside from the financial incentive school fee waivers provided for girls, it also provided an incentive for girls to do well and persist through the system. In order to continue the incentive, a scholarship program for eligible secondary school girls will be established. Selection criteria will be established to target girls on the basis of need and merit. This nationwide scholarship program for secondary school girls will utilize funds equal to or greater than the amount formerly designated for the waiver program.
5. Community Primary Schools: A program to establish community primary schools for standards 1 through 4 will be developed. Locations for such schools will be villages where large numbers of children are kept from school by distance. Since girls in particular are affected adversely by distance, community schools will make special efforts to serve equal numbers of girls and boys. To serve as examples of educational attainment for girls, qualified female teachers will be recruited for these gender-balanced schools.
6. Gender Streaming: A study conducted by the Center for Social Research on streaming boys and girls at the secondary level into separate classes indicated a marked improvement in both their scores. Female pass rates on the Junior Certificate Exam went from just over 20% in 1981 to over 80% between 1988 and 1991. Male pass rates also increased from approximately 70% to 100% respectively. In line with these findings, GABLE II is financing a pilot project on gender streaming in math classes to test the effects of gender streaming at the primary level. By 1996, the MOE will examine the findings of the streaming pilot, and if achievement scores have increased, will develop a plan for appropriate nationwide implementation.

Means of Verification: Project reports, API, PIR,

Timetable/Date: October 1994 - 1998.

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Project: Promoting Health Interventions for Child Survival (PHICS)
612-0231

Project Officer: Kenneth Sklaw

PACD: 6/30/97

Purpose: To increase the institutional capacity of the Ministry of Health and the Ministry of Works to deliver and sustain health and child survival services, and to increase the supply and utilization of their services at the community and family level.

WID Focus: The health component of the PHICS project is directed at improving women's knowledge and skills as primary caretakers of children. Women are targeted for most of the child survival messages because of their child rearing responsibilities. In the safe water component, PHICS works with women's village committees as a vehicle for constructing and managing water systems.

Progress to date:

- * Increased numbers of women health surveillance assistants (HSAs) will translate into increased outreach to mothers who feel more comfortable discussing sensitive health issues with other women. With this in mind, PHICS has made a concerted effort in the last year to ensure that 33% of the HSAs are women. The Central Region HSA Training Center has exceeded that target: nearly half of its trainees are female. Some district health officers have included a statement which explicitly encourages women to apply in recruitment advertisements.
- * As beneficiaries of the water and sanitation component, women are reported to have saved time and energy used to carry water from traditional sources; they also have access to increased quantities of water. Over 80% of membership of some water committees established through the project are women. Women actively participate in the village health committees, sometimes as chairperson, and through their membership have received training in basic health, hygiene and sanitation measures. Anecdotal information suggests that PVOs are setting targets to increase women's participation in village water supply activities under this project.
- * 29% of long-term training participants funded through this project have been female. Five of the seven women participants entered health programs and two entered business/management.

Next Steps/Recommended Actions:

1. Achievement of the target for training female HSAs varies by region. Although the Central Region has exceeded its target for training female HSAs, Regional Training Centers in the North and South are training very few or no women as HSAs. In the South, this has occurred because of a shortage of residential facilities. Although there are two dormitories, one is used by tutors. The Project Manager will initiate steps to increase the number of females trained in the South and North by instituting sufficient female-only training cycles. Steps to be taken include: 1) contact with the National HSA Training Coordinator; 2) developing a plan for female-only training; 3) contact with district health officers who carry out actual recruitment.

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2. The Project will initiate discussions about gender sensitizing the HSA curriculum with HSA sub task force for curriculum revision. The Malawi institute of education gender appropriate curriculum unit will be used as a resource.
3. Gender differences in HSA experiences and perceptions of training, scope of work, job requirements, supervision, and other aspects of the HSA position will be examined in the planned follow-on study to the 1993 HSA Assessment.
4. Under the proposed refocusing of PHICS, US PVOs will be funded to form partnerships with health delivery area (HDA) management offices. The invitation for application (IFA) to PVOs will include gender considerations in the description of PVO activities; it may also include as a criterion for selection a demonstrated capacity to reach women as participants, beneficiaries and staff.

