

Malawi

The Development Challenge: Malawi's political and economic development is impeded by its landlocked condition, poor transportation network, dependence on a single cash crop (tobacco) for the bulk of export earnings, poor incentives for foreign and domestic investment, a strong legacy of authoritarian leadership, high population growth rate and low human capacity levels. Life expectancy is under 40 years. The infant mortality rate of 104 per 1,000 live births and malnutrition rates are among the highest in Africa. The International Monetary Fund estimated that Malawi's per capita gross domestic product in 2001 was \$166, down from \$180 in 2000. External debt in December 2001 was \$2.7 billion, with debt servicing absorbing more than a quarter of the Government of Malawi's (GOM's) budget. In December 2000, Malawi was approved under the Enhanced Heavily Indebted Poor Countries Initiative, which will reduce the average annual debt service of about \$50 million over a five year period.

The United States' national goals in Malawi are: the promotion of market-led economic growth, support for stable democratic governance and conflict avoidance and containing the HIV/AIDS pandemic. Malawi emerged from decades of one-party autocracy to a multi-party democracy in 1994. Fundamental economic liberalization and structural reforms have accompanied this political transformation, although they have been fragile and halting. HIV/AIDS affects 16% of the adult population, and continues to threaten the country's future development. Further economic reforms are needed to ensure stability and democratic consolidation in the run-up to the 2004 elections.

Malawi is a strong U.S. ally within the region, and has demonstrated relative political and economic stability in an unstable region. Malawi supports U.S. interests in regional development and political issues, and recently played a critical role in crisis prevention and conflict resolution efforts in Zimbabwe, Angola and the Democratic Republic of Congo, while its President was Chair of the Southern Africa Development Community (SADC). Promoting broad-based, private sector-led economic growth and democratic governance will contribute to a more stable country and region.

The USAID Program: FY 2003 funds will be used to promote economic growth, with an emphasis on agriculture and natural resources management; democracy and governance, particularly through strengthening the accountability of institutions; HIV/AIDS, family planning, health, including infectious diseases, and nutrition; and basic education. USAID programs promote citizens' understanding of their rights and responsibilities to participate in democratic decision-making. A community-level social mobilization campaign supported by USAID has markedly increased female enrollment at the primary and secondary levels. The program will also address the quality of education, which has declined as a result of a policy decision to accelerate universal enrollment. Program activities will continue to improve professional teaching skills; develop school capacity to respond to the needs of the student population; and ensure successful implementation and monitoring of critical reform policies.

The FY 2004 request responds to critical needs in democracy and governance, health and education, employment, and income generation. USAID has a comparative advantage in addressing Malawi's short and medium-term constraints, particularly in the area of democracy and governance, where USAID is one of the few donors that has the ability to work with civil society. While the level of USAID program support is small, the leverage derived from it is high. The United Kingdom, the major donor for democracy and governance activities, relies on USAID technical assistance. The same is true in the areas of agriculture and trade, where USAID is the leading proponent of market-led development. USAID was the leading donor in anticipating the current food crisis and convinced the government, other donors, and implementers of the need for strong coordination and collective solutions to mitigate a humanitarian crisis that threatens the region. Long term food security and economic growth will be fostered through agricultural reform and modern farming practices that can translate into increased agricultural productivity, efficiency, and global market access, which in turn create off-farm employment opportunities.

Other Program Elements: USAID has an ongoing P.L. 480 Title II Food for Development program. USAID continues to work closely with the centrally-managed Famine Early Warning System (FEWS) to assist Malawi with food monitoring. The Leland Initiative has been invaluable in opening up the internet to

commercial interests, particularly for rural small-holder associations. The African Trade and Investment Project (ATRIP) funding has permitted the development of Malawian business interests in support of the goals of the African Growth and Opportunity Act (AGOA). The Equity and Growth Through Economic Research project has helped identify constraints to private sector expansion.

Other Donors: Overall development assistance to Malawi totals about \$400 million per year, excluding debt relief. The United Kingdom is the largest bilateral donor and works in many sectors, including budget support. The scale of the USAID program places it in the second tier of bilateral donors, with Canada, Norway, Japan and Germany. Germany focuses on health, education, and democracy and governance. Norway is addressing HIV/AIDS, health, education, agriculture, and natural resources, while Japan concentrates on agriculture and infrastructure. Canada focuses on health, HIV/AIDS and education. In conjunction with the United Kingdom, USAID helps the Malawian National Assembly to improve the interaction between civil society and government. Multilateral donors include the United Nations agencies, the European Union, the World Bank, the International Monetary Fund and the African Development Bank. Donor coordination is excellent in Malawi. The May 2000 Consultative Group meeting in Malawi brought together the GOM, donors, the private sector and NGOs to discuss Malawi's economic progress and outline a strategy for future growth. This process continued with the preparation of Malawi's Poverty Reduction Strategic Planning Paper in April 2002.

