



MODERNIZING FOREIGN ASSISTANCE
INSIGHTS FROM THE FIELD: MALAWI

MARCH 2009

On the cover:

An orphan in Malawi picks cassava leaves which her village planted so she and the other orphans would have food. She is taken care of by her Aunt.

With support from the Hewlett Foundation, Save the Children USA and UK are collaborating on a research and advocacy program, examining the impact of aid at the country level and distilling best practices for policymakers.

The research contained in this report draws upon information that was gathered by Save the Children during a series of interviews and project visits conducted in Malawi in August 2008 by Fanwell Bokosi and Alice Burt. The research team gathered data from representatives of the United States Agency for International Development (USAID), other United States (U.S.) government agencies, international NGOs, local NGOs and civil society organizations, representatives of the Government of Malawi (GoM), other donors, and the beneficiaries of U.S. foreign assistance.

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Acronyms

ACT	artemisinin-based combination therapy	GoM	Government of Malawi
ADB	African Development Bank	HRSA	Health Resources and Services Administration
CDC	Centers for Disease Control and Prevention	MCC	Millennium Challenge Corporation
DA	Development Assistance	MGDS	Malawi Growth and Development Strategy 2006-2011
DFID	Department for International Development	PEPFAR	President's Emergency Plan for AIDS Relief
DHHS	Department of Health and Human Services	PMI	President's Malaria Initiative
DOD	Department of Defense	SWAp	Sector-Wide Approach
GHAJ	Global HIV/AIDS Initiative		

Save the Children is conducting research into the effectiveness of U.S. foreign assistance and producing case studies on a series of countries in Africa, Asia and Latin America. Save the Children believes that to become more effective, U.S. foreign assistance, which should prioritize poverty reduction, needs to be modernized to better address the challenges of the 21st century. To achieve this, we offer the following recommendations for the reform of U.S. foreign assistance:

- Improve the **internal coherence and responsiveness** of U.S. government development policies and foreign assistance;
- Enhance **local ownership and long-term sustainability** of U.S. development and relief initiatives;
- Focus on **better coordination** with other partners in the development community, particularly national governments;
- Increase **accountability for results**.

Key Findings

- Malawi's foremost development goal is to achieve lasting poverty reduction through infrastructure development and sustained economic growth. While U.S. assistance to Malawi targets generally the root causes of poverty, only about 10 percent is specifically aimed at promoting economic growth.
- Among U.S. agencies working on development issues in Malawi, USAID is the acknowledged leader due to its relative size, funds and experience on the ground, despite the complex relationships of authorities, responsibilities, capacities and funding within the U.S. mission.
- The introduction of large mandated programs, like the President's Emergency Plan for AIDS Relief (PEPFAR) and the President's Malaria Initiative (PMI), has created a funding imbalance and complicated efforts by the U.S. mission to address Malawi's development priorities or even its own priorities for Malawi.
- The United States has met some success building local civil society capacity.
- The United States and Japan are Malawi's only major donors that do not provide funds directly to the government of Malawi (GoM); nor does the U.S. use GoM systems, ignoring useful tools for building government capacity to manage Malawi's development.
- With budgets determined in Washington and significant hurdles to re-program funding, the U.S. is sometimes unable to respond quickly to local needs, is constrained in donor coordination meetings by a lack of delegated authority and is burdened by inflexible bureaucratic requirements.
- U.S. assistance is overly focused on outputs, with numerical targets and short-term success stories taking precedence over meaningful, sustainable change. This can discourage the U.S. and implementing partners from trying new approaches because of the difficulty demonstrating short-term statistical outcomes.

Rafick is being weighed with his mother Ndimali at the St. Martins Hospital in Malindi, Malawi.



Country Background

Malawi, a landlocked nation bordered by Zambia, Tanzania and Mozambique, is one of the poorest countries in sub-Saharan Africa. Among its population of 13.6 million people, 52 percent live below the poverty line, and 22 percent live in ultra-poverty, unable to meet their daily food needs.¹ Malawi's health indicators are among the worst in the world: The infant mortality rate is 76 deaths for every 1,000 live births; life expectancy is 37 years; and 12 percent of the adult population is infected with HIV/AIDS.²

The country has benefited from a relatively stable political climate since gaining independence from the United Kingdom in 1964, and its democratic government has made positive economic strides in recent years. Macroeconomic indicators have improved since 2005, with the economy growing at an average rate of 5.2 percent from 2006 to 2007.³

The Malawi Growth and Development Strategy (the MGDS 2006–2011) aims to achieve lasting poverty reduction through infrastructure development and sustained economic growth. Achieving this goal will require an expansion of the government's capacity to budget effectively, and manage and implement development programs, as well as increase both internal and external financial resources. The latter is particularly important as a substantial portion of Malawi's 2008 budget — 40 percent — was funded by \$600 million in foreign aid.

