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SUNY/CID Legislative Strengthening Program/Malawi

QUARTERLY PROGRESS REPORT, VOL. 3/1
QUARTER ENDING March 31, 2008

A. OVERVIEW

Contract Issues:

A contract modification request was submitted for a no-cost revision. The project will end 30 June 2008, the Task Order and Obligated ceiling amount remains at \$3,221,700.00.

Administrative Matters:

An end of project evaluation was conducted and the report submitted to USAID.

The Project office closed down on 29 February, 2008 although skeleton staff remained for a further month to oversee the hand-over of Project assets to the beneficiaries approved by USAID. All project staff completed their assignments on the project by 31 March 2008. Home Office staff continues to manage the remainder of project administrative and other matters. The project will continue on a very limited basis providing support to parliament for rental space through 30 June 2008.

B. PROGRAM ACTIVITIES

Progress on Objectives:

1. Project Demobilization and Project Evaluation

In view of the impending closure of the Project and also in line with the contractual agreement with MCC, SUNY was required to undertake an evaluation of the performance of the MCC project prior to the expiration of the Project. Two experts were recruited for the undertaking: Ms Andrea Wolfe – an international consultant, and a local consultant, Mr. Hestern Banda. The evaluation was commissioned on 4th February and they spent the week holding interviews with major stakeholders. During the week commencing 11th February, the consultants pieced together their findings and submitted their draft report to SUNY, which was then reviewed and presented to USAID in March.

Initial findings point to the Project having been successful:

- in strengthening the National Assembly Committees in effectively carrying out their Constitutional mandate of oversight;

- in contributing to the prevention of corruption and inculcating good governance in Malawi; and
- in positively contributing to a growing culture of prevention and accountability.

As part of this monitoring and evaluation exercise, some interesting statistics have come up. For example, the Legislative developments over the period from 4th April, 2006 to 14th September, 2007 are particularly illustrative of the milestones that have been made in increasing the number of bills that have been prepared. We believe that this is indicative of the impact that the Project has had in helping to push the legislative agenda over this period. From the 1st Meeting of the 39th Session 4 April, 2006 through to the 4th Meeting of 39th Session which ended with prorogation on 14 September, 2007, a total of 35 Bills were presented to Parliament. Twenty three were passed with twelve outstanding as at the date of prorogation.

Bill Passage Matrix for the Sessions

SESSION - MEETINGS	BILLS FROM PREVIOUS SESSIONS	NO BILLS TABLED	TOTAL BILLS PRESENTED	BILLS PASSED	BILLS CARRIED OVER
<i>1st Meeting 39th Session 4th April 2006-28th April, 2006</i>		5	5	5	<i>nil</i>
<i>2nd Meeting 39th Session 6th June, 2006-4th August, 2006</i>		9	9	9	<i>nil</i>
<i>3rd Meeting 39th Session 19th February, 2007- 15th March, 2007</i>		10	2	2	8
<i>4th Meeting 39th Session 21st May, 2007 – 14th September, 2007</i>	8	11	19	7	12
<i>Total</i>		35		23	12*

7 of the Bills carried over are from 2005-2006

Legislative year

Outstanding Bills as at the Prorogation of Parliament on 14 September, 2007:

- i. Bill No. 13 of 2007: Malawi Revenue Authority Amendment*
- ii. Bill No. 5 of 2007 : Africa Development Fund(Support for Poverty Reduction) loan Authorization)*
- iii. Bill No. 8 of 2007: International Development Association(Malawi Component- Mozambique Transmission Interconnection Project) Authorization)*
- iv. Bill No. 9 of 2007: European Union Water Facility (Malawi Peri - Urban Water and Sanitation Project*
- v. Bill No. 10 of 2007 : European Investment Bank (Malawi) Peri-Urban Water and Sanitation Project*
- vi. Bill No. 14 of 2006 : Securities*
- vii. Bill No. 17 of 2006 : National Registration*
- viii. Bill No. 15 of 2006 : Penal Code Amendment*
- ix. Bill No. 3 of 2006 : Criminal Procedure and Evidence Code*
- x. Bill No. 16 of 2006: Police*
- xi. Bill No. 4 of 2006 : Constitution(Amendment)*
- xii. Bill No .13 of 2006 Constitution Amendment*

2. Malawi COMPACT eligible status

This has been the BIG news in Malawi since MCC made the announcement on December 12 that Malawi had been designated as eligible for Compact assistance from the Millennium Challenge Account. The MCC decision presents the potential for a significant new flow of funding that

could have a major impact on Malawi's continued efforts to reduce poverty through sustainable economic growth.

Malawi's selection is recognition of the substantial steps taken by the Government of Malawi toward addressing corruption and putting in place other sound policies to promote economic development.

The next stage now comprises the preparation of the COMPACT application. This is discussed further in our report on the visit by the MCC Vice President later in this report.

3. Budget and Finance Committee

The Budget and Finance Committee with the support of the Project, met to review the 2007/2008 mid year budget outturn paying particular attention to the Ministries of Local Government and Rural development; Irrigation and Water Development; Health and Population; Agriculture and Food Security; Transport, Public Works and Housing; Education and Vocational Training and the Ministry of Finance.