Malawi PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual*	FY 2003 Prior Request	FY 2004 Request
Child Survival and Health Programs Fund	14,862	15,540	17,480	21,919
Development Assistance	13,150	13,829	13,397	10,555
Economic Support Fund	0	500	0	0
PL 480 Title II	1,726	13,699	6,290	4,918
Total Program Funds	29,738	43,568	37,167	37,392

STRATEGIC OBJECTIVE SUMMARY

612-002 Natural Resource Management				
DA	3,500	0	0	0
612-006 Rural Income Growth				
DA	6,170	7,324	8,589	7,192
612-007 Increased Constitutionalism and Advocacy				
DA	1,200	755	808	755
ESF	0	500	0	0
612-008 AIDS and Family Health				
CSH	10,651	15,540	17,180	21,619
DA	2,280	0	0	0
612-009 Basic Education				
CSH	4,211	0	300	300
DA	0	5,750	4,000	2,608

* FY 02 appropriated CSH excludes \$75,000 in polio funds programmed under Africa Regional.

Data Sheet

612-001: No Summary and/or Pillar information entered for this SO.

US Financing in Thousands of Dollars

Malawi

612-001	DA	DFA	ESF
Through September 30, 2001			
Obligations	36,978	53,421	171
Expenditures	16,832	47,616	171
Unliquidated	20,146	5,805	0
Fiscal Year 2002			
Obligations	0	0	0
Expenditures	8,736	3,937	0
Through September 30, 2002			
Obligations	36,978	53,421	171
Expenditures	25,568	51,553	171
Unliquidated	11,410	1,868	0
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2003 NOA			
Obligations	0	0	0
Total Planned Fiscal Year 2003			
Obligations	0	0	0
Proposed Fiscal Year 2004 NOA			
Obligations	0	0	0
Future Obligations	0	0	0
Est. Total Cost	36,978	53,421	171

Data Sheet

612-002: No Summary and/or Pillar information entered for this SO.

US Financing in Thousands of Dollars

Malawi

	DA	DFA
612-002 Natural Resource Management		
Through September 30, 2001		
Obligations	37,497	300
Expenditures	14,306	299
Unliquidated	23,191	1
Fiscal Year 2002		
Obligations	0	0
Expenditures	8,962	0
Through September 30, 2002		
Obligations	37,497	300
Expenditures	23,268	299
Unliquidated	14,229	1
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2003 NOA		
Obligations	0	0
Total Planned Fiscal Year 2003		
Obligations	0	0
Proposed Fiscal Year 2004 NOA		
Obligations	0	0
Future Obligations	0	0
Est. Total Cost	37,497	300

Data Sheet

612-003: No Summary and/or Pillar information entered for this SO.

US Financing in Thousands of Dollars

Malawi

612-003	CSH	DA	DFA
Through September 30, 2001			
Obligations	19,843	19,089	38,529
Expenditures	15,892	15,890	37,257
Unliquidated	3,951	3,199	1,272
Fiscal Year 2002			
Obligations	0	0	0
Expenditures	3,295	2,297	762
Through September 30, 2002			
Obligations	19,843	19,089	38,529
Expenditures	19,187	18,187	38,019
Unliquidated	656	902	510
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2003 NOA			
Obligations	0	0	0
Total Planned Fiscal Year 2003			
Obligations	0	0	0
Proposed Fiscal Year 2004 NOA			
Obligations	0	0	0
Future Obligations	0	0	0
Est. Total Cost	19,843	19,089	38,529

Data Sheet

612-004: No Summary and/or Pillar information entered for this SO.

US Financing in Thousands of Dollars

Malawi

612-004	CSH	DA	DFA
Through September 30, 2001			
Obligations	15,720	5,700	8,200
Expenditures	11,582	5,687	8,033
Unliquidated	4,138	13	167
Fiscal Year 2002			
Obligations	0	0	0
Expenditures	3,576	0	58
Through September 30, 2002			
Obligations	15,720	5,700	8,200
Expenditures	15,158	5,687	8,091
Unliquidated	562	13	109
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2003 NOA			
Obligations	0	0	0
Total Planned Fiscal Year 2003			
Obligations	0	0	0
Proposed Fiscal Year 2004 NOA			
Obligations	0	0	0
Future Obligations	0	0	0
Est. Total Cost	15,720	5,700	8,200

Data Sheet

612-005: No Summary and/or Pillar information entered for this SO.