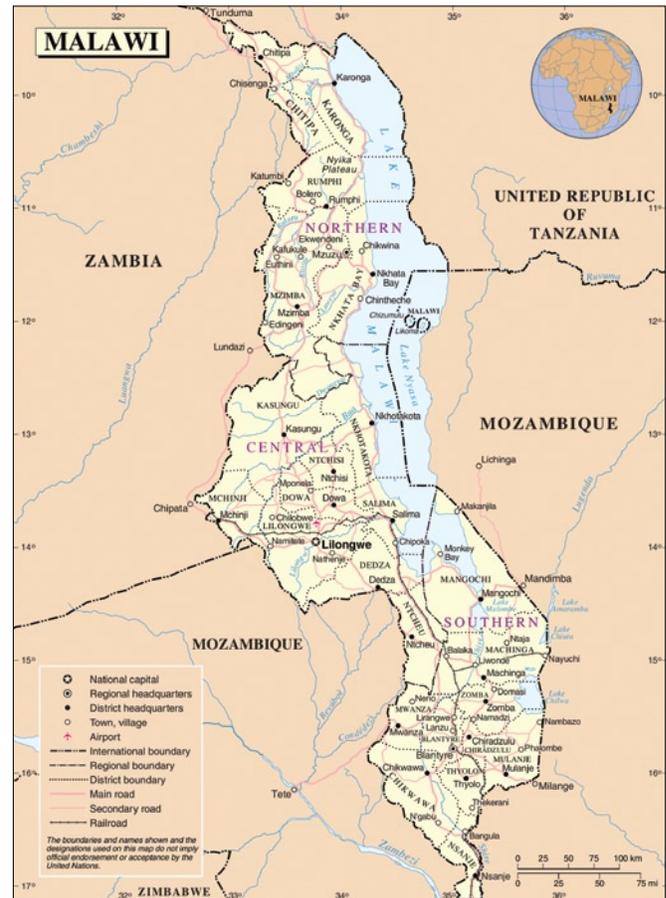
The United Kingdom is Malawi's largest donor. Its Department for International Development (DFID) provided \$139 million in 2007/08 to Malawi, up from \$108 million in 2003/04.

The Malawi Growth and Development Strategy

The MGDS articulates a vision for poverty reduction through six priority areas:

- Agriculture and food security
- Irrigation and water development
- Transport infrastructure development
- Energy generation and supply
- Integrated rural development
- Prevention and management of nutrition disorders and HIV/AIDS

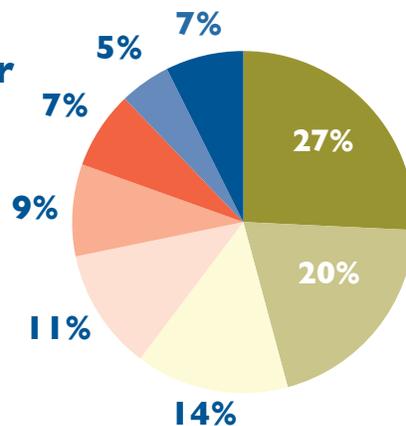
Republic of Malawi



United Nations Cartographic Section

Figure 1: Development Support to Malawi by Partner (averaged over 2004–2007)⁴

Seven donors account for more than 90 percent of Malawi's development assistance: United Kingdom, World Bank, EU, Norway, the United States African Development Bank and United Nations.



- UK
- World Bank
- EU
- Norway
- USA
- ADB
- UN
- Other

U.S. Government Assistance to Malawi

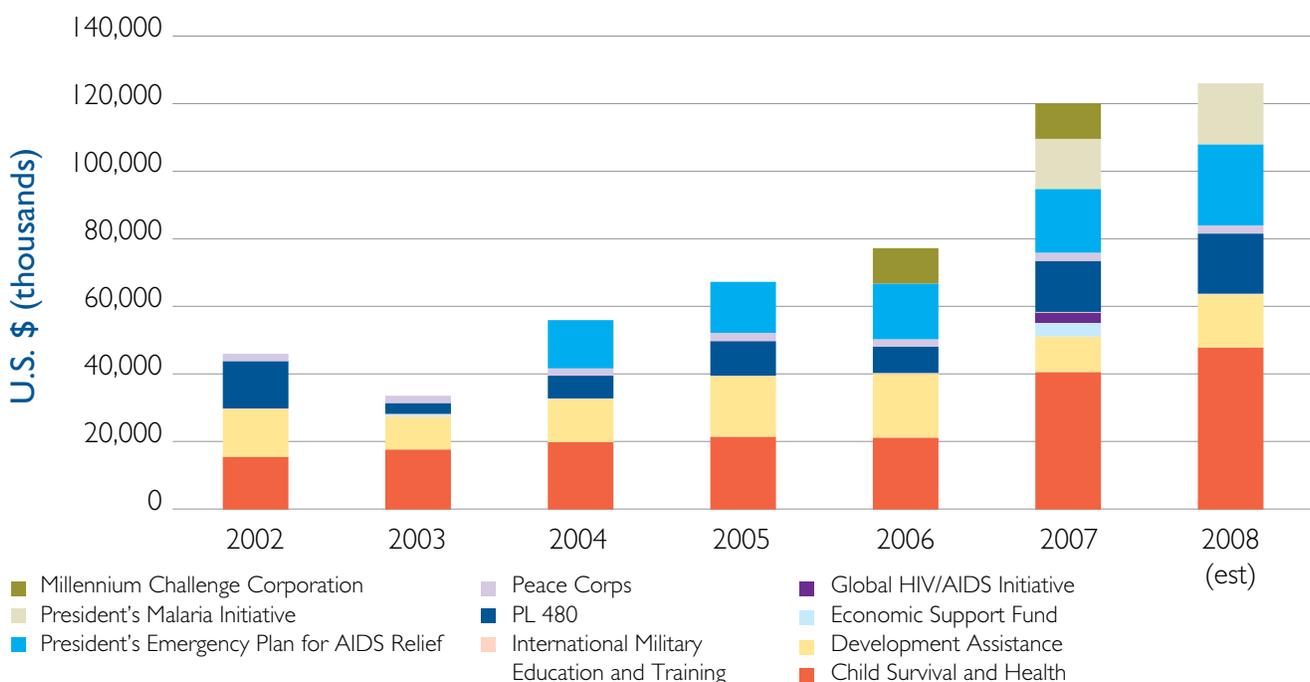
The United States has been providing development assistance to Malawi for more than 40 years, working in partnership with the Malawi government, NGOs, private organizations and the private sector. The U.S. has been the fifth largest donor since 2004, contributing an average of 9

