

**Rights and Responsibilities to End Poverty**

*‘Ufulu ndi Udindo Pothetsa Umphawi’*

**ActionAid International Malawi  
Country Strategy  
2005 –2010**

## List of Acronyms

AAIM	ActionAid International Malawi
ADC	Area Development Committee
ADMARC	Agricultural Development Marketing Corporation
AEC	Area Executive Committee
AIDS	Acquired Immune Deficiency Syndrome
AU	African Union
CBO	Community Based Organisation
CEDAW	Convention on the Elimination of all Forms of Discrimination against Women
CIDA	Canadian International Development Agency
COMESA	Common Market of East and Southern Africa
CR	Country Review
CSO	Civil Society Organisation
CSP	Country Strategy Paper
DA	Development Area
DDC	District Development Committee
DEC	District Executive Committee
DEMATT	Development Enterprise of Malawi Trust
DFID	Department for International Development
DI	Development Initiative
EFA	Education For All
EU	European Union
GDP	Gross Domestic Product
GNP	Gross National Product
GMO	Genetically Modified Organisms
GVDC	Group Village Development Committee
HDI	Human Development Index
HIV	Human Immune-deficiency Virus
HRIS	Human Resources Information System
IEC	Information Education and Communication
IFI	International Financial Institution
LFPPM	Local Financial Policies and Procedures
LNGO	Local Non Governmental Organisation
MDGs	Millennium Development Goals
MPRSP	Malawi Poverty Reduction Strategy Paper
NEPAD	New Partnership for Africa's Development
NF/FF	National Fund / Flexible Fund
NGO	Non Governmental Organisation
PLWA	People living with HIV & AIDS
RBA	Rights Based Approach
REFLECT	Regenerated Freirian Literacy through Empowering Community Techniques
SADC	Southern Africa Development Community
SAP	Structural Adjustment Policy
SAPP	Southern Africa Partnership Programme
SEDOM	Small Enterprise Development of Malawi
SFA	Strategies For Action
STDs	Sexually Transmitted Diseases
UNAIDS	United Nations Joint Programme on HIV & AIDS

## Malawi – Facts and Key Indices

### The Country and its People

<b>Size (km<sup>2</sup>)</b>	118,484
▪ Arable land	25%
▪ Forests	40%
▪ Water	20%
<b>Climate</b>	Tropical
▪ Rainfall (annual range)	500 – 1000mm
▪ Temperature (annual range)	12 –35° Celsius
<b>Population</b>	
▪ Current population (millions)	12.0 (projected from 1998 census)
▪ Average population density (per km <sup>2</sup> )	105
<b>Religious Diversity</b>	Christian (80%); Muslim (13%); Others 7%

### The Economy

<b>Nature of Economy</b>	Essentially agricultural population (80%)
GDP contribution - 2002 (%)	
Agriculture	36.5
Manufacturing	9.9
Industry	14.8
Services	48.7
<b>Main Exports (US\$ millions)</b>	
▪ Tobacco	249
▪ Tea	33
▪ Sugar	32
▪ Textiles	2
<b>Debt</b>	
▪ External debt	\$3 billion = 150% GDP
▪ Local debt (in local currency)	MK55.0 billion = 30% GDP

### Key Development Indices

<b>Ranking in world poverty (2005 ranking)</b>	13 <sup>th</sup> poorest country; HDI ranking: 177
<b>GNP (per capita, US\$ 2000)</b>	199
<b>Actual GDP growth (2002)</b>	1.6%
<b>Life expectancy at birth (2003)</b>	38
<b>Infant mortality rate (per 1.000 live births)</b>	134
<b>Under-5 mortality</b>	234
<b>Maternal mortality</b>	1120/100,000
<b>Access to safe water (% of total population)</b>	58% Rural; 85% Urban
<b>Adult literacy (% of 15 years and above)</b>	64.1% (Female 54%; Male 74.9%)
<b>HIV &amp; AIDS prevalence rate (national)</b>	14.4 (2004 Sentinel Survey)
<b>Chronic food insecure population (4-6 months gap)</b>	50% (Rural=55)
<b>Poverty incidence</b>	65.3 (2003)
<b>Core poor population</b>	28%



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## Chapter 1: Introduction

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### 1.1 ActionAid International - Profile and Work in Malawi

ActionAid International (AAI) is a development organisation registered in The Hague, Netherlands, with its international secretariat located in Johannesburg, South Africa. AAI has programmes in over 40 countries in Africa, Asia, the Americas and the Caribbean, with policy and fundraising offices in the United Kingdom, Brussels and Washington. Following the formation of ActionAid International in 2003 through the unification of the ActionAid Alliance partners in Europe, Brazil and the USA, the organisation has become truly international in its outlook and work, harnessing the power and strength derived from its large base of supporters in the North and the collective energies that emerge from its work in 40 or so least developed countries across three regions.

ActionAid started work in Malawi in 1990 under a Country Agreement signed with the Government of Malawi. This country strategy paper (CSP) is the third in the lifetime of the Malawi programme. Its predecessor (CSPII, 1999-2003) came to an end in 2004 following a one year extension of the strategy due to management transition and programme review processes. The Malawi programme is one of the fastest growing programmes in Africa and indeed organisation-wide with respect to income, programme scope and diversity. This is in line with the fact that the country is one of the poorest (13<sup>th</sup> on the 2005 HDI ranking) in the world. We view this growth as a sound foundation to leverage and influence poverty debates and actions in Malawi in pursuit of our mission and poverty eradication goals.

AAIM's core business is the eradication of poverty. Injustice and exclusion of certain groups of people from mainstream decision-making on issues concerning their lives renders them vulnerable, powerless and voiceless. Unequal power relations between men and women, boys and girls, the ruling and the ruled, the rich and the poor, within and across geographical boundaries and at all levels are at the core of the poverty creating machinery. Transformation of these power relations is, therefore, at the heart of the work that ActionAid International Malawi will focus on in this strategy period.

During this strategy period, we will concentrate on the following five priority themes: (i) right to quality basic education; (ii) right to life and dignity in the face of HIV & AIDS through protection and access to comprehensive care and treatment; (iii) right to food and nutrition security; (iv) women's rights and the promotion of gender equity; and (v) right to just and accountable governance. The choice of themes is influenced by the analysis of poverty, inequality and exclusion and the situation in Malawi, the findings and recommendations of country programme reviews, as well as alignment to the global strategy, *Rights to End Poverty* and the Africa Region strategy, *Another Africa is Imperative*.

Programme, policy and campaign work in the priority themes will take place at the local (where we will increasingly be working with and through, coalitions, networks, peoples'/citizen's movements and organisations of poor and excluded people), national and international policy levels, where we will engage in campaigns and advocacy work on selected issues and topics, working in alliance with other organisations and movements. We will promote and institutionalise a rights-based approach in all our work as we seek to address power imbalances, growing inequalities and injustices which we believe are at the core of spiralling poverty and prevent the poor, particularly women and girls, from living a life of dignity.

### 1.2 Purpose of the CSP

This 3<sup>rd</sup> country strategy restates our informed view of poverty and exclusion and articulates our understanding of poverty and development issues and trends as they affect Malawi. It therefore provides an opportunity for our

staff and partners to refocus our poverty eradication efforts, building on lessons learned, achievements and gains made in engagements with poor and excluded people we have worked with, and other actors. It also enables us to re-align our country level programme work with the wider organisational vision and aspirations of ActionAid International. True to the fundamentals of ActionAid's Accountability Learning and Planning System (*Alps*), the strategy paper is the key accountability document that will guide planning, learning, and behaviours. The CSP provides overall direction for our work and renews our commitment to being held accountable by our constituencies (the poor, our partners, supporters, funders and other stakeholders) for the resources raised and invested through us to eradicate poverty. It highlights our desire to work together with others who share our vision and civil society actors in engaging with those powerful forces that play a major role in perpetuating poverty, injustice, inequality and exclusion.

The strategy paper will serve as the basis for forging strategic alliances with movements and organisations of the poor and the excluded, other civic organisations and institutions in Malawi, the southern Africa sub-region and the Africa region more generally, in eradicating poverty. It also provides a framework within which our policy advocacy and campaign agenda and programmes will be defined and implemented.

The CSP is the reference point upon which all our three year rolling plans; project and thematic strategies; annual plans and budgets; partnership and programme development; and fundraising and human resource development strategies will be developed and deployed. Finally, the strategy paper provides a framework by which our performance and effectiveness in achieving desired impact, as a country programme, will be measured and judged.

### **1.3 CSP Development Process**

A set of values, principles and processes guided the development of this strategy: these included incorporation of learning from the previous strategy implementation processes and review recommendations; and acknowledgement of the centrality of promoting and protecting women's rights as key processes to ending poverty. Also critical in developing this strategy were (i) a thorough understanding of the political economy, development context, contemporary poverty issues and trends; (ii) genuine participation and input into the strategy by partners, key stakeholders and the poor in particular; and (iii) building ownership of the strategy by all our staff.

This CSP was developed alongside the drafting of the AAI strategy *Rights to End Poverty* (RTEP). This timing and the participation of key staff in Malawi and beyond in the drafting of RTEP has ensured that our Malawi strategy is consistent with AAI's global strategic direction. The strategy is informed by the 2004 Country Programme Review, which involved external review by independent reviewers (consultants and peer reviewers from other country programmes), and internal reviews and reflections of the country team and programme partners. The country program review enabled our staff and partners to reflect on programme performance, draw out key lessons, successes and failures and identify key challenges and opportunities to take on board in future programming. The review findings were widely disseminated and discussed with key stakeholders, including partners, government agencies, peer organisations and civil society organisations in Malawi as well as with various parts of the AAI family.

A review of the country and development context was commissioned and this, together with the findings of the country programme review and other organisational change processes, informed the strategic direction we are taking in this strategy paper. Intensive consultations and reflection processes with poor and vulnerable groups, programme partners and civil society networks and coalitions, government agencies, local and international NGOs and national level stakeholders took place to contribute to the development of this strategy. Selected development partners from civil society, academic and research institutions and government institutions reviewed and made comments on the various drafts. Key AAI reference documents such as *Alps*, Taking Stock II, and initial drafts and the final version of *Rights to End Poverty*, were consulted to ensure harmony with AAI's organisational direction and requirements. Other studies and reviews such as The Gender and HIV & AIDS Study; Violence against Girls in Education Research; Review on Monitoring Abuja Commitments; and

Study on Role of Parliaments in Providing Oversight on IFIs Assistance Programmes were instrumental in informing the new strategy. Over a dozen staff workshops took place to reflect on and contribute to drafting, reviewing and internalising the new strategy.