US Financing in Thousands of Dollars

Malawi

612-005	DA	DFA	ESF
Through September 30, 2001			
Obligations	12,612	21,011	700
Expenditures	11,765	21,001	700
Unliquidated	847	10	0
Fiscal Year 2002			
Obligations	0	0	0
Expenditures	138	1	0
Through September 30, 2002			
Obligations	12,612	21,011	700
Expenditures	11,903	21,002	700
Unliquidated	709	9	0
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2003 NOA			
Obligations	0	0	0
Total Planned Fiscal Year 2003			
Obligations	0	0	0
Proposed Fiscal Year 2004 NOA			
Obligations	0	0	0
Future Obligations	0	0	0
Est. Total Cost	12,612	21,011	700

Data Sheet

USAID Mission:	Malawi
Program Title:	Rural Income Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	612-006
Status:	Continuing
Proposed FY 2003 Obligation:	\$8,589,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$7,192,000 DA
Year of Initial Obligation:	2001
Estimated Completion Date:	2006

Summary: In Malawi, one of the poorest countries in the world, increased household incomes are an essential part of escaping from the current cycle of grinding chronic poverty punctuated by frequent humanitarian crises. This strategic objective is aimed at helping rural Malawians increase their incomes through greater agricultural productivity, private sector job creation and more effective natural resource management. For example, USAID is working to link rural smallholder farmers to lucrative markets for high-value agricultural products in the United States and Europe. Last year, Malawian farmers, assisted by USAID, exported 35 metric tons of chilies to Europe, while chili exports to Europe this year are expected to double to 70 metric tons. With chilies selling at \$2,600 per metric ton, chili prices are 12 to 15 times greater than prices farmers can get for corn, the staple crop. Through USAID support to diversify into higher value crops, farmers will have sufficient incomes to weather food crises. USAID support for community-based management of forest resources provides a steady stream of income from renewable forest resources, including wild mushrooms, wild fruits and selective timber harvesting.

Inputs, Outputs, Activities:

FY 2003 Program:

Agricultural Growth (\$4,000,000 DA). USAID will help smallholder farmers gain access to lucrative markets for high value products such as chilies, paprika, groundnuts, aromatic rice and milk. USAID support has led to the widespread adoption of improved dairy management techniques and better genetic stock in the Malawian dairy industry, since the very small size smallholder farm plots in Malawi makes it difficult for many farmers to escape from poverty through crop production alone. Emphasis is on increasing milk yields and farmer incomes from milk sales. Principal grantees include Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance, Land O' Lakes, and the International Center for Research on the Semi-Arid Tropics.

Private Sector Development (\$850,000 DA). USAID is supporting the growth of the private sector fertilizer and seed supply industry, a key to ensuring that smallholders have timely access to inputs at reasonable prices. USAID will also promote greater access to microfinance services by smaller borrowers that typically have been under-served by the two large commercial banks that control 85% of the financial market in Malawi. Principal contractor/grantee: International Fertilizer Development Center.

Improved Natural Resource Management (\$3,739,000 DA). A key outcome of this program is that the Malawian people, both in the private business sector and civic community, are involved in the management and control of the country's natural resources. The program improves the exchange of information regarding community-based natural resources management (CBNRM) opportunities, while mobilizing communities to adopt improved natural resource management techniques. USAID's activities disseminate a variety of diverse conservation practices that will enhance the ability of communities to benefit from CBNRM initiatives. For example, USAID is helping communities negotiate co-management agreements that allow local residents to share the revenue received from protected areas and national forest reserves. USAID's principal contractor is Development Alternatives, Inc.

FY 2004 Program:

Agricultural Growth (\$3,340,000 DA). USAID plans to continue supporting Malawi's National Smallholder Farmer Association (NASFAM), a nationwide network of farmers' associations that has proven to be an innovative and successful approach for linking low-income farmers to markets. USAID will continue to offer assistance to small-scale dairy farmers, including the introduction of genetic improvements and the adoption of better dairy management techniques through the U.S.-based Land O' Lakes cooperative. In the wake of recent controversies, USAID will also explore the possibility of increasing knowledge and exchange about biotechnology and the potential role of biotechnology in enhancing food security in Malawi. USAID is exploring the possibility of a national conference with international experts and Malawian participants from the government, private sector, and universities. Principal contractors/grantees: To be determined.

Private Sector Development (\$650,000 DA). A new activity will be devoted to enhancing trade and growth opportunities for Malawian agri-businesses by working to eliminate constraints that limit private sector growth and capacity in areas such as food processing, textiles, and forestry products. USAID will complement efforts to increase Malawian exports to the United States under the African Growth and Opportunity Act (AGOA). USAID will continue promoting greater access to microfinance services, particularly to smaller, low-income borrowers who have been under-served by financial markets in Malawi. The award for this activity will be announced in FY 2003.