percent of Malawi's development assistance from FY2004 to 2007. In 2008, U.S. aid to Malawi totalled \$123 million.

U.S. foreign assistance to Malawi generally focuses on projects targeting the root causes of poverty in Malawi: illiteracy, HIV/AIDS, low agricultural productivity and poor educational standards.⁵

Figure 2: US Funding to Malawi 2002–2009⁶

U.S. aid to Malawi has increased dramatically in recent years, though the direction of funds has fluctuated considerably from sector to sector. Presidential initiatives on malaria and HIV/AIDS have had a noticeable impact on the level and direction of U.S. support.



Improving U.S. Development Coherence

Coherence and coordination of donor development activities and policies allow financial, political and human resources to be used most effectively. Internal coherence and clarity of organization also allows the United States to leverage and link its policies and resources with partner governments and U.S. NGOs and philanthropies, promising more development impact.

The increasing number of U.S. foreign assistance entities, such as the Millennium Challenge Corporation (MCC), and presidential initiatives, such as PEPFAR and PMI, raises concerns about the United States' ability to engage effectively in coherent, long-term development in partner countries.

Four main entities have a consistent presence in Malawi: USAID, the Centers for Disease Control and Prevention (CDC) of the Department of Health and Human Services (DHHS), the U.S. Embassy and the Peace Corps. Two additional entities have been involved in implementing PEPFAR programs, namely the Department of Defense (DOD) and the Health Resources and Services Administration (HRSA).⁷ If and when an MCC compact is signed, one can expect a fifth permanent U.S. agency, the MCC, on the ground in Malawi.

A Complex Web of Relationships

Among U.S. agencies working on development issues in Malawi, USAID is the acknowledged leader due to its relative size, funds and experience on the ground. This is true despite the tangled relationships of authorities, responsibilities, capacities and funding:

- USAID implements programs for the State Department under the PEPFAR Global HIV/AIDS Initiative (GHAI) and for MCC. In 2008, USAID also implemented at least four other presidential and congressional programs or initiatives (PMI, the Presidential Initiative to End Hunger in Africa, the Presidential Africa Education Initiative and the School Fees Initiative) at the same time it was implementing its “normal” development programs.
- The embassy is responsible for small self-help projects and also manages an HIV/AIDS prevention program with funding from PEPFAR, which is a coordinating body in the State Department. The GHAI funds support a project with the Malawi Defense Forces using military personnel hired by the State Department.
- CDC is implementing HIV/AIDS programs and malaria programs funded by the State Department's PEPFAR/GHAI as well as with its own funds.
- Peace Corps, DOD and HRSA receive funds from PEPFAR/GHAI to implement HIV/AIDS programming.
- All United States' HIV/AIDS activities in Malawi are coordinated by an in-country State Department coordinator funded by GHAI.

The complexity of relationships perhaps explains the support by both USAID and embassy representatives for increased joint planning and the “One Mission” agenda initiated under former Secretary of State Rice's Transformational Diplomacy efforts. According to U.S. staff, working more closely together has allowed USAID staff, State Department staff and the political/diplomatic corps within the embassy to take advantage of each other's respective expertise and access. USAID staff noted that the MCC Threshold program addressed some issues that USAID was unable to fully fund through its own Governance and Democracy program.

15-year-old orphaned by AIDS is grinding corn she received as part of the Save the Children drought relief program in Malawi. She lives with her aunt in Chikolomo Village.



Box I: Total Planned Resources for HIV/AIDS, FY2007⁸

U.S. Entity	Global HIV/AIDS Initiative	USAID/Child Survival and Health	CDC/Global AIDS Program	Total
Peace Corps	180,500	0	0	180,500
Department of Defense	130,000	0	0	130,000
CDC	1,615,138	0	3,602,000	5,217,138
DHHS/HRSA	273,362	0	0	273,362
USAID	570,000	12,385,000	0	12,955,000
State	131,000	0	0	131,000
Total	2,900,000	12,385,000	3,602,000	18,887,000

U.S. HIV/AIDS programming in Malawi is handled by three different funding sources and six different organizations.

