

Malawi – European Union

Joint Annual Report 2008

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Executive Summary

In 2008 the scene has been characterised by political tensions between the State President and the Democratic Progressive Party (DPP), on the one hand, and the opposition leaders (former President Dr. Bakili Muluzi; Hon. John Tembo) and their respective political parties [United Democratic Front (UDF); Malawi Congress Party (MCP) on the other hand. The issue of Section 65 (i.e.: crossing of the floor), which was already prominently reported in the 2007 JAR, maintained the central stage of the political scene for a long part of the year, until the focus decisively shifted towards the forthcoming presidential and parliamentary elections. Since September the work of Parliament has been limited to Parliamentary committees only and it is increasingly likely that the next Parliamentary session will be the one for the inauguration of the new Parliament. This is going to have the responsibility to deal with a very long and demanding backlog of legislation accumulated in the last few years¹ with an increasing toll on the development of the country.

The forthcoming Presidential and Parliamentary elections due in May 2009 have been a major element of the political scene over the year. The objective has throughout been the organisation of free, fair, credible and peaceful elections which should ideally provide an answer to the on-going political tensions.

The major achievements of the Malawi Electoral Commission (MEC) are: a) the voter registration process has been completed in January 2009 and acknowledged by most stakeholders as reasonably comprehensive and satisfactory; b) MEC will issue weekly media monitoring reports and intends to buy airtime to be equally allocated to all candidates; c) the transparency of the counting and tabulation process is likely to increase compared to previous elections. However, there are also areas of reported concerns which require attention from MEC: a) insufficient degree of openness of the election administration; b) a low degree of operational preparedness a few months before the elections; c) the questionable presence of police officers and representatives of the National Intelligence Bureau in election administration at district level; d) no limits on campaign expenditure and lack of clarity on the sources of finance by all parties leading to possible misuse of state resources; e) no effective regulation of the media sector which leaves room for unequal conditions of the electoral contest; f) insufficient capacity of domestic observer groups and party agents to monitor polling counting and tabulation procedures.

From the political point of view, the most sensitive issue relates to the eligibility of former President Muluzi to stand as a Presidential candidate. Dr. Muluzi, who was selected as UDF Presidential candidate at the UDF party convention, faces a potential challenge to his nomination based on an interpretation of Article 83 of the Constitution (“the President shall serve a maximum of two consecutive terms”) MEC is going to decide on his nomination, as well as for all the others candidates, on 20 March 2009, but it does not have the last word. It is expected that, whatever decision MEC is going to take, the case of Dr. Muluzi will end up in the Courts following the institution of legal proceedings by one side or the other. The Judiciary process would include two levels: the first one is the Constitutional Court (a panel of three High Court Judges); the second one is the Supreme Court.

In terms of security, Malawi remains a peaceful country thanks to the peaceful nature of its citizens. A few isolated incidents of politically motivated violence have occurred during the year and more specifically during the primaries conducted by political parties. This shows that politically motivated violence cannot be excluded in the run up to the elections and after the elections. Therefore all political actors have to behave responsibly, as strongly advocated by the Clergy, Civil Society and Development Partners. Malawi's police force does not appear adequately equipped and trained for crowd control, which is a cause of concern.

In 2008, EU-Malawi relations were characterised by a constructive political dialogue which intensified in the last quarter of the year. Political dialogue under Article 8 of Cotonou was extended to the Malawi Electoral Commission (MEC), political parties (DPP; UDF; MCP; PPM; AFORD), media, private sector companies, bankers, the Chief Justice and churches. A total of eleven Article 8 political meetings

¹ Since September 2007 Parliament met in plenary only between May and August 2008 as reported above. This means that the new Parliament, which will be inaugurated after the general elections in May 2009, will have to deal with a backlog of at least two years.

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were held in 2008 mainly discussing the political tensions, approval of national budget, forthcoming elections and their observations and promoting democratic values and principles. As part of the political dialogue, the EU has been officially invited both by the Malawi Electoral Commission (MEC) and by the Ministry of Foreign Affairs to field an EU Electoral Observation Mission (EOM). The EU EOM is considered as useful, advisable and feasible by all Malawian stakeholders.

From the macro-economic point of view, Malawi continued to demonstrate strong performances in 2008, as in the two years before. Real GDP growth is forecast to be around 8.7% in 2008 higher than 8.6% and 6.7% recorded in 2007 and 2006, respectively. This data represent a major positive departure compared with the previous decade (mid 1990s – mid 2000s) when growth was quite erratic with an average of approx. 2% per year. Macroeconomic management has been sound during the year, as demonstrated by the positive conclusion of the IMF PRGF in July 2008 and the approval by the IMF Board in December 2008 of the Exogenous Shock Facility (ESF). More recent developments indicate that the fiscal gap in 2008/09 is expected to increase on account of additional purchase of fertilizers over the core programme of 170,000 MT, unless remedial actions are put in place. The GoM is considering implementing a buy-back operation. The possibility of a fiscal slippage is of great concern to all development partners.

Government of Malawi has made progress in the reform of Public Financial Management. Measures have been implemented under the overall framework of a PFM Action Plan, and improvements to the PFM system were confirmed by a third PEFA assessment carried out in 2008, though there is scope and room for more work to be done in the next few years. Priority is the preparation of the new PFM Action Plan ideally based on the results of the PEFA Assessment.