Improved Natural Resource Management (\$3,202,000 DA). USAID will continue to enhance the capacity of communities to benefit from CBNRM initiatives. USAID will work to deepen decentralization of decision-making over natural resources, assist communities in adopting improved natural resource management techniques, and provide marketing assistance so that rural residents can gain income from sustainable use of natural resources (for example, income from beekeeping, collection of wild fruits and mushrooms). The award to the contractor for the follow-on to the current CBNRM activity will be made in FY 2003.

Performance and Results: This year, the NASFAM associations increased crop sales by 31% over last year. Major cash crops included rice, groundnuts, paprika, cotton, and chilies. The total value of goods marketed through farmers associations grew 29% in FY 2002, reaching \$650,000, far exceeding the FY 2002 target of \$350,000. Partnerships with private sector agribusinesses continue to drive these successes. For example, NASFAM is working closely with private sector exporters in marketing chilies and paprika. Other private sector partnerships included a three-way partnership with a South African company and a local company for the direct importation of 9,500 metric tons of fertilizer on a consignment basis.

USAID will continue to work directly with smallholder farmers to help them take advantage of the new private sector opportunities arising from market liberalization and address the structural problems that are at the root of this year's food crisis. Production by Milk Association members fell from 1.428 million liters in FY 2001 to 1.165 million liters in FY 2002. USAID will help to address the causes of the decline and how it can be reversed.

USAID has had success in helping communities adopt CBNRM practices. In FY 2002, the number of communities adopting CBNRM practices in target districts grew to 457, exceeding the FY 2001 target by 52%. Over 1,200 individuals (20% of which are female) were trained in CBNRM techniques through Community Partnerships for Sustainable Resource Management programs.

By program completion, the average income of rural Malawians benefiting directly or indirectly from USAID assistance will rise 30%. Also, 400 Malawian communities will have adopted CBNRM practices on their farms or community lands, leading to sustainable harvesting of renewable resources.

US Financing in Thousands of Dollars

Malawi

612-006 Rural Income Growth	DA
Through September 30, 2001	
Obligations	6,170
Expenditures	0
Unliquidated	6,170
Fiscal Year 2002	
Obligations	7,310
Expenditures	3
Through September 30, 2002	
Obligations	13,480
Expenditures	3
Unliquidated	13,477
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2003 NOA	
Obligations	8,589
Total Planned Fiscal Year 2003	
Obligations	8,589
Proposed Fiscal Year 2004 NOA	
Obligations	7,192
Future Obligations	0
Est. Total Cost	29,261

Data Sheet

USAID Mission:	Malawi
Program Title:	Increased Constitutionalism and Advocacy
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	612-007
Status:	Continuing
Proposed FY 2003 Obligation:	\$808,000 DA
Prior Year Unobligated:	\$75,000 DA
Proposed FY 2004 Obligation:	\$755,000 DA
Year of Initial Obligation:	FY 2001
Estimated Completion Date:	FY 2006

Summary: USAID's democracy and governance (DG) program supports citizen participation in public life. Good governance and accountability for scarce government resources are more likely to be achieved with increased and better-informed citizen participation. This strategic objective further encourages democratic consolidation by strengthening state institutions to make them more responsive, and by increasing citizens' involvement in governance so that their rights are protected. The D/G program focuses on: improving access to justice through training community-based educators, who in turn educate and advise rural people; increasing civic advocacy through training and enhanced information dissemination at the grassroots level; increasing citizen participation; and technical assistance to improve the responsiveness of accountability institutions. USAID increased access to justice in Malawi by introducing alternative dispute resolution (ADR) techniques and training in four districts. USAID funds training of traditional authorities in civic education who play a key role in local dispute management in rural areas. Trained mediators resolve issues from land disputes to domestic violence at the village level. Citizens influence the policy process, feeding private sector and non-governmental views into the budgeting process, advocating on constitutional issues of freedom of association and expression, and expressing views on extending the presidential term limit. Public debates on constitutional and economic issues increase opportunities for citizen input and for critiques of the policy process.

Inputs, Outputs, Activities:

FY 2003 Program:

Access to justice (\$270,000 DA). USAID will increase access to justice for Malawi's mainly rural, largely illiterate population, through funding the expansion of rural paralegal services to six more districts, increasing threefold a program of education and assistance on legal and constitutional rights. Women are a major focus of the training and assistance; their inferior status in society is exemplified by the common practice of "property grabbing," which gives the relatives of a deceased husband full rights over matrimonial property, to the exclusion of the surviving wife and children. The formal legal system does not allow this practice and USAID-funded paralegals make a concrete difference by explaining the law and resolving conflicts between widows and relatives. In FY 2002, over a four-month period, the Center for Advice, Research and Education on Rights (CARER) helped 61 women resolve this issue with their relatives in areas where no lawyers are available. The scale of the HIV/AIDS crisis in Malawi underlines the critical need for this type of assistance. Over the reporting period, USAID funding assisted 1,901 clients, of whom 52% were women. A total of 800 cases were resolved through the use of ADR. USAID funds trained 68 chiefs in human and constitutional rights and 382 volunteer community based educators gave advice and information to citizens in their villages on a daily basis. Principal contractor/grantee: Center for Advice, Research and Education on Rights (CARER).