The reviews acknowledged successes achieved in programme and policy work, particularly in the areas of food security, education, HIV & AIDS, water, sanitation, infrastructure development and access to basic services. We must build on these successes and focus on the fulfilment of these needs as basic rights.

The 2004 Country Programme Review also pointed out critical areas in programme design, particularly around field methodologies, partnerships and empowerment approaches, that we need to work on to achieve greater and lasting impact in tackling poverty and inequality. These critical areas include the following: (i) accelerating and institutionalising the shift from pure service delivery to supporting the poor meet immediate and long-term needs through promoting field methodologies and approaches that empower the poor and excluded to claim and achieve their rights; (ii) strengthening and focussing our policy and advocacy work to ensure micro-macro linkages and critical engagement with duty bearers and key actors at all levels (local-national-international); and (iii) strengthening internal organisational development strategies to increase our effectiveness in programme delivery. The transformation and reorganisation process in these areas has been under way since mid 2003 and the new CSP provides the impetus for enabling complete programme transformation and coherence to take place based on our collective determination and actions.

Various parts of the AAI family contributed to the programme reviews and strategy development processes. Senior programme staff from ActionAid International in Uganda, Bangladesh, Liberia, Mozambique and Ghana, Policy Office in Brussels, and Africa Regional Office participated in the country review and in reviewing the strategy drafts. The programme review also benefited, indirectly, from the experiences of Ethiopia and Kenya, as two lead consultants had worked in these country programmes on senior leadership positions. A drafting team of five senior staff (three men and two women) led the strategy development process. Selected from programme and functional units at country and field level, the team had oversight of the reviews and contextual analysis. They also facilitated the strategy development process and the drafting of the document with support from the country management team.

#### **1.4 Document Structure**

This document is divided into five chapters which outline ActionAid International Malawi's country strategy for the five year period from 2005-2010. Chapter one provides an overview of the ActionAid International Malawi programme and discusses the purpose of the CSP and the process leading to its development. Chapter two outlines the situation of poverty and inequality in Malawi by analysing who the poor are, where they are located and what the causes and manifestations of such poverty are. Chapter three provides a picture of Malawi and its people as well as the country's development context and challenges, and the role and responses of external and internal actors in addressing inequalities and injustices that cause poverty. Chapter four revisits the key lessons learnt from AAIM's experiences, outlines areas for consolidation or change and states AAIM's strategic direction, priority themes, mission goals and objectives for the strategy period. Chapter five examines the organisational implications of AAI's new direction and the strategies being put in place to achieve the organisation's stated mission goals and objectives.

## **2.1 Conceptual Understanding of Poverty and Inequality in Malawi**

Conventional money-metric definitions by UNDP and the World Bank conceptualise poverty in terms of ability/inability to secure minimum standards of well-being. This is often measured in terms of the cost of a basket of goods that will enable people to achieve minimum nutritional requirements and obtain essential non-food items<sup>1</sup>. The Situation Analysis of Poverty in Malawi (1993)<sup>2</sup> analyzes poverty as “a condition characterized by serious deprivation of basic needs in terms of: food, water, health, shelter, education and a lack of means and opportunity to fulfil these basic needs.” It goes further to define the poor as “those who are not able to meet minimum nutritional requirements and essential non-food requirements equivalent to US\$40 per capita per annum.”<sup>3</sup>

ActionAid International defines poverty in absolute and relative terms believing that “the denial of basic needs is always and everywhere a violation of fundamental human rights, because without these needs being met people simply can not realize a life of dignity”<sup>4</sup>. Denial of these basic rights is more profound amongst women and girls and is perpetuated by imbalances in power and patriarchy. ActionAid recognises the need to always consider local perceptions of well-being and poverty by the poor and excluded people themselves, in defining poverty and exclusion and strategies to eliminate these vices.

ActionAid adopts a rights-based approach to addressing poverty which recognises the primacy of the social contract that states have with their citizenry to provide basic services as a right. Recognition of state responsibility for meeting the basic needs of their citizens and such citizens’ rights to hold states accountable for their well-being is the hallmark of ActionAid International Malawi’s distinctive approach.

## **2.2 The Poor and Excluded in Malawi**

Several studies analysing poverty in Malawi identify the poor and vulnerable as falling into the following categories: (i) women, especially as heads of households (a number that is increasing with the number of widows due to the HIV & AIDS pandemic); (ii) the aged and people with disabilities who have no means of supporting themselves but must also care for those sick with or orphaned by HIV & AIDS; (iii) vulnerable and orphaned children, who have lost either one or both parents, and have no opportunities to support them and end up in the streets, making them vulnerable to abuse; (iv) ‘Ganyu’ workers - the poor who depend on piece work for their livelihood; and (v) the landless<sup>5</sup>, tenant workers found on commercial tea, coffee, sugar and tobacco estates and who are also vulnerable to exploitation.

Urban poverty is on the increase due to migration of people from the rural areas in search of employment. These migrants generally end up in informal settlements when they cannot find formal jobs and instead depend on casual labour. The youth, particularly girls, are vulnerable to sexual exploitation by adults when they work in various sectors of industry and engage in sexual activities thus increasing their risk of exposure to and infection with HIV and AIDS.

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<sup>1</sup> UNDP, 1997.

<sup>2</sup> This is the only available reference document. The latest Malawi poverty profile data is expected in October 2005.

<sup>3</sup> *Situation Analysis of Poverty in Malawi (1993)*, p. xi.

<sup>4</sup> *Fighting Poverty Together : ActionAid’s Strategy 1999 – 2005*.

<sup>5</sup> Landless are people without land for cultivation, some of whom migrate to work in commercial estates.

### 2.3 Distribution of Poverty in Malawi

Poverty incidence in Malawi has been increasing in the last 15 years, rising from 41.7% in 1990 to the current estimate at 65.3%. Acute poverty (core poor) constitutes 28% of all households. Poverty incidences are higher in the Southern regions where nearly 68% of people are poor<sup>6</sup>. The figures for the central and northern regions are 62.8% and 62.5% respectively, depicting a relatively even distribution of poverty across the nation. The MDG Malawi report indicates that poverty incidence is higher in the rural areas at 58.9%, than in urban areas. In absolute terms, the highest concentration of the poor is in the south where the majority of people are found. This is compounded by incidences of landlessness and small landholding. The northern region, though less densely populated compared to the southern and central regions, presents profound challenges particularly in relation to infrastructure development and cultural values and systems that propagate patriarchal practices leading to increased gender disparities, vulnerability and violation of the rights of women and girls.

### 2.5 Causes and Manifestations of Poverty

The Situation Analysis of Poverty in Malawi (1993) identified four main causes and manifestations of poverty: low agricultural production, low non-farm income, low education and poor health. These factors are compounded by rapid population growth and weak institutional structures. Later studies have constantly mentioned the same factors as the main causes of poverty in Malawi. At the same time, most local communities understand causes of poverty to include: lack of credit facilities; the HIV & AIDS pandemic resulting in large numbers of orphans; low agricultural production resulting in food shortages, human and asset insecurity; poor leadership whereby community resources are used for personal enrichment; widowhood, spinsterhood and divorce that lead to female headed households; and an inability to send children to school. Lack of transparency and accountability on the part of donors and NGOs who claim to be helping the poor to eradicate poverty, are also cited as causes of poverty.<sup>7</sup>

ActionAid views causes of poverty as complex, encompassing factors at local, national, regional and international levels. At all these levels, there are processes, systems, institutions, and actors whose actions, policies and behaviours contribute heavily to poverty and under-development in Malawi. At the centre of poverty are the core issues of injustice, inequality, exclusion and unequal power relations. These mainly affect the poor, especially women and girls, within the social, economic, cultural and political spheres. Factors contributing to poverty include: poor, unjust and unaccountable governance; blatant violation of human rights; unjust and unfair terms of trade; debt and aid conditions; corporate control of key economic development processes and products; gender inequalities occasioned by patriarchal systems; and inequality in income and wealth distribution. These factors are explored in more detail in the contextual analysis, in Chapter 3 below.

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<sup>6</sup> The poor are defined as those living on less than US\$1 per day.

<sup>7</sup> *ActionAid-Contextual Analysis of Poverty in Malawi*, J.H. Mataya: 2004.

## **Chapter 3: The Context in which ActionAid International Malawi works**

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### **3.1 The Country and its People**

#### **3.1.1 Land, Geography and Climate**

Malawi is a land-locked country located in Southern Africa along the Great Rift Valley.. The country is divided into twenty-eight administrative districts in three regions. The southern region comprises thirteen districts, and the central and northern Regions nine and six, respectively. The districts are further divided into local authorities each headed by a Traditional Authority who inherits leadership from family lineage.

The country is blessed with beautiful mountains, plains and valleys, which are important sources of livelihood for the over 80% of population living in rural areas. The agricultural potential of the country has not been fully exploited by citizens as most arable land in most districts is not fully under cultivation. The exception to this is in the Southern Region (mainly Thyolo and Mulanje) where landholding by citizens is small due to ownership of large parcels of land by private estates. Furthermore, massive destruction of the environment and natural resources through deforestation and land degradation threatens the livelihoods of the rural majority.

Malawi experiences only one rain season, between November and April, with average rainfall ranging from 500 mm to 1,000 mm per annum. The country suffers from recurrent droughts and occasional floods along the Lower Shire Valley and parts of the Northern Region, particularly Karonga District. This is now widely attributed to climate change conditions being experienced in many parts of Africa and other continents. The abundant surface water bodies, the main one being Lake Malawi, have not been exploited for possible wide scale irrigation that would alleviate the effects of droughts.

#### **3.1.2 The People – Demography and Culture**

Malawi has 2.2 million households with a total population of approximately 12 million people, with women constituting over 51%. Thirty percent (30%) of households are female-headed. Fifty percent (50%) of the population is 18 years and below and 17% is under five years, depicting a youthful, productive population. Over eighty percent (80%) of the population resides in rural areas with population density highest in the southern region (146 per km<sup>2</sup>) followed by the central (113 per km<sup>2</sup>) and northern regions (46 per km<sup>2</sup>). Rural-urban migration is on the increase as people move to the cities in search of alternative, though limited, livelihood sources. Life expectancy at birth has declined from 41 years in 1999 to 38 years in 2004 mainly due to the HIV & AIDS pandemic and high infant mortality rates.