In terms of trade, the GoM continues to negotiate for a Full Economic Partnership Agreement (EPA) with the EU under the Eastern and Southern Africa (ESA) grouping. Concerning the EPA negotiation process, the GoM continues to hold the perspective that the EPA has the potential to benefit Malawi. GoM did not initial the 'Interim EPA' in 2008 and consequently trade with the EU-MS is still being governed by the "Everything But Arms" (EBA) initiative under the Generalised System of Preferences.

According to the 2008 MDG report, Malawi is making good progress towards the achievement of some MDG indicators. Good progress has been made in eradicating extreme poverty (from 46% in 2006 to 40% in 2007), reducing infant mortality (from 133 per 1000 in 2005 to 72 per 1000 in 2006), combating HIV/AIDS (prevalence in adults between 15-49 years declined from 14.1% in 2006 to 12% in 2008), malaria and other diseases. However, maternal mortality, which remained at an alarmingly high rate notwithstanding some improvements (807 deaths per 100,000 live births in 2008 vs. 984 in 2004) and net enrolment in primary schools (82% in 2004 and 75% in 2007) are largely off-track.

In terms of development co-operation, the year 2008 was a successful one. The 2008 EDF Annual Action Plan, including a General Budget Support for €90 M, was achieved in line with forecasts. The implementation of projects and programmes further accelerated to the point that 2008 represented a record year for the EC development co-operation in Malawi with € 115 M of new individual commitments (EDF: €99 M; Budget: €16 M) and €96 M of payments (EDF: €86 M; Budget: €10 M). The old RAL decreased from €33 M (or 14% of the portfolio ante 2003) to €23 M (or 11% of the portfolio ante 2004). The old RAC is minimal, in the order of €5 M only (or 2.5% of the portfolio ante 2004). Priority for the year 2009 is definitely the preparation of new programmes for the year 2009 and more importantly for the year 2010, bearing in mind that the finalisation of a number of important programmes (over €130 M) has been postponed from 2009 to 2010. It is important that this slippage in the timetable remains of a temporary nature and that it does not become structural. Priority for the year 2009 is the preparation of a solid mid term review, focusing on the impact of the global financial and economic crisis, the level of implementation of the governance commitments taken by Government and the Accra Agenda for Action. Priority for the year 2009 is also the finalisation of a number of on-going audits, for which the maximum attention and collaboration is expected from Government.

Dialogue with NSAs remains very open and constructive. NSAs play a positive role both in terms of policy dialogue and in terms of vehicles for implementation of development programmes. NSAs contribute regularly to the drafting of the JAR. Representatives of NSAs active in the governance area are in close contact with the Delegation. NSAs are also involved in the sugar steering committee and were involved in the preparation of the new Stabex FMO.

1. The country performance

1.1. Update on the political situation and political governance

Multi-party democracy was established in Malawi in 1994. The last Presidential and Parliamentary general elections, held in May 2004, elected Dr. Bingu wa Mutharika as Malawi's second democratically elected State President. The EU Observer Mission, which was one of the accredited election observer groups, declared the elections to be free but that they fell short of international standards. The next Presidential and Parliamentary elections are due on 19 May 2009². Local government elections, which were due to take place in May 2005 in accordance to the Constitution, have not taken place yet. A legislative proposal for tripartite elections in May 2009 was made in 2007 but this was never debated by Parliament and local government elections are still some way off.

In 2008, the scene has been characterised by political tensions between the State President and the Democratic Progressive Party (DPP), on the one hand, and the opposition leaders (former President Dr. Bakili Muluzi; Hon. John Tembo) and their respective political parties [United Democratic Front (UDF); Malawi Congress Party (MCP)] on the other hand.

The issue of Section 65 (i.e.: crossing of the floor), which was already prominently reported in the 2007 JAR, maintained the central stage of the political scene for a long part of the year, until the focus decisively shifted towards the forthcoming Presidential and Parliamentary elections. While the GoM wanted to give priority to the approval of the 2008/2009 budget as well as the approval of several bills, the opposition wanted to prioritise the implementation of Section 65. A laudable mediation effort conducted by the Clergy over the period from May to July, following a specific request made by the Speaker of Parliament, did not succeed to find a compromise between the two different positions. As a result Parliament met in plenary only between May and August throughout the entire calendar year. Its sessions were adjourned on several occasions and were characterised by lack of co-operation amongst the members of Parliament across the political divide. Parliament dealt with very few bills³ only and the approval of the 2008/09 budget was delayed until the end of August. It is at this stage, after the approval of the 2008/09 budget, that all the political actors shifted their focus towards the forthcoming elections, while the Section 65 issue has remained unresolved. Since September the work of Parliament has been limited to Parliamentary committees only and it is increasingly likely that the next Parliamentary session will be the one for the inauguration of the new Parliament. This is going to have the responsibility to deal with a very long and demanding backlog of legislation accumulated in the last few years⁴ with an increasing toll on the development of the country.

The forthcoming Presidential and Parliamentary elections due in May 2009 are of critical importance as in the 2004 elections the EU Observer Mission, which was one of the accredited election observer groups, declared the elections to be free but that they fell short of international standards. Further these elections have been a major element of the political scene over the year, during which the Malawi Electoral Commission (MEC) has been striving to advance the necessary preparatory activities. The objective has throughout been the organisation of free and fair elections which should ideally provide an answer to the on-going political tensions. Progress made was quite slow, hampered by a number of factors, the main one being the means of appointment of Commissioners (the issue being how the President should consult opposition parties as required by the Constitution). Following a second round of proposals the seven Electoral Commissioners were finally sworn in January 2008 after a ruling of the High Court. The Chairperson of MEC, Justice Anastasia Msosa, a judge of the Supreme Court, was re-confirmed in her position in October 2008. She enjoys high esteem for her integrity and independence throughout Malawi. Due to the very late appointment of the Commissioners, some crucial preparatory work by MEC could only be started in the second half of 2008, with decisions pending approval of the Commissioners. Establishing the election budget was an issue which brought together GoM and development partners and finally a budget of MK 5 billion was agreed in May 2008, with a 52% contribution from GoM.

