

WaterAid Malawi Country Strategy 2011-2015

December 2010



*Women from low income areas lining latrine pits in Lilongwe
Urban*

Executive Summary

Malawi is a predominantly rural country in southern Africa with a population of just over 13 million and an economy dominated by agriculture. Its development statistics are typical of many countries in sub-Saharan Africa: it is ranked 160 out of 182 in the Human Development Index and has a per capita GDP of \$US900. Strong economic performance in recent years has not yet had much impact on these figures. HIV/AIDS is an important factor with prevalence currently estimated around 11%.

Improved sanitation is estimated to be accessible to 30% of the population; drinking water coverage is quoted at between 65% and 76% but this is eroded by non-functionality rates of around 37%. Government investment in WASH is still low despite commitment on paper placing the sector among the government's priorities.

The country has a legal and regulatory framework for the WASH sector that is, by and large, clear and complete. Sanitation, water supply and water resources are led by the same ministry and sector policies are in place. The biggest challenge is in assuring that they are harmonised and appropriately applied.

Urban water is managed by five Water Boards while on-site sanitation is the responsibility of the City Assemblies. In rural areas, both sanitation and water are the responsibility of District Assemblies. The National Water Development Programme has set out a framework for investment as a catalyst for the growth of the sector, and several development partners are actively involved in supporting its implementation and sector review processes. It is hoped that this will lead to the development of a full Sector Wide Approach (SWAp) in the WASH sector within three years.

WaterAid has been working in Malawi since 1999 and now supports project implementation in five Districts - one urban and four rural - through a number of partners including local government, local NGOs and faith organisations. Innovation in sanitation (including ecological sanitation and CLTS) has brought the programme significant success, as well as its work to build capacity at the Community, Area and District levels. The WASH sector however needs additional support to human resource capacity development for government, particularly at the district and local levels.

The rehabilitation of old gravity-fed water systems (including their institutional arrangements and management structures), innovative water point mapping work and a sustainable model of community management of water kiosks in urban areas have helped to build WaterAid's profile in the country. More recently advocacy and governance work has increased in scope through a DFID-funded governance project and involvement in sector debates at the national level, including strong contributions to government policy development and to the coordination of NGOs active in the sector.

The Programme has identified coordination as key to the sector's development, in particular the push towards a Sector-Wide Approach which is expected to facilitate additional funding through a Sector Investment Plan, as well as harmonisation of investments and approaches. More systematic implementation of policy and

regulation, including decentralisation, would also be beneficial. Progress in these programmes has been hampered by low capacity at the district level and frequent changes in the status of the water department, currently Ministry of Irrigation and Water Development (MoIWD).

A review commissioned by the CP indicated that the programme still needs to focus more on vulnerable and marginalised groups, both in targeting its field planning and monitoring and in institutionalising the mapping work that it has developed and handed over to government. This work is needed to reinforce planners' knowledge of people's needs and also to provide the information that communities need to claim their rights.

Sustainability of water supply systems is an issue that is as important in Malawi as it is elsewhere in Africa. Non-functionality of water and sanitation systems is an important barrier to access. There is a significant number of aging systems that require rehabilitation, in addition to the shorter term problems caused by inadequate maintenance.

While it is clear that the Programme has produced important innovations and has learnt much from its work, it is not producing the number of learning products that is warranted by the experience and knowledge that it now holds.

On the basis of this analysis, the Programme has determined a number of priorities for its effective contribution to developing the sector in Malawi. Some of the key shifts that the Programme intends to make are specifically mentioned.

Firstly, the continued lack of access to sanitation and water for many Malawians and the low levels of sustainability of existing services require that it builds on its existing field work that directly supports increased access to WASH services. This will contribute to WaterAid's **Global Aim One** - the promotion and securing of poor people's rights and access through direct provision of adequate sanitation and hygiene services to 303,375 people and of safe drinking water services to 133,980 people by 2015. In addition, through influencing and advocacy work, 125,000 people will secure access to safe drinking water and 225,000 with access to sanitation and hygiene. *Key shifts:* a) deepening the rights-based approach and ensuring that issues of equity are a focus of our entire programme work; b) starting work in new rural districts, small towns and scaling up our urban work.

In relation to **Global Aim Two** - support to the capacity of governments and service providers, the Programme will use its experience and position to increase sector expertise and to support decentralisation within the sector. It will also work on coordination mechanisms at national and district levels to improve the effectiveness and efficiency of service delivery. *Key shift:* increasing the importance of our work in advocacy and sector governance, especially sector coordination and investment allocations.

Global Aim Three is to advocate for the essential role of WASH in human development. In this regard, the Programme will work with other organisations to further raise the profile and understanding of WASH issues, especially sanitation and hygiene. WaterAid in Malawi will lobby for additional investments and for evidence-

based decision making in planning and implementation of WASH-related activities by other sectors. *Key shifts:* a) developing partnerships with other sectors and new organisations; b) prioritising research and documentation.

The **fourth Global Aim** concerns the effectiveness of WaterAid as an organisation. WaterAid in Malawi will continue to build its internal systems and capacity so that it can best serve the interests of the WASH sector. Projected increases in the essential budget of about 55% (rising from MK368 million kwacha in 2010/11 to MK570 million kwacha in 2014-15) and a broader range of work – including implementation in two new Districts – will require us to improve our fundraising efforts, planning, monitoring, evaluation and communications. The Programme will require seven new posts, including three in core programme delivery, two in Finance and two in HR/Administration.

Important shifts in the Programme's direction under this Strategy have already been mentioned above. They include increasing focus on rights and equity, working with other sectors, research and documentation, new urban work, advocacy and sector governance. At the same time, the CP will continue to focus on the harmonisation of approaches and policy at both national and sub-national levels, and on the sustainability of systems and services - elements that are already a focus of our work in Malawi.

List of acronyms

CLTS	Community-Led Total Sanitation
CP	Country Programme
CSO	Civil Society Organisation
DCT	District Coordination Team
DFID	UK Department for International Development
DSIP	District Sector Investment Plan
EIB	European Investment Bank
EU	European Union
GDP	Gross Domestic Product
HR	Human Resources
JICA	Japan International Cooperation Agency
KAP	Knowledge, Attitude, Practice
KMU	Kiosk Management Unit
LWB	Lilongwe Water Board
M&E	Monitoring and Evaluation
MoiWD	Ministry of Irrigation and Water Development
NGO	Non-Government Organisation
NWDP	National Water Development Programme
OD	Organisational Development
SIP	Strategic Investment Plan
SWAp	Sector-Wide Approach
WASH	Water, Sanitation and Hygiene
WES	Water and Environmental Sanitation
WUA	Water Users' Association

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1 Introduction

This document describes the Strategic Aims and Objectives of WaterAid’s Malawi Programme (“the Programme”) for the period 2010 to 2015. It begins with a brief summary of the history of the Programme and the current situation of the water, sanitation and hygiene (WASH) sector in the country. The aims and objectives, together with high level indicators, are presented in Section 4. Lower level objectives and indicators, as well as activities, will be developed annually by the Programme in supporting plans. Sections 5 and 6 show the human and financial resources required to achieve the outlined goals while the principal risks expected to be faced by WaterAid in Malawi are set out in Section 6. Section 7 deals with monitoring and evaluation of Programme work during implementation of the Strategy.

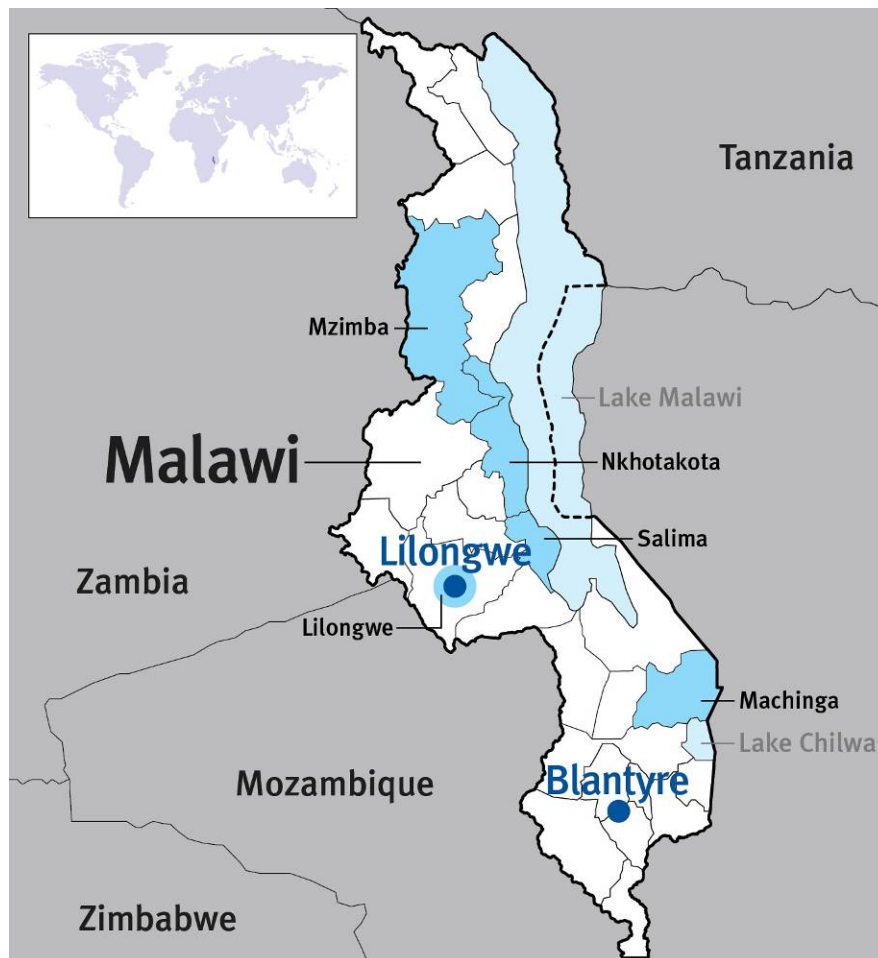
WaterAid in Malawi’s Country Strategy was developed through a consultative process, supported by several background documents. During the process, a sector analysis research was carried out and staff, partners and key sector stakeholders were involved in wide-ranging discussions. This culminated in a four-day workshop at which the main points of the Strategy were drafted. The process is described more fully in Appendix A and the background documents are listed in Appendix D. References in the text in square brackets are to background documents.