“Development and poverty reduction are approached as an interagency team. It’s not just USAID’s job,” said one U.S. official. However the establishment of an MCC office with its own staff and project may challenge the leadership role of USAID in Malawi. The addition of yet another U.S. government entity in Malawi will certainly increase the challenges both within the U.S. mission and for external stakeholders.

Development Crowded out by Inflexible Funding

A strategic and coherent approach to development requires appropriately directed funding. Initiatives and priorities determined outside of Malawi challenge the ability of USAID to promote a coherent response to Malawi’s unique needs.

For example, PMI addresses real needs and is strongly supported by both USAID in Malawi and the Malawi government. PMI filled a critical gap in the national budget with a one-year’s supply of artemisinin-based combination therapy (ACT) drugs. However, the introduction of this large independent program has created an imbalance in funding and stymied efforts by USAID to address Malawi’s development priorities or even its own priorities for Malawi. PMI funding went from zero in 2006 to \$15 million in 2007, whereas the Development Assistance account for Malawi went down by 25 percent between 2002 and 2007. Traditional USAID accounts increased modestly, if at all, from 2002 to 2008 compared to presidential initiatives (see Figure 2 on U.S. funding).⁹

The “hard” targets for HIV/AIDS and malaria in FY 2007, have dramatically reduced funding for activities that directly promote the GoM goals for economic growth, education, democracy and governance and other health programs...

–U.S. Ambassador to Malawi, Alan Eastham

Alan Eastham, U.S. Ambassador to Malawi, felt compelled to address USAID Administrator Henrietta Fore on the matter:¹⁰ “...(A) reduction of resources from the Development Assistance (DA) account, combined with the “hard” targets for HIV/AIDS and malaria in FY 2007, have dramatically reduced funding for activities that directly promote the GoM goals for economic growth, education, democracy and governance and other health programs... USG funding for economic growth and agriculture is inadequate to be truly transformational in this area.”

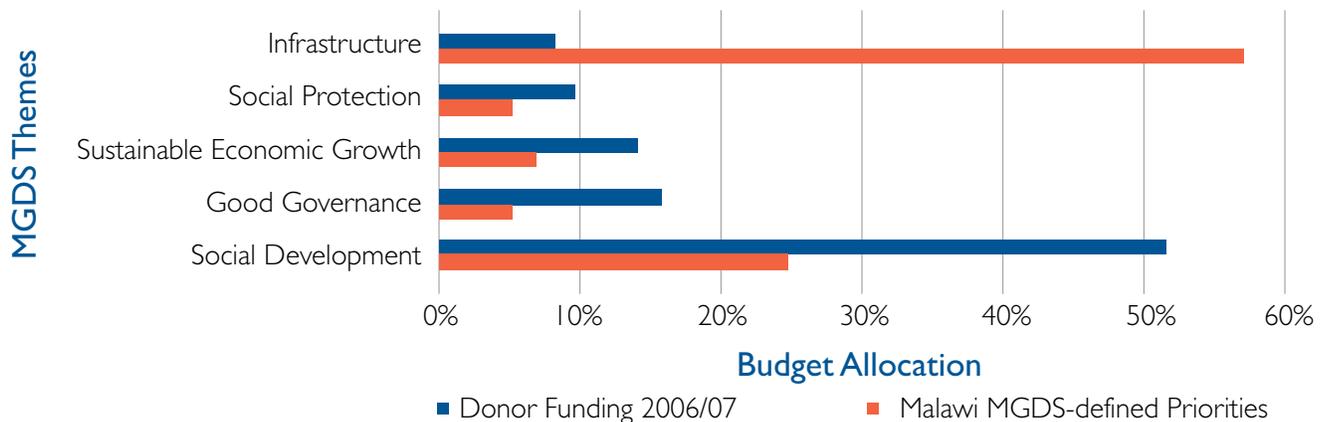
Enhancing Local Ownership and Sustainability

Effective development assistance equips countries and people with the resources to significantly reduce poverty and to fulfill basic human needs and rights. Host government capacity to lead development often can be

weak. Donors can strengthen and support capacity by ensuring that their funding and programs are transparent, reliable, and in line with locally developed strategies; and that they use country systems wherever possible.

Figure 3: Government vs. Donor Priorities

The chart highlights the gap between the focus of financial donations from donors (with 2006/07 as an indicative year) with the requested budget requirements in the Malawi Growth and Development Strategy 2006–2011. Malawi's national priorities of sustainable economic growth and infrastructure fall well behind social development in actual donor funding.¹¹



Empowering Local Voices: Millennium Challenge Corporation

In 2005, the U.S. Millennium Challenge Corporation awarded Malawi \$20.92 million to implement a two-year program focused on improving the country's legislative and judicial branches, providing support to anti-corruption agencies, strengthening independent media coverage and building civil society capacity. The MCC, a signature initiative of the Bush Administration, is based on the principle that aid is most effective when it reinforces good governance, economic freedom and investment in people. Participation requires high-level engagement and leadership by the partner government, as well as civil society and other domestic stakeholders.