² Article 67 of the Constitution

³ Appointment of the Chief Justice; Appointment of the Auditor General; EIB loan for the water and sanitation project in Lilongwe and Blantyre; AFDB loan for poverty reduction.

⁴ Since September 2007 Parliament met in plenary only between May and August 2008 as reported above. This means that the new Parliament, which will be inaugurated after the general elections in May 2009, will have to deal with a backlog of two years at least

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The major achievements of MEC are: a) the voter registration process has been completed in January 2009 and acknowledged by most stakeholders as reasonably comprehensive and satisfactory; b) MEC will issue weekly media monitoring reports and intends to buy airtime to be equally allocated to all candidates; c) the transparency of the counting and tabulation process is likely to increase once compared to previous elections. However there are also areas of reported concerns which require attention from MEC: a) insufficient degree of openness of the election administration; b) a low degree of operational preparedness a few months before the elections; c) the questionable presence of police officers and representatives of the National Intelligence Bureau in election administration at district level; d) no limits on campaign expenditure and lack of clarity on the sources of finance by all parties leading to possible misuse of state resources; e) no effective regulation of the media sector which leaves room for unequal conditions of the electoral contest; f) insufficient capacity of domestic observer groups and party agents to monitor polling counting and tabulation procedures.

From the political point of view the major and most sensitive issue relates to the eligibility of former President Muluzi to stand as a Presidential candidate. Dr. Muluzi, who was selected as UDF Presidential candidate at the UDF party convention, faces a potential challenge to his nomination based on an interpretation of Article 83 of the Constitution (“the President shall serve a maximum of two consecutive terms”) in the sense that, as he has already served two (consecutive) terms, he is ineligible. He would argue that he is now eligible anew since he has had a break following his previous two terms. MEC is going to deliberate on the nomination on 20 March 2009 but it does not have the last word. It is expected that, whatever decision MEC is going to take, the case will end up in the Courts following the institution of legal proceedings by one side or the other. The Judiciary process would include two levels: the first one is the Constitutional Court (a panel of three High Court Judges); the second one is the Supreme Court.

Good governance is one of the pillars of the Malawi Growth Development Strategy (MGDS), which was officially launched in November 2006. This is a very strategic concept which needs being translated more decisively into action because good governance is indeed an instrument for economic growth and development. GoM made progress on a number of commitments but not in all (see relevant annex).

In 2008, EU-Malawi relations were characterised by a constructive political dialogue which intensified in the last quarter of the year. Political dialogue under Article 8 of Cotonou was extended to the Malawi Electoral Commission (MEC), political parties (DPP; UDF; MCP; PPM; AFORD), media, private sector companies and bankers. A total of eleven article 8 political meetings were held in 2008. The recommendations and findings of the EU Election Observer Mission to Malawi should further inspire the political dialogue from 2009 onwards.

Following the confirmation of the new ACB Director in November 2007 the anti-corruption drive has regained momentum in 2008. Moreover, the National Anti-Corruption Strategy was finalised and launched by the State President on the occasion of the Anti-Corruption Day in February 2009.

Human rights in Malawi are guaranteed by the Constitution. Institutions such as the Human Rights Commission, the Ombudsman, the Anti Corruption Bureau, NGOs and media contribute substantially to the publicizing and prosecution of human rights violation. Effective enforcement is dependent on the human and financial resources of the relevant institutions, which are currently limited. The mandate of the Human Rights Commission expired, for example, during the second half of 2008, and a new Commission has not yet been appointed. There are no acute human rights issues in Malawi and the law provides for equal rights for all. However in practice there is a persistent and widespread discrimination against women and girls (e.g. access to school, inheritance, access to work, role in political parties). Domestic violence, especially wife beating, is common notwithstanding the law prohibiting domestic violence passed in 2006. Prison conditions are harsh with overcrowding, inadequate nutrition, substandard sanitation and lack of health care, but small improvements are slowly visible. Hard labour is an integral component of sentences. Even though the country is still far away from reformatory incarceration, Government intends to use more and more community labour as one means of punishment, which is already in use for petty crime offenders. Due to shortage of food, all prisons grow many food crops as possible their own food supply – an initiative started by a development project (Penal Reform International), which has become entirely sustainable. With regards to death penalty, the

country maintains the possibility to condemn convicts but has systematically commuted all death sentences into life imprisonment. The death penalty has not been used in the last twelve years.

The overcrowded prisons in Malawi hint at a much broader problem, which is the overloaded judicial system. The workload for Magistrates and judges is too high due to backlog of cases to allow for cases to be heard in a reasonable time frame. Especially for prisoners on remand this means that some cases are not heard for a considerable amount of time, and it even reported that some case files have been lost and some cases forgotten. Hence an efficient case management system is required. Nevertheless, due to rather efficient handling of "high profile cases" and no sign of preferential treatment of individuals, the Judiciary in Malawi is widely considered as independent.