Means of Verification: PIR, IFA, Project Reports, Curriculum Document.

Timetable/Date: November, 1994 - December, 1995.

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Project: Support to AIDS and Family Health Project (STAFH)
612-0238

Project Officer: Laura Kearns

PAID: 9/30/98

Purpose: To increase the contraceptive prevalence rate and to promote behavioral change to reduce the prevalence of HIV/AIDS/STDs.

WID Focus: AIDS affects women in Malawi at approximately the same rate as it does men. However, in the 20-24 age bracket, females are almost twice as likely as males to be HIV positive. This project will address issues of HIV/AIDS/STD transmission as well as family planning. For HIV/AIDS/STD, it targets high risk groups: youth (both males and females), employed men (who have discretionary income) and bar girls.

Progress to date:

The contractor's project implementation team has recently arrived and will complete its detailed workplan by the end of calendar year 1994. To bridge the gap between project approval and contractor arrival, a variety of activities were undertaken related to AIDS prevention. Many of these were designed to improve women's access both to information about the epidemic and also to the means of preventing the spread of HIV infection. Activities to date include

- * Training of women in the work place about AIDS prevention
- * Training of women at the Women's Training Center in AIDS prevention and control
- * Research on the acceptability of the female condom to commercial sex workers in Salima District
- * The introduction of the AIDS curriculum at the primary level to ensure the greatest opportunity for girls as well as boys to learn about AIDS.

Next Steps/Recommended Actions:

The contractor will:

1. Prepare a brief description, to be appended to the detailed workplan, of specific activities within each relevant project strategy to ensure that project messages, delivery systems, promotion strategies and other project features are gender appropriate;
2. The Management Information System (MIS) will be developed with a capacity to collect and organize information disaggregated by gender.

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Project: Malawi Railways Restructuring Program
690-0277.12

Project Officer: Julius Schlotthauer

PACD:

Purpose: To reduce surface transport costs on smallholder inputs and export crops through increased railway efficiency and reliability and resulting intermodal transport competitiveness.

WID Focus: Privatization of Malawi Railways (UK) Ltd. will result in the retrenchment of approximately 1,000 staff, who will be assisted by a program of services including counseling, retraining and severance pay. About 40-50 of the current 2,100 employees are female: three work in a machine shop; the remainder are employed in clinical facilities and in child care. It is likely that most of these female employees will be able to be placed in new jobs. However, the female spouses of the male employees will also experience considerable impact from the retrenchment.

Next Steps/Recommended Actions:

1. The counseling unit working with retrenched workers will be encouraged to refine the program of support to include the following activities prior to the layoffs:
 - a. Separate focus groups for workers and for spouses. Women spouses, although severely affected by the loss of income, may have little influence on how the severance pay will be used. Through focus groups of spouses, the counselling unit will be able to identify gender-specific concerns about the layoffs. They may also identify new ways of addressing these concerns. For example, alternative forms of severance pay such as partial payments in kind of food and supplies might be useful.
 - b. Counseling sessions that include the spouse as well as the retrenched employee.
 - c. Male- and female-only focus groups of previously retrenched employees to identify problems they experienced and suggestions on counseling, retraining, severance pay, etc.
2. The counseling unit will be encouraged to participate in gender sensitization training that will enable them to be conversant with special constraints experienced by the wives of retrenched employees.
3. Scopes of work for project evaluation will include assessment of differential impact of retrenchment on men and women employees and spouses. This evaluation might take the form of:
 - focus groups as in "c" above; and
 - use of "sentinel sites" to monitor people level impacts in villages to which multiple employees have returned, and/or villages of closed passenger train stations. These villages/employees and their families would be followed over a 1-2 year period.

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4. In project-related documents, estimates and actual numbers of male and female workers retrenched will be disaggregated by gender.
5. Project documents will include explicit reference to both male and female employees in retraining, severance, contacts for new jobs.

Means of Verification: Project reports, SOW for project evaluation, PIR.
Timetable: December, 1994 through the end of the project.