In addition, the Committee reviewed the progress made in the disbursement of funds from the Constituency Development Fund, a facility MPs use in funding some constituency projects

4. Legal Affairs Committee

The Legal Affairs Committee met to consider and develop suggested changes to the laws governing elections in this country in preparation for the Presidential and General elections in 2009. The Committee met officials from the Malawi Electoral Commission to receive and consider the Commission's proposed amendments to the Electoral Act.

5. MCC Vice President Visits Malawi

Mr. John Hewko, Vice President for MCC Compact Development accompanied by Jerry Dutkewych, Director, Compact Development, and Ms Valeria McFarren, also from Compact Development, MCC visited Malawi for a week in early January to formally convey MCC's congratulations to Malawi for having qualified as a COMPACT eligible country explaining that MCC eligibility was intended as a reward for good policy performance and an incentive to improve further. Vice President Hewko took his time to outline the phases that Malawi needed to fulfil before submitting an application highlighting the importance of:

- Sound governance, economic and social policies;
- Broad country- ownership of development efforts; and
- Clear objectives, measurement of results and transparency.

Whilst the country was developing the application and undertaking the consultations that were identified as critical, it was emphasized that eligible countries must maintain strong policy performance as measured by the indicators as a condition for continued eligibility.

In addition to addressing the Speaker of the National Assembly and Parliamentary Committee Chairs, the Vice President Hewko also had an audience with President wa Mutharika, he made similar presentations to the Cabinet, the leader of the Opposition and a group of Civil Society organisations.



John Hewko, Vice President for Compact Development, MCC speaking to Parliamentary Committee Chairs

6. *Purchase of four Laptops*

We reported that we were planning to acquire at the request of the National Assembly, a total of four laptops. Two of the four laptops were procured and are based at Kang’ombe Building (with the Committee Department) and the remaining two are at Chief M’Mbwelwa Building (with the main Administration).

7. *Clerk of Parliament Suspended and reinstated*

Against the advice of the Speaker, the Parliamentary Service Committee (PSC) decided to place on suspension the Clerk of Parliament on suspicion that she conducted herself improperly in not declaring her interest when the National Assembly contracted a company in which she has an interest to provide photo-copying and binding services to Parliament. However, Section 17 (3) of the Parliamentary Services Act stipulates that the Clerk shall be removed, suspended and disciplined by the President upon recommendations from the PSC. Resulting from the hurried action taken by the PSC, the President on the advice of the Attorney General, has reinstated the Clerk of Parliament vindicating the Speaker’s position.

C. UPCOMING EVENTS – SECOND QUARTER 2008:

With the project coming to an end, the second quarter of 2008 will be the project’s final quarter. Aside from the continued support to the national assembly for offices and related input, activities for this final quarter will include preparation and compilation of a Final Report for delivery to USAID.

D. OTHER MATTERS

1. Cabinet Reshuffle

The President has reshuffled his Cabinet in what is seen as an attempt to rid it of one Minister in particular who had been involved in the improper distribution of fertilizer subsidy coupons to friends contrary to announced policies. A total of two Ministers have been dropped in this reshuffle but there were no major surprises.

2. MEC Case Resolved

The law requires that the President consults political parties that are represented in Parliament as he appoints commissioners of the Malawi Electoral Commission. Thus when he attempted to make these appointments, other political parties claimed that he had failed to satisfy the requirements of the law having not consulted them. These political parties went to court and the matter has been now resolved. The High Court has taken the view that the President did consult the other political parties having sent a letter to the Clerk of Parliament who circulated it to them. In the court's view, the consultation envisaged by the law did not entail that the other parties should actually approve the nominations.

Although the political parties have given notice that they intend to appeal against the decision of the High Court, the new Commissioners have been sworn in and they have already started preparations for the forthcoming Presidential and General Elections next year.

3. Defections

In the run up to next year's elections, there has been a flurry of activity as potential candidates jostle for positions in readiness for the start of political campaigns. The ruling party seems to be doing well. On the back of a good economic record, there are at least five MPs who have defected to the DPP from literally all the major political opposition parties. As may be expected, the opposition parties are crying foul accusing the ruling party of "buying" the MPs.

4. Malawi Breaks Diplomatic Ties with Taiwan

Citing huge economic benefits that would accrue to Malawi, the Government has announced its decision to switch diplomatic relations from the small island nation of Taiwan to mainland China. The private sector has been particularly ecstatic with this decision believing that the huge raw material needs of mainland China will present huge market opportunities for Malawi. There are some who warn of the dangers of mainland China using Malawi as a dumping ground for its substandard products.

Despite denials by the Government, it has been suggested that US\$6.0 billion worth of projects has been dangled by the Chinese. Already, mainland China have sent a delegation to see what they can do on a number of projects which the Taiwanese have been working on for a number of years. Mainland China has publicly spoken that the Parliament Building, for instance, will be ready by November this year. Whatever is the truth of the matter, one thing seems clear; the minority Government of President wa

Mutharika is keen to develop this country as fast as possible. This seems to be one viable way of securing support at the grassroots in readiness for the next elections.

5. *Challenges during the Quarter:*

There were no significant negative challenges during the reporting period and the project field office team has transitioned to new challenges in their careers. It is recognized that much of the success of the project is due to the project staff working under the leadership of COP Dye Mawindo.

6. *Programmatic Suggestions:*

An advanced program to build and capitalize upon the successes of the current program is highly desirable and recommended.