Fundamental freedoms are provided by the law and generally respected in Malawi. There is no limitation to movement of people, no limitations to religious freedom, to freedom of expression or freedom of assembly and association. People have been free to express their views. Although taken for granted, these are fundamental rights that Malawians have enjoyed for only fourteen years. While standards of journalism are low, freedom of information remains within acceptable parameters. Regular practice of self-censorship by journalists and some political interference is reported. Malawians are expressing concerns as regards the state owned media houses (MTV; MBC) which are clearly biased towards Government in their news coverage.⁵

In terms of security, Malawi remains a peaceful country thanks to the peaceful nature of its citizens. A few isolated incidents of politically motivated violence have occurred during the year and more specifically during the primaries conducted by political parties. This shows that politically motivated violence cannot be excluded in the run up to the elections and after the elections. Therefore all political actors have to behave responsibly, as strongly advocated by the Clergy, Civil Society and Development Partners. Malawi Police does not appear adequately equipped and trained for crowd control, which is a cause of concern. Malawi is not involved in external conflicts. Malawi is committed to fight terrorism. However, as acknowledged by Government, the country has weak capacity to combat terrorism and trafficking of weapons due to poorly functioning border controls and security services.

Government of Malawi has agreed to undergo the African Peer Review Mechanism (APRM) since 2006. Government appointed a multi-disciplinary steering committee to oversee the process. An action plan and a communication strategy for the APRM process have also been developed, but the actual exercise, which was expected to begin before the end of 2007, is yet to be started, still waiting for Cabinet direction.

1.2. Update on the economic situation and economic governance

Macroeconomic situation

Malawi continued to demonstrate strong macro-economic performance in 2008, as in the two years before. Real GDP growth is forecast to be around 8.7% in 2008 higher than 8.6% and 6.7% recorded in 2007 and 2006⁶, respectively. This data represent a major positive departure compared with the previous decade (mid 1990s – mid 2000s) when growth was quite erratic with an average of approx. 2% per year. The recorded strong GDP growth was supported by robust performance of the agricultural sector which benefited from input subsidies (fertiliser and maize seeds subsidy) and good rains. Export earnings from tobacco alone are up by close to 50% from 2007, on account of higher prices as well as higher production levels. Production of other crops – especially maize, tea and cotton – is estimated to have increased, too. The performance of the agriculture sector is of paramount importance for Malawi because the sector occupies the majority of Malawians (approx. 80%), accounts for about 36% of GDP and more than 80% of export revenues. Due to the positive growth of the agriculture sector, the average annual inflation remained moderate at 8.7% in 2008 from 8.1% recorded in 2007. This is a significant improvement when compared to the years prior to 2006 when average inflation rates in Malawi were

⁵ A recent media report issued by MEC, covering the period to from 27 December 2008 to 6 February 2009, showed that positive coverage at TVM and MBC are monopolised in favour of the DPP Party with a share comprised between 98% and 100%. This is in open contradiction to the code of conduct signed both by TVM and MBC.

⁶ Malawi IMF Country Report (January 2009): Based on the revised macroeconomic framework, growth in 2008 has been revised upwards from 7.9% to 8.7%. The improvement emanates from better performance in tobacco, tea, manufacturing, telecommunication, and financial services during the year.

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always above 10%. The interest rate and exchange rate remained stable during the year, though it is evident that the Kwacha's official exchange rate is over-valued.

Macroeconomic management

Macroeconomic management has been sound over the last three years, as demonstrated by the positive conclusion of the three-year IMF Poverty Reduction and Growth Facility (PRGF) programme in July 2008. This in itself represents a record of continuity in relations between Malawi and the IMF, which were previously (ante 2004) characterised by frequent stop and go. The successful completion of the PRGF has been followed by a one year programme for Malawi of about \$77.1 M under the Exogenous Shock Facility (ESF) approved by the IMF Board in December 2008. The ESF arrangement will help Malawi adjust to the terms of trade shocks caused by rapid increases in fuel and fertiliser prices in the first part of 2008. According to the IMF, Malawi was amongst the sub-Saharan African countries hit hardest by worsening terms of trade in 2008 and has low foreign exchange reserves about 2.2 months of imports at the end of the year, thanks largely to significant donor disbursements. (This import cover fell to just over 1 month in early 2009.). The new arrangement has allowed for a higher financial draw down of USD 53.2 M for Malawi immediately after the decision of the IMF Board. It is planned that the ESF will be followed by a classical Poverty Reduction and Growth facility with an emphasis on the protection of the results achieved in the last few years from external shocks. Prominent under the PRGF programme are likely to be: a) fiscal consolidation with a view to continuing to pay back domestic debt thereby reducing interest rates and interest payments. In the fiscal framework energies will have to be invested in improving revenue administration and efficiency of expenditure; b) maintain inflation in single digit c) maintain a flexible exchange rate policy and cushion the impact of deterioration in terms of trade due to external shocks. External reserve cover is to be increased. Additional donor support will be critical to facilitate the economy's adjustment to the terms of trade shock especially in 2009. The IMF Executive Board praised Malawi for achieving strong macroeconomic performance in the recent years. *“Economic growth has been robust, inflation has been moderate, and debt sustainability has substantially improved.”* However, the IMF Board expressed concern that high world oil and fertiliser prices earlier in the year are putting pressure on inflation and foreign exchange reserves. In this light, Malawi's current low level of international reserves is a concern for financial stability and food security. The economic programme to be supported by high-level access to IMF resources under Exogenous Shock Facility will help to contain pressure on the balance of payments and rebuild reserves. Financing will be complemented by fiscal and monetary tightening. Additional donor support has been forthcoming, and will be critical to facilitate the economy's adjustment to the terms of trade shock. The Board emphasised that the government's planned reduction in domestic borrowing in 2008/09 is a key element of the fiscal adjustment. *“To this end, it will be important to enhance fiscal discipline, including further improvements in public financial management, Spending pressures will need to be restricted, particularly in the run-up to May 2009 general elections, in order to safeguard foreign exchange reserves and priority investments.”*⁷ Recent developments indicate that the fiscal gap in 2008/09 is expected to increase on account of additional purchase of fertilizers over the core programme of 170,000 MT, unless remedial actions are put in place. The GoM is presently evaluating the possibility of a buy-back operation. The possibility of a fiscal slippage is of great concern for all development partners.