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Project: Democratic and Civic Institution Development (DECIDE)
612-0243

Project Officer: Andrew Sisson

PACD: 9/30/98

Purpose: To establish and consolidate democratic and civic institutions in Malawi.

WID Focus: The DECIDE project has a focus on ensuring equal access and opportunity for women in the new Malawi. As DECIDE supports the establishment of civic institutions, these institutions will be judged by their inclusiveness and representativeness in gender terms.

Progress to date:

The project is being implemented by the National Democratic Institute (NDI) and International Foundation for Electoral Systems (IFES).

Pre-Election Activities:

- * At NDI's "All Party Conference", a session was organized for women representatives from the seven political parties. At that session, the women identified the five most important issues which affect their lives. It was the first time that women from all parties came together and spoke with one voice. Given the force of their argument, the issues they identified were endorsed by all seven political parties.
- * Voter education outreach efforts targeted women's organizations with branches/units in rural areas.
- * Separate pre-election focus groups were conducted with women and men. They indicated that women had less information than men about the election and issues. Political parties were informed of this finding. Evidence suggests that parties then made an effort to target women voters, who represent 52% of the population, in their campaigns.
- * USAID funded the publication of the book, Women and the Law in Malawi, by the National Commission on Women in Development (NCWID) through the 116(e) Human Rights Fund. This book outlines the laws which affect women in Malawi and recommends reforms to those laws which appear to be discriminatory against them. It also recommends enhancement of those laws which protect women's rights. A second 116(e) grant provided to the NCWID will train trainers about the book and enable wider dissemination of information about women and the law throughout the country.
- USAID worked with the NCWID chairperson to develop recommendations for her presentation at the Constitutional Conference. The first draft of the constitution did a commendable job of incorporating women's rights, but many thought it could go further. USAID helped mobilize the various women's organizations to alert them to the situation. As a result of their pressure, the constitution now includes a separate section for women's rights in the Bill of Rights which prohibits discrimination on the basis of gender. The constitution also calls for equal representation of men and women in the upper house of the National Assembly.

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Post-Election:

- * A second set of focus groups in the post-election era was also held. These groups revealed significant differences between men's and women's views of democracy. Some women in the focus groups expressed the belief that democracy will bring them equality and they are waiting for it; others indicated they are concerned about change. This information will be disseminated at the NDI Conference for Parliamentarians in December, 1994.
- * In July, 1994, the National Commission on Women in Development (NCWID) sponsored a highly successful briefing for parliamentarians on women in development. The purpose of the meeting was to introduce the NCWID and highlight its achievements, to give a general overview of gender in development, to inform the group about the UN Fourth World Conference on Women and the Dakar preparatory conference, and to highlight the National Report on the Status of Women in Malawi. Parliamentarians were surprised by the statistics on women and pledged financial support for the commission to carry on its role.
- * NDI funded a woman representative from each of Malawi's three major political parties and two other prominent women involved in democracy and governance activities to visit Botswana during its elections and to meet with representatives of a women's wing of a political party there.
- * USAID continues to network among and support women's groups as they strive to build their organizations and political influence.

Next Steps/Recommended Actions:

1. NDI will co-sponsor a two-day seminar for Malawian women members of political parties and civic organization. This seminar, which will provide a forum for information sharing and networking, is designed to strengthen collective action among women leaders and groups.
2. NDI training for NGOs on how to lobby parliament for their causes will include sessions/consultations on methods of building collaboration. Women's NGOs will be specifically targeted for support and assistance in this area so that they speak with a common voice on key issues.
3. DECIDE will nurture and strengthen a limited number of non-governmental civic institutions committed to democracy-building. Criteria for selection of sub-grants to NGOs in DECIDE include a requirement that the potential grantee demonstrate breadth of membership with particular reference to equal participation of and/or benefits to both men and women. The project will also support NGOs which give attention to women's rights as a human right.
4. Prior to the February, 1995 constitutional conference, NDI will work with women's nongovernmental organizations and women lawyers to prepare a strategy to ensure that women's rights, currently in the draft constitution, are retained in the final version.
5. The National Commission on Women in Development (NCWID) will conduct four seminars at the national level for decision makers, extension workers, and local leaders to disseminate information on women's rights under current laws. Funded by the 116(e) Human Rights Fund, these seminars are a follow up to publication of the book Women and the Law in

Malawi. Participants at these seminars will be charged with disseminating information to people with whom they work through seminars at the district level. Additional funding will be sought to develop and distribute a pamphlet on provisions affecting women's rights in the new constitution.