There is a strong sense of national ownership over Malawi's recently completed Threshold Program and the planning of its successor Compact. Malawi's MCC

Compact team enthusiastically singled out MCC's approach of identifying one or two key constraints and working to address them in their entirety. The ability of MCC's funding to be untied from the procurement of U.S. goods and services and to be reported on the national budget were also warmly welcomed.

GoM interviewees noted that the responsiveness of USAID, which implemented for MCC in Malawi, and MCC back in Washington helped to simplify and speed the process of developing the Threshold Program. For its part, USAID found that the Threshold Program on governance, anti-corruption and financial management complemented USAID's own Democracy and Governance program and helped fill gaps the agency had identified in its activities.

Malawi's national development strategy (the MGDS 2006–2011) is based on a strong sense of local ownership and on the participation of a wide range of stakeholders. However, donors are not aligning their spending with the strategy. Foreign funding concentrates strongly on social sectors (primarily social development) whereas the MGDS clearly prioritizes infrastructure development (see Figure 3).¹²

We need to look critically at what is ideal for each country because each country is different. If each country was given that chance to really prioritize what it wants, what is important, then we could really make some difference to poverty.

—Government of Malawi official

In the Joint Country Programme Review for 2007, which included the GoM and all donors operating in Malawi, the Minister of Finance expressed his concern, “that donors are concentrating on social sectors despite the focus of MGDS on economic growth through infrastructure development. Part of the reason for this is that donors believe that social development expenditure, for example, on health is concomitant to economic development.”¹³

While the U.S. development focus on food security, health services and economic growth aligns with the national strategy, it does not include infrastructure development, despite its high priority for the Malawian government.¹⁴

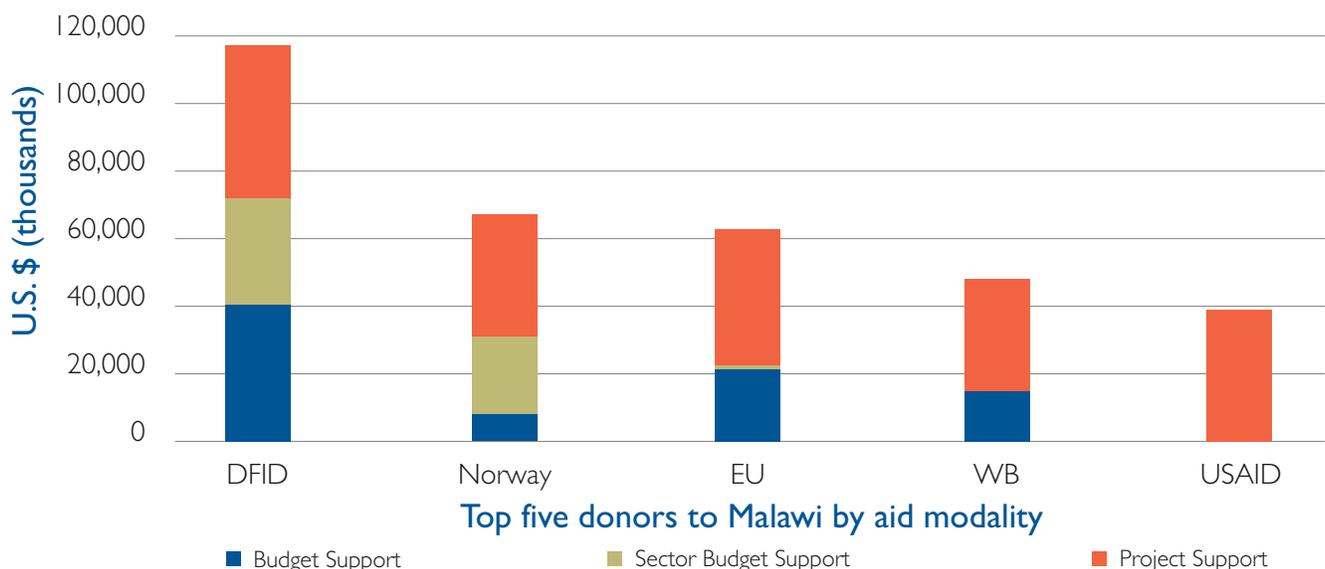
U.S. foreign assistance to Malawi has become increasingly one-dimensional with funding for health-related projects growing from approximately one-third of the U.S. contributions to well over half in subsequent years and reaching almost 64 percent in 2008 (see Figure 2). Funds for infrastructure and economic growth are minimal.

Budget Support: An Unused Tool

One way to increase sustainability and local ownership is for donors to provide funds directly to a host government when conditions permit. General budget support is the provision of funds to the host government without specification as to use; sector budget support provides funds for the government's use in a specific sector, typically based on a previously agreed-upon sectoral strategy.