Public Financial Management

Government of Malawi has made progress in the reform of Public Financial Management. Measures have been implemented under the overall framework of a PFM Action Plan, and improvements to the PFM system were confirmed by a third PEFA assessment carried out in 2008, though there is scope and room for more work to be done in the next few years.

The main findings of the PEFA assessment indicate that: 1) Malawi continues to exercise fiscal discipline in budget execution with robust revenue performance maintained above targets and good fiscal discipline in terms of aggregate expenditure; 2) the comprehensiveness and transparency is rather good with the exception of public access to key fiscal information, which has suffered from delays in the submission to Parliament of the audit reports, an important area which is presently being addressed following the nomination of the new Auditor General in May 2008; 3) the policy based budgeting has

⁷ Statement by IMF Executive Board published on 3 December 2008

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made progress due to improved multi-year fiscal forecast, debt sustainability analysis and more sectors preparing costed sector strategies; 4) the predictability and control in budget execution has also improved in practically all the relevant areas included in the PEFA assessment with the more noticeable progress in terms of transparency of taxpayer obligations and liabilities, recording and management of cash balances, debt and guarantees and internal auditing; 5) the accounting, recording and reporting has registered improvements in the timeliness of submission of public accounts due to the progress in the implementation of IFMIS; 6) the External scrutiny and audit showed no progress at the time of the 2008 PEFA report, because the new Auditor General had not been approved by Parliament yet. Following the appointment of the new Auditor General in May 2008 progress has just started; 7) the donor practices have slightly improved since the proportion of funds through government systems has slightly increased.

With the appointment of the Auditor General in May 2008, the long overdue audited accounts of FY 2004/05 and FY 2005/06 were certified and transmitted to Parliament by end of December 2008. The accounts for 2006/07 are reportedly about to be certified and submitted to Parliament in the first quarter of 2009. The submission to Parliament is in itself a major achievement because gives the opportunity to the relevant committee, dominated by the opposition like all parliamentary committees in the current Parliament in Malawi, to exercise its oversight and control role.

Beyond the above-mentioned PFM areas, there has been progress in the implementation of the PFEM Action Plan⁸, a prioritised list of 33 activities. Despite the initial lack of a dedicated coordination mechanism and leadership in driving the implementation of the plan, progress has been made in 28 activities. Under the leadership of the Secretary to the Treasury, GoM has set up a PFM Unit in the Ministry of Finance to remedy the coordination problems. The Unit under the direction of its Steering and Technical Committees has developed a road map for the implementation of the PFM reforms including the preparation of a re-prioritised PFEM action plan, development of an interim programme, and development of a proposed multi donor PFM programme. Further, it is anticipated that preparation and dissemination of quarterly progress reports on the action plan will become more regular through the Group on Financial and Economic Management.

Trade

Terms of trade deteriorated despite solid growth in tobacco prices and export volumes and the easing of world oil prices towards the end of 2008. Malawi faced a severe fertiliser price shock as a result of skyrocketing international prices of fertilisers. Given the critical role that the fertiliser subsidy programme has played in sustaining agriculture growth, increased fertiliser prices put great pressure on the FY 2008/09 national budget as well as balance of payment. An initial IMF estimate of a negative trade balance of \$188 million was however adjusted to a slightly more positive view of a \$156 deficit by the year end.

Even at the regional level, Malawi had a trade deficit with both SADC and COMESA trading blocs in 2008. The country's main imports in 2008 remain vehicles(14.7%); fuel mineral oils(18.5%); fertiliser(18.3%); and pharmaceuticals (8.3%) and its exports were mainly composed of tobacco (49.4%), Tea (8.3%); Sugar (8.7%), and rice (4.6%)⁹. Malawi's main trading partners in 2008 were South Africa and the EU for both imports and exports. Foreign Direct Investment increased from US\$ 92 million in 2007 to US\$ 220 million in 2008. The increase is mostly due to the start up activities at the Kayelekera Uranium mine.

Against the backdrop of increasing trade between the EU and Malawi¹⁰, despite passing the nominal deadline to conclude an Economic Partnership Agreement (EPA) at the end of 2007, GoM continues to negotiate for a full EPA with the EU as part of the Eastern and Southern Africa (ESA) grouping. According to Malawi's Chief Trade Negotiator, a number of contentious issues in the draft Agreement still need to be resolved, including the length of the transitional period for trade liberalization; coverage of products subject to tariff liberalization; and additional resources for addressing supply-side constraints. As one of the Least Developed Countries (LDCs), Malawi already benefits from almost

⁸ PFEM Action Plan approved in October 2005. Actions include implementation of the IFMIS system and strengthen budget comprehensiveness, internal controls and reconciliation of budget execution, and audited financial reports.