The Country Strategy shows how the Programme will respond to the needs of the WASH sector in the country and how the Programme will contribute to WaterAid’s Global Strategy [WaterAid, 2009] over this five-year period. The Global Strategy (which runs from 2009 to 2015) sets out WaterAid’s guiding principles and values, as well as four aims. Section 4 demonstrates the links between the Malawi Programme’s aims and those of the Global Strategy.

2 Looking Back

2.1 Brief history

WaterAid has been working in Malawi since 1999 when the country office was set up. Field work was started in Salima District in 2000(see Map below). Since that time the Programme has established a range of work, including rural project implementation in Salima, Mzimba, Machinga and Nkhotakota Districts; and an urban programme in Lilongwe. WaterAid in Malawi now applies a wide range of technologies and approaches suitable for different parts of the country and has built close relationships with relevant WASH sector organisations including central and decentralised government, external donor agencies, the Lilongwe Water Board (a government owned water utility), six local NGOs and one church-based partner. The Programme has developed an innovative and highly regarded water point mapping project. Through WaterAid’s advocacy, the methodology was subsequently taken up and financed by other stakeholders to cover the whole country by 2008. It has also influenced work in other Country Programmes and led new efforts in Malawi to develop a similar approach for sanitation.



During the last five years, WaterAid Malawi increased its efforts to integrate sanitation and hygiene (especially hand washing) into its work. To date, for example, it has achieved complete sanitation coverage in 36 villages in Salima District and 9 villages in Machinga District. The Programme continues to develop and disseminate its ideas on sanitation marketing. It has introduced the Community Led Total Sanitation (CLTS) concept and has changed its approach to allow multi-year project plans that match the needs of behaviour change.

The Programme continued to support capacity development initiatives of District Local Governments in areas of sector planning, coordination and quality control, among others. WaterAid in Malawi has also worked to enhance the capacity of Area Development Committees (ADC, see below) in the planning, implementation and monitoring of WASH interventions alongside the capacity of government extension workers in participatory facilitation and other skills.

The CP has further developed its policy influencing and advocacy work, and developed a Policy and Governance Project funded by DFID in ten Districts¹. The Governance Project has played an important role in supporting the government's establishment of the Sector Wide Approach (SWAp) in WASH and the development of District Sector Investment Plans (DSIPs). WaterAid in Malawi was an active participant in the project Steering Committee that drafted the new national sanitation policy. It has also introduced citizens' engagement that has focused on the demand for and quality of WASH services including a very successful annual Water Users' Day, and on using water point mapping to guide district targeting of un-served communities. At the national level, our partner, the Malawi Economic Justice Network (MEJN) is now tracking WASH sector budgets and feeding its assessment into national budget consultation processes.

The urban programme which currently has two dedicated staff has continued to grow. It has been built on our innovative partnership with the water utility company, Lilongwe Water Board (LWB), and its Kiosk Management Unit (KMU) which was set up under the partnership to improve water supplies to poorer areas of the city. Water User Associations (WUA) were organised around these kiosks, replacing less formalised community structures. They act as a legally recognised interface between the utility company and beneficiary communities for sustainable kiosk management. This model has successfully demonstrated how poorer sections of the Lilongwe population can be efficiently served by directly engaging the utility and is now being scaled up both within Lilongwe urban and in the City of Blantyre with support by the European Investment Bank (EIB) and the EU Water Facility. The model is also emulated internationally.

The Programme has also worked in new ways in our support for the rehabilitation of large gravity-fed rural water supply schemes (GFS) where our efforts have been very successful and have been recognised as such by both the Government of Malawi and key sector players. In addition to the rehabilitation of the network system, catchment restoration and conservation in particular have been the focus of our work in the

¹ These are the four rural implementation Districts, plus Rumphi, Karonga, Dedza, Ntcheu, Balaka and Chikwawa.

Chagwa (over 15,000 people served) and Namikomya (over 44,000m people served) GFS, both in Machinga District. We recognise the importance of engaging with, and seeking the participation of communities living in the water catchment area upstream of the intake point throughout the project cycle. The upstream communities do not often benefit directly from the scheme hence do not care about the conservation of the catchment. This places downstream target communities to be at the mercy of those living upstream hence the importance of involving the latter. The CP has also worked on alternative models for community management of these schemes and the results point to improved sustainability. Work to rehabilitate an even larger gravity flow water supply scheme in Traditional Authority Mwansambo, which covers two districts namely Nkhotakota and Ntchisi, awaits the identification of funds.

Capacity building for local NGOs and the local government has continued and has substantially improved their capability to deliver programmes and manage funding. However, efforts to bring in levered funding for these partners have brought limited success, because their capacity and track record still require further development.

Meanwhile WaterAid in Malawi has also been providing technical, financial and logistical support to the lead sector ministry, the Ministry of Irrigation and Water Development (MoIWD) since 2007. The CP has put additional efforts into the coordination of sector activities and has been an important and consistent contributor at both district and national levels, notably the re-establishment of a Joint Sector Review process. However, the Sector-Wide Approach (SWAp) and Strategic Investment Plan (SIP), both of which are critical to attracting more government and donor funding, have still not been fully developed. The CP has further played an important role in the re-establishment of the national WES NGO network which has been recognised by the sector ministry as a co-ordinating body. The network is in the process of setting up a dedicated Secretariat to enhance co-ordination and advocacy of WASH in the sector.

The programme has proactively contributed to WaterAid in Southern Africa's regional initiatives and learning such as the Data Reconciliation and Mapping initiative aimed at improving the quality of data for sector planning², participation in Africa Water Week and Africa Sanitation Conferences, hosting a number of learning visits on urban and water points mapping etc. Engagement with other regional bodies will require improvement in the coming period. At the international level, the CP has contributed to learning through participation at various international fora by sharing its experiences, and its strong partnership with WSSCC.

Internally, in the last five years WaterAid in Malawi has grown from a staff of 14 to 18 positions (see organogram, Section 5), and retention rates have been good particularly for technical staff. Meanwhile the Programme budget has tripled, boosted by substantial in-country funding from DFID for a sector policy, governance and accountability project in district governments; and the EIB/EUWF grant financing to scale up water and sanitation coverage in Lilongwe and Blantyre cities. Financial management has also

² This was in collaboration with the WHO/UNICEF Joint Monitoring Programme.

remained strong, resulting in clean audits and the successful introduction of the new Global Accounting System (GAS).

2.2 Key learning points³

WaterAid Malawi believes that the country's WASH sector still needs stronger coordination. This can be facilitated by implementing and following through policies and processes already in place which include the national water, sanitation and decentralisation policies; and the movement towards the Sector Investment Plan and SWAp processes mentioned above. Work to strengthen district-level capacity to plan, implement and monitor sector programmes and projects is an essential counterpart to this. Influencing these processes offers WaterAid a potentially far-reaching impact in the sector. The CP has seen that developing mutual trust and respect with key government institutions creates an environment conducive to influencing changes in policy and practice. However, care is required to ensure that the CP focuses its efforts on its ability to catalyse action and WaterAid in Malawi needs to define clearly its role and position as an international NGO in the process [Slaymaker, 2010]. WaterAid's direct financial and technical assistance support to the Ministry of Irrigation and Water Development and its sector coordination work have been fruitful. However, both streams of work have confused WaterAid's image in the country as to whether it is a "donor" or an "NGO".

The CP has also continued to focus its service provision work on the excluded. A study of its work concluded that it is in line with government policy and, more importantly, it is gender sensitive [Nalivata & Matiya, 2008]. Disabled people's needs were not always considered adequately and mechanisms were recommended for providing the vulnerable with a greater voice in project design and with targeted subsidies for latrine construction. WaterAid in Malawi has promoted waterpoint (and more recently piloted sanitation) mapping as a key tool for targeting excluded communities. Communities with a strong political backing are often allocated water points at the expense of other unserved communities if investment decisions are not based on ground evidence. The success of the CP in persuading government and others to adopt the mapping approach has resulted in the entire country being mapped. However, it now faces the challenge of ensuring that the information is indeed used, updated and is accessible to those responsible for sector planning, investment, monitoring and decision making.

Finding a sustainable mechanism for updating information on water point coverage has proved a difficult challenge. In partnership with Engineers Without Borders, WaterAid in Malawi has successfully developed and piloted a mechanism for updating the information on water point functionality at district level. A simplified community-based Water Point Monitoring tool for data collection and analysis has been adapted to fit the capacities and core information needs of district officials. The quality and reliability of data collected has been improved by using community health surveillance assistants. The tool has been piloted in two districts and is now being used by district officials as a basis for routine planning and monitoring. It will be further refined and scaled up to other districts. At the national level, the data is currently held and managed by MoIWD.

³ In this section the bold type notes in brackets – e.g. **(B2)** indicate linked objectives in Section 4.

Meanwhile the CP has piloted sanitation mapping with Water for People. The process is however much more complex and costly than for water points and further work is needed to establish how it can be taken beyond a simple baseline.