The Malawi population comprises several tribes and ethnicities: Mang'anja, Senas, Yaos and Lomwes in the south, Chewas and some Ngonis in the centre and mainly Ngonis, Tumbukas, Tongas, Nkhondes, and Nyakusas in the north. The tribes are identified by their language, cultural practises and origins. Malawi has two social systems of marriage and inheritance – matrilineal (predominantly in the south and centre) and patrilineal in the north. There are two major languages spoken, Chichewa – being the vernacular and national language while English is the official language.

## **3.2 Development Context in Malawi**

### **3.2.1 Political and Historical Context**

Malawi was a British Protectorate from 1891. After decades of marginalisation of the local people, a popular uprising against the British began in 1915 and intensified in 1959 after the British government imposed the federation of Nyasaland (now Malawi), North and South Rhodesia (now Zambia and Zimbabwe, respectively) in 1953. Malawi gained independence from the British in 1964.

For 30 years after independence, the country had a single-party political system dominated by the Malawi Congress Party (MCP). Multiparty democracy ushered in a new political dispensation in 1994 when the United Democratic Front (UDF) took over power for two five-year terms up to 2004. New governing structures and a new constitution were introduced. Offices such as the Human Rights Commission, the Anti-Corruption Bureau and the Office of the Ombudsman were established in the early 2000's to deepen democratic principles and entrench accountability. However, the subsequent abolition of traditional courts led to limited participation and access to justice by poor and rural communities due to proximity, affordability and low literacy on legal issues.

Political awareness and enthusiasm by citizens has risen rapidly in the last decade as democratisation, civil liberties and freedom of information and association amongst citizens became entrenched. The defeat in Parliament of the Third Term Bill in 2003 epitomised the resolve of Malawians to embrace pluralism. A new President elected on the UDF ticket in May 2004, dumped the party to form a new party, Democratic Progressive Party (DPP) as he intensified the campaign against corrupt practices. Initial indication points to a promise of better direction in economic management and political governance, through curbing corruption and refocusing the development agenda. However, political bickering among political parties abounds while the government faces strong opposition from other parties on its reform agenda.

The Decentralization Policy roll-out process has covered all twenty-eight districts where District Assemblies now enjoy a degree of authority over formulation of District Development Plans and execution and control of financial resources. However, some ministries have not fully decentralised. Lack of commitment to the process by those holding power, limited local ownership of the process, inadequate resources and limited capacities and commitment to further devolve decision-making power to communities beyond the District Assembly, has hindered progress in this area.

### **3.2.2 Economic Development Context**

The Malawi Growth and Development Strategy (MGDS) and its predecessor - Malawi Poverty Reduction Strategy Paper (MPRSP) - and the Millennium Development Goals (MDGs) provide frameworks aimed at reducing poverty by improving food security, literacy levels, gender equity, and reduction of maternal and child mortality as well as reduction in HIV & AIDS prevalence. However, various reports and studies point out that the socio economic performance of the country has declined over the past decade (1994-2004). The UN Human Development Report, 2004, ranks Malawi as the 13<sup>th</sup> poorest country in the world with over 65% of Malawi's population living below the poverty line and 28% of these being the 'core poor'. Women account for the majority of those living in absolute poverty.

Economic growth, which is a pre-requisite to poverty reduction, has been slow in the past decade, registering low figures of negative 1.3% in 2002 but rising to around 3% per annum in 2004. In contrast, the economy grew at rates of up to 7% in the '70s and early '80s, though with high inequalities. In the mid-eighties the donor community influenced government policies through introduction of Structural Adjustment Policies (SAPs) which had effect of reducing government expenditure on social sectors, ostensibly to reduce inflation and embrace prudent financial management. On the contrary, the country's economy, like in many other countries, began to decline and Malawi is yet to recover from the effects of SAPs and new conditionalities imposed by International Financial Institutions.

The economic challenges currently faced by Malawi are numerous, and include:

***Donor-dependent economy*** – About 65% of the country's annual budget is financed by multi-lateral and bilateral donors and this has huge implications on ownership, direction and content of development policies and strategies. This presents an opportunity for civil society to influence donor and government policies with respect to volume and quality of aid. Among the major donors and players are DFID (which contributes the major portion of budgetary support), USAID, CIDA, European Union, World Bank, UN Agencies, Danish Church Aid, JICA, Norwegian Church Aid, GTZ and others. The policies and conditions of the Bretton Woods institutions tend to have the most leverage on foreign aid effectiveness. SAPs, and their successor – the neo-liberal economics agenda - continue to negatively impact on the Malawi economy. Efforts to recover from this onslaught are not matched with resolute actions on the part of government. Many conditions placed on foreign aid rid the government of its primary mandate to account downwards to its citizens, as the perpetual dependency on foreign aid drives its accountability focus towards donors.

***Huge and unsustainable debt stock*** - Economic growth is on the decline while debt stock is rising. Foreign and domestic debts stand at over \$3 billion and MK 55 billion, representing 150% and 30% of GDP, respectively. This level of debt is unsustainable and debt-servicing (23.1% of total earnings from exports in 2003)<sup>8</sup> is a major contributor to reduction in investments in social sectors. In our view debt cancellation is critical to releasing resources for investment in social sectors such as education and health which are in dire need of revamping for them to adequately deliver services to citizens.

***Economic mismanagement*** – Public resources management and accountability are a major concern in the country. The establishment of the Anti-corruption Bureau and the Office of Ombudsman are among response measures set by government to curb corruption and ensure justice is upheld. However, these institutions face a huge task as related issues have gone unchecked for long periods and it will take greater executive commitment to rid the country of these economic crimes. Civil society has a critical role to play with respect to demanding action on issues of accountability and should not just wait on the state players to go it alone but stand as a key player to demand accountable and just economic governance.

***Decline in agriculture: the mainstay of the economy and source of livelihood*** – The agricultural sector which contributes over 37% of GDP, employs 85% of the labour force, over 70% of which are women. This sector is on the decline in terms of production and capacity for rapid growth to reverse the current trends. Women's rights to access and control over land, seeds, credit, markets, and decision-making are neglected despite the fact that women are key players in agricultural production. The MDG Monitoring Report, 2002, reported that over 50% of the population experience 4-6 month food gaps before the next harvest each year while chronic food insecurity is estimated at 55% of total households. Anecdotal evidence points out that Malawi has been food secure for only three of the past fifteen years, necessitating institutionalisation of food aid to respond to the perennial food-related emergencies.

An under-utilised natural resource base upon which the agricultural-based economy is dependent, poor access to means of production and the impact of climate change exacerbate the low on-farm production. Climate change now contributes to increased vulnerability as evidenced by perennial and persistent drought and floods in Malawi and neighbouring countries such as Mozambique, Zambia. Malawi has low capacity to adapt or mitigate the impact of extreme climatic events and the recent (2002 and 2005/2006) food crises point to the scale of the problem. In order to inform our work at the local level and our advocacy at regional/international levels we will carry out participatory studies and analysis of the local environment to enable us better understand the multiple vulnerabilities, degree of erosion of coping strategies and the extent to which government agencies have put measures in place to mitigate the impact of climate change both locally and at the international levels.

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<sup>8</sup> HDR, 2005.

The government has produced a Food and Nutrition Security Policy which aims at increasing agriculture production and foreign exchange earnings. Nutrition Policy is being separated and to be produced and implemented under the Office of the President's HIV & AIDS and Nutrition department. However, removal of subsidies on agriculture coupled with an inadequate and uncoordinated market system, limits farmers' access to farm inputs. Their ability to market their produce is also limited due to the uncertainties in the ownership and functioning of ADMARC following market liberalisation debates. Many policies in the agricultural sector, like in others, have largely been dictated by donors as part of the conditions on aid and credit eligibility. Aid conditions have tended to make government more accountable to donors than to its citizenry. Therefore, an opportunity exists for influencing food security policy formulation and implementation by targeting governments, the donor community and the global food policy institutions such as FAO, WFP and IFAD.

***Trade imbalance between exports and imports*** - Export-led growth in the economy continues to dominate the government agenda. The country remains a primary commodity exporter (over 70% of export earnings coming from tobacco, tea and sugar) due to undeveloped processing technology. It is therefore subject to the vagaries of world market conditions and pricing systems. In addition, foreign private companies continue to have a monopoly on the production and marketing of Malawi's major export crops. Support to Malawi's trade development by international partners, namely the EU and US, has been defined within AGOA, the EU-ACP Cotonou Agreement and recently the EPA framework but the benefits to be accrued under these agreements remain largely unclear. Research and policy analysis in trade relations and policies is necessary to inform policy advocacy and influencing work targeted at addressing the institutional frameworks, policies, processes and players at the international level that affect Malawi's trade relations and position.

***A limited and undiversified economic base*** - Malawi is well endowed with natural resources such as minerals, lakes, beaches and game reserves. These could contribute to foreign exchange earnings through mining, tourism and natural resources regeneration and restoration. However, the related industries are not well developed and opportunities for growth are missed.

***An undeveloped and uncoordinated informal sector*** - The informal sector which is a major source of livelihood for poor people remains undeveloped and uncoordinated despite the presence of small enterprise development organizations. Thus, the contribution of this sector to the country's economy is not quantified. The sector is also the main destination of the aforementioned rural-urban migration. Studies to help define the critical roles that the informal sector can play in contributing to poverty reduction will be necessary as ActionAid and other actors seek alternative strategies to expand the opportunities and choices for poor and excluded people to re-enter the global economy on their own terms and on a level field.

***Concentration of wealth in a small group as the gap between the rich and the poor grows wider.*** The gap between the rich minority and the poor majority is alarming and further widening. Resources are concentrated among a small minority (10% of population) who own and control over 80% of national wealth and resources. The economic environment does not favour micro-credit financing which would benefit the poor and excluded. Bank interest rates are high (over 25%) and can only be accessed by those with collateral security. While the statutory minimum wage in Malawi is K5000.00 (±\$45) per month, this is hardly observed, particularly in the informal sector which is a source of livelihood for the majority. The inequalities in access to productive resources and the formal job market between men and women contribute to inequality in income. These inequalities also influence the spread of HIV&AIDS, particularly among poor women and girls who supplement their incomes through sexual activities. Civil society organisations will need to support social movement activities in Malawi that will enhance advocacy for creation of an environment conducive to small and medium enterprise development for the benefit of the poor and excluded majority.