⁹ Shares in total exports provided by the IMF

¹⁰ See Eurostat Statistical books- Intra-and extra-EU trade data- monthly data- issue number 11/2008

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universal tariff-and quota-free access to the EU market under the “Everything- But- Arms” (EBA) initiative, and the last remaining exception – sugar – will be included, much to Malawi's benefit, from 2009. Hence, compared to the non-LDCs, the benefits of signing an EPA are more limited to Malawi. Nonetheless, potential benefits to Malawi include: (i) cementing the improved market access that EBA provides (as a unilateral agreement EBA is open to the possibility of withdrawal); (ii) simplified rules of origin (a major area of contention); (iii) the reduction of tariffs on imports from the EU, boosting the competitiveness of Malawi's industries using capital goods or raw materials from Europe; (iv) increased access of sugar to the EU market; (v) and the harmonisation of rules at a regional level in areas such as trade in services, investment, competition or custom procedures. The Head of State, President Bingu Wa Muntharika, has expressed his openness to discuss benefits and challenges of the EPAs with the EC as his government ponders the way forward in these negotiations. Until a new agreement is in place trade between Malawi and the EU continues to be governed by the EBA initiative under the General System of Preferences.

Economic outlook

Economic prospects remain positive. One particularly relevant factor will be the opening of the Kayelekera uranium mine in 2009, which is expected to increase mining output by 25% and exports by 5%. However, growth for 2009 is now projected at 6.7%, down from an earlier projection of 7.9%. In part, this revision reflects the challenge of following the strong performance of the agricultural sector in 2008 with even higher output in 2009 and the possibility of negative effects from the global financial and economic crisis which has affected all developed countries. Inflation is likely to come back down, following the decline in world market fuel price and the fertiliser prices towards the end of 2008. As previously reported in the Joint Annual Report 2007 there are other potential investments in mining, e.g. limestone mining for cement, which could contribute to the economic performances in case they are finally going to take place, notwithstanding the global crisis. Moreover, as a result of changes in the EU sugar market, the sugar industry in Malawi has the opportunity to increase production and contribution to GDP. Prospects for other smallholder crops (tobacco, coffee, cotton, groundnuts etc) are still quite good. However, there are areas that need continued GoM focus and effort for these gains to be sustained in the medium-long term. There is need for the ratification of the Malawi-Mozambique electricity inter-connector bill by Parliament which will offer more opportunities to both the industrial sector and mining sector. Improving transport links, based on economic analysis of options, should continue to be a priority, so as to make the Malawian economy, which is negatively affected by high transport costs, more competitive. Furthermore, the fact that Malawi has slipped for the third time in the global Doing Business ranking from 127 (out of 178) to 134 (out of 181) highlights the need to accelerate reforms for improving the business environment. Some important reforms, such as the introduction of a Single Business License, which had been identified as “quick wins”, have been stalled for two years now. As regards future prospects from tourism development of added value industry, there is great potential but no particularly large investment has been made yet to fulfil this expectation.

Notwithstanding the remarkable achievements of the last few years, the economy of Malawi remains highly vulnerable to external shocks such as the recent global economic crisis. Despite Malawi having limited degree of integration, one possible impact coming out from recent briefs conducted by various players impact observed is in the Malawi's productive sector which could be severely affected through reduced demand for the country's exports, mainly tobacco, sugar, and tea (agricultural products) due to weaker global demand for these products. These exports are particularly vulnerable because the EU and the US are principal destinations. In order to ascertain the real possible impacts, further work will be done in the next few months to make a more in depth analysis so as to verify the preliminarily indications. Additionally, the study will also contribute to the upcoming discussions of the mid-term review of the development cooperation under the 10th European Development Fund (EDF), which is expected to take place in 2010.

1.3. Update on the poverty and social situation

Progress against MDG indicators and trends

According to the 2008 MDG report Malawi is making good progress towards the achievement of some MDG indicators. Good progress has been made in eradicating extreme poverty, reducing infant

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mortality, combating HIV/AIDS, Malaria and other diseases. However, maternal mortality and net enrolment in primary schools are largely off-track.

The country appears to have made a turn around on poverty levels since 2005 when about 6.4 million Malawians (or 52.4% of the population) were estimated to be living below the Government calculated poverty line of approximately USD 0.35 per day.¹¹ Recent estimates indicate that the pace of poverty reduction is now improving. According to the GoM MDG 2008 report, poverty levels declined sharply from 46% in 2006 to 40% in 2007 on account of improved food security situation due to the input subsidy programme and favourable weather conditions. At this rate of improvement, poverty levels would be expected to decline to 27% by 2015 thus reaching the MDG target. This will, however, also be dependant on the rainfall patterns.