The Programme has supported savings and loan schemes to help with latrine construction, alongside other income generating activities, in peri-urban Lilongwe. Understanding communities' drivers and barriers to accessing improved sanitation and developing appropriate marketing and financing strategies is a key element in developing and promoting technologies. In urban water supply and sanitation, the CP has learnt that a strong partnership is required between water utilities responsible for provision of services and social change agents such as NGOs to support the work of the WUAs described above. WaterAid has an important role to play in facilitating such partnerships.

Developing effective community management systems for WASH requires investing in long term support beyond the training and project periods. Capacity at the local Area level⁴ can be an effective means of ensuring ongoing support to user groups as our programme in Salima in particular has demonstrated.

Developing the capacity of small-scale service providers and involving them in watsan development work has helped to accelerate service delivery in both peri urban and rural work. Small-scale service providers have included sanitation entrepreneurs (including sanitation marketing), a Rope Pump manufacturer and a low-cost manual borehole drilling contractor (using the "Vonder" hand-drilling rig).

The CP's governance project has shown how effective support to District Assemblies in fiscal and programme planning (including development of DSIPs as mentioned above) has contributed to significant improvements in capacities and the provision of services.

Effective management of water resources catchments is complex, requires engagement with various key stakeholders and is important for sustained flow and quality of water in gravity flow systems. It is an area that WaterAid can only address in collaboration with others most importantly community representatives, environment NGOs and relevant government bodies such as district assemblies, the Ministry of Lands, Natural Resources and the Environment, and the Catchment Authority. An important lesson from Namikomya GFS has been the need to engage with communities living upstream of the source and water supply intake who derive no direct benefits from the scheme, yet their direct involvement and consultation was key to the success of the project. Construction of a borehole to service them, and support for improved sanitation to protect the intake were deemed to be effective.

It will be discerned from the foregoing that WaterAid in Malawi has learnt several valuable lessons in the last 10 years which have helped it improve its programme

⁴ The Area is the administrative unit beneath the District, and has an Area Development Committee (ADC). ADC members are elected and not paid, but are often well connected and with adequate support are motivated to improve livelihoods in their locality.

delivery and its effectiveness in the WASHE sector in Malawi. However, few learning instruments have been produced by the Programme to document these lessons, good practices and experiences for sharing with other stakeholders. For example, our very successful work on ecological sanitation, water point functionality monitoring, sanitation mapping and support to sector coordination (SWAps) remains undocumented and will be prioritised in the coming period.

3 Sector analysis

3.1 Social indicators

Malawi is a small but relatively densely populated country, about half the surface area of the United Kingdom, and a population of about 13.1 million people (2008 Population Census). It is located in southern Africa between Mozambique, Tanzania and Zambia. Malawi is a multi-party democracy with a democratically elected President and National Assembly. The economy is dominated by agriculture, with tobacco as the main foreign exchange earner (over 80%) The 2010 GDP is estimated at \$US900 *per capita* [CIA].

The 2009 Human Development Report [UNDP, 2009], which uses data from the year 2007, ranks Malawi 160th (out of 182 countries) in the Human Development Index, and 90th (out of 135) on the Human Poverty Index. Life expectancy is 52 years⁵ and the adult literacy rate is 72%. In 2008, infant mortality was reported to be 65 per 1,000 births [World Bank]. GDP was US\$ 256 per capita in 2007 and Official Development Assistance stood at \$US53 per capita in 2009 [UNDP, 2009].

According to data collated in-country in 2006 [Republic of Malawi & World Bank, 2006] poverty levels were relatively stable between 1998 and 2005. In 2005, 52% of the population was judged to be “poor” i.e below the poverty line, and 22% “ultra-poor”. In other words, about 6.8 million Malawians live in poverty and as many as 2.9 million Malawians, about one in every five people, live in such dire poverty that they cannot afford to meet even the recommended minimum daily food requirements. Poverty is focused in rural areas although the greatest disparity between rich and poor is in urban centres. The highest concentration of poor people is in the Southern and Central regions which are also the most densely populated.

3.2 Economic and regulatory factors

A sector analysis was commissioned as part of the background work for this Strategy [Mambulu et al, 2010]. The contextual environment in which the provision of water and sanitation services takes place is impacted by political, socio-economic and environmental factors. Malawi has remained politically stable since its independence in 1964, and on paper there is political consensus around the importance of the WASH sector. For instance, the water and sanitation sector is highly prioritised in the Malawi Growth and Development Strategy (MGDS - the country’s poverty reduction strategy) and is among the nine top priorities within priorities set by the current government. While the present political stability is appreciated, changes as a result of the on-going political manoeuvrings, and elections due in 2014, do not guarantee that the sector will continue to be a priority. On the financing front, the sector has typically been allocated much less than 1% of the national budget although the allocations in 2009/10 and 2010/11 were increased to 2.1% and 1.6% respectively, compared to more than 10% each for the health and education sectors. Of this, a very small proportion is provided for work on sanitation and hygiene. The reasons for this include the lack of a clear framework for investment, the perceived high coverage figures and a continued

⁵ Government figures put this fully 12 years lower in 2005 [Republic of Malawi & World Bank, 2006]

assumption that health and education are much more important than water and sanitation in the social and economic development of the country.

In terms of progress towards the MDG targets, despite the lack of accurate figures, it is arguable that Malawi is not too far from meeting the water target. It is also clear that it is a long way from the sanitation target as improved sanitation coverage is estimated to be only around 30% of the population. The UNDP [2009] states water coverage for 2007 to be 76%. A national Joint Sector Review carried out in 2008, however, put the figure at only 65%. Poor functionality rates further reduce the effective coverage rates⁶. A recent study by SKAT and UNICEF (Operation and Maintenance of Rural Water Supplies, 2008 Report) stated that the declining functionality has reduced the effective rural coverage from an estimated 71% to 55%.

Although Malawi has recently recorded good macroeconomic performance, with current and forecast growth rates above 6% annually [Economist Intelligence Unit, 2010], the sector will continue to gain little from future growth unless efforts are made to clearly disaggregate the investments in water and sanitation from other categories such as irrigation, as well as other development sectors such as health and education. In relation to the environmental context, the potential impact of climate change underlines the importance of effective management of water resources which in essence demands careful programming. HIV/AIDS is an ever-present factor in Malawi's development. The current reported prevalence of the disease is 11%, and although this has decreased from a high of 14% it remains an important factor that disrupts household livelihoods and progress with community development, and suppresses life expectancy.

The analysis observes that much of the legal and regulatory frameworks for the WASH sector are already in place. The Ministry of Irrigation and Water Development (MoIWD) is the lead agency for both water and sanitation. Key policies and regulations have been developed over the last decade and include the National Water Policy, National Sanitation Policy and the Decentralisation Policy. The policies mention the right to water and sanitation but do not adequately and clearly provide direction as to what it means in practical sense. The advances made represent a milestone as far as guidance and political will for the sector are concerned. A new multi-sector Malawi Water and Electricity Regulatory Authority, MWERA⁷, has been provided for but is not yet operational. With regard to water resources management, the MoIWD's Water Resources Board has existed for several years but has not been effective. A new Catchment Authority, independent of the Ministry, is due to be set up to take over this function. Environmental degradation which largely involves extensive forest depletion and erosion continues unabated. Moreover, it is currently unclear how the global climate change phenomenon is impacting water resources although there are anecdotal reports of changes to rainfall patterns that have either resulted in frequent and protracted droughts or flooding in different parts of the country.

⁶ The Joint Sector Review in 2008 estimated that 37% of water points were not functional.

⁷ The Malawi Water and Energy Regulatory Authority

What remains a challenge, however, is the harmonisation of these policies, their clear understanding by frontline staff, their full implementation and that the new agencies are provided with the resources and capacities to carry out their mandates. Because water has its own Ministry, there is an opportunity to integrate water supply work in programmes focused on irrigation and water resources. This may inform the climate change debate and the management of the multiple use of water resources.

Large-scale urban water supply in Lilongwe and Blantyre, the two major cities in Malawi is the responsibility of city-specific Water Boards. Sewerage is currently the responsibility of City Assemblies although the Water Policy and the Water Act (1995) transfer this responsibility to the Water Boards. On-site sanitation and solid waste management too come under the Assemblies. Currently, there are plans to create public asset companies and bring in management contracts for these boards. For smaller cities, towns and market centres, there are three Regional Water Boards namely the Central, Northern and Southern Region Water Boards. As part of urban reforms, government announced in May 2010 the proposed merger of Lilongwe Water Board with the Central Region Water Board to form a new Central Region Water Board; and Blantyre Water Board with Southern Region Water Board to form a new Southern Region Water Board. Implications for WA include the need to re-establish a new partnership with the new Central Region Water Board for the implementation of urban work which usually takes time especially with changes of management staff. However, with WA's plan to start work in small towns in central region, it would mean dealing with a single entity for both urban and small towns.

Malawi is still a predominantly rural country with less than 20% of the population living in urban areas. Rural water and sanitation development is the responsibility of the 29 District Assemblies. Each Assembly has a cross-sector District Coordination Team (DCT) with representatives from the Health, Community Development and Water ministries, and from other government departments present in the district. Sectoral extension workers are assigned to operate at the Area level.

The government's National Water Development Programme (NWDP) provides a framework for sector investment and has made important strides to promote the interest and commitment of development partners in the sector. Currently, important donors include UNICEF, AfDB, World Bank, JICA, DFID, AusAid, EIB and the EU support national or local government in both rural and urban water supply and sanitation programmes. International NGOs supporting the sector include World Vision, Concern Universal, Plan International, Engineers Without Borders, Water for People, PumpAid and Emanuel International. It is intended that the NWDP will be used as a precursor to a full SWAp⁸.