### **3.2.3 Social Development Context**

***Education:*** Education is a basic human right that is yet to be realised by many children and adults in Malawi. Illiteracy levels in the country are high at 59% (about 5 million children and adults of which 73% are females

and 45% males)<sup>9</sup> and this has a negative impact on human capital development. Despite the Malawi PRSP goal in seeking to promote education quality, equity and access for all, it is clear that the country is not on track and will miss the MDGs and EFA targets if no transformational strategies for financing education and improvements in education systems are pursued. The government has formulated many relevant policies including the Free Primary School Policy, Readmission Policy and the Integration Policy, but the greatest challenge remains that of commitment to policy implementation. Decreasing education budgets from 26% in the early 1990s to 12% recently is evidence of lack of commitment to allocating resources to education.

While enrolment has increased since 1994, from 1.9 million to 3.2 million, only 30% of children complete basic education and 8% transit to secondary school. Drop out rates are estimated at 10% (600,000 pupils every year) and the majority of the affected are girls due to reasons which include violence against girls in schools, sexual and domestic abuse, child labour, early marriage and pregnancy, cost of education, negative cultural practices, impact of HIV & AIDS in increasing orphan hood and burden of care falling on girls. Infrastructure is poor as evidenced by a pupil: classroom ratio of 107:1 and over 25% of pupils learning under unsuitable structures. Poor quality of education is exacerbated by inadequacy of teachers and urban-rural disparities in teacher distribution (average pupil: teacher ratio is 87:1; urban at 40:1 and rural at 118:1). The inadequacy is heightened by the impact of HIV & AIDS as over 60,000 teachers died of HIV & AIDS related diseases between 2000 and 2004. Children with disabilities are particularly disadvantaged by inappropriate infrastructure and inadequate special needs teachers to support them.

The recently developed National Strategy for Community Participation in Primary Schools Management offers an opportunity for ActionAid International Malawi and other civil society organisations to critically engage on governance issues within the education sector, building more awareness and promoting the agency of the poor in influencing and pushing the government and donors to increase efforts towards achievement of the goal of providing quality education for all.

**Health:** Malawi has witnessed a decline in the health status of its citizen's since the early 1990's owing mainly to low investment in the sector. As a result, and among many other challenges, maternal mortality has increased from 620 per 100,000 live births in 1996 to 1120 in 2000<sup>10</sup>. At the same time the sexual and reproductive health and rights of women are being neglected. In view of the general decline in support to social services, particularly the health sector leading to collapse in the health infrastructure and services, it is imperative to raise the awareness of the poor and excluded, thereby empowering them to demand their rights to basic health services from the state.

**The HIV & AIDS scourge:** Malawi is located within the epicentre of the AIDS pandemic, in Southern Africa. In 2003, the National AIDS Commission reported a prevalence rate of 14.4% among populations aged 15-49 years despite awareness levels being at 90%. While the sero-prevalence rates vary among the districts and between urban and rural settings, it is reported as high as 27.9% in some peri-urban settings. The ActionAid International Malawi study "*Gender and HIV & AIDS*"<sup>11</sup> reaffirmed that gender stereotypes and power relations, traditions, religious and social norms militate against women and girls on issues of sexual and reproductive health and rights and contributes to the spread of HIV & AIDS. HIV & AIDS is eroding the country's human resource base particularly within the health, education and agricultural sectors. The health sector in particular suffers the double tragedy of loss of qualified staff due to emigration in search of better paying jobs and the enormous constraints placed on health service delivery systems. Food and nutrition security has implications for efficacy of anti-retroviral therapy while HIV & AIDS weakens the population's capacity to produce food. It is therefore critical to develop strategies that address linkages between HIV & AIDS and other themes such as food security, education and gender and women's rights. Specifically on HIV & AIDS, the issue of access to VCT and comprehensive care and treatment, particularly for women, need to be addressed.

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<sup>9</sup> MDG Malawi Report, 2002.

<sup>10</sup> Demographic and Health Survey.

<sup>11</sup> Study conducted in 2003 by ActionAid International in Malawi, Sylvia Nduna.

**Women's rights and gender equity:** Women and girls are generally more disadvantaged than men and boys on issues of access to resources, services and participation in decision-making on issues affecting their lives. Power relations are skewed in favour of men and boys, causing the disparities, inequalities and vulnerability. Gender discrimination and violence negatively affect women and girls more than men and boys. In recognition of this, the government of Malawi developed a national gender policy, launched in 2003 and due for review in 2006. The country is a signatory to several international charters and declarations that uphold women's rights and promote participation in development, among them the CEDAW, Beijing 1995, Africa Charter on Women's Rights. However, endemic socio-cultural values and patriarchal systems inhibit progress in the area.

Although the government set up a Ministry for Gender and Community Services, implementation of the various treaties, charters and protocols is yet to be realised through domestication and enforcement of the provisions on women's rights. While the SADC Gender Declaration recommends a 30% representation of women in Parliament the Malawi Parliament has a representation of 14% women (8% in 2003). There is need, therefore, for renewed commitment and action to address power imbalance and gender inequality through advocacy and campaigns for implementation of measures that will empower and increase representation of women in institutions and organisations at all levels, from the local to the international. Of even more and urgent attention is campaigns and actions strategies aimed at specifically addressing the violation of rights of women, especially gender-based violence and access to services and resources.

### **3.2.4 Growth of Civil Society**

Since the ushering in of multi-party democracy in 1994, space for civil society engagement in development policy issues has increased. Government's recognition of the role of civil society as a development partner and in providing checks and balances has been evident. With the proliferation of NGOs, including faith based organisations, the government enacted an NGO Law and set up an NGO Board aimed at regulating and coordinating the registration and activities of NGOs and civil society organizations. The Council for NGOs in Malawi (CONGOMA) is represented on the Board. ActionAid International Malawi, among other civic players, has played a major role in supporting the capacity building of CONGOMA in the past. Notwithstanding the increasing space, the NGO Law limits the extent to which NGOs and civil society in general, can engage on issues of political governance and human rights. This is a frontier which civil society would need to continue pushing back to the horizon to enable civil society contribution in ending poverty to thrive.

While it is important to recognise that most well resourced NGOs are northern based, and their agendas may thus be driven from the North, there is huge opportunity for pro-poor organisations, networks and coalitions to support the development of social movements and people's organisations to engage government and donors on policy and rights issues. Most civil society organisations in Malawi address a cross-section of thematic issues including human rights, women empowerment, reproductive health, education, health, food security and rehabilitation. National coalitions such as the Civil Society Agriculture Network (CISANET), Malawi Economic Justice Network (MEJN), Civil Society Coalition for Quality Basic Education (CSCQBE) and CONGOMA and others have specialized in and engaged with government and donors on policy issues. ActionAid International Malawi has played a key role in the emergence, nurturing and strengthening of these networks and coalitions, the latest being the Malawi Parliamentary Coalition on International Financial Institutions (MAPCOI). MAPCOI seeks to restore the critical role of parliaments in providing the necessary checks and balances in promoting just and accountable governance by playing an oversight role in policy and development assistance agreements between government, and multi-lateral and bilateral donors. This is a strategic addition to the growing advocacy agenda by civil society as they increasingly take up the role of monitoring government budgets and expenditures to influence government allocation and spending in favour of the poor and excluded groups. It is important for ActionAid International Malawi to build on this strong foundation, which it has helped in laying, to strengthen citizen and civil society engagement with respect to governance and accountability issues.

### 3.2.5 Private Sector, Trade and Privatisation

The private sector plays a dominant role in the production and marketing of export crops. However, Malawi's manufacturing sector remains underdeveloped with heavy reliance on imports from South Africa and other foreign countries for manufactured goods. A few of the companies that are based in the country have their origin in South Africa, as well as the neighbouring Zimbabwe. The IMF and World Bank led privatisation processes, have to a large extent contributed to the non-development of a vibrant and indigenous industrial base. There is also a disturbing trend of increasing dominance of the private sector by foreign traders focusing on retail of consumable goods and competing with local traders, as opposed to investing in production and manufacturing. This has seen fewer indigenous Malawians playing key ownership and control roles in the private sector with the majority remaining in the less lucrative but important smallholder agriculture and informal sectors.

A number of factors account for the underdeveloped industrial sector and these include: economic structural weaknesses, weak policy frameworks and regulations, multi-national monopolies, weak technological capacities and limited capital. The private sector has lagged behind in contributing to the national social development agenda and corporate social responsibility only exists in the form of tokenistic support to small community projects. Privatisation of public services has been on the agenda for the last decade and is heavily influenced by foreign business interests and the political interests of a few who see privatisation working in their favour. Social protection and safety net programmes that emerge from privatisation to cushion the vulnerable groups are ill-designed and do not benefit those they are intended for. This is an area for intensifying policy research and advocacy to gain a better understanding of the private sector dynamics in Malawi. It is particularly important given the neo-liberal economic agenda linked to development aid vis-à-vis the deepening poverty and exclusion of poor people from mainstream economic activities that would benefit their cause for a better world.

### 3.2.6 External Context and Influences on Malawi

#### *Sub-Regional and Regional*

Malawi is a member of the African Union, and hosts the NEPAD sub-regional secretariat. It is also an active member of Southern Africa Development Community (SADC), and the Common Market for Eastern and Southern Africa (COMESA). Membership in these various bodies is an opportunity for economic development and improved governance if the country could strive for opportunities that these groupings offer to member states. For example, subscription to the Africa Peer Review Mechanism, efforts towards a unified customs union, and developmental targets set by SADC offer valuable Africa-led opportunities towards socio-economic development. In the past 10 years, Malawi's engagement in regional trade and peace building, among others, has grown and there is need to continue building on the foundations laid to-date. Some international issues relating to trade, e.g. with respect to AGOA, the ACP-EU Cotonou Agreement and WTO, could be better tackled through the regional groupings than on a bi-lateral basis and this is an area for policy influencing and advocacy.