2008 saw an increase in the deployment of health workers in rural areas. The estimated **HIV/AIDS prevalence** in adults (15 to 49 years) in Malawi declined to 12% in 2008 from 14.1% in 2006 with a range from 11.1% to 12.9%, giving a total estimated number of 968,000 infected adults¹². Access to anti-retroviral therapy continued to rapidly increase from 4,000 patients in 2004 to 184,405 patients in 2008 following the continued implementation of ART scaling up operation. While this result is commendable much remains to be done on prevention. GoM recognises that efforts must now concentrate on prevention of HIV infections. A prevention strategy is now being developed to act as the main tool to guide scaling up HIV prevention in the country. Already some remarkable achievements are being made with prevention of mother to child transmission of HIV (PMTCT). The number of health facilities offering a minimum package of PMTCT has sharply increased from 7% in 2005 to 83% in 2008 following on the implementation of PMTCT scale up. There has been progress in increasing the proportion of **births attended by skilled personnel** (doctor, clinical officer, nurse or mid-wife¹³). This has increased from 42% in 2007 to 45% in 2008. The percentage of **underweight children** under five dropped from 19% in 2006 to 14% in 2008 due to improved food availability. Similarly, there has also been a decrease in the **infant mortality rate**, with Malawi on-track to meet the child mortality MDG. It is estimated that there were 72 infant deaths per 1000 in 2006 vs. 133 deaths per 1000 in 2005. The present figure is largely attributed to increased Malaria prevention through the distribution of mosquito nets to all infants attending under-five clinics. **Maternal mortality** rate in Malawi still remains alarmingly high and among the highest in the world though the rate has declined from 984 to 807 deaths per 100,000 live births in 2004 and 2008, respectively. Unless additional measures are urgently put in place, it is unlikely that this MDG target will be met. GoM, through the Sector-Wide Approach (SWAp) in health, is implementing strategies to increase human resources for health in particular nurses in order to increase the number of births attended by skilled personnel which is currently at 45% only. Such initiatives include doubling intake of training colleges and retention of nurses within the health sector through the provision of a salary top up and other non monetary incentives. In the short term, GoM, through the sector-wide approach in health, has enhanced public awareness on the dangers of deliveries outside health facilities. Incentives are also being provided to health workers in rural areas in order to attract and retain health staff in hard to reach areas. Such incentives include provision of housing, communication and transport facilities. The \$2.2 million EC/WHO/GoM Partnership on "Making Pregnancy Safer" is currently targeting three districts of Zomba, Ntcheu and Nkhata-Bay where maternal mortality rates are the highest. Key activities include development of norms and standards for maternal and new born issues, strengthening institutional capacity for deliveries in health centres and hospitals, and improving referral systems.

Progress on other MDG indicators has continued to be mixed. Achieving **universal enrolment of primary school aged pupils** (net enrolment) has been increasing from 58% in 1992 to 82% in 2004. However, the **net enrolment** declined to 73% in 2006 thus casting doubts over the possibility of reaching the 2015 target of 100%. The situation slightly improved in 2007 when net enrolment increased to 75%¹⁴. If this growth is maintained the rate would be around 83% by 2015 hence missing the target of 100%. GoM recognises that the reliability of data in the education sector is still an issue of

¹¹ The Poverty Line of 0.35 USD per person per day for Malawi represents a purchasing power parity (PPP). Hence it is equivalent to the international poverty line of 1 USD per person per day.

¹² "HIV and Syphilis Sero-Survey and National HIV Prevalence Estimates Report 2008", National Aids Commission

¹³ "Poverty in Malawi from the Second Integrated Household Survey 2005". An extract of findings by the Ministry of Economic Planning and Development, National Statistical Office, end of 2005.

¹⁴ Welfare Monitoring Survey 2007

concern and it is working with support of development partners to improve on this. **Primary completion rate** continues to be off-track despite an increase to 30% in 2007 from 25% in 2006. This is driven by the poor quality of teaching as a result of the insufficient number of teachers with a teacher/pupil ratio of 1:105, large class sizes, very low level of teacher qualifications, a high teacher attrition rate largely due to HIV/AIDS and poor school infrastructure. In order to address some of these problems with a holistic approach, GoM with support from development partners is planning to introduce a SWAp in the education sector in 2009. **Gender inequalities** still exist in accessing productive resources, development opportunities and decision making. Gender disparity in primary schools has largely been eliminated; the ratio of girls to boys in primary schools was at 0.99% in 2008 from 0.87% in 1992. However, the comparative ratio in secondary schools is at 76%. In aggregate terms the rate is off track and the 2015 target may not be met.

Government with support from development partners is currently implementing the Malawi Growth and Development Strategy 2006-2011 (MGDS) as the main tool for achieving MDG targets. MDG targets have been incorporated as national targets in the MGDS monitoring framework and specific strategies have also been put in place to guide implementation of priority activities in order to accelerate the achievement of MDG targets. In particular, health, education, and gender among others have been prioritised in order to accelerate the attainment of the MDGs. Government coordination of donor aid is also improving to ensure alignment of support to national priorities hence promoting aid effectiveness. In view of this, GoM finalised the Development Assistance Strategy (DAS) in 2008 in order to increase the alignment of development partners' assistance to the MGDS. The MGDS was adopted in November 2006 and has not been updated since. Development partners recognise and accept that it is a comprehensive strategic document that sets the development agenda for Malawi with the ultimate objective of reducing poverty through the acceleration of economic growth and infrastructure development.