Foreign assistance for budget or sectoral support can increase local government ownership. It allows funding to be directed according to host government priorities, may build the capacity of government departments to manage and implement programs, and may enhance the social compact between government and citizens. However, where the recipient government has limited capacity to manage funds, it may take longer to see actual results from budget and sector support; and accounting for where and how the funds have been spent may be less transparent.

Figure 4: Donor Aid by Method of Delivery 2006-2007¹⁵



Most donors use a variety of aid models, including project support — i.e., targeting distinct projects, with funds and control resting outside the recipient government’s hands. In total, 67 percent of foreign aid to Malawi was provided as project support in 2006/07.¹⁶ This represented an increase of 7 percent from the previous fiscal year. Save the Children’s research found that donors generally lacked confidence in the government capacity for financial management, even though they felt that it was moving in the right direction.

Like all donors, the United States provides project support. However its exclusive reliance on project support contrasts with that of other major donors. DFID, for example, provides only 38 percent of its funds through project support with the remaining split between budget and sectoral support (see Figures 4, 5 and 6 for the breakdown of how different donors deliver their aid to Malawi). Malawi government officials and other stakeholders mentioned the U.S.’s exclusive use of project support as a significant problem.

The U.S. reliance on project support stems in part from its dissatisfaction with the Malawi government’s performance in three sectoral budget support projects. Delays in meeting targets, a lack of government vision, and inappropriate fiscal and monetary policies pursued by Malawi were identified as major concerns.¹⁸ However, the lack of interest in any mix of budget and project support may undermine the U.S. relationship with Malawi as well as other donors, and override identification of appropriate opportunities for building the capacity of the Malawian government.

Use of Country Systems and Mechanisms

A country with high dependency on foreign aid, like Malawi, needs to have an accurate picture of likely annual development assistance in order to budget effectively, avoid duplication and align spending with national development priorities. One government official noted: “Money that falls outside of the budget cannot be redirected to where it’s most needed,” even if the government is able to identify those funds. USAID insists that it reports all project disbursement information to the Malawian Ministry of Finance, although representatives of the Ministry told the research team of the difficulties they face accurately keeping track of U.S. assistance.

Figure 5:
British Aid to Malawi:
Method of Delivery, 2006/07¹⁷

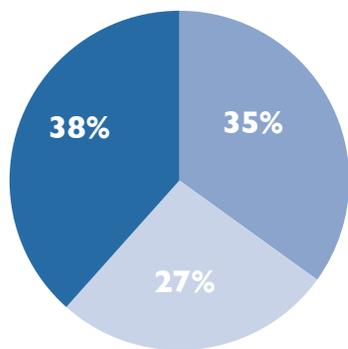
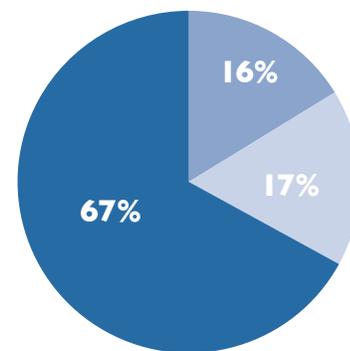


Figure 6:
All Donor Aid to Malawi:
Method of Delivery, 2006/07¹⁹



PROJECT SUPPORT
 BUDGET SUPPORT
 SECTOR BUDGET SUPPORT

If money never comes through government, it [government] will never improve.

—Donor

The use by donors of host government systems and mechanisms for procurement, reporting and tracking of expenditures can address these issues.

Most donors use government mechanisms where appropriate and possible. In 2007, 65 percent of DFID disbursements used Malawi public financial management systems and 44 percent used its procurement systems.²⁰ In the same year, an astonishing 99 percent of Norway’s funds used the public financial management system while 65 percent of the funds were expended through the Malawi government’s procurement system.²¹

The U.S. does not use Malawi’s public financial management or procurement system at all. An example of the lost potential is the President’s Malaria Initiative (PMI) in Malawi. In FY 2007, PMI allocated \$18.5 million for operations in Malawi. Out of this, about \$12 million was spent on commodities — malaria nets and anti-malarial drugs. The drugs have been of tremendous assistance to Malawi. However, as explained by a government representative, USAID also required a separate supply

chain tracking system to monitor drug distribution and use. Instead of strengthening government procurement capacity and commodity management systems, U.S. funding added further administrative burdens to an already under-capacitated system.

Building Local Ownership and Sustainability through Civil Society

The U.S. has been more successful in working with civil society to build local ownership and ensure sustainability. Domestic NGOs can play a vital role in extending services at the community level, bringing local voices to the attention of national and international policymakers, and holding various stakeholders and service providers accountable.

The rigorous project planning, grant application procedures and reporting requirements necessary under U.S. funding are very challenging for Malawian NGOs, but NGOs acknowledged that the experience in accessing U.S. funding enabled them to attract funding from other donors. Working with civil society requires a long-term engagement and acceptance that results may not be available in one year.

Empowering Local Voices: The Umoyo Network

When four HIV-positive Malawians met in 1993, they had few expectations — only a desire to stick together. Gathering courage, the four began to speak out about the problems they and others affected by HIV/AIDS faced, forming an organization that later became the National Association of People Living with HIV/AIDS in Malawi (NAPHAM).