In the formal court system, USAID increases operational efficiency through support for an automated case tracking system, court time-keeping and distribution of the latest judgments and guidelines. Given the inefficient use of court time generally, these reforms significantly contribute towards increased accountability and efficiency in the system, and increase access to justice. Activities are undertaken with other donors, notably the United Kingdom.

Advocacy and civic education (\$218,000 DA). Through local partners, USAID provides civic education on the role of state institutions and democracy in every village in Malawi. This approach complements the activity with Story Workshop Educational Trust using a hugely popular soap opera on the national radio station. Radio is an important channel of communication, given the high levels of illiteracy and majority rural population. Principal contractors and grantees: Church of Central Africa Presbyterian Livingstonia Synod, Story Workshop Educational Trust, and Public Affairs Committee.

Improved responsiveness of state accountability institutions (\$320,000 DA). The USAID program educates rural communities on how to access democratic institutions that reinforce rural Malawians rights as citizens. These institutions are: the Human Rights Commission, the Office of the Ombudsman and the Anti-Corruption Bureau, and focuses on the critical interface between civil society and the parliament. At least 50% of parliamentary committees and four key civil society networks (health, agriculture and food security, education and budget monitoring) are strengthening their management controls and outreach ability. Citizens can now begin to inform and monitor the policy-making process as well as policy implementation. USAID leveraged a large parliamentary and civil society strengthening program for a small amount of funds through a joint funding arrangement with the British Department for International Development (DfID), and the Danish Government. Principal grantee: National Democratic Institute.

FY 2004 Program:

Access to justice (\$275,000 DA). USAID plans to expand rural paralegal services to six more districts, providing paralegal services to 57% of the nation's districts, including all the major urban centers. Women will remain a major focus of the program. Assistance will support improvements to the efficiency of the formal court system. Principal contractors and grantees: CARER, the High Court.

Advocacy and civic education (\$290,000 DA). USAID plans to continue rural advocacy and civic education training to promote increased citizen participation in public life. Local partners, through established grassroots networks and the national radio, will provide information to all citizens with a focus on constitutional rights and duties, including participation in elections. Local, parliamentary and presidential elections will take place in May 2004, and civic education will play a crucial role in ensuring a successful electoral process. Principal grantees will be the Public Affairs Committee and Story Workshop.

Improved responsiveness of state accountability institutions (\$190,000 DA). USAID will continue to strengthen parliamentary committees to improve the oversight and efficiency of parliament. Principal grantees will be NDI and the Church of Central Africa Presbyterian Livingstonia Synod.

Performance and Results: USAID's activities made significant progress in FY 2002. The role of parliamentary committees in reviewing and reporting on new legislation has been institutionalized. Unprecedented challenges by committees to executive branch plans are now routine in certain sectors. This opens the way to greatly improved legislation and national budgeting through informed civil society and professional input, as well as entrenching a national oversight and accountability mechanism. Civil society had input into the policy process on 18 occasions during the reporting period. With USAID funding, a total of 1,901 poor Malawians (52% women) had cases resolved. USAID funds trained and supported the network of 382 volunteer community-based educators in three districts, which helped many more people to resolve problems. The presence of trained volunteers at the village level means that free advice and information is available to rural people on a daily basis. USAID funded training of 108 chiefs, religious and local opinion leaders in human rights and the Constitution; and sponsored 10 public debates, broadcast nationally, on topical issues including the national budget and constitutional amendments, thereby broadening and deepening the quality of public participation.

By program completion, 13,000 rural Malawians will have had their cases concluded through alternate disputes resolution. Malawians will know their rights and be able to participate in the overall process of governance; the court system will operate more efficiently and judicial delays will be reduced. Rural Malawians, especially women, will have access to alternative dispute resolution; and an effective

committee system in Parliament will incorporate civil society input into the political decision making processes.