On regional bi-lateral issues, South Africa's economic hegemony is an area viewed with concern. The huge imbalance in trade should spur the country to demand local participation in investment ventures and development of appropriate policies and regulatory frameworks that ensure opportunities for increased production and export. Blatant violation of labour laws by foreign businesses particularly in relation to wages and employment conditions calls for governments and trade unions to ensure compliance to enable protection of the rights of workers.

The political crisis and economic downturn in Zimbabwe has negatively affected Malawi and the entire region as the country was a major economic player in the SADC block, after South Africa, and a food basket within the sub-region. Malawi would need to work with other countries in the region for the resolution of the Zimbabwe political and economic crisis.

## ***International***

The gap between poor and rich nations is increasing as poor countries become poorer while the rich become richer, within a very rapidly growing global economy. Liberalisation and globalisation of capital and economies and corporate control over markets and products has affected Malawi's prospects for equitable economic development. The US and EU influence on World Trade Organisation policies continue to increase economic vulnerability of poor countries in trade. Unjust and unfair trade rules and regulations limit Malawi products' competitiveness on the global market. Concerns and interests of the less developed countries are deliberately and largely neglected. The removal of agriculture production subsidies in Malawi is one example of macro-economic donor conditionality affecting Malawi's economy and the poor in particular. Other pertinent externally influenced policies and agendas include the push towards promoting genetically modified products, non-indigenous biotechnology policies and orchestrated food aid as a measure to address food insecurity. These have a negative impact on peasant farmers in terms of production and livelihoods. Seed security, introduction of foreign seed varieties in volatile climate conditions and removal of input subsidies for small holder farmers, are key issues that need to be addressed at national and international levels. Strengthening Malawi civil society and social movements by poor and excluded communities and engaging with governments and civil society organisations and networks in campaigning for fair and just trade rules are imperative and critical areas that need urgent and decisive action.

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## ***Chapter 4: Looking Ahead - Strategic Direction and Priorities***

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### **4.1 Learning from the Past and Repositioning for Future Challenges**

The ActionAid International Malawi programme has grown in size and scope during the last strategy period. Coverage increased from three Development Area (DA) programmes in 1998 to seven by the end of 2003, reaching out to over 740,000 people (197,030 in 1998). The HIV & AIDS priority theme has worked in partnership with over 30 NGO/CBOs in all the 3 regions through the CBO capacity building programme. This number is expected to increase rapidly by the end of 2005 with the expansion into seven districts funded through the Global Funds. ActionAid is well known to be among a few NGOs that work in some of the poorest and remotest parts of Malawi enhancing household-level food security, access to basic education, HIV & AIDS, and responding to drought-related and other emergencies. Work at the community level has not been an end in itself but the basis for ActionAid to engage with policy issues at national and international levels. Many lessons have been learnt from the way we have worked in the past and this will be the basis upon which our improved programming and programme delivery will be designed.

#### **4.1.1 What we need to build on, do more of, or change – *Our Ways of Working.***

Reflections from programme reviews, analysis of the nature, dynamics and causes of poverty and exclusion and our organisational strengths have enhanced our understanding of the critical issues and challenges experienced by poor and excluded people. As the programme has continued to grow, we have placed increasing importance on applying lessons learnt to improve on the quality of the work we do. As we move into the future we will need to work in ways and approaches that:

- Are integrated by ensuring that synergies and linkages between the selected 5 priority themes on programme, policy and campaign work across various levels (local, national, international) avoiding stand alone projects and programmes that do not feed and link into each other.
- Increase policy and advocacy at all levels (local, national and regional/international) and ensure that our work at national and international levels is informed by policy research and evidence from programme work with partners at community level (evidence-based advocacy).
- Promote direct actions by and for the poor, citizens and civil society at all levels and work more in partnerships with these institutions, at strategic and operational levels.
- Strengthen alliances of organisations of poor people such as small-scale farmers associations and networks of People Living with HIV & AIDS and link them to sub-regional and regional networks. Scaling up best practice from our participatory approaches and techniques is critical in these processes.
- Promote a rights-based approach to all our work where activities to support the poor and excluded meet their immediate needs will be used as a means to build their confidence and create voices and spaces for them to engage in claiming and attaining their basic rights and entitlements.
- Recognise the centrality of challenging patriarchy and power analysis as central to poverty eradication and hence move from rhetoric to resolute action in challenging all the frontiers that perpetuate insubordination of and violation of basic rights of women and girls. Internal organisational and technical capacity to implement women's rights programmes and integration of women's rights in all interventions (inter-thematic linkages) is critical to achieving our mission.
- Consolidate, strengthen and scale up best practice approaches to empowerment of the poor and excluded, particularly women and girls,
- Recognise the innate value of working within a truly international organisation by harnessing the collective strengths we have as larger organisation, while deepening our legitimacy and accountability through reorganising our internal governance.

- Work to strengthen and deepen democratic actions, governance and accountability at the local level by building and strengthening the government decentralisation processes.
- Involve proactive engagement in international efforts to reduce poverty such as the Millennium Development Goals (MDGs), the Global Coalition against Poverty (GCAP), World Social Forum at national, regional and international levels.
- Critically engage with donors at country level to influence the quality of aid, diversify sources of funding and mobilise resources to support our programme growth.
- Take advantage of the stable political environment to promote citizens' and civil society engagement in lobbying for change through supporting and strengthening thematic networks and coalitions of civil society in the selected priority themes.
- Build on our established credibility with governments, civil society and poor people to improve on our profile and identity by strengthening our communication and hence obtain greater recognition, influence, legitimacy and impact through our work.
- Build on the 15 years of experience in Malawi and recognition by the wider ActionAid as a fast growing programme with potential to be a key player within the sub-region and beyond in influencing programme directions at organisational level and beyond.

## 4.2 Vision, Mission, Values and Identity

ActionAid-Malawi shares and subscribes to the ideals and aspirations in the global vision, mission and values of AAI.

### *AAI Malawi Vision*

A nation without poverty and in which every citizen can live a life of dignity by realising their social, political and economic rights.

### *AAI Malawi Mission*

To work in partnership with poor and excluded people to eradicate poverty by challenging and overcoming the injustices and inequity that perpetuate it.

### *Our Values*

ActionAid International Malawi recognises that as an organisation that put poor and excluded people at the centre of our thinking, analysis and action, a strong set of values should anchor the mindsets, attitudes and behaviour of our staff. Thus we believe and subscribe to the following set of values:

***Equity, fairness and justice*** – believing and acting within the principle that people are of equal value irrespective of their individual circumstances, backgrounds or characteristics, and specifically race, age, sex, colour, ethnicity, religion and physical abilities. This value must be upheld, propagated and predominant in our relationships within the organisation and in our partnerships and relationships with others.

***Solidarity with the poor and excluded people*** – establishing strong solidarity links and taking sides with poor people and their institutions, irrespective of their circumstances and locations and championing their cause and struggles in all our work and at all levels.

***Mutual respect*** – believing in the innate potential of poor people to overcome their daily struggles and challenges; respecting diversity at all levels, while respecting the laws, social, cultural and traditional values of Malawi and anywhere we work. We will challenge those with negative effects on poor people's development in a balanced, sensitive and mature way.

***Honesty and transparency*** – promoting an organisational culture that ensures that we remain accountable for our actions, open in our communications and relations, and credible in the decisions that we take.

***Humility*** – maintaining attitudes and behaviours that encourage true and genuine partnerships and alliances with others who are fighting poverty and carrying ourselves with admirable modesty.

***Courage of conviction*** – being bold and resolute in our beliefs, acting without fear of failure or risk, and embracing error as part of learning, gaining and applying knowledge.

***Excellence*** – being driven by the desire to stay ahead and at the cutting edge of our development work and imbining a culture of striving for quality programmes and sustainable actions.

***Proximity*** – being close to where our energies, efforts and resources are needed most and ensuring decisions and actions take place at the appropriate and proximate levels.

***Independence*** – remaining independent in the decisions we take based on our mission, values and convictions, being non-partisan in party-politics and religious affiliation and not being influenced by powerful forces based on their social, economic and political status and affiliation.

### *Our Identity*

Our mission and the goals we aspire to achieve require us to be seen and recognised as:-

- A leading development organization in Malawi championing anti-poverty debates and actions.
- A grassroots and policy-oriented organization focusing on addressing inequalities and injustices in Malawi and beyond based on our experiences in working with poor and excluded people.
- Having a local, national and international outlook in our profile and in our actions.

### 4.3 Mission Goals

Our analysis of the internal and external context, the root causes of poverty and exclusion and our experiences and lessons learnt from implementing the CSP II, point us towards a strategy that will move rapidly to transform the direction of our work to addressing root causes of the conditions and positions of the poor and excluded. We will do this by strengthening poor people's voices, expanding their spaces for action and contributing significantly to building strong movements of poor people and civil society to end poverty within Malawi and globally. We will build on the efforts started in 2003/4 with respect to institutionalising a transformational agenda that challenges the social injustices and inequities that sustain poverty in Malawi. Consolidating and deepening our work on empowering and strengthening institutions of the poor and pro-poor civil society groups, networks and coalitions will take centre-stage in this strategy.

Our transformation agenda will focus on three groups of key players – (i) the *poor and excluded* generally and within this group, *women and girls* in particular, (ii) *citizens and civil society* engaged in fighting poverty; and (iii) *the institutions of governance* that perpetuate and sustain poverty, injustice and exclusion. The transformational agenda will seek to achieve the following:—

- Transform power relationships by empowering poor and excluded people to demand and secure their basic rights to social goods and services, and build a more just society.
- Transform power relations between men, women, boys and girls to rid Malawi of the discrimination against and insubordination of women and girls and in the process reduce their vulnerability and widen opportunities for their fair and just treatment by society
- Build and strengthen the confidence and power of citizens and local civil institutions to challenge and transform the unequal power relations that favour the elite and elitist institutions arising out of the governance (local and global) and globalisation agenda.

#### Mission Goal 1

***Poor, vulnerable and excluded people gain power and confidence to demand and secure their basic rights to lead a life of dignity.***

ActionAid International Malawi will pursue this goal through:

- Building and strengthening the capacity and confidence of poor and excluded people and their organisations to claim and achieve their basic rights to services, information and resources
- Nurturing and strengthening groups and movements of poor people and promoting alliance building among them to build a stronger movement against poverty.
- Creating links between poor and socially excluded people with pro-poor civil society institutions within Malawi and beyond which will advocate with them to achieve fairness, equity and social justice in access and distribution of resources.
- Promoting the participation and inclusion of the voices of poor and excluded people in national and international forums and poverty debates and ensuring that spaces and platforms created are utilised and sustained to achieve social change.

