

United Nations



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PRO/300/RC

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Dear Secretary General,

On behalf of the United Nations Country Team (UNCT) Malawi, I am pleased to submit to you the Resident Coordinator's Annual Report for 2010. The year provided us with a good opportunity to accelerate progress towards our goals, as outlined in the UNDAF/One Plan and to pursue our innovative and catalytic approach to Delivering as One.

Politics

The issue of who succeeds President Bingu wa Mutharika, when his constitutional two-term mandate expires in 2014, is increasingly dominating the political agenda and is expected to heighten tensions as the next elections approaches. Recently, political manoeuvring and tensions in the ruling Democratic Progressive Party have led to the expulsion of the Vice-President, believed to be a key contender, and several ministers. The president's own brother, the current Minister of Education Hon. Peter Mutharika is being mentioned as a possible candidate.

In 2010, the President of Malawi was elected chairman of the African Union (AU). This has helped raise Malawi's international profile and political visibility. The long-awaited local government elections, which will usher in councillors, are scheduled to take place in 2011; a positive development which will consolidate decentralisation of power and enable local communities to hold their leaders accountable for service delivery. The recent suspension of the Malawi Electoral Commission by the President on allegations of fraud and mismanagement appears to have cast a shadow on the country's ability to adequately prepare for the elections.

In late 2009, a same-sex couple was arrested and later sentenced to 14 years in prison based on an outdated penal code. On the occasion of the Secretary General's visit to Malawi, the President pardoned the couple. While these laws still remain in force, in early December Parliament passed an amendment to the Penal Code that criminalized "unnatural acts between women". At the same time, Parliament also endorsed changes that would give the Minister of Information and Communication, scooping powers over the media. Both changes seem to be at odds with stipulations in the national constitution and international agreements and obligations the country has freely entered into.

On all these fronts, the government has come in for heavy criticism from civil society and development partners, but to no apparent avail. The UN Country Team engaged UNOHCHR,

who is a non resident member and was gratified to see an immediate reaction from the High Commission and the Special Rapporteur on the Freedom of the Media.

Economy

Malawi's economy is predominately agricultural, with about 80 percent of the population living in rural areas. Agriculture accounts for more than one-third of GDP and 90 percent of export revenues. The performance of tobacco is key to the growth of the economy, as it accounts for more than half of the country's exports. The recent world campaign against burley tobacco, which is the dominant variety grown in Malawi, is likely to have an adverse impact on long term prospects for growth. The Government and key development partners such as the EU and the World Bank have started to place more emphasis on development of the mining sector. Inflation in 2010 remained stable within single digits. The Malawi Kwacha also remained stable against the currencies of the major trading partners, mainly because the government allowed it to float only within a fixed band. An overvalued Kwacha created an artificial demand for foreign currency which over time has resulted in pressure on national reserves, import restrictions and at times fuel shortages.

Food Security

The government's farm input subsidy program contributed to a bumper maize harvest that resulted in a maize surplus of over 800,000 metric tonnes. Malawi's experience in turning from a net food importer to an exporter has generated well-deserved international interest and the country is being seen as a model in food sufficiency. The President has since launched the African Food Basket Initiative which will draw on lessons from Malawi. However, Malawi continues to suffer from malnutrition and hunger. In November 2010, the Malawi Vulnerability Assessment Committee signalled that due to sporadic droughts mainly in the south of the country, 500,000 people are in peril of not meeting their food security requirements.

Summary of Progress towards UN Reform

The Malawi UN Country Team started 2010 with new momentum. At the UNCT annual retreat, the team agreed not only on its 2016 vision statement but also on "shared leadership". While our concept and approach could be debatable, given Malawi's context, it is simply the best way to proceed with Delivering-as-One in a country where the government is striving to overcome fragmentation and line ministries play an important role vis-à-vis the central ministries in their internal processes.