US Financing in Thousands of Dollars

Malawi

	DA	ESF
612-007 Increased Constitutionalism and Advocacy		
Through September 30, 2001		
Obligations	1,200	0
Expenditures	0	0
Unliquidated	1,200	0
Fiscal Year 2002		
Obligations	755	500
Expenditures	111	0
Through September 30, 2002		
Obligations	1,955	500
Expenditures	111	0
Unliquidated	1,844	500
Prior Year Unobligated Funds		
Obligations	75	0
Planned Fiscal Year 2003 NOA		
Obligations	808	0
Total Planned Fiscal Year 2003		
Obligations	883	0
Proposed Fiscal Year 2004 NOA		
Obligations	755	0
Future Obligations	0	0
Est. Total Cost	3,593	500

Data Sheet

USAID Mission:	Malawi
Program Title:	AIDS and Family Health
Pillar:	Global Health
Strategic Objective:	612-008
Status:	Continuing
Proposed FY 2003 Obligation:	\$17,180,000 CSH
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$21,619,000 CSH
Year of Initial Obligation:	2001
Estimated Completion Date:	2006

Summary: USAID support to the health sector has contributed significantly to the formulation and implementation of policies and strategies related to reproductive health, HIV/AIDS and the Roll Back Malaria initiative. This strategic objective improves the quality, coverage, management and efficiency of health service delivery in Malawi. USAID has put in place programs which help to reduce fertility, new HIV infection, mitigate the impact of HIV/AIDS and reduce morbidity of children under the age of five. In HIV/AIDS, USAID is the lead donor in advocating and funding voluntary counseling and testing (VCT), providing funds to train personnel and increase the number of HIV/AIDS VCT sites. Malaria is one of the top five killer diseases in children under five and accounts for 40% of health facility visits. USAID is working to reduce the impact of malaria among pregnant women and children by raising awareness of the advantages of sleeping under Insecticide Treated Nets (ITNs) and making them available at affordable prices through health centers throughout the country.

Inputs, Outputs, Activities:

FY 2003 Program:

Reducing Fertility (\$2,280,000 CSH). USAID is funding awareness campaigns through EngenderHealth to increase the use of long term permanent contraception (LTPC) methods among Malawians. Health workers are trained to conduct voluntary vasectomy, tubal ligation and Norplant procedures. Health facilities are being renovated to provide space for LTPC. The Reproductive Health Logistics Management Information System will be improved to ensure the availability of contraceptives at all Government of Malawi (GOM) and Christian Health Association facilities providing family planning services. USAID is funding Post Abortion Care (PAC), a critical intervention to reduce the high rate of maternal deaths in Malawi. Other activities include training health workers in preventing infections and assisting the MOHP to formulate human resource policies that will help to reduce attrition among health workers. Principal contractors and grantees: JHPIEGO EngenderHealth and DELIVER.

Reducing New HIV Infections (\$3,700,000 CSH). USAID is funding new behavior change communication (BCC) interventions that target youth and high-risk groups. Interventions under a planned procurement will include peer education, life skills training, multi-media activities, risk reduction education, and mobilizing social networks. The overall effort will be implemented through non-governmental organizations (NGOs), faith-based organizations and private businesses. Funding will be used for social marketing of condoms through the AIDSMark project. Impact will be assessed through tracking condom use, age of sexual debut of youth, and number of sexual partners. Principal contractors and grantees: To be determined.

Improving and Expanding HIV/AIDS Services (\$6,000,000 CSH). Major interventions include capacity building of local NGOs to expand coverage and provide quality VCT services, reliable diagnosis and treatment of Sexually Transmitted Infections, expand prevention of mother to child transmission activities and community surveillance of tuberculosis (TB). Impact will be assessed through increased use of VCT services, improved quality of diagnosis and treatment of STIs, and measurable improvements in

organizational capacity to deliver quality health care services in selected districts. Principal contractors and grantees: NGO Network.

HIV/AIDS Impact Mitigation (\$1,700,000 CSH). USAID is funding comprehensive HIV/AIDS impact mitigation services beginning in six districts with focus on the provision of home-based care and support for orphans and vulnerable children. The program will expand and support integration of effective strategies into Global Fund supported efforts. Impact will be assessed through tracking numbers of orphans and vulnerable children (OVC) and home-based care (HBC) clients reached, nutritional status of children under five years, the number of school-going orphans, and improvements in the capacity of the organizations to support orphans. Principal contractors and grantees: Family Health International.

Reducing child morbidity and increasing the effectiveness of health care systems (\$3,500,000 CSH). USAID is doubling the integrated management of childhood illnesses (IMCI) approach and malaria prevention activities. Activities include training health workers to detect danger signs before conditions in children under five years become life threatening; technical assistance to review malaria drug efficacy; assistance with entomological studies; and training Malawian health workers at the Master's degree level to manage national malaria control programs. Principal contractors and grantees: Africare, Save the Children Fund of United Kingdom, Save the Children Federation of the United States, Project HOPE, International Eye Foundation, Centers for Disease Control and Prevention, Partnerships for Health Reform and Quality Assurance Project.

FY 2004 Program:

Reducing Fertility (\$2,280,000 CSH). USAID will fund activities to increase awareness and demand for long term methods of contraception; strengthen the MOHP logistics management of contraceptives and other medical supplies; expand PAC services; and support infection prevention activities. Principal contractors and grantees: EngenderHealth, Deliver/John Snow Inc. and JHPIEGO.