6. The DECIDE mid-project assessment and end of project evaluation will examine progress in achieving gender equity in all project activities.

Means of Verification: Project reports, PIRs, API.

Timetable/Date: December 1994 - end of project.

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Project: African Training for Leadership and Advanced Skills (ATLAS)
698-0475

Project Officer: Bill Mvalo

PACD: 5/31/06

Purpose: To strengthen leadership and technical abilities and enhance professional performance of individuals serving in African public and private sector entities: universities, research centers and other key development institutions.

WID Focus: This project has an explicit goal of increasing the capacity among women to fill leadership and non-traditional roles. ATLAS' target for female participation is 30%; it also allows for the waiver of project guidelines to allow training for women in non-traditional fields.

Progress to date:

USAID/Malawi completed its first cycle of recruitment for ATLAS in 1994.

- * In that recruitment, Malawi exceeded the 30% target for women's participation by using creative methods of information dissemination about the program. Candidates were sought both within and outside normal government channels. Advertisements were placed in national newspapers and included an explicit statement that women were encouraged to apply.

- * The field of specialization for 1994 was engineering: of the eight candidates selected, three were women. Two were in electrical engineering and one was in civil engineering.

Next Steps/Recommended Actions:

The second cycle of recruitment is in process, and fourteen candidates have been short listed. The field of specialty for 1995 is agriculture. Of the 14 candidates, four are female: two in water and soils, one in agricultural processing and storage, and another in agricultural policy.

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Project: Human Resources Development Assistance (HRDA), 698-0453

Project Officer: Bill Mvalo

PACD: 9/30/95

Purpose: To strengthen the Government of Malawi's ability to implement its development programs and also to strengthen the private sector's capacity to contribute to Malawi's economic growth through short-term training programs.

WID Focus: HRDA has an explicit focus on increasing the participation of women in African development. It has an overall target of 35% female participation and a 55% target for female participants in private sector training.

Progress to date:

To date, 28% of participants from the public sector completing their training have been female, while 35% of participants from the private sector are female.

Next Steps/Recommended Actions:

Special efforts will be made during the next recruitment to attract more female candidates. This will include:

1. Including in newspaper advertisements and notices to employers an explicit statement that women are encouraged to apply.
2. HRDA will convene a National Training Needs Assessment Conference of representatives of government, nongovernmental and parastatal organizations in January, 1995. HRID, which will coordinate the conference, will be requested to encourage participation of female representatives. Also, the needs assessment process will include a mechanism to disaggregate male and female training needs.

Means of Verification: Conference reports, copy of newspapers advertisements.

Timetable/Date: November, 1994 - January, 1995

for

Annex 9

Operating Expenses (OE) Funding by Functional Codes

FY 1995-1997

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OPERATING EXPENSE BUDGET ESTIMATE