Together with other pilot countries, Malawi undertook a country-led evaluation of Delivering as One. The evaluation was managed by a tripartite technical committee involving the government, the UN and the development partners. The findings revealed that the hard work of the last two years is paying off - the government and development partners shared the view that the UN has become more responsive and aligned to national development priorities. This is critical as the UN is gradually moving from being supply driven to demand driven.

As part of our efforts to align with the national development processes, a Country Assessment was undertaken to identify the key challenges facing the Government at the inception stage of the national planning process. The formulation of the Malawi Growth and Development Strategy (MGDS) 2011-2016 started without a clear overview of pertinent evidence and data, particularly in the social sector. This was critical for the process as the population census had not yet been fully analyzed and data collection for the Demographic Health Survey and the Integrated Household Survey had not yet been completed. The findings of the country assessment provided the government with a salient overview of available data and policy options to inform the drafting of the new MGDS. The UN is determined to find innovative ways to positively and effectively influence the national planning process by closely engaging in the sector working groups and the drafting committee.

The finalisation of the UN Transformation Plan 2010/2011 was another milestone. Being a logical successor to the UN Business Plan 2008/2009, the Transformation Plan builds on the DaO gains made since the start of the current UNDAF (2008-2011) and at the same time takes into account discussions and recommendations made during the March visit of the High-level Committee on Management. The Transformation Plan covers the period 2010 to 2011 and as such supports the drafting of the new UNDAF, One Plan/One Budget and all associated change management initiatives required to effectively align our programme to the MGDS. The Transformation Plan has two specific areas which focus on benchmarking progress in DaO and improving cohesion, coherence and relevance of UN programmes, as well as benchmarking improved operational efficiency. This will improve substantive management of the process, allow for greater accountability of the UNCT to the government, development partners and civil society; and ensure that investments made in business and process rationalization can be measured in hard operational gains that can lead to actual savings that can be deployed to other purposes.

The year 2010 saw progress being made on transformation areas. Humanitarian Reform efforts initiated in 2009 continued its steady steps. As Humanitarian Response coordination at a strategic level remained a challenge in Malawi, the establishment of the Humanitarian Country Team, chaired by the UN Resident Coordinator, has provided a much needed forum for the Government, civil society organizations, the UN and development partners to share information, discuss and agree on joint, strategic and coordinated actions. Support has been provided to government to improve preparedness planning by facilitating the development of Multi-Hazard Contingency Plans at national and district levels.

On Common Services and Common Premises, the UN has engaged in initiatives intended to increase its efficiency and effectiveness. Results from studies aimed at rationalizing business processes showed possible reduction of up to US\$ 500,000 in procurement and an expected increase in ICT efficiency at reduced costs. Work has been on-going toward a common UN House project with a cost benefit analysis showing a possible cost reduction of about US\$ 2 Million during the first 5 years of occupancy, mainly thanks to shared services. Progress was made towards unifying the Malawi UN induction packages and finalizing an electronic roster of consultants which will, when implemented, reduce time and resources used to hire consultants.

In 2010, the HACT working group concentrated its efforts in three major areas: (i) finalisation and implementation of the HACT Capacity Development Strategy; (ii) implementation of the HACT Audit Plan; and (iii) induction of HACT to new agencies that have signed up to HACT (UNESCO, FAO and UNHABITAT). To date, Malawi is rated the 11th country in the world in advanced HACT implementation.

Joint UN communication efforts also yielded tangible results. The UN Communications Team played a critical role in supporting the high-level visits of the UN Secretary-General, (29-30 May) and the UNAIDS and Global Fund Executive Directors (25 May). It is from these two important visits that critical issues were discussed with the government, namely Malawi's progress towards the MDGs, the effect of the global economic crisis on donor commitments to the Global Fund, and criminalization of homosexuality. One outstanding result was that at a press conference soon after his meeting with the Secretary General, the President announced the pardon of two individuals convicted of practicing homosexuality. The staff town hall meetings adopted a new format where external guest speakers, experts or inspirational figures, were invited to speak to staff on the challenges and opportunities of the context in which we work and the results of our work from an external perspective. In 2010, guest speakers included the First Lady who spoke about Maternal Health in her capacity as National Coordinator of Safe Motherhood and the Deputy Chairperson of the Parliamentary Women's Caucus who spoke about gender and women's empowerment.