In 1999, USAID and Save the Children with three other international NGOs established the Umoyo Network to provide technical assistance and sub-grants to 15 Malawian NGOs, allowing them to build capacity and scale up HIV-related services. USAID funding helped to strengthen the NGOs’ governance structures, increase its ability to respond to donors, and become better able to engage, advocate and influence policies related to the

rights and needs of people living with HIV/AIDS. NAPHAM, a member of the Umoyo Network, now has more than 20,000 members, 70 percent of whom are women, and it is a formidable player in HIV/AIDS activities in Malawi.

“There was more interaction with Umoyo than other donors. Umoyo provided us with a lot of guidance, which made our NGO much stronger.”

—Representative, Malawian NGO

Increasing Coordination with Partners

The impact and effectiveness of foreign assistance can be enhanced when bilateral and multilateral donors coordinate and work closely with other donors and assistance actors (including bilateral, multilateral, private philanthropists and NGOs). Coordinated planning, multi-donor trust funds, joint monitoring and evaluation missions, pooled funding, information sharing — are activities that can lead to more efficient implementation and use of limited aid resources, alleviating the burden on developing nations forced to work with dozens of donors and hundreds of projects, and potentially minimizing the variety of sectoral expertise required by donors. For the U.S. to be effective requires a commitment to coordination and harmonization of funding plans, as well as the flexibility and delegated authority to respond to opportunities identified through such cooperation.

Donors in Malawi are becoming increasingly harmonized in their provision of development assistance. Currently, pooled funding exists for a health sector-wide approach (SWAp) as does pooled funding for HIV/AIDS. The U.S. coordinates with other donors by funding discrete initiatives that all agree are necessary components of the health and the HIV/AIDS pools but does not pool funds.

General budget support is also provided in a harmonized way through the Common Approach to Budget Support group, whose members include DFID, the European Commission, Norway and the African Development Bank. The World Bank, International Monetary Fund, United Nations Development Program and Germany are observer members — donors committed to providing budget support but who are not yet doing so. The U.S., which has no plan to provide budget support, does not observe or participate.

Lack of US Mission Flexibility

Malawi officials and other donors expressed concern that a lack of country-level flexibility affects the U.S.'s ability to align its programs with those of the national development strategy or other donors. With the budget effectively decided by Washington, the U.S. mission had very limited ability to quickly reprogram its funding. One respondent estimated that USAID might be able to reprogram only as much as \$2 million to \$3 million. One example of this being put to good use is the current reprogramming of funding to meet shortfalls in the malaria drug supply chain. But despite this success, in comparison, the DFID mission had authority from their head office for spending decisions of as much as £20 million. This inflexibility can constrain USAID in playing the role of an effective yet agile development partner.

In the past two years, no one from the field participated in the budget process.

—USAID official

Although USAID is confident that it coordinates adequately and effectively with donors and development partners, the research team heard a less positive perspective from other members of the development community. They reported that at times USAID seems unable to contribute effectively in donor coordination meetings, that it lacks authority to respond quickly to local needs and often seems burdened by inflexible bureaucratic requirements. According to one of the largest donors to Malawi, Washington needs to give its missions, “delegated authority to make decisions and respond to issues.”

In some cases, the USAID mission staff felt helpless to respond to issues on the ground or new opportunities, even in cases where those opportunities fit within the strategic framework and could have led to a positive impact on the poor. In one case, DFID had been implementing a large teacher training program with which USAID would have liked the flexibility to pool funds. Mission staff said that if another donor put together a good package, they would like the option to combine funds and efforts rather than set up another parallel project in the same sector. At present, they did not see this course of action as available to them.

One senior U.S. official suggested that the USAID mission could have a portion of funds to respond to opportunities on the ground, something like a “contingency fund.” Another U.S. representative commented that he would like, “more flexibility to fund along the continuum of funding options.” Because of this rigidity of funding options and allocation of resources to strategic priorities, mission staff felt that U.S. development priorities were not adequately taking into account Malawi’s priorities.

Empowering Local Voices: National Association of Smallholder Farmers of Malawi

Rural farmers in Malawi have few assets, low income levels and little or no formal education. In 1995, USAID funded Agriculture Cooperative Development International and Volunteers in Overseas Cooperative Assistance (ACDI/VOCA) to support liberalization of the agriculture sector. Member clubs gave smallholder farmers access to better information, reduced expenses through bulk purchases and offered training in business, finance and marketing. Agribusiness associations formed at the district level. By 1998, these associations had banded together to form the National Smallholder Farmers’ Association of Malawi (NASFAM).

Today, NASFAM is a holding company with more than 100,000 members. It organizes cheaper, easier and safer transportation of produce to markets for members and links them to badly needed credit and fertilizer markets. NASFAM subsidiaries buy produce from members at competitive prices, provide farmer inputs through its chain of supply shops and encourage access to international fair-trade markets.