Mission: Malawi

EXPENSE CATEGORY	FUNC CODE	FY 1995 ESTIMATE				FY 1996 ESTIMATE				FY 1997 ESTIMATE			
		OE	TF	TOTAL	UNITS	OE	TF	TOTAL	UNITS	OE	TF	TOTAL	UNITS
U.S. DIRECT HIRE:													
Other Salary	U105	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Education Allowances	U106	73.5	0.0	73.5	9.0	60.0	0.0	60.0	9.0	45.0	0.0	45.0	9.0
Cost of Living Allow.	U108	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Benefits	U110	1.0	0.0	1.0	0.0	1.0	0.0	1.0	0.0	1.0	0.0	1.0	0.0
Post Assign Travel	U111	12.0	0.0	12.0	0.0	45.0	0.0	45.0	22.0	45.0	0.0	45.0	22.0
Post Assign Freight	U112	50.0	0.0	50.0	2.0	150.0	0.0	150.0	8.0	150.0	0.0	150.0	8.0
Home Leave Travel	U113	63.0	0.0	63.0	17.0	20.0	0.0	20.0	2.0	40.0	0.0	40.0	2.0
Home Leave Freight	U114	50.0	0.0	50.0	17.0	15.0	0.0	15.0	2.0	30.0	0.0	30.0	2.0
Education Travel	U115	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
R & R Travel	U116	24.0	0.0	24.0	14.0	45.0	0.0	45.0	18.0	30.0	0.0	30.0	18.0
Other Travel	U117	10.0	0.0	10.0	5.0	20.0	0.0	20.0	5.0	20.0	0.0	20.0	5.0
Subtotal	U100	283.5	0.0	283.5		356.0	0.0	356.0		361.0	0.0	361.0	
F.N. DIRECT HIRE:													
F.N. Basic Pay	U201	28.0	0.0	28.0	3.0	38.0	0.0	38.0	3.0	38.0	0.0	38.0	3.0
Overtime/Holiday Pay	U202	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Code 11 - FN	U203	7.9	0.0	7.9	0.0	4.0	0.0	4.0	0.0	4.0	0.0	4.0	0.0
Other Code 12 - FN	U204	5.0	0.0	5.0	0.0	4.0	0.0	4.0	0.0	4.0	0.0	4.0	0.0
Benefits - Former FN	U205	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued Separation Liability	U206	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal	U200	38.9	0.0	38.9		46.0	0.0	46.0		46.0	0.0	46.0	
CONTRACT PERSONNEL:													
U.S. PSC - S&B	U302	61.0	0.0	61.0	3.0	145.0	0.0	145.0	4.0	145.0	0.0	145.0	4.0
Other U.S. PSC Costs	U303	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FN/TCN PSC - S&B	U304	408.6	0.0	408.6	71.0	516.0	0.0	516.0	71.0	526.0	0.0	526.0	71.0
Other FN/TCN PSC Costs	U305	34.0	0.0	34.0	0.0	40.0	0.0	40.0	0.0	40.0	0.0	40.0	0.0
Manpower Contracts	U306	35.0	0.0	35.0	44.0	44.0	0.0	44.0	52.0	44.0	0.0	44.0	52.0
Accrued Separation Liability	U307	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal	U300	538.6	0.0	538.6		745.0	0.0	745.0		755.0	0.0	755.0	
HOUSING:													
Residential Rent	U401	19.0	27.0	46.0	8.0	28.0	30.0	58.0	8.0	30.0	30.0	60.0	8.0
Residential Utilities	U402	40.0	0.0	40.0	0.0	50.0	0.0	50.0	0.0	50.0	0.0	50.0	0.0
Maint/Repairs	U403	50.0	0.0	50.0	0.0	65.0	0.0	65.0	0.0	65.0	0.0	65.0	0.0
Living Quarters Allow	U404	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Security Guards	U407	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Official Res. Exp.	U408	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Representation Allow.	U409	1.3	0.0	1.3	0.0	1.3	0.0	1.3	0.0	1.3	0.0	1.3	0.0
Subtotal	U400	110.3	27.0	137.3		144.3	30.0	174.3		146.3	30.0	176.3	
OFFICE OPERATIONS:													
Office Rent	U501	0.0	67.0	67.0	0.0	39.0	45.0	84.0	0.0	39.0	45.0	84.0	0.0