Summary on Progress towards UNDAF Outcomes

Malawi is currently on track to achieve 5 out of 8 MDGs. After 5 years of steady economic growth and consecutive bumper harvests, it not only achieved national food security but also the national poverty indicators were adjusted downwards by 30 percent. The UN contributed to these outcomes through, for instance the capacity and policy support provided in such areas as agriculture, nutrition, employment and entrepreneurship development.

In the area of natural resource management, FAO, WFP and UNDP jointly trained 799 small-holder farmers in conservation agriculture that mitigates the adverse impact of climate change on food security, the planting of 182,000 agro-forestry trees in Machinga, Mangochi, Balaka, Mzimba and Kasungu as a way of enhancing conservation of natural resources, and the training of 1,300 people in bio-energy resources and 100 farmers in water harvesting.

In order to reduce the adverse impact of economic shocks on the vulnerable, the UN through UNICEF, up-scaled its social protection interventions targeting women, children and people with disabilities. In 2010 alone, over 450 young people were trained in livelihoods and provided with start-up equipment. Among beneficiaries who were reached by the social cash transfer program, 28,000 are ultra-poor and labour-constrained households with over 68,000 children. In addition, 5,000 child-headed households benefited from the distribution of family survival kits containing mosquito nets, mattresses, blankets, cooking pots, plastic sheeting for roofs and water buckets.

Through the collaborative efforts of WHO and UNICEF, technical and financial assistance was provided to the formulation of the draft National Health Policy, the draft National Health Bill, the Alcohol Policy, as well as the Nutrition Policy and Strategic Plan. An evaluation of the Sector-Wide Approach Programme of Work I (2004-2010) was conducted with UN technical and financial support and work for the Health Sector Strategic Plan is in progress.

In water supply and sanitation, the UN's contribution resulted in over 565 boreholes being drilled and fitted with hand pumps to serve over 141,250 new users. In addition, 21,974 users were reached through rehabilitation and repair of dysfunctional boreholes. In schools, 38 boreholes were constructed to benefit 22,800 children.

The life skills curriculum was implemented in all public schools in 2010. In addition, life skills education was included in the 2010 examinations. Over 90 percent of schools are implementing at least one component of the Child-Friendly Schools framework; a total of 10,750 teachers (representing 27 percent of primary school teachers) are now equipped with principles and practices of the framework, benefiting over 945,000 learners. Child-friendly infrastructure and resources for schools, i.e. classrooms, latrines, teacher's houses and teaching and learning materials, were provided to the benefit of over 100,000 learners. A total of 168 new classrooms were constructed and 30 classrooms rehabilitated to provide child-friendly learning environments that are safe, well-lit and well-resourced.

Malawi is currently recognized as one of a few countries that have seen a 25 percent decline in HIV prevalence over the course of the epidemic (particularly in young people), in part due to the natural evolution of the epidemic and in part due to prevention interventions supported by UNAIDS, UNFPA, UNICEF and WHO, along with other interventions.

As a means of improving access to information, village committees were established as channels for disseminating knowledge and information on governance and human rights, as well as the realization of good governance and the right to development. The UN through UNDP is also strengthening formal and informal justice systems to improve access to justice especially for the poor and vulnerable.

The UN is assisting the government to implement the Development Assistance Framework and operationalize sector working groups (SWGs). In addition, the UN assisted the government to recruit 40 monitoring and evaluation officers in local assemblies across the country to assist in data analysis for policy and decision making as a way of strengthening national M & E systems. DEVINFO- in Malawi called MASEDA (Malawi Socio-Economic Database), has been placed on line and is now accessible as a national development indicator framework for all decision makers.