⁸ Under a Sector-Wide Approach (SWAp) all external support agencies contribute towards a commonly agreed national plan and in some cases pool funding at national level.

3.3 Obstacles to access

Policy and Approaches

As mentioned above, although sector policies are largely satisfactory on paper, in practice they are not yet effectively implemented. For instance, while the decentralisation policy intends to improve speedy delivery of WASH services among others, the sector is yet to benefit from such a drive since most of the resources are still centrally held. Regulations intended to implement policy, including those for the licensing of water abstraction, are not systematically applied.

Often, policy frameworks and their implications are unknown outside ministries and centralised bodies, as are the political commitments taken on by central government. This leads to conflicting approaches to implementation and management, and lack of awareness of rights and processes defined by Malawian laws and international agreements. There is a continuing struggle to decentralise authority and budgets in the sector, and lack of progress in this area makes it very difficult for local government to fulfil its mandates in ensuring WASH service provision. The causes of incomplete decentralisation include the changing institutional status of water (prior to 1994, the Ministry was a department in a number of government ministries), and the lack of high calibre staff to work at the district level which is compounded by a policy of freezing recruitment in government departments. In addition, the lack of a Sector Investment Plan (SIP) has made it difficult to argue for adequate financing for the Ministry.

Rights, Equity and Inclusion

The civil society in Malawi is relatively weak compared with other countries in the region. This weakness derives partly from the historically much centralised state typified by the first Republic (1964-94) under the despotic regime of Dr. Hastings K. Banda. Poor people in particular are generally unaware of existing government policies, investment plans and government commitments, and therefore fail to voice their concerns vigorously or claim their rights in terms of water and sanitation services.

The sector is still not well focused on equity and inclusion and the Malawian civil society does not view water and sanitation as a rights issue. Sector monitoring information is project based and is limited to geographical areas at traditional and district levels. Population coverage and the needs of specific vulnerable groups remain unaddressed. Conflicting project approaches and lack of enforcement of policy and regulation exacerbate the situation [Nalivata & Mutiya, 2008].

Financing

The low levels of finance made available to the sector especially for sanitation and hygiene were noted in Section 3.2. Although a SWAp process is being developed, progress has been slow and the sector is yet to realise benefits from the initiative. The lack of a sector investment plan means that little coordination takes place in resource mobilisation, allocation and utilisation. Furthermore, the absence of these two tools, the need for which is now generally agreed by sector stakeholders [see e.g. Joint Sector Review, 2010], holds back the potential for investment by development partners due to

a lack of confidence in the ability of the sector to absorb and spend additional funds effectively.

Capacity

Importantly, the sector is faced with huge capacity gaps, especially human resources. There are few local NGOs or CSOs active in WASH programmes. The reservoir of qualified people is small and is undermined by the lack of an effective educational institution to support it, and the ravage of HIV/AIDS on human resources. As many as 66% of posts in the Ministry of Irrigation and Water Development (MolWD) are reported to be unfilled – mostly at District and Area levels [Mambulu et al, 2010]. Further, existing capacity building initiatives are ad hoc and there is no long term plan for sector-wide capacity development.

Sustainability

The poor sustainability of water supply systems has become apparent through water point mapping and other assessments in recent years. Water supply coverage is undermined because at any given time 30%-40% of the existing water facilities are not functional [Joint Sector Review, 2009]. It is clear that a proportion of hand dug wells is drying up, as verified in our own monitoring work [e.g. WaterAid in Malawi, 2010]. However, whether this is due to climate change or to other influences has not been confirmed. Certainly, the usual range of other factors can be found including inappropriate installations, lack or breakdown of management structures, difficulty in obtaining spare parts and an absence of outside support to communities in operation and maintenance. This relates not merely to the continuity of services in the short to medium term (1 to 5 years), but beyond the nominal life of infrastructure elements such as pumps, pipes and reservoirs. Although management systems are well established in the urban areas, they suffer from poor operational, maintenance and financial performance.

Sustaining behaviour change is also challenging whether this relates to the hygienic use of water, good maintenance of latrines including emptying or reconstructing them as needed, or establishing and inculcating the habit of paying for water.

Coordination and monitoring

Projects in the WASH sector continue to be poorly coordinated and poor harmonisation of approaches results in confusion and inefficient delivery of sector programmes. Although this has improved in the last two years, at the national level the Joint Sector Review process still struggles to achieve real results and merely discusses issues with limited implementation of agreed outcomes [Joint Sector Review, 2009]. Moreover, there is no functional mechanism, either at national or district levels, to coordinate the work of government and NGO projects. Furthermore, basic information on decision-making processes relating to public expenditure is difficult to access, which constrains transparency and accountability.

There is also no harmonised national M&E system. The quality and accuracy of data therefore continues to be compromised leading to uncertainty over the level of need. In

terms of water coverage, despite a government reported figures of 76%, Concern Universal Malawi, for example, states that fifty percent of the Malawian population do not have access to safe water⁹. The inaccurate data therefore do not assist in devising appropriate interventions and risk the sector losing out in financing allocations.

The table below presents a summary of the main issues identified for the sector, and shows where they are linked to the objectives described in Section 4.

Issue	CS Aims (Change Objective (co))
Policies and approaches	Aim 5 (co2)
Weak decentralisation	Aim 2 (co3)
No focus on equity	Aim 1 (co2 &4), Aim 3(co5)
Poor people fail to assert rights	Aim 1 (co6)
Meagre resource allocation to WASH	Aim1(co1), Aim 3(co1), Aim4(co1, 2 & 3)
Continuing programme and funding bias towards water and neglecting sanitation and hygiene	Aim 1(co5), Aim4(co1)
Slow progress in SWAp	Aim 3(co1)
Capacity and skills gaps especially in CSOs, NGOs and local government	Aim 2(co1, 2 & 3)
Poor sustainability of water supplies	Aim 1(co3)
Poor performance of urban management	Aim1(co3)
Poor sector coordination, including lack of a common M&E system	Aim 3(co1,2 &3), Aim 5(co1)
Lack of reliable information on which to base decisions and plans	Aim 5(co1&2)

⁹ Biennial report 2006-2008, quoted in [Error! Bookmark not defined.]

4 Strategic Objectives and Indicators

Based on the foregoing analysis, the current position of WaterAid in Malawi and its recent history of activities, results and relationships, we believe that the greatest potential change will come to the sector through increased sector coordination and investment. We also believe that WaterAid in Malawi is in a good position to participate in and influence such change through its national and district-level activities.

The potential for rapid increases in user numbers and coverage is probably greatest in sanitation and in the rehabilitation of gravity-fed water schemes although the latter requires considerable investments. Reaching some of the more geographically marginalised communities with improved water and sanitation requires increasingly high per capita investment and improved programme approaches.

Weak capacity in the country remains a major stumbling block, both in the government system and in the slowly growing non-government and private sectors. Specialist sector professionals are difficult to find. As an organisation that has always prided itself in its partnership work, WaterAid in Malawi must continue to play a role in supporting the development of sector capacity.

Given that the majority (about 80%) of the people in Malawi live in rural settings, we believe that this is still more important than the urban sector. However, we will continue to develop our urban work in the peri-urban areas of the City of Lilongwe and develop and build our experience in small towns.

Meanwhile our mapping work has put us in the right place to further develop the collection, analysis and use of more accurate sector information through project work, and through both district and national-level influencing work.

PROGRAMME GOAL

WaterAid will be the lead NGO in the Malawi WASH sector, working to improve poor people’s access to sanitation, hygiene and water services, to promote their rights and to enhance sector performance, in collaboration with others.

4. Strategic Framework: Strategic Objectives and Indicators

Global Aim 1: We will promote and secure poor people’s rights and access to safe water, improved hygiene and sanitation

Country Strategic Aim 1	Change Objective(s)	Indicators
We will develop and implement best practice approaches for the delivery of sustainable and inclusive WASH services in targeted poor and marginalised communities by 2015.	1. Increased numbers of poor and marginalised people secure access to equitable, inclusive and sustainable WASH services	<ul style="list-style-type: none"> • 303,375 people provided with access to safe excreta disposal and hygiene and 133,980 provided with access to safe drinking water through WaterAid-funded work by 2015. • Our influencing work will have contributed to the provision of access to excreta disposal and improved hygiene for 225,000 people and the provision of access to safe drinking water for 125,000 people by 2015 • Two new partnerships developed with CSOs or NGOs for influencing projects by 2011 • Strengthened working relationship with urban utilities
	2. Increased impact of WaterAid’s work focused on marginalised and excluded populations ¹⁰	<ul style="list-style-type: none"> • Impact review of work in Salima District, leading to ending of WaterAid funding support by March 2012¹¹ • Strategy papers on Lilongwe, Machinga, Nkhotakota and Mzimba work programmes to develop recommendations for expected withdrawal of funding support by defined dates • Strategy papers agreed and work programmes begun in two new rural Districts by 2012 and additional 2 small towns by 2013.