Reducing New HIV Infections (\$4,900,000 CSH). USAID will assess the impact of FY2003 activities, expand successful strategies and begin implementation of innovative behavior change interventions. The procurement process should be completed within the second quarter of 2003.

Improving and expanding HIV/AIDS Services (\$6,000,000 CSH). USAID will increase the number of NGOs providing care, treatment and prevention services and will target expansion of HIV/AIDS services to 10 out of 27 districts. The procurement should be completed within the second quarter of 2003.

Mitigation of the Impact of HIV/AIDS (\$3,000,000 CSH). USAID will fund additional partnerships with Malawian community-based organizations. Emphasis will be placed on identifying and funding innovative and effective care and support interventions that could be expanded with other funds such as the Global Fund. Principal contractors and grantees: Family Health International.

Reducing child morbidity and increasing the effectiveness of health care systems (\$5,439,000 CSH). USAID will continue to support child health intervention and institutionalize planning, budgeting, management, accounting and supervisory systems to maintain quality health services at the district, health center and community level.

All family planning agreements will incorporate clauses that implement the President's directive reinstating the Mexico City policy.

Performance and Results: The Mission has exceeded its targets. Couple Years of Protection (CYP) reached 619,569, exceeding the target of 520,180 by 19%. The number of socially marketed condoms during the reporting period exceeded the target by 14%. The number of clients served by the three VCT sites rose by 20% from FY 2001 to FY 2002, exceeding the target for FY 2002 by 23%. The number of insecticide treated nets sold exceeded last year's sales by 26%.

By the end of this Strategic Objective, it is anticipated that the use of modern contraceptives will have increased from 397,760 couple years of protection in 2000 to 671,942 by 2005, reducing fertility and

maternal mortality rates. At least 60% of pregnant women and children under the age of five years of age will use affordable and accessible ITNs and other interventions, leading to a further reduction in low birth weights and infant mortality rate. In HIV/AIDS, at least 15 non-governmental organizations will have demonstrated measurable increases in their capacity to fight HIV/AIDS. Eighteen districts will provide VCT services resulting in a 25% reduction in the number of sexual partners, a 25% increase in condom use with non-regular partners, and an increase in the average age of sexual debut.

US Financing in Thousands of Dollars

Malawi

	CSH	DA
612-008 AIDS and Family Health		
Through September 30, 2001		
Obligations	10,577	2,280
Expenditures	97	0
Unliquidated	10,480	2,280
Fiscal Year 2002		
Obligations	15,240	0
Expenditures	6,487	1,339
Through September 30, 2002		
Obligations	25,817	2,280
Expenditures	6,584	1,339
Unliquidated	19,233	941
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2003 NOA		
Obligations	17,180	0
Total Planned Fiscal Year 2003		
Obligations	17,180	0
Proposed Fiscal Year 2004 NOA		
Obligations	21,619	0
Future Obligations	0	0
Est. Total Cost	64,616	2,280

Data Sheet

USAID Mission:	Malawi
Program Title:	Basic Education
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	612-009
Status:	Continuing
Proposed FY 2003 Obligation:	\$300,000 CSH; \$4,000,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$300,000 CSH; \$2,608,000 DA
Year of Initial Obligation:	2001
Estimated Completion Date:	2006

Summary: USAID's education program focuses on establishing effective schools that will improve pupil learning conditions through increased community participation and creative teaching; expanding teachers' professional skills; and developing and monitoring the Education Policy Reform program. The national teacher education and the national HIV/AIDS education strategies will improve teacher working conditions. Over a period of four years of USAID funding, repeater rates at grade three in target districts have drastically decreased to 9% and 7% for boys and girls, respectively, as compared to those of the same grade at the national level, which have stagnated at 29% and 26% for boys and girls, respectively. Within the same period, USAID support has resulted in better pupil mathematics scores of 78% and 77% in target districts for boys and girls, respectively, compared to 72% and 67% for boys and girls, respectively, in non-target districts. Functional school committees have increased from 96% in FY 2001 to 98% in FY 2002, indicating an increasing level of community leadership in primary schools.

Inputs, Outputs, Activities:

FY 2003 Program:

Improving teacher professional skills (\$1,540,000 DA, \$150,000 CSH). USAID finances the training of Malawian post-graduate students in critical areas of primary education through the University Partners in Institutional Capacity (UPIC) project. This partnership between U.S. universities (University of Massachusetts (UMASS) and Virginia Polytechnic Institute and State University) and four Malawian Institutions (University of Malawi at Chancellor College, Domasi College of Education, the Malawi Institute of Education, and Mzuzu University) is creating the next generation of professors in education leadership, in testing and measurement, in primary methods, and in instructional technology. As a result of this partnership, 14 Malawians are studying at UMASS in policy, planning and testing and measurement; 11 Malawians are studying at Virginia Polytechnic Institute in specialized education fields including instructional technology; and 24 Malawians are enrolled in the Masters program at the Malawi Institute of Education. In addition, the partnership between USAID and Lakeland College is also supporting Malawian education students at Lakeland College. USAID is responsible for transportation and stipends, while Lakeland provides total tuition.