Sample of products produced and marketed by NASFAM

NASFAM products have gained a foothold in international fair-trade distribution channels. Although a good example of the U.S. sustainably building local ownership and addressing poverty, the Development Assistance account levels that might fund future programs like NASFAM are increasingly squeezed by a Washington focus on HIV/AIDS and malaria.²²

Accountability for Results

Local NGOs implementing U.S. funded programs expressed concern over U.S. monitoring and evaluation requirements. Reporting, monitoring and evaluation make demands on both time and money, and meaningful, long-term change and poverty reduction can be difficult to capture in six-to-twelve month increments.

Compared with other donors, the targets and indicators outlined in the USAID Operational Plan are overly focused on outputs, not results, with numerical targets and short-term success stories taking precedence over meaningful, sustainable change. While USAID does track and report against higher level and longer-term impacts for countries at the Program Area and Functional Objective levels, the perception among implementing partners remains that “USAID wants to see numbers and changes” in unrealistic or unsustainable timeframes.

There are some cases in which we would like to be able to experiment with new approaches (in HIV/AIDS prevention, for example) where it is not possible to assign numerical targets to outcome.

–U.S. Ambassador to Malawi Alan Eastham, memo to Henrietta Fore, November 15th, 2007

In some cases, experimenting with new approaches to HIV/AIDS prevention have not been possible because of the difficulty in demonstrating short-term statistical outcomes against difficult-to-measure shifts in behaviors and attitudes. Even USAID acknowledges that, “there is a certain focus on output not outcomes” to its monitoring and evaluation approach.

U.S. staff in Malawi face similar demands and pressures from headquarters. They noted that they have to deal with “multiple reporting and planning platforms with leaner staff” since they now have to report against the Mission Operational Plan on top of reporting for PEPFAR and PMI. This has noticeable consequences on the work of field staff. “The year has become very fragmented around what has to be done at what time of the year. It leaves us with less time to get out into field and to look at what our partners are doing.”

A USAID-funded NGO consortium started a project in 2003 with 28 indicators. As the new monitoring requirements of the State/USAID reform process rolled out, the project had to add four additional indicators. In 2005, when PEPFAR began to contribute funding to the program, a further 21 completely new indicators were added.

Endnotes

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2. Malawi National Statistical Office (NSO) and ORC Macro, *Malawi Demographic and Health Survey 2004*, Calverton, Maryland: NSO and ORC Macro, 2005.
3. IMF, *Malawi Country Report No 08/03*, 2008.
4. Malawi Ministry of Finance, *Debt and Aid Report 2006/2007*, p.6.
5. U.S. Department of State, *FY 2007 Operational Plan Performance Report for Malawi*.
6. USAID and the Department of State, *International Operations Congressional Budget Justifications, FY 2002 to FY 2009*; Peace Corps, Congressional Budget Justification, Fiscal Year 2008, p.135; and Fiscal Year 2009, p.136.
7. The Health Resources and Services Administration (HRSA) is an entity of the Department of Health and Human Services.
8. PEPFAR, *FY 2007 Funding for Other PEPFAR Countries by Agency and Account*, Available from <http://www.pepfar.gov/about/91050.html>
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10. U.S. Department of State Fiscal Year 2007 Operational Plan Performance Report for Malawi, Endorsement Memo for Amb. Henrietta Fore, November 15, 2007, p.4.
11. Malawi Ministry of Finance, *Debt and Aid Report 2006/2007*; Malawi Growth and Development Strategy 2006-2011.
12. Malawi Economic Justice Network, *Increased Budget Transparency and Accountability for the Fiscal Year 2007/08*, 2008. Malawi Government allocations in the 2007/08 budget likewise allocated the highest share to economic growth (agriculture had 11.9% of the total) with lesser percentages for health (10.4 percent) and education (7.2 percent.) Malawi Ministry of Finance, *Debt and Aid Report 2006/2007*; Malawi Growth and Development Strategy 2006-2011.
13. Malawi Government, *Joint Country Programme Review 2007*, July 2007, p.4.
14. U.S. objectives are from 2000 and include the following: (1) Promote economic growth through agricultural development; (2) Improve social services through education and health; (3) Enhance food security through increased and diversified household income and targeted food aid; and (4) Improve governance through increased public and private oversight and government accountability. USAID Malawi brochure, undated.
15. Malawi Ministry of Finance, *Debt and Aid Report 2006-07*.
16. Ibid.
17. Ibid.
18. Ibid.
19. USAID, *General Budget Support and Sector Assistance: Malawi Country Case Study, Bureau for Policy and Program Coordination*, 2004.
20. OECD/DAC, *2008 Survey on Monitoring the Paris Declaration: Effective Aid by 2010? Vol. 2 Country Chapters, Malawi*.
21. Ibid.
22. Images taken from paper presented by D Chibonga, the international workshop on 'Strengthening and Widening Markets and Overcoming Supply Side Constraints for African Agriculture' held at Taj Pamodzi Hotel from June 3-5, 2007 in Lusaka, Zambia. Available from <http://www.agritrade.org/events/speeches/zambia/Chibonga.pdf>
23. U.S. State Department December, 2008.



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