¹⁰ No specific marginalised group will be targeted, but we will consider those living with HIV/AIDS, those with physical disabilities, child- and female-headed households and the elderly. water

¹¹ Milestones leading to the ending of funding support will be planned by December 2010

	<p>3. Improved sustainability of WASH services in WaterAid target districts</p>	<ul style="list-style-type: none"> • 90% of 5 year old water facilities supported by WaterAid are functioning at any given time • Annual research products on functionality and service management disseminated at designated events • Active sanitation service providers are available and accessed by communities in all our programme Districts • Safe hygiene behaviours are sustained by 75% of the people after 5 years
	<p>4. Appropriate technologies and approaches developed and applied to the specific needs of disadvantaged groups.</p>	<ul style="list-style-type: none"> • New technologies piloted and scaled up to meet the needs of people in different physiographical regions • New technologies piloted and scaled up to meet the needs of disabled and chronically ill people • Our projects demonstrate that all people in the target area are equitably included in all watsan services
	<p>5. Increased access to institutional and public sanitation facilities within our programme areas</p>	<ul style="list-style-type: none"> • All schools in WaterAid-supported communities have adequate latrines, hygiene promotion activities and safe water supply by 2015. • All health centres in WaterAid-supported communities with adequate latrines, waste disposal systems and safe water supplies by 2015. • DSIPs¹² in areas we work in include appropriate provision of public latrines
	<p>6. Communities are empowered and demand sanitation and hygiene services.</p>	<ul style="list-style-type: none"> • Communities in WaterAid-supported areas show a high level of demand for improved sanitation and hygiene services. • Communities effectively engage with sanitation and hygiene service providers. • Increased access and use of adequate and sustainable sanitation facilities by 2015. • Increased number of communities practice 100% ODF sanitation practices by 2015. • Scaling up CLTS approach in WaterAid targeted communities by 2012.

¹² District (WASH) Sector Investment Plans

Global Aim 2: We will support governments and service providers in developing their capacity to deliver safe water, improved hygiene and sanitation

Country Strategic Aim 2	Change Objective(s)	Indicators
<p>We will strengthen our position as a leading WASH capacity building organisation, and will use this position to support decentralisation in the sector in particular.</p>	<p>1. A strategic approach to capacity building introduced and implemented for principal partners.</p>	<ul style="list-style-type: none"> • Partners of strategic importance in service provision, advocacy, influencing and learning assessed for organisational development (OD) needs; and plans drawn up to address these needs by 2011. • Multi-year Organisational Development agreements with partners implemented as planned. • Three partners with fundraising plans in place and having sourced funding from other donors by 2013.
	<p>2. Capacity of service providers to implement equitable and sustainable WASH services developed.</p>	<ul style="list-style-type: none"> • Two new District partners with planning, implementation and monitoring capacity sufficient to run high quality projects without WaterAid support. • Two NGO or faith-based partners with capacity to plan and implement high quality sanitation projects with minimal support.
	<p>3. MoIWD implements sector devolution and decentralisation plans, especially fiscal, at district level.</p>	<ul style="list-style-type: none"> • Sector devolution plans implemented by end 2012 • Development budget available in all districts supported by WaterAid 2015. • Increased numbers of professional WASH staff available to local governments 2015.

Global aim 2: We will support governments and service providers in developing their capacity to deliver safe water, improved hygiene and sanitation

Country Strategic Aim 3	Change Objective(s)	INDICATORS
<p>We will actively promote and support better coordination of resources for effective and efficient management of the WASH sector</p>	<p>1. Water and sanitation SWAp developed and rolled out with active support from WaterAid.</p>	<ul style="list-style-type: none"> • Realistic and evidence-based SIP developed and approved by all stakeholders by end of 2011 • Resources and programmes are aligned to the SIP by 2012. • Full SWAp in place by 2014, including clear fiduciary and procurement arrangements
	<p>2. Improved national and district level sector coordination and collaboration between development partners, government ministries, NGOs and the private sector</p>	<ul style="list-style-type: none"> • Joint Sector Reviews (JSR) occur annually and yield practical and useable outcomes • A sector working group established by 2011 and functioning effectively • DCTs lead sector coordination in all WaterAid-supported Districts
	<p>3. The WES Network is well established and effectively coordinates WASH NGOs</p>	<ul style="list-style-type: none"> • WES network has established a Secretariat and is an active member of ANEW by 2011. • Improved flow of information between NGOs and government by 2012. • NGOs use the WES platform for advocacy and articulation of WASH issues
	<p>4. The Ministry of Irrigation and Water Development implements regional and international initiatives that enhance the performance of the WASH sector</p>	<ul style="list-style-type: none"> • The Ministry engages in the regional and international data reconciliation and mapping initiative to generate credible data by 2012. • Support the WES network to engage actively in regional and Pan-African advocacy initiatives • WAM actively participates in WaterAid’s Pan-African initiative
	<p>5. Processes and approaches for the equitable allocation of WASH resources at different levels of government are developed and implemented</p>	<ul style="list-style-type: none"> • Equity and inclusion approach is incorporated in the national monitoring and evaluation system by 2012. • Criteria and mechanisms for equitable resource allocation in use, including water and sanitation mapping by 2011.

		<ul style="list-style-type: none">• Majority of resources in WaterAid-supported Districts allocated to most needy areas.• Progressively decreasing inequality of WASH service provision by Districts across the country by 2015.
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Global Aim 3: We will advocate for the essential role of safe water, improved hygiene and sanitation in human development

Country Strategic Aim 4	Change objectives	Indicators
<p>We will raise the profile of WASH in Malawi, advocate for increased investments in the sector particularly for sanitation and hygiene, and promote more and equitable allocation of resources for WASH</p>	<p>1. Increased sector investments especially in sanitation and hygiene by the Government and Development partners</p>	<ul style="list-style-type: none"> • Government allocation to WASH increased from 2% to 8% of the national budget¹³ • Increased donor allocation to WASH • Local Development Fund baseline survey carried out. • New donors are investing in WASH • Progressive increase in financial allocation for sanitation and hygiene as a percentage of total WASH sector budget • Water resource and environment debates, discussions and plans prioritise the availability of drinking water.
	<p>2. Increased investments in WASH activities by the Health and Education sectors as a result of prioritising WASH in their plans and budgets.</p>	<ul style="list-style-type: none"> • Health and education sectors fulfil Sanitation Policy requirements by 2015. • A hygiene education curriculum developed and in use in schools by 2015 • WaterAid actively participating in health and education sector working groups. • Inclusion of resources for WASH in health and education sector plans by 2012.
	<p>3. Improved analysis and monitoring of the status and trends in sector financing.</p>	<ul style="list-style-type: none"> • Civil society annual national budget analyses and debates are used to promote WASH sector financing • Reports show estimated annual NGO investments at the national and district levels

¹³ Measured through MoIWD until national sector planning is established, whereupon this figure will be measured as the allocation to the WASH sector. The figure includes donor funding through government. Whilst we shall aim for an ambitious target of 8% of the national budget, which is half of what the health & education sectors receive, any increase above 5% should be considered as a major shift and success for the sector.

	<p>4. Processes and approaches for the equitable allocation of WASH resources at different levels of government are developed and implemented</p>	<ul style="list-style-type: none"> • Equity and inclusion approach is incorporated in the national monitoring and evaluation system by 2012. • Criteria and mechanisms for equitable resource allocation in use, including water and sanitation mapping by 2011. • Majority of resources in WaterAid-supported Districts allocated to most needy areas. • Progressively decreasing inequality of WASH service provision by Districts across the country by 2015.
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Global Aim 3: We will advocate for the essential role of safe water, improved hygiene and sanitation in human development

Country Strategic Aim 5	Change Objectives	Indicators
<p>We will continue to champion evidence-based decision making in planning, policy and practice for WASH.</p>	<p>1. A robust national monitoring and evaluation system developed, disseminated and in use with demonstrable contribution from WaterAid</p>	<ul style="list-style-type: none"> • Data reconciliation leads to agreed sector performance measures by 2012. • A national sector Monitoring and Evaluation system established by end 2012 and in use by all major programmes by 2015 in collaboration with AfDB
	<p>2. Increased investments in research, and use of the evidence to build effective sector policy, planning and decision making</p>	<ul style="list-style-type: none"> • Research dissemination forums (e.g. for sustainability and management) established • Documentation and sharing of lessons and best practices within WASH sector • Application of the learning in WASH programming • A paper on the balance between achieving numbers and inclusivity; Self Supply approaches; provision for the disabled and relative costs for populations that are more difficult to reach by 2011. • Mapping data and other information used to ensure more equitable planning at national and District levels • Evidence-based advocacy leads to wider application and enforcement of pro-poor regulations and policies • Monitoring data used to advocate additional spending on sanitation and hygiene

Global Aim 4: We will further develop as an effective global organisation recognised as a leader in our field and for living our values

	Country Strategic Aim 6	Change Objectives	Indicators
	<p>We will build our internal systems and capacities to best serve the interests of the WASH sector.</p>	<p>1. Internal communications, planning and monitoring systems adopted for transparency, accountability, management and good governance.</p>	<ul style="list-style-type: none"> • Transparent and timely decision making and timely communication of decisions • Monitoring and evaluation system that comprehensively captures disaggregated data and analyses both service delivery and influencing work. • Annual planning that incorporates lessons learnt from monitoring and evaluation • Annual clean audits • Evidence of efficient communication between WaterAid programmes and partners. • Annual expenditure between 95% and 105% of budget • IT problems rarely or never cause significant disruption of work, or of internal or external communications

		<p>2. A diverse and high performing team created that is skilled, developed and motivated.</p>	<ul style="list-style-type: none"> • Key skills for programme delivery, including policy, technical and documentation, available in-house by 2012. • Staff turnover maintained below 15% per year • Work-life balance judged acceptable by all staff • EES outcomes implemented with annual results showing improving trends in areas with poor ratings
		<p>3. Increased restricted funds raised by the CP to complement the unrestricted resources made available by the UK office</p>	<ul style="list-style-type: none"> • Over 35% of the total restricted income raised is attributed to the CPs own fundraising initiatives every year until 2015
		<p>4. Better understanding of issues and debates on Climate Change, and approaches to disaster mitigation and emergency responsiveness developed.</p>	<ul style="list-style-type: none"> • Position paper on WaterAid's response to disasters and emergencies in Malawi, including discussion of resourcing, produced by August 2011 • Required capacity for disaster mitigation identified and developed either externally or internally by August 2012

5 Human Resources

Human resources will be crucial to the efficient and effective delivery of this Strategy. The CP will aim to develop a highly motivated, effective and diverse staff team with the right skills, experience, competencies and leadership to implement the Strategy and consolidate WaterAid in Malawi's reputation for high quality work. Based on the demands of the Strategy, the SMT has undertaken a quick review of the CP's skills and competency requirements and recognises the need to strengthen the team in some areas. These include human resources management, information technology, climate change, disaster risk reduction and management, research, documentation, equity and inclusion, rights-based approaches, technical engineering, policy analysis and public finance, contract management, leadership and general management. These will be attained either through the development of existing staff, recruitment of new staff or outsourcing to consultants. The CP plans to undertake a detailed organisational review to assess the effectiveness of the current staffing structure, skills and competencies and job functions to implement the CS. The assessment will be one of the key activities to be undertaken once the Strategy is approved and completed by March 2011.