Improving classroom practice (\$1,800,000 DA). USAID will finance a campaign to mobilize communities and schools to raise issues regarding educational quality. Campaigns such as this have proven very effective in Malawi as a means of fostering dialogues within and among the communities. The empowered communities are motivated to accept the societal responsibility for influencing, implementing and achieving educational quality for the benefit of their children. USAID funding to Save the Children Federation/US provides the much needed resources for in-service teacher training of grades 1-4 teachers in selected districts. Principal contractor or grantee: the Creative Center for Community Mobilization (CRECCOM).

Development of national policy strategies (\$660,000 DA, \$150,000 CSH). USAID provides technical guidance and support to the Ministry of Education, Science and Technology (MOES&T) in order for the

Ministry to successfully implement policy reform, the development and implementation of the National Strategy on HIV/AIDS in education and the National Teacher Education Strategy.

FY 2004 Program:

Planned FY 2004 Program (\$2,608,000 DA, \$300,000 CSH). USAID will focus on achieving this objective by expanding (1) in-service teacher support to both trained and untrained teachers in target districts; (2) in-service teacher training for grades 1-4 teachers on the integrated curriculum in target districts; (3) training of school committees on school management; (4) long-term academic training both in Malawi and the United States; (5) consolidating the second and equally critical program which provides the minimum degree requirements for primary school teacher trainers; and (6) the development of a business strategic plan for the University of Malawi.

Performance and Results: The USAID education program supports the development of effective schools that provide learning environments for the majority of children. At the grass roots level, more communities assume ownership and leadership in their schools. Functional school committees, chosen by the communities to manage schools, increased from 96% in FY 2001 to 98% in FY 2002, implying some attitudinal change taking place. This change has led to more responsible parents, teachers and pupils. Through training support to teachers and supervisors in target districts, there is a significant improvement in learning gains at grade 3 in reading English, and in numeracy competency for both girls and boys. The boys gained 17% in reading English while the girls gained 12%. Although these figures are lower than the target of 20% for both sexes, they are higher than the 1999 baseline figures of 15% and 10% for boys and girls, respectively. Through USAID funding to Quality Education through Supportive Teaching, an integrated approach in the implementation of the national curriculum in grades 1-4 was piloted in 2002. Subsidiary subjects of music, physical education and creative arts were brought into the teaching of core subjects of English, Mathematics, Chichewa (a local language), and general studies. The targeted district realized higher pupil scores for both Mathematics and English. As a result of the UPIC partnership, 14 Malawians are studying at UMASS in policy, planning and testing and measurement; 11 Malawians are studying at Virginia Tech in specialized education fields including instructional technology; and 24 Malawians are enrolled in the Masters program at the Malawi Institute of Education.

At the policy level, the Government of Malawi (GOM) has successfully completed development of various national strategies for the education sector on schedule. The GOM has completed a (1) Draft Policy Investment Framework (PIF) Implementation Plan with projected costs on priorities, (2) Draft National Strategy on Teacher Education and Development, and (3) Draft National Strategy on HIV/AIDS and Education. MOES&T has continued to further develop the Education Management Information System (EMIS) in order to ensure that information critical for decision making is provided at the right time and form for the target audiences.

By the end of the Strategic Objective, it is expected that 430 effective primary schools will have been established in the four targeted districts through (1) the training of 6,000 (out of 9,400) untrained teachers in basic teaching skills; (2) training of 6,000 teachers for grades 5-8 at the national level in the new social studies curriculum; (3) the Government of Malawi will have institutionalized two major policies on (a) Teacher Education and Development and (b) the HIV/AIDS and Education National Strategy.

US Financing in Thousands of Dollars

Malawi

	CSH	DA
612-009 Basic Education		
Through September 30, 2001		
Obligations	4,461	0
Expenditures	0	0
Unliquidated	4,461	0
Fiscal Year 2002		
Obligations	300	5,750
Expenditures	1,513	0
Through September 30, 2002		
Obligations	4,761	5,750
Expenditures	1,513	0
Unliquidated	3,248	5,750
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2003 NOA		
Obligations	300	4,000
Total Planned Fiscal Year 2003		
Obligations	300	4,000
Proposed Fiscal Year 2004 NOA		
Obligations	300	2,608
Future Obligations	0	0
Est. Total Cost	5,361	12,358