- Working with the poor to meet their immediate needs and using these activities to create platforms for critical engagement with duty bearers to hold them accountable for delivery of services.

## **Mission Goal 2**

***Women and girls gain power to claim and realise their rights to access and control over information, services and resources, and participation in decision making on issues affecting them.***

We will pursue this goal through:

- Organising and mobilising to enhance awareness, knowledge and capacity of women and girls to challenge patriarchy, stand up against insubordination, and demand fair and just treatment and participation in decision making on resources, access to information and services.
- Developing partnerships with women's movement and women's rights organisations/networks to influence the enactment and enforcement of legislation that will lead to fulfilment and protection of women's and girls' rights.
- Working in partnership with local organisations and women's rights groups to develop local strategies that will challenge patriarchal behaviour, beliefs and negative cultural practices and systems which discriminate against women and contribute to gender inequality.
- Ensuring that in all our work in the Education, HIV/AIDS, Food Security and Governance themes the focus on the rights of women and girls is given prominence.

## **Mission Goal 3**

***Governance institutions at local, national and international levels and other powerful institutions demonstrating visible political and executive commitment and exercising accountable leadership in fulfilling the basic rights of poor and excluded people.***

We will aim at:-

- Working to strengthen citizen and civil society voices and actions, through coalitions, alliance building and use of popular education processes, to demand accountable governance to realise basic rights to social services for poor and excluded people.
- Engaging with governance institutions and structures at local and national level to promote devolution of power to those that are voiceless and excluded, ensuring their participation in governance and advocating for legal and political reforms necessary to achieve their rights.
- Working with coalitions of civil society and supporters in the North to influence Northern governments and donors against development agendas and practices that perpetuate poverty in Malawi.
- Working towards promoting and strengthening 'regionalism' and regional integration that will offer alternative development thinking & practice, and building critical mass of actors to challenge neo-liberalism and the negative effects of globalisation.
- Contributing to and proactively participating in sub-regional, regional and international initiatives that promote African priorities and agendas aimed at putting Africa on an irreversible social development pathway.

## **4.4 Priority Themes**

We will concentrate and focus our energies and resources towards working on five key thematic areas that will be the vehicles through which the three mission goals and theme specific strategic objectives will be achieved. The five themes described below have been identified from the analysis of the context and situation of poverty and inequality, and build on successes and lessons learnt in previous strategy periods. We see the themes as not standing alone. Instead, their inter-related nature must be recognised both in our analysis and in our strategies in order to ensure synergy and complementarities of action.

**a) Quality Basic Education** – because education is key to unlocking human potential and empowerment and is therefore a pre-requisite to achieving other basic rights. Education results in the acquisition of knowledge and skills necessary for citizens to effectively engage in fighting poverty. An educated nation is well placed to determine and shape its destiny.

For the next five years ActionAid in Malawi will focus on:

- Supporting programme, policy and campaign initiatives which aim at improving access to quality basic education to achieve EFA and education related MDGs.
- Advocating for equal participation of boys, girls, women and men on education issues, especially in claiming rights to education and the rights within education.
- Building and strengthening capacity of Civil Society Organisation coalitions and networks to engage with government and donors on policy formulation and implementation issues.
- Addressing the social systems and norms that propagate gender disparities in education, particularly violence against girls in education.
- Paying special attention to education of girls and the education needs of disadvantaged children (children with disabilities, orphans, early childhood education in particular).

#### **Strategic Objective:**

**To promote the attainment of quality basic education as a right for all especially vulnerable children (girls, children with disabilities, those infected and affected by HIV & AIDS, orphans), adult women and men.**

#### **Expected Outcomes:**

- Improvements in the implementation of education policies, declarations and protocols (EFA plan, adult education, readmission policy, code of conduct, and integration, teacher training and distribution policies).
- Increased investment in the education sector by government, donors and the private sector and equitable distribution and efficient utilisation of resources.
- Increased enrolment and completion rates of all children, particularly girls and other vulnerable children
- Policies to protect girls against violence in schools enacted and code of conduct for teachers enforced.
- Capacity of CSOs, networks and coalitions (including unions) to advocate for attainment of free quality basic education enhanced.
- Greater and sustained commitments by government, sub-regional, regional and international bodies to achieving education goals for citizens (resources allocated, policy changes, execution of policies, etc)
- Greater community participation in education through empowered, democratic and effective School Management Committees, Parent Teacher Associations and local leaders engaging in education budget monitoring and demanding equitable allocation of resources including qualified teachers.
- Institutionalisation and implementation of strategies to militate against the impact of HIV & AIDS and food insecurity on the education sector in order to increase participation rates and reverse teacher attrition due to HIV & AIDS related deaths.
- Equitable distribution and allocation of teachers and teaching and learning materials between urban and rural districts in the country

**b) HIV & AIDS** – because HIV & AIDS has devastating effects on the country's health status and consequently its economic, productive and social capital. This effect is pronounced in socially excluded groups which include the increasing number of people living with HIV & AIDS, widows and orphans. HIV & AIDS is rapidly eroding the social and economic development gains made in the first two decades after independence.

Women and girls are disproportionately affected compared with men, as their vulnerability is increased due to unequal power relations and they are put at perpetual risk.

Over the next five years, we will seek to play a major role in:

- Building strategic partnerships with local, national and international organisations to promote access to information, prevention, care, treatment and impact mitigation, targeting women and girls. This will be characterized by strengthening coalitions and alliances of PLWHA and women's organisations, in collaboration with various development actors and constituencies committed to addressing the HIV & AIDS challenges in Malawi.
- Advocacy and policy influencing to achieve improved access to comprehensive anti-retroviral therapy, including nutrition supplementation and other complimentary therapies, particularly for women and girls.
- Consolidating and expanding workplace interventions internally and promoting the same with our partners and other institutions with emphasis on patriarchy.
- Building and strengthening the capacity of local NGO and CBO partners, networks and alliances in programming and service delivery and advocating for increased resources to support grassroots responses.
- Providing increased support to communities, civil society organisations and district-level coordinating structures in policy formulation, interpretation and implementation to advocate for Sexual and Reproductive Health Rights for women and HIV & AIDS care and support services.
- Designing activities at local level with communities and partners using participatory approaches to prevent new infections and campaign for access to comprehensive care and support, particularly among and for women and girls.
- Upholding the rights of women to prevention, sexual and reproductive health and to leading a life of dignity in the face of HIV & AIDS by addressing their economic empowerment, livelihoods, access to treatment, burden of care and need for a safer environment, in line with the Mutapola Framework<sup>12</sup>.

#### **Strategic Objective:**

**To support the creation of a just and enabling environment where those infected and affected, especially the poor and socially excluded, can demand and realise their right to information and access to quality HIV & AIDS prevention, treatment, care and support services.**

#### **Expected Outcomes:**

- Universal access to information, prevention, care, treatment and impact mitigation, targeting women and girls, through building strategic partnerships with local, national and international organisations sharing the same aspirations.
- Improved access to comprehensive anti-retroviral therapy, including nutrition supplementation and other complimentary therapies, particularly for women and girls as a result of concerted advocacy and policy influencing.
- Consolidated and expanded workplace interventions internally and promotion of the same with our partners and other institutions, with emphasis on addressing patriarchy.
- Strengthening the capacity of local NGO and CBO partners, networks and alliances in programming and service delivery and advocating for increased resources to support grassroots responses.
- Increased support to communities, civil society organisations and district-level coordinating structures in policy formulation, interpretation and implementation to advocate for sexual and reproductive health rights for women and HIV & AIDS care and support services.

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<sup>12</sup> Mutapola Framework is an Actionaid programming approach that aims to highlight the key basic rights components that must be addressed to ensure the vulnerability, role burden and livelihood aspects of women and girls are incorporated in HIV & AIDS programmes.

- Institutionalisation of a focus on women and girls' rights in all our HIV & AIDS programmes that will enable them to make decisions about their sexual and reproductive health and rights.

**c) Food and Nutrition Security** – because food is a basic necessity for life and hunger is dehumanising when it occurs. We are also cognisant of the fact that nutrition is critical for the success of HIV & AIDS impact mitigation programmes. In situations of food crisis, children are not able to go to school, affecting enrolment and participation rates. The links between food security, HIV & AIDS and education are therefore pivotal to addressing vulnerabilities, particularly among women and children. Perennial food shortages (50-55% of households experience 4-6 month food gaps every year) require that both short-term and long-term measures to improve emergency preparedness be a critical component of the food security programmes and institutionalisation of the right to food.

In this strategy period, we will focus on:-

- Building the capacity of smallholder farmers, particularly those categorised as poor and vulnerable, to diversify and increase agricultural production with a component of improving nutrition at household level with the aim of sustaining the lives of those infected by HIV & AIDS, children and the aged.
- Supporting farmer associations/cooperatives to engage with government to address the high cost of farm inputs as well as trade and marketing issues at national, regional, and international levels.
- Working with organisations of smallholder farmers and coalitions and networks of civil society to monitor implementation of the right to food as espoused in the Food and Nutrition Security policies and in line with the developed implementation guidelines.
- Building and expanding the constituency base of the existing food security networks and movements (FOSANET, CISANET and other networks) to advocate and influence government and international development partners on the negative external influences that cause food insecurity in Malawi, particularly food aid/dumping, seed security, GMOs, and trade-related agricultural policies.
- Conducting research on the negative impacts of IMF, World Bank and WTO policies on poor farmers as a basis for policy advocacy and campaign work. This will help in making inter-thematic links between food security, HIV & AIDS, women's rights, debt, aid and trade policies.
- Working to nurture commitment by government agencies and strengthen the emergency response capacity of institutions of poor people to food security related emergencies. We will target the most vulnerable, especially PLWHA and their families to assist them in regaining their livelihoods.