Staffing

The CP plans to recruit seven permanent staff and one programme-specific post for the urban programme as outlined below to strengthen the team and cope with the expanded work programme. Recruitment will be based on actual needs and funding, and will be validated by organisational analyses.

1. *Assistant Finance Officer (2010/11)*: this post was already approved for recruitment to increase the capacity within the finance department as a result of increased contracted income from EIB, DFID and AusAid. It has not been filled to date pending contractual issues with EIB who would initially support it. The role involves project accounting and financial management.
2. *Driver (2010/11, temporary)*: the CP will procure one project vehicle under the EIB programme and employ a driver to support all the three urban partners. This post too is already approved under the EIB-funded Lilongwe urban project. The need for the post beyond the EIB programme will be reviewed at the completion of the project in 2013.
3. *Human Resources & Administration Officer (2011/12)*: the CP's staff complement has increased over the years and is projected to increase further during the period of this Strategy. The HR role has been performed to date by the Finance & Administration Manager (FAM) who is now overstretched and unable to adequately address HR issues. It is therefore planned to have a dedicated HR Officer to manage and guide the HR functions, combined with supporting administration functions.

4. *Programme Officer, Technical Support (Rural) (2011/12)*: the growth of service delivery work, especially in the rural program, and continued focus on rehabilitation of complex piped water systems has necessitated the need for additional capacity. In addition, WaterAid is seen as a source of technical advice for the sector but does not currently have an engineer within the team. It is therefore planned to recruit a Technical Officer with experience and training in engineering.
5. *Programme Accountant (2011/12)*: the post is required because of increased financial management demands resulting from the anticipated growth in both unrestricted and contracted funding. Among other key areas, the post holder will be responsible for the financial management of contracts.
6. *Programme Support Manager (2012/13)*: the proposed programme growth and the anticipated increase in work utilising contracted funds requires efficient delivery of programme work. A high calibre Programme Support Manager is needed to take management responsibility for programme delivery work in rural and urban areas and take responsibility for programme funding and contract management. This will be a very senior post reporting directly to the CR, which will allow the CR to focus on key strategic programme aspects and donor liaison; and provide adequate support to the Policy and Advocacy, and Finance and Administration teams.
7. *Programme Officer, Small Towns (Urban) (2012/13)*: the extension of urban work to small towns and increased work with the City of Lilongwe will require an additional staff member to increase the urban team from two to three staff.
8. *Management Information Systems Officer (2012/13)*: the introduction of IT-based management systems in the organisation and the continued demand for their robust management drives the need to have an in-house MIS Officer. The post holder will support both WaterAid and its partner organisations to efficiently and effectively use their MIS systems, including the Global Information System (GIS), and improve them where necessary.

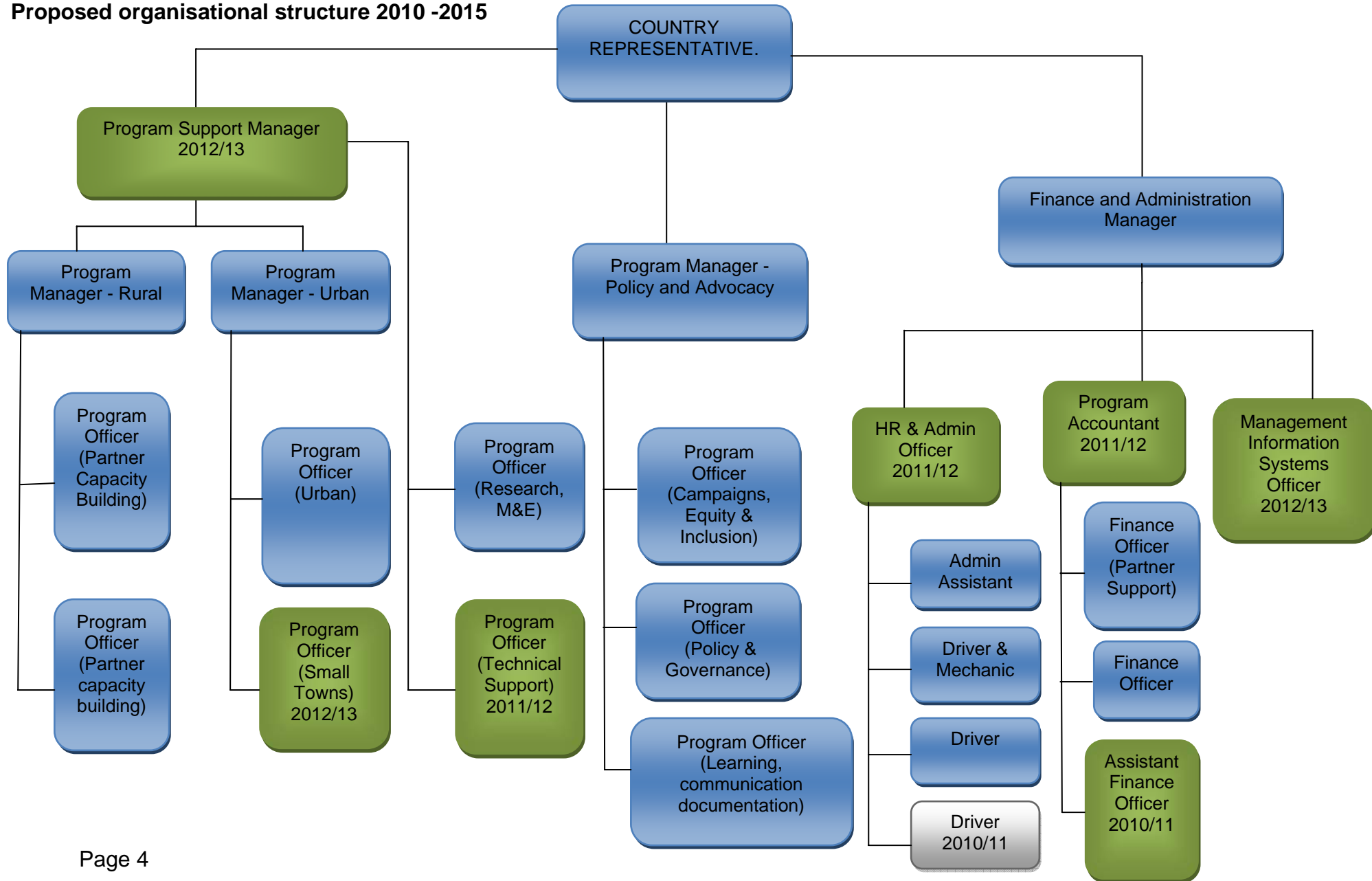
Based on the above new additions, the staff complement is expected to increase from the current 17 to 24 by 2015. The CP will also ensure that the diversity of staff and gender balance in the Programme are carefully considered during the recruitment process.

Proposed organisational structure

The chart below shows the proposed organisational structure. It indicates existing positions and proposed new positions with the financial years in which the positions would be filled, according to the key table below.

	Filled positions
	New positions to be filled
	Position to be phased out after EIB Project
Current staff =17	Projection = 24

Proposed organisational structure 2010 -2015



The proposed organisational structure will gradually supersede the existing structure. There will be a transition period to consolidate the programme as the CP implements the new structure which will be carefully monitored.

In the period of this Strategy, WaterAid in Malawi intends to focus on addressing issues from the Global Employee Engagement Survey and ensure that adequate capacity is developed to deliver the strategy. This will be aligned to WaterAid's People Management Framework and local labour laws, and is expected to address some of the issues from the survey by ensuring clarity in the policies including recruitment and selection, induction, pay and rewards, performance management, handling of grievances and many others.

The CP will ensure that adequate financial resources are provided to invest in the staff for personal development so that individuals have the right skills and competencies to execute their current roles and to be able to take on more challenging roles. Leadership and management development will be a key area of development for all staff.

The new Performance Management System (PMS) has been rolled out through training of the SMT and orientation of all staff. In the coming period, priority will be given to ensuring the use of the System effectively, starting in 2011.