There were challenges and lessons that were encountered in implementation that need to be taken into consideration in the next implementation cycle. Notable was the need to synergize areas of overlap in the implementation of activities among agencies. Agencies need to share information for better joint programming of activities. Also, fundamentally important was the

need to strengthen the capacity of the Implementing Partners and the UN to better deliver on the intended outcomes. Shortages of skilled personnel, inadequate facilities and limited infrastructure continue to hamper implementation of programmes.

Key aspects of the 2011 Work Plan and linkages to ongoing issues in the country

In 2011, we will continue to assist the government to undertake a strategic shift from poverty to prosperity, by closely engaging in the formulation and finalization of the MGDS II. The preparation for the new UNDAF will offer the Country Team an opportunity to explore ways to help the large proportion of Malawians still living in poverty. To this end, we will support the government to strengthen its capacity in key policy areas and national systems to ensure that in agriculture and economic growth, more focus is given to equity and gender. In education and health, capacity for pro-poor service delivery is to be enhanced, addressing the needs of the most vulnerable in society.

The implementation of the Transformation Plan will continue in 2011 to further our work in harmonizing business practices and more importantly to assist the government in achieving the MDGs. Pending availability of resources, the Country Team will consider prioritising the implementation of areas which are critical to the Delivering as One agenda in the country and which are aligned with the Strategic Priorities of the UN Development Group. A Capacity Assessment would be one of the top priorities as it is a prerequisite to ensuring a coherent, efficient and effective UN response to the government's development agenda. Results of the Capacity Assessment will enable the UNCT to develop a clear undertaking of capacities available to support the implementation of the new UNDAF (2012 – 2016).

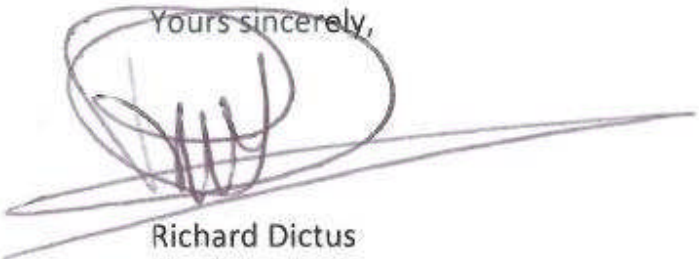
Recommendations for changes in policies, rules and regulations

Despite our mandate to promote greater coherence and cooperation, Resident Coordinators continue to lack the means to significantly influence the activities of UN Country Team members. As a result, the goal of greater coordination within the UNCT remains elusive, as illustrated by the difficulties encountered even when soliciting funds from the agencies for the implementation of Delivering as One and cost-shared positions for the Office of the Resident Coordinator. I would therefore propose that serious consideration be given to expanding the budgetary resources by agency contribution at the regional level. We would be pleased to offer Malawi as a test case or pilot for this new financing mechanism.

Conclusion

As the Country Team, we know that we have to join up our responses to national complex challenges, draw on our diverse expertise as we move forward in 2011. It has become clear that the achievements and lessons learned so far in implementing the DaO approach in Malawi have brought about valuable opportunities to further strengthen the relevance, coherence and comparative advantages of the UN in direct support of the national priorities and the achievement of the Millennium Development Goals.

On behalf of the entire UNCT in Malawi, I would like to express my thanks to colleagues at DOCO and UNDG-ESA for their consistent support. We look forward to another year of excellent cooperation as we help Malawi progress towards full sustainable development, from Poverty to Prosperity.

Yours sincerely,

Richard Dictus
UN Resident Coordinator

cc. Ms. Deborah Landey, Director, UNDOCO
Mr. Tegegnework Gettu, Chair, UNDG-Africa
UNCT Malawi