Office Utilities	U502	20.0	0.0	20.0	0.0	30.0	0.0	30.0	0.0	30.0	0.0	30.0	0.0
Building Maint/Repair	U503	28.0	0.0	28.0	0.0	25.0	0.0	25.0	0.0	25.0	0.0	25.0	0.0
Equip. Maint/Repair	U506	13.0	0.0	13.0	0.0	15.0	0.0	15.0	0.0	15.0	0.0	15.0	0.0
Communications	U508	40.0	0.0	40.0	0.0	55.0	0.0	55.0	0.0	55.0	0.0	55.0	0.0
Security Guards	U510	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Printing	U511	1.4	0.0	1.4	0.0	1.4	0.0	1.4	0.0	1.4	0.0	1.4	0.0
Site Visits - Mission	U513	55.5	10.0	65.5	320.0	50.0	0.0	50.0	320.0	55.0	0.0	55.0	320.0
Site Visits - AIDAV	U514	28.0	0.0	28.0	4.0	15.0	0.0	15.0	4.0	15.0	0.0	15.0	4.0
Information Meetings	U515	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Training Travel	U516	34.0	0.0	34.0	12.0	40.0	0.0	40.0	12.0	45.0	0.0	45.0	12.0
Conference Travel	U517	38.5	0.0	38.5	10.0	35.0	0.0	35.0	10.0	35.0	0.0	35.0	10.0
Other Operational TM	U518	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	U519	61.0	0.0	61.0	0.0	90.0	0.0	90.0	0.0	90.0	0.0	90.0	0.0
FAAS	U520	95.0	0.0	95.0	0.0	95.0	0.0	95.0	0.0	95.0	0.0	95.0	0.0
Consultant Contracts	U521	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mgmt/Prof Svcs Cont	U522	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spec. Studies/Analyses	U523	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ADP H/W Lease/Maint	U525	6.0	0.0	6.0	0.0	6.0	0.0	6.0	0.0	6.0	0.0	6.0	0.0
ADP S/W Lease/Maint	U526	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trans/Freight - U500	U568	5.0	0.0	5.0	0.0	5.0	0.0	5.0	0.0	5.0	0.0	5.0	0.0
Other Contract Svcs	U569	7.0	0.0	7.0	0.0	15.5	0.0	15.5	0.0	20.0	0.0	20.0	0.0
Subtotal	U500	450.4	77.0	527.4		516.9	45.0	561.9		531.4	45.0	576.4	
IXP PROCUREMENT:													
Vehicles	U601	155.0	0.0	155.0	3.0	65.0	0.0	65.0	3.0	65.0	0.0	65.0	3.0
Residential Furniture	U602	5.0	0.0	5.0	0.0	30.0	0.0	30.0	0.0	30.0	0.0	30.0	0.0
Residential Equipment	U603	195.0	0.0	195.0	0.0	17.0	0.0	17.0	0.0	17.0	0.0	17.0	0.0
Office Furniture	U604	3.0	0.0	3.0	0.0	10.0	0.0	10.0	0.0	10.0	0.0	10.0	0.0
Office Equipment	U605	35.0	0.0	35.0	0.0	20.8	0.0	20.8	0.0	20.0	0.0	20.0	0.0
Other Equipment	U606	11.0	0.0	11.0	0.0	5.0	0.0	5.0	0.0	5.0	0.0	5.0	0.0
ADP H/W Purchases	U607	47.0	0.0	47.0	0.0	15.0	0.0	15.0	0.0	30.1	0.0	30.1	0.0
ADP S/W Purchases	U608	19.8	0.0	19.8	0.0	3.0	0.0	3.0	0.0	0.0	0.0	0.0	0.0
Trans/Freight - U600	U609	50.0	0.0	50.0	0.0	25.0	0.0	25.0	0.0	28.2	0.0	28.2	0.0
Subtotal	U600	520.8	0.0	520.8		190.8	0.0	190.8		205.3	0.0	205.3	
636(c) REQUIREMENTS													
	U600	0.0	125.0	125.0	1.0	0.0	125.0	125.0	1.0	0.0	0.0	0.0	1.0
TOTAL OE COSTS													
		1,942.5	229.0	2,171.5		1,990.0	200.0	2,190.0		2,045.0	75.0	2,120.0	
Less "OE" FAAS													
		95.0		95.0		95.0		95.0		95.0		95.0	
TOTAL OE BUDGET REQUEST													
	U000	1,847.5	229.0	2,076.5		1,904.0	200.0	2,104.0		1,950.0	75.0	2,025.0	

SPECIAL INFORMATION:
Exchange Rate used in Calculations
USDH FTE

15.0/1.00
13.6

12/1.00
14

12/1.00
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