6. Financial Resources

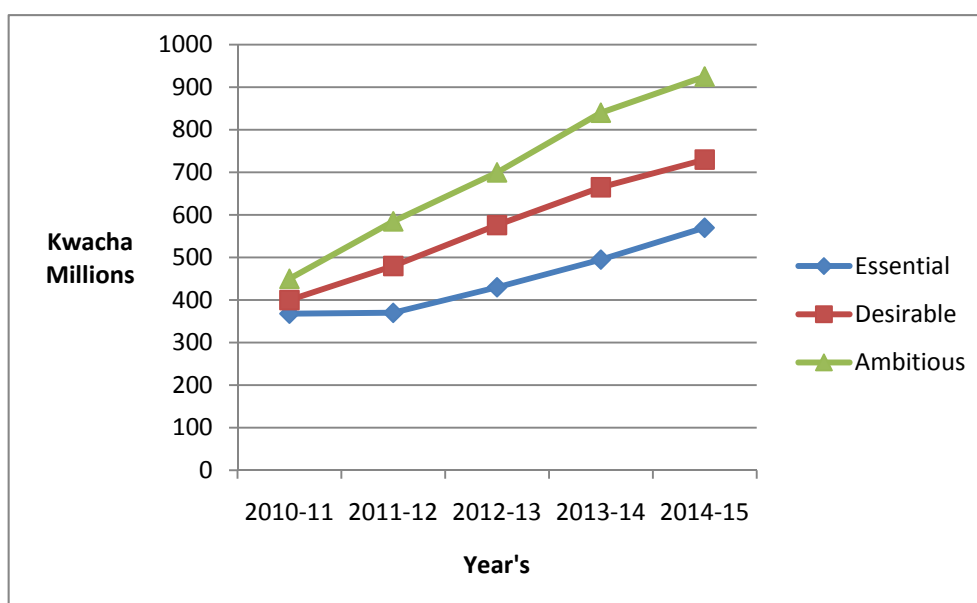
The table below is a summary of the five-year financial plan. The budget is presented in three scenarios namely Essential, Desirable and Ambitious. In developing the budget, the CP has considered the growth in programme work, human and capital requirements, and the potential for the CP to secure more restricted income to complement the unrestricted income. There's currently growing interest by various donors to invest in the Malawi WASH sector compared to the last few years. WaterAid is already tapping into this opportunity and anticipates increasing the level of in-country restricted income.

Annual expenditure (Millions of Malawi Kwacha)

Kwacha millions	2010-11	2011-12	2012-13	2013-14	2014-15
Essential	368	370	430	495	570
Desirable	400	480	576	665	730
Ambitious	450	585	700	840	925
Essential	-	1%	16%	15%	15%
Desirable	-	20%	20%	15%	10%
Ambitious	-	30%	20%	20%	10%

The essential budget grows steadily by an average of 15% throughout the period of the strategy taking into account inflation and the natural growth of the programme in order to remain impactful in the sector.

Expected annual growth (budget figures in millions of Malawi Kwacha)



The figures below the graph show percentage increases from year to year. This growth projection is based on the following assumptions.

Essential

- Commencement of the rehabilitation of one gravity-fed piped water system
- Introduction of service delivery work in two new rural districts
- Phasing out of service delivery work in one rural district
- Scaling up and expansion of urban work in Lilongwe and initiating work in two small towns
- Expansion of governance work into five additional districts
- More support to the network of NGOs working in the WASH sector
- Increased collaboration with the ministries of Health and Education.

Desirable

- Higher investments in the rehabilitation of a gravity-fed piped water system
- Higher investments in two districts
- Earlier commencement of service delivery work in one rural district and governance work in five districts
- Expansion of urban work into two small towns
- More research work

Ambitious

- Full rehabilitation of a gravity-fed piped water system at the level that was recommended by designers
- Commence service delivery work in an additional rural district
- Earlier commencement of work in two small towns
- Earlier commencement of governance work and work in two additional districts

Currently the CP is 60% financed from restricted income mainly from DFID, EIB and AusAid, and 40% from unrestricted income. DFID and AusAid have expressed interest to increase their funding to the sector in Malawi. This funding balance will be maintained during the next five years. It is therefore expected that any contracted income raised will invariably be matched by unrestricted funding.

6 Risk Management

The CP has identified key risks that would prevent the effective implementation of this Strategy. These are presented in the Risk Management Plan in Appendix 3. The Plan highlights the anticipated risks, the likelihood of each risk arising and its anticipated impact. It also identifies desirable controls and required actions for the CP to mitigate the risk as well as a champion to manage each risk. The Plan will be reviewed and updated every year in March by the Senior Management Team (SMT). Quarterly progress reviews would be made during SMT meetings.

The following is a summary of the risks (not in order of priority).

1. **Poor management of growth:** Increasing the pace of growth and the achievement of higher levels of restricted funding may lead to staff being overstretched and unable to cope with the pace resulting in poor co-ordination, ineffective prioritisation of work and inadequate understanding of both the Global Strategy and the Malawi Country Strategy. All of these would undermine the achievement of goals.
2. **Loss of important staff:** Natural causes, resignations or dismissals may lead to a lack of continuity, loss of institutional memory as well as a high staff turnover and low staff morale. This is costly and time-consuming, and again undermines programme effectiveness and efficiency.
3. **Failure to secure the essential budget:** If WaterAid is unable to raise sufficient funds to meet the essential budget projection, some of the planned programmes of work would need to be cut. The development of work in new rural Districts would be postponed in this eventuality and WA's reputation in the sector will be compromised.
4. **Water quality and security:** Changing climate and rainfall patterns may adversely affect the sustainability of water supply systems. Inappropriate sanitation technologies and practices, as well as agricultural and industrial activities could affect ground and surface water quality.
5. **Financial integrity:** Misappropriation of WaterAid funds by staff or partners could damage WaterAid's organisational reputation and reduce the available funding.
6. **Health & safety:** Poor of Health & Safety (H&S) awareness, procedures and training could lead to accidents and legal claims against the organisation. It would also affect staff morale. Poor working environment may affect the safety of staff and partners, and other stakeholders.

7. **Power & computer systems integrity and security:** Computer systems not maintained or developed, as well as frequent power cuts can lead to the loss of valuable or sensitive data, IT system damage, staff frustration and inefficiency.
8. **Management and accounting for contracted funds:** Staff or partners may be unable to spend contracted funds in accordance with specific donor requirements, leading to financial repayment and damage to organisational reputation.
9. **Poor quality programme delivery:** Poor quality work and inability to achieve outputs could lead to loss of trust and organisational reputation by the communities we serve, our donors, government etc. resulting in financial repayment, damage to organisation reputation and inability to raise more funds.
10. **Partnership difficulties and/or conflicts:** leading to implementation delays hence affecting the efficient and effective delivery of agreed programme of work.
11. **WaterAid's reputation:** Media / public scandal arising from other risks including activities of key stakeholders that are contrary to WaterAid's position and inappropriate statements to the media.

7 CS Monitoring and Evaluation

Overall responsibility for monitoring the effective implementation of the Strategy lies with the Country Representative who will be supported by the SMT. Existing monitoring and evaluation (M&E) systems and tools will be used and new ones developed for this purpose as described below.

Country-specific monitoring mechanisms

A detailed monitoring framework will be developed during the third quarter of 2010 following approval of the strategy. This will be based on the approved strategic aims and objectives, log frame analysis and will clearly indicate what will be measured, frequency of data collection (i.e. monthly, quarterly or annually), sources of data and the responsible Partner organisation or Officer.

The process will entail the collection of data at the community level from households and institutions such as schools, using such tools and approaches as the Water Users Day, partner office visits and partner round table meetings, as well as quarterly output verification, quarterly progress reports and water quality testing. Detailed baseline surveys (including KAP where needed) will be used for planning, and further M&E work for assessing progress and outcomes.

To enhance quality monitoring, local partners and WaterAid staff will receive training in M&E skills and will assume responsibility for the collection of specific data. This will help to triangulate data and information. Other sources such as Health Centres and schools will help in providing information related to project impact such as records of people suffering from cholera, dysentery and also dropout rates of girls. Reliable data will also be generated for programme management, informed policy-making and priority-setting during planning and partner review meetings.

Other internal monitoring and review mechanisms include: Partner Reflection Meetings, Field Monitoring Visits by WaterAid staff, Programme Development Meetings (staff retreats), and Partner Round Table Meetings. All these provide opportunities for continued performance monitoring of the programme.

i) Regional M&E framework

The programme will also facilitate progress monitoring using the Southern Africa Regional M&E Framework to assess and monitor progress using common indicators, toolkits and analytical methodologies. The Framework also provides an important process for regional learning and sharing.

ii) Global PM&E Framework

This will involve applying the organization-wide M&E Framework rolled out in the 2010 - 2011 financial year.

iii) Formal external evaluation

The program anticipates one external evaluation, possibly in 2011, to be facilitated by external experts to measure progress and programme outcomes.

Appendix 1: The Country Strategy Development Process

WaterAid in Malawi has attempted to be as inclusive as possible in the process of producing this Country Strategy. The strength of the analysis depends on the contributions received and the breadth of ideas and experience. We would therefore like to acknowledge with gratitude the support of the many stakeholders who have provided those things.

The entire process has lasted approximately nine months, and included the following stages.