#### **Strategic Objectives:**

**(i) Improved household food and nutrition security as a right among poor and vulnerable groups, (especially women and people infected and affected by HIV & AIDS) through attainment of access to means of production (land, inputs, technology) and markets.**

**(ii) Mitigate against external influences (such as corporate control of inputs, food dumping, food aid, GMOs, WTO conditions on subsidies and TRIPs) that propagate food insecurity among vulnerable populations.**

#### **Expected Outcomes:**

- Farmer Associations/Cooperatives led by poor and excluded people actively participating in and influencing commodity pricing, accessing local and international markets and influencing national, regional and international trade.
- Poor and excluded groups, particularly women, having access to productive resources, including affordable farm inputs, land and technology, to increase food production for consumption and increased income.

- The HIV & AIDS infected and affected (both women and men) equally accessing adequate nutritious food which assures prolonged life.
- National level policy work on food security led by a vibrant food security movement that has representation by poor and smallholder farmers and linkages created with regional and international networks to address international issues promoting food insecurity.
- Rights of vulnerable people, including women and girls, to adequate and nutritious food respected during emergencies.

**d) Gender and Women's Rights** – because any efforts to eradicate poverty would be futile without focusing on the majority of the poor in Malawi who are women. Women make up the majority of Malawi's poor due to the vulnerabilities and inequalities created by patriarchal systems which empower men to take control of and make decisions on all aspects of women's lives. Analysis shows that access to education, food, HIV & AIDS treatment and care and to resources (credit, property, inheritance) is heavily skewed in favour of men.

We will deliberately and consciously focus our work on promoting gender equity and women's and girl's rights through:

- Adopting a twin-track '*mainstreaming*' and '*stand-alone*' approach to programme design and implementation to address existing gender disparities. Addressing gender and women's rights issues in education, food security, HIV & AIDS and in governance will be key to ensure a holistic approach to addressing root causes of poverty.
- Designing stand-alone policy and campaign initiatives on gender-based violence and violence against girls in education to address key issues affecting women and girls.
- Challenging the patriarchal systems and cultural beliefs and practices that perpetuate the insubordination and denial of the rights of women and girls to live dignified lives.
- Developing strategic and operational partnerships with women's organisations and networks to strengthen and build strong women's movements that will advocate for the legislation of policies and laws that protect and guarantee the rights of women and girls.

#### **Strategic Objective:**

**To support the emergence of a strong movement working at local, national and international level to champion the rights of women and girls to make decisions, gain access and control over resources and opportunities and to challenge patriarchy at all levels.**

#### **Expected Outcomes:**

- Gender equality and gender sensitive laws and policies enacted and reinforced through legislative advocacy and partnerships with law enforcement and justice delivery agencies.
- Greater political awareness, commitment and actions by government and society to implement treaties, declarations, conventions and protocols such as CEDAW, SADC and COMESA gender empowerment targets and Beijing Platform of Action plans to protect and fulfil rights of women to security, decision making, and participation in political and economic processes.
- Emergence of strong activist women's movements at grassroots and national level championing women's rights and challenging patriarchal systems, structures and behaviours.
- Specific programmes by government to implement the National Gender Policy focussing on building women's leadership and participation in political and economic governance.
- Gender sensitive planning and budgeting, reporting, HR policies, language and behaviour among AAIM staff and partners.

**e) Governance** – because it is explicit that in the Malawi context, achievement of social justice is heavily influenced by the balance between demand and supply of accountable governance. Although demand for

accountability has heightened in the past decade, with the enactment and establishment of relevant structures to enhance accountability, the execution of commitment to stamp out rampant corruption and promote accountability and transparency, is yet to be realised. Political and policy decisions on resource allocations by the state and donors to support pro-poor development has not benefited from popular participation by citizens. Budget and expenditure tracking processes by civil society show evidence of misappropriation of resources and lack of pro-poor targeting to reach out to vulnerable groups. The goal of achieving accountable governance at all levels of society within the social, economic and political spheres is key to ending poverty and ensuring the actualisation of rights by poor and excluded people.

Hence, we have established a governance theme that will focus on addressing the micro and macro socio-economic forces that propagate and sustain poverty, injustice, and violation of rights, particularly among women and girls. This theme will provide coherence and inter-thematic linkages focusing on poverty issues more generally, and acting as an information resource for thematic programme and policy work at field, national and international levels

In this strategy period we will focus on:

- Promoting participatory methodologies and practice that enable poor and excluded people to gain confidence and power, thereby creating demand for accountable leadership and governance at the local level and beyond.
- Supporting the strengthening of local democratic processes by building strong people's organisations and social movements for popular participation.
- Politicizing and raising public profile and awareness of key poverty issues to influence and shape public opinion for social change.
- Enhancing capacities of the poor and excluded to participate in and influence policy formulation processes, monitor and track policy implementation and resource allocation and expenditure using participatory tools and methodologies (participatory budget analysis, expenditure tracking, economic literacy, monitoring commitments such as MDGs, EFA).
- Working and supporting civil society partners (networks, coalitions and social movements) at national level to address macro socio- economic issues and governance, including engagement in monitoring the MPRSP/MGDS and other sectoral policy implementation processes to ensure social protection of the poor.
- Working in alliance with civil society actors to press for debt cancellation and establishing mechanisms to track the utilisation and impact of debt cancellation on investments in social sectors, and linkages with trade and new aid.
- Working with other Southern Africa country programmes (Mozambique, Zimbabwe, Southern Africa Partnership Programme – SAPP) and civil society organisations in the southern Africa sub-region to engage with regional economic and political institutions (SADC, SADC NGO Council, COMESA, and NEPAD) to promote regionalism and regional economic integration on critical issues, particularly trade, HIV & AIDS, food security, emergencies, education and women's rights.
- Active participation in international campaigns that strengthen the movement against poverty such as Global Coalition against Poverty (GCAP), anti-globalisation/neo-liberal capitalism campaigns and promoting South-South people's dialogue on these issues through the Malawi, Southern Africa, Africa and World Social Forums.

#### **Strategic Objectives:**

- (i) Increased capacity of the poor and excluded, people's organisations and civil society to dialogue, engage and take action on governance and macro socio-economic issues impacting on poverty.**
- (ii) Increased accountability, transparency and political and executive commitment of governing institutions to protect and fulfil the social and economic rights of citizens.**

## **Expected Outcomes:**

- Greater and genuine participation of citizens and civil society in poverty debates, policy dialogue and influencing decision-making on poverty issues at all levels.
- Enlightened citizenry taking action and engaging duty bearers on issues affecting their lives.
- Accountable, transparent institutions and agencies at all levels with respect to poverty issues.
- Political and executive commitment by state actors and donors in addressing poverty and social injustice.
- Fulfilment of commitments already made (MDGs, EFA, Abuja Commitments, international conventions and declarations)
- Policies of multi-lateral, bilateral donors, international development partners, multinational corporations supportive of pro-poor orientation and reflected in greater autonomy and sovereignty by the state to develop local home-grown strategies to eliminate poverty.

## **4.5 Programme Growth**

This strategy has both a growth and consolidation thrust. Given the magnitude and depth of poverty, the thematic priorities will guide the focus and intensity of our work. Achieving a healthy balance between our grassroots work and policy advocacy and campaign work at national and regional/international levels is critical to making significant contributions to poverty eradication within and beyond Malawi. We will move from over-concentrating our resources in seven DA programmes by phasing in eight new long-term development initiatives (six sponsorship funded) with optimum sponsorship levels of 1500-2000 sponsors while at the same time phasing out three old DA programmes and transferring the sponsorship links to the new initiatives. Our growth in long-term development initiatives (DI) with poor and excluded people at the grassroots will be achieved through developing partnerships with local organisations and people's movement, moving away from the AAI managed DA approach. We envisage that developing local partnerships will enhance building of local organisational and delivery capacity, reaching out to and scaling up our approaches and good development practice and building a larger constituency base for our policy advocacy and campaign work

Our national level programme, policy work and campaign will be expanded by establishing national programmes in all the five priority themes and recruiting thematic leaders and teams which will form the core of the Policy Team. At the national level we will focus on two specific campaigns (HIV & AIDS and Violence against Women). This way we will leverage influence and sustained impact by expanding our partnership base through developing strategic partnerships and alliances with civil society networks, coalitions, and women's movements. We will scale up our engagement at the regional and international level through the engagement of the Policy Team on specific international campaigns, building on the past involvement in the International HIV & AIDS, Food Rights and Trade campaigns. We will sustain our interests and desire to actively engage in an organisation-wide international campaign that focuses on women's rights.

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## Chapter 5: Organisational Implications and Strategies

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The mission goals and strategic objectives we have set are ambitious but nonetheless achievable. We do recognise the plethora of challenges we encounter as an organisation and as individuals on a daily basis in working to help make the world a better place for poor and excluded people. Their resilience and determination to overcome daily struggles and move out of the poverty trap is the inspiration that will spur and nourish our solidarity to join in their struggles and support their direct actions to end poverty and exclusion. Organisational assessments done as part of the programme reviews, place ActionAid International Malawi in an advantageous position to make significant impact on the lives of poor people. This is possible because of our human resources capacity, passion for what we do, depth of knowledge and experience, dynamism in our approaches and methodologies, strong funding base, and credibility as well as our work at the local, national and international levels.

The challenges identified in implementing the last strategy and the implications of the strategic priorities we are making in this new strategy necessitate that we focus on being more accountable, effective, dynamic and responsive to the environment and poor and excluded people we work with. We will need to make considerable investments in moulding and sustaining appropriate organisational structure, culture, profile and identity as well as human and financial resources. In addition, definition of programmatic and administrative support systems will be required in order to achieve the mission goals and objectives. The key organisational development areas that we will focus on are:

- a) Organisational structure and design (structure, roles, leadership, relationships, synergies)
- b) Organisational identity, profile and communications
- c) Human resources – competencies and motivation
- d) Enhancing organisational learning and promoting innovation and alternatives
- e) Resources mobilization (including influencing) and strategic allocation
- f) Enhancing financial integrity and accountability
- g) Strengthening internal governance

### 5.1 Organisational Objective 1: Enhancing Organisational Structure and Design

**Enhance organisational effectiveness by developing and implementing a flatter and less hierarchical organizational structure that clearly defines functions, roles, positions, and accountabilities to achieve our mission.**

We are committed to implementing a dynamic and flat organisational structure that will facilitate achievement of the stated objectives by defining the strategic functions, roles, teams, positions, relationships and linkages that will add value to our mission. The structure developed will ensure strong links between programme, policy and campaign work at local and national, regional, and international levels. Thematic leadership will be strengthened through appointment of competent staff at the national level to coordinate thematic programmes and policy influencing, advocacy and campaign work, as well as provide technical support to the field programmes. We will redefine the current roles of Programme Support Unit and other support functions to clarify linkages between thematic work and management of *Alps*-related functions.