1.4. Update on the environmental situation

Malawi has a high average population density of 105 people per km², reportedly one of the highest in Africa. Approximately 90% of households depend on income derived from smallholder farming whilst most of the population depend on firewood for cooking. This has exerted pressure on the environment leading to deforestation with the resultant high rates of soil erosion and decline in soil fertility. The total forest cover has declined from 47% in 1975 to 26% in 2006 and is continuing at an annual rate of about 3%. Further, soil erosion has an adverse impact on water supplies (quantity and quality), fisheries and hydroelectric power generation (due to siltation of rivers). Biodiversity in Malawi is seriously threatened. While there are over 4,000 species of animals, including the greatest freshwater biodiversity in the world with over 500 endemic species of fish, little has been done to protect or ensure the sustainable use of such resources. Fish account for approximately 70% of the animal protein intake, yet until recently there has been little management of the fish stocks and as a result annual per capita fish catches have declined from 12.9 kg in 1972 to 6.4 in 2003. This decline in fish stocks has serious nutritional consequences in a country with already high malnutrition rates. Fisheries management would a thorough analysis of the fish stocks and a management scheme but more importantly the resources and capacity to implement such a management scheme, which given the extent of the lake shoreline and level of chronic poverty and dependency of communities on traditional fishing, would be very challenging. However the President launched an initiative for aquaculture in 2007. The initiative encourages aquaculture, mainly outside the lake, through the creation of fish ponds. This would help to relieve some of the pressure on the lake fisheries allowing stocks to partially recover. In addition, a number of protected no-catch areas have been designated in the lake.

Habitat encroachment, the introduction of alien species and poaching, have reduced animal populations, even in the National Parks and reserves, undermining the government drive to increase tourism in Malawi. The overall national policy goal is to promote sustainable and economic development through the sound management of the environment and natural resources. Implementation of the policy has not been effective due to limitations of the Environmental Management Act (1996). The Act is now in the process of being reviewed in order to address its short shortcomings.

The draft Agriculture Development Programme (ADP)¹⁵ highlights natural resource management as one its three key pillars. Soil conservation and natural resource management are also addressed by two EU funded programmes – the Farm Income Diversification Programme phase I and the Improved Forest Management for Sustainable Livelihoods phase I. In 2008 both of these starting planning for their respective second phases (€20.3 and €9.7 M respectively) where natural resource management has been further expanded and emphasised.

A climate change programme is currently being proposed by Norway, the World Bank and FAO and UNDP. The programme seeks to build Malawi's capacity to cope with increasing climatic variability. In 2006 the GoM developed the National Adaptation Plan of Action (NAPA) which identifies thirty one possible actions in eight sectors but as yet little action has been taken. Little is know about the potential impacts of climate change on Malawi, its production systems and biodiversity. Some models predict that Malawi will experience a temperature rise of between 1-3° C, Regarding rainfall patterns some models suggest that rainfall may increase by up to 20%, while others predict that rainfall may decrease by 16%. It is clear that more research with regards to the potential impacts of climate change is needed, particularly in relation to agricultural production and the suitability of existing crops in Malawi/. It is expected that some crops may become more productive with increased temperatures while other, notably wheat, may no longer be able to be grown in Malawi. Unless the scale of the potential impacts of climate change are better understood, defined and publicised it is unlikely that the GoM and Malawians as a whole will be genuinely convinced of the importance of the issue, given the number of other issues that such as food security, malnutrition and HIV/AIDS facing Malawi. In general, climate change is currently perceived as being a donor driven agenda with GoM taking a more passive role of acceding to donor requests but with little follow up or genuine action.

One exception has been that the Forestry Department has started to prepare itself to enter the global carbon trading system under the UNFCCC's Reducing Emissions from Deforestation and forest Degradation (REDD).

2. Overview of past and ongoing co-operation

2.1. Reporting on the financial performance of EDF resources

The main policy objective of the cooperation between the European Union and Malawi under both the 9th and the 10th EDF are the creation of wealth through economic growth and infrastructure development as a means of achieving poverty reduction. The **Malawi-EC Strategy** under the 10th EDF is developed within both good governance and macro-economic stability frameworks. In particular, in order to consolidate and improve the country's macro-economic situation and strengthen public finance management systems and policy reforms in the areas of education and health, the provision of **General Budget Support** will be reinforced, thus fostering the continuation of efforts made since mid-2004. In addition to the general budget support the EU assistance is concentrated in two focal sectors: **i) Agriculture and Food Security** in the context of national development and regional integration **ii) Regional Interconnection** with focus on Road Infrastructure.

Outside the focal sectors the strategy responds, through the non-focal sectors of co-operation, to the following areas: a) Good Governance, reinforcing the global framework of the strategy; b) Support to Economic Partnership Agreement – Investments and Trade, complementing the support to regional integration; c) Support to fight HIV-AIDS and Promote Gender as well as d) Institutional Capacity-Building.

The 10th EDF programme started in January 2008 and attention has focused on the identification and appraisal of new programmes and projects. The 2008 EDF Annual Action Plan, including a General Budget Support for €90 M, was achieved in line with forecasts. The 2009 EDF Annual Action Plan has been scaled down instead. Three projects (FIDP II, Forestry II and NAO Capacity Building) for a total of € 38 M have been maintained while four projects (Community Based Activities; Institutional Capacity Building in Agriculture; Road Sector Support; Investments & Trade) for a total of €137 M have been postponed to the year 2010, due to delays registered in the implementation of reforms and plans. This slippage should be temporary rather than structural. The projected situation at the end of

¹⁵ For further information on the ADP as well as on EC interventions in this area refer to section 2.3.1.1 below.

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2010 (mid term of 10th EDF) should in fact be in line with the projections made at the time of the CSP and NIP. By the end of 2010 Malawi expects that approx. 70% of funds will be committed.

	Indicative allocation 10th EDF (M €)	Commitments planned in 2008 * (M €) (add in brackets planned share of SBS)	Commitments realised in 2008 (M €) (add in brackets effective share of SBS)	Realised/ planned (%) (add in brackets ratio realised/ planned SBS)