1. Reflections by WaterAid staff: each Programme team took time to draw up its own achievements, challenges and lessons and to provide a scan of the environment as it pertains to their work
2. Situation analysis of the WASH sector: this was carried out by an external consultant team (Mambulu et al, 2010) and involved a desk review of available documentation followed by interviews with sector stakeholders
3. A staff “look back” workshop at the achievements and proposed solutions to outstanding challenges, facilitated by an external consultant
4. A similar workshop with partner staff, facilitated by an external consultant
5. A review of policy and advocacy work, facilitated by WaterAid UK and involving WaterAid Malawi staff
6. A four-day workshop of all staff, together with selected partner staff, facilitated by a group of consultants, to consider the results of previous stages and to propose aims and objectives for the new strategy
7. An exhaustive drafting and discussion process under which several iterations of the new strategy document were produced and commented on by senior staff in WaterAid in Malawi and relevant colleagues at WaterAid (UK). Writing of the CS was led by an external consultant

Appendix 2: Projected Number of People Supported

	DIRECT SERVICE DELIVERY					
	<i>ESSENTIAL</i>					
	2010/11	2011/12	2012/13	2013/14	2014/15	Totals
Water	23,645	32,245	27,265	26,860	23,965	133,980
Sanitation	58,025	61,755	67,910	57,831	57,854	303,375
Totals	81,670	94,000	95,175	84,691	81,819	437,355
	<i>DESIRABLE</i>					
	2010/11	2011/12	2012/13	2013/14	2014/15	Totals
Water	24,895	35,770	38,345	34,720	31,785	165,515
Sanitation	59,550	70,555	74,260	64,981	67,744	337,090
Totals	84,445	106,325	112,605	99,701	99,529	502,605
	<i>AMBITIOUS</i>					
	2010/11	2011/12	2012/13	2013/14	2014/15	Totals
Water	26,645	40,520	46,195	44,620	40,135	198,115
Sanitation	62,750	80,115	89,780	93,455	99,775	425,875
Totals	89,395	120,635	135,975	138,075	139,910	623,990

Appendix 3: Risk management plan

Ref	Risk	Controls	Like-lihood	Impact	Further action required/ target date	Risk owner	Risk rank
1	<p>Management of growth with increasing pace of growth especially contracted funding from donors may lead to leadership/people not coping with pace, staff overstretched, people not coordinated , ineffective prioritisation, inadequate understanding of the strategic direction of the new Global Strategy & Malawi CS and internal communication difficulties</p>	<ul style="list-style-type: none"> • Planning and reporting processes put in place • Regular SMT meetings with decisions communicated to the team • Review current systems/policies to cope with growth • Partners & staff understand Global Strategy and the Malawi CS • Systems review • Improved communication of organisational strategies, policies and frameworks 	L	H	<ul style="list-style-type: none"> • Strategic alignment of various processes • Implement robust PME system by March 2011 • Additional staff recruitment to cope with growth • Increased investment in staff and partner development <ul style="list-style-type: none"> ▪ Prepare a revised delegated authority levels to SMT • Hold monthly SMT meetings with some standard agenda items e.g. Budget Monitoring Review, Risk Register Review • Hold partner review meetings • Ensure staff understand the various strategies, policies and frameworks (ongoing) 	CR & SMT	High
2	<p>Recruitment and retention of staff Loss of key staff through natural causes, resignation or dismissal leads to lack of consistency and institutional memory In appropriate recruitment leads to loss of staff morale and the recruitment process can be costly and time consuming</p>	<ul style="list-style-type: none"> • Ensure open & transparent recruitment process as defined in the HR Manual • Ensure adherence to HR policy and local labour laws • Develop clear HIV/AIDs policy highlighting WA's management approach • Ensure balanced application of policies across staff • All staff have updated contracts with clear job descriptions • Establish a transparent COLA process • Annual staff appraisals are regularly carried out • Personal Development plans are in place for all staff & implemented • Staff Inductions carried out for new staff • Exit interviews carried out 	M	H	<ul style="list-style-type: none"> • Comprehensive HR manual to be developed & approved by September 2010 • Staff remuneration reviewed regularly to ensure its within the Malawi market premium & competitiveness • Contingency plans put in place in the event of the loss of a key member of staff • Strict adherence to labour laws and WAMA HR Policies • Transparent COLA system in use • All Staff Contracts & Job Descriptions in place & up to-date • Staff performance appraisals conducted & filed by Sept & March each financial year • Annual Staff Development Plans developed by May each year & implemented • Ensure issues raised & discussed at SMT level are adequately communicated 	FAM	High

3	<p>Water quality & security Changing climate and rainfall patterns could adversely affect the sustainability of water points. Inappropriate sanitation technologies and practices could affect the quality of ground and surface water quality</p>	<ul style="list-style-type: none"> • Adhere to Water Quality Policy and guidelines • Ensure all projects address issues of Integrated Water Resources Management 	H	H	<ul style="list-style-type: none"> • Update Water Quality Policy every two years if necessary to align with changes by October 2012 • Orient partners on revised water quality policy • Facilitate water quality testing twice a year (rainy & dry seasons) & produce reports • Provide follow up support to partners to ensure projects are integrating IWRM issues 	PM Rural	High
4	<p>Financial integrity Misappropriation of WAMA funds by staff and partners that would damage WaterAid's reputation</p>	<ul style="list-style-type: none"> • Cheque book always kept under lock & key • Segregation of finance functions • Ensure all cheques are stamped by CR prior to presentation • Strict adherence to CP & Global Accounts Manual • Ensure monthly Financial checklists are done • Whistle Blowing Policy is understood by all staff & partners • Adherence to Partner Finance Manual • Partner Assessments undertaken prior to engaging new partners • Ensure partners have in place appropriate and adequate internal controls • Carry out regular joint spot visits to partners and project sites 	M	H	<ul style="list-style-type: none"> • Revision of CP Accounts manual to align with Global Accounts Manual by end Dec 2010 • Update WA & Partner Staff on any new changes to accounting policy & systems • Partner Finance Manual updated and in use by Dec 2010 • Monthly production of management accounts • Monthly budget monitoring by SMT • Quarterly Partner visits by Partner Finance Officer, reports produced & shared with partners & programme staff • Provide regular financial management support especially to high risk partners • Provide financial management training support to new WA & partner staff • Ensure external audit is undertaken for high risk partners 	FAM, CR & SMT	High

5	<p>Health & Safety for WAMA Staff: Lack of H&S awareness, procedures and training could lead to accidents, legal claims against the organisation, loss of staff morale. Poor organisational environment or conflict situation affecting safety of staff or partners</p>	<ul style="list-style-type: none"> • Adherence to Health & Safety Policy to prevent unnecessary accidents • Staff trained in Health and Safety • First aid Kit in place • Fire extinguishers in place near all exit • Emergency contacts in place and communicated to all staff • First Aiders trained • Crisis response procedure in place • Ensure partners put in place necessary health and safety measures especially at constructions sites 	M	M	<ul style="list-style-type: none"> • H & S policies for workplace & programme developed in line with new UK guidelines by March 2011 • WA & Partner Staff oriented to the revised H & S policies by July 2011 • First Aid Kit to have adequate necessities all the time • Appointed WA Staff trained in first aid • Health and Safety Committee is functional & monitoring implementation of policy • Insure all staff against accidents • Need to undertake a comprehensive security assessment on whether the existing measures are adequate • Include H&S checklist of partners as part of partner monitoring by 	FAM	High
6	<p>Power/Computer systems integrity Computer systems not maintained or developed leading to loss of valuable/sensitive data, staff frustration and inefficiency Power cuts leading to IT systems damage, staff frustration & inefficiency</p>	<ul style="list-style-type: none"> • Weekly backups of all data on Server • Full back up monthly -offsite • Weekly Anti-virus updated on all computers • Adequate security of server and office • Appropriate password systems are in place • IT support contract in place • Develop a Policy on use of WA's IT equipment and gadgets (internet, e-mail, laptops, flash disks etc) • Standby power supply 	M	H	<ul style="list-style-type: none"> • Need to ensure all computers are virus protected & updated • Ensure that weekly & monthly backups are undertaken by the appropriate officers • Invest in new IT infrastructure as appropriate • Review office & server security and provide additional security • Recruit a dedicated IT Officer by FY 2012/13 • Develop IT Policy on use & management of IT equipment • Set up a standalone computer for virus check • Ensure up to-date licences for all software • Procure standby power supply system by October 2010 	FAM	High
7	<p>Management & accounting for contracted funds by partners Partners unable to spend contracted funds in accordance with specific donor requirements leading to financial repayment/ damage to organisation reputation</p>	<ul style="list-style-type: none"> • Partners trained in financial management and donor requirements • Ensure that partners account for restricted and unrestricted funds appropriately • Risk Registers for all contracted projects in place 	M	H	<ul style="list-style-type: none"> • Set clear guidelines of managing restricted funding and train partners in this • Risk Registers in place for both contracted projects reviewed & updated • PFMO undertakes quarterly financial support visits to partners with any high risk issues flagged to SMT 	FAM	High

8	<p>Poor quality programme delivery: Poor quality work, inability to achieve outputs could lead to loss of trust and organisational reputation by donors, government etc resulting to financial repayment, damage to organisation reputation and inability to raise more funds.</p>	<ul style="list-style-type: none"> • Implement robust M & E system • Develop proper planning and coordination mechanisms • Develop partner capacity 	L	H	<ul style="list-style-type: none"> • Implement robust M & E system • Develop proper planning and coordination mechanisms • Develop partner capacity 	PMs	High
9	<p>Partnership difficulties and/or conflicts leading to implementation delays hence affecting the efficient and effective delivery of agreed programme work</p>	<ul style="list-style-type: none"> • Partnership agreements with clear roles & responsibilities, signed with each partner • Funding agreements signed with all eligible partners • Regular review of partnership agreements • Hold regular individual/group round table meetings with partners 	L	H	<ul style="list-style-type: none"> • Partnership Agreements signed with all partners • Funding agreements signed • Undertake mid-term Partnership Agreement Reviews • Hold at Partner Round Table meeting at least once a year 	PMs, CR	High
10	<p>WaterAid's reputation Media/public scandal arising from other risk, including activities of key stakeholders that are contrary to WaterAid's position through non delivery, uttering of media statements etc</p>	<ul style="list-style-type: none"> • WA's Ethical Policy understood by all staff and partners • Policy & Communications team co-ordinate press work • WA's key position messages understood by all staff & partners 	L	H	<ul style="list-style-type: none"> • Communications Strategy & Plan developed for the CP • • Ensure staff and partners are fully aware of the ethical policy & WA's position messages 	PM, Policy	High

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