We will decentralize and devolve power and authority to the field by re-defining the current structure and positioning competent staff in strategic areas depending on thematic and geographical priorities. Clear accountabilities for programme design, implementation, and quality assurance will be defined. Matrix working

relationships with multiple accountabilities will be promoted to ensure efficiency, synergy and learning between staff in a horizontal manner.

## **5.2 Organisational Objective 2: Enhancing Profile, Identity and Communications**

**Enhance profile and visibility of AAIM within and beyond Malawi as a leader and key actor in promoting fulfilment of basic rights for poor and excluded people.**

In order to position AAIM as a leading International NGO in the country, and within the region, we will need to raise our organisational profile and identity. In addition to scaling up our policy work at national and international levels through establishment of thematic work in the five priority themes, we will establish a communication function within the Country Directorate, recruit a competent communications team and develop a communications strategy. The function will develop and strengthen the communications systems and improve public relations between the organization and its partners as well as profile our work and the positions and actions we take on poverty issues. It will work in collaboration with other programs and policy units to address specific communication and media requirements that will lead to increased public awareness and help to shape opinion on key poverty debates.

To enhance our identity as a grassroots and policy-oriented organisation that addresses inequality and injustice in society, we will seek to contribute and influence poverty debates at national and international levels, taking advantage of our national and international status and linkages. We will produce promotion materials, documentation and publications (brochures, newsletters) and actively and regularly contribute to the ActionAid International website and intranet to raise the organisation's profile at all levels of our engagement, as well as well as increasing our accountability and promoting sharing and learning.

## **5.3 Organisational Objective 3: Human Resources Development**

**Develop and maintain a cadre of committed, competent and motivated staff that imbibe organisational values, promote team work and supportive leadership to achieve mission goals and objectives.**

The strategic programme shift in approach and mode of operations demands that we recruit and maintain competent and committed staff. This will require considerable investment in recruitment and building staff capacity that will target all cadres of staff within the organisation. AAIM is committed to addressing long and short term leadership and management skills development needs to enhance staff and team performance.

AAIM will deepen staff understanding of RBA and practice and internalization of Rights to End Poverty, this strategy and organisational values as required by *Alps*. In particular, building staff and organisational capacity to design and implement women's rights programmes and integration of women's rights issues in all interventions (inter-thematic linkages) is critical. Experiential learning through practice will enhance staff participation in promoting the rights of the poor, vulnerable and excluded people, as staff pick up new ideas and concepts at the field practice level, through participatory research and analysis, exposure visits and secondments within and outside the country programme. As we shift towards playing more facilitative roles, we will give prominence to the deepening of our understanding and skills in developing partnerships with and working with networks, coalitions and social movements.

The Human Resource/Organisation Development function will play a vital role in the ensuing change management processes, and in the revision of human resource systems, policies and standards to be in harmony with new ways of working and the Global Human Resource & Organisation Development Framework. Critical areas will include review and developing comprehensive recruitment procedures, performance management systems, staff motivation and job evaluation, grading and remuneration systems. The unit shall develop a comprehensive induction package which will help new staff to understand the operations of AAIM and its

culture and reinforce internalization of organisational values. The organisation will develop mechanisms to motivate and retain competent and value driven staff.

Despite extensive programme growth and expansion, the number of staff is estimated to reach a peak of 105 by 2007, declining to about 90 by 2010 as establishment of new programmes, partnerships and phasing out of old programmes continue apace. Affirmative action to address the low ratios of female to male staff, particularly in leadership and management positions will be taken to increase the ratio to 50:50 by 2008.

#### **5.4 Organisational Objective 4: Enhancing Learning and Promoting Innovation and Alternatives**

##### **Develop and strengthen mechanisms to improve learning and sharing and encourage innovation and development of alternatives to promote responsive and quality programme delivery.**

We shall strengthen learning and sharing mechanisms using the *Alps* framework by actively participating in local, national, sub-regional, regional and international development forums. We will develop and implement a learning strategy that is owned and shared by all staff. Lessons learnt will be used to redirect program design and delivery at all levels of our external engagement. Regular Participatory Review and Reflection Processes with poor and excluded, partners and other stakeholders will be reactivated to bring out poor people's voices and audit our performance and impact on their lives. Annual Staff Retreats, CSP mid-term reviews and project/programme evaluations will further enhance the learning process. A culture of creativeness, innovation, documentation, sharing and replication of best practices shall be promoted at all levels of our work.

We shall build staff capacity in use of information technology for documentation and dissemination of learning among staff and partners. We shall encourage and sustain publication of development practice from our experiential learning, and influence application of best practices amongst staff, partners, and funders. This will also require that we strengthen information technology use at all levels of the organisation, particularly in the field programmes.

This CSP will be a live document aimed giving us the flexibility to conduct periodic reviews of programmes and objectives in order to address the changing context and enable continuous learning, programme quality improvements and deepening our accountability to poor and excluded people and our supporters.

#### **5.5 Organisational Objective 5: Resource Mobilisation, Influence and Allocation**

##### **Diversify AAIM's funding base by developing sustainable partnerships with at least three key donors in order to raise official income to the level of 50-60% of programme funding to meet country programme funding needs, and focus the partnership on influencing donor approaches and the quality of funding.**

While income has generally been sufficient to support expansion plans at community and national level, the CP has largely depended on sponsorship income. With the strategic direction emphasising increased policy advocacy and campaign work at national and international levels, it is imperative that we require deliberate investment in non-sponsorship fundraising, building on recent successes in raising official funds locally. Considerable progress towards improving financial accountability, internal controls, enforcing compliance and raising staff sensitivity and awareness on cost-consciousness will become priority as more official funds are made available.

Over the next five years, we propose to increase income levels considerably by 57% from £3.9 million in 2004 to £6.13 million in 2009 as a result of growth and expansion of field and national programmes as well as engagement in regional and international policy and campaign initiatives. With the envisaged growth, we will identify new opportunities and explore new markets to raise funds to meet programme demands. The focus on issue-based programming implies that a significant volume of funding in non-sponsorship income should be raised. The Partnership Funding and Sponsorship function will spearhead the formulation of a resource

mobilisation strategy that embraces influencing donors and retaining their interest and support for our work. This will be achieved through developing partnerships with at least three key official donors, and with the private sector.

About 35% of our income will be spent on policy and influencing work as we work towards addressing the internal and external influences on poverty within and beyond Malawi. This will require a diversified funding base with flexible resources that will allow engagement at this level. Over the CSP period child sponsorship will remain the main stable funding base, contributing 57% in the initial strategy year (2005) and proportionally increasing partnership funding from 43% to 60% at the end of the strategy period as more partnership income is raised. The financial projections below provide further information.

### Resource projections from 2004 - 2010

	2004	2005	2006	2007	2008	2009	2010
	GBP'000	GBP'000	GBP'000	GBP'000	GBP'000	GBP'000	GBP'000
<b>Income</b>							
Sponsorship	2,640	2,597	2,564	2,533	2,524	2,480	2,450
Non sponsorship income	1,279	1,954	2,180	2,953	3,200	3,650	3,890
<b>Total Income</b>	<b>3,919</b>	<b>4,551</b>	<b>4,744</b>	<b>5,486</b>	<b>5,724</b>	<b>6,130</b>	<b>6,340</b>
<b>Ratio: Non sponsorship %</b>	<b>33%</b>	<b>43%</b>	<b>46%</b>	<b>54%</b>	<b>56%</b>	<b>60%</b>	<b>61%</b>
<b>Total Expenditure</b>	<b>3,532</b>	<b>4,973</b>	<b>5,141</b>	<b>5,467</b>	<b>5,670</b>	<b>6,150</b>	<b>6,150</b>
<b>Level of Expenditure</b>							
Local	1,874	2,730	2,866	2,930	3,150	3,217	3,500
National	1,576	2,194	2,227	2,489	2,465	2,863	2,900
Regional	82	9	10	12	15	20	30
International	-	40	38	36	40	50	60
<b>Total CSP Expenditure</b>	<b>3,532</b>	<b>4,973</b>	<b>5,141</b>	<b>5,467</b>	<b>5,670</b>	<b>6,150</b>	<b>6,490</b>
<b>Reserves</b>							
Opening Reserves	1,155	1,542	1,120	723	742	796	776
Closing reserve	1,542	1,120	723	742	796	776	966
<b>Number of Months</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>

### 5.6 Organisational Objective 6: Enhancing Financial Integrity and Accountability

#### Enhance financial integrity, accountability and transparency at all levels of programme design and implementation in compliance with organisational policies and procedures

With the strategic shift to working more with partners, continuous risk assessment, risk reduction and management will take a central role in enhancing transparency and accountability among our staff and partners. Review and rapid enhancement of the finance unit structure and systems capacities will be prioritised to respond to growing accountability demands. Finance teams will focus on ensuring internal control systems are tightened and that financial capacity building of partners is given due attention. Alignment of internal HR Policies to the Global and Local Finance Policies guidelines and manuals will be done to ensure staff are living and practicing organisation's values and demonstrate unquestionable integrity.

The shift to providing grants to local organisations and CBOs demands that procedures for partnership appraisals, selection, and monitoring expenditure will need to be reviewed and improved based on past lessons and best practice for enhanced financial integrity. The local finance policies will be revised in early 2005 to reflect the programme strategic shift and empowerment of the local implementing partners. We will strengthen audit capacity by recruiting more internal auditors to systematically carry out review of systems and ensure

compliance monitoring is carried out by staff and partners accountable for financial management at all levels. An Internal Audit Committee will be set up to provide management support to the internal audit function.

### **5.7 Organisational Objective 7: Strengthening Internal Governance**

**Enhance internal governance to achieve greater legitimacy and increase accountability to poor and excluded people, our supporters and funders.**

In line with the internationalisation process of ActionAid International and the organisational strategies in *Rights to End Poverty*, the Malawi programme will seek to be incorporated as a national organisation under the Trustees Incorporation Act and aim to be admitted as an associate member of ActionAid International by 2006; becoming a full affiliate by 2008. Consultations and communication with stakeholders, constitution development, recruitment and induction of a national board, and registration will be completed by end of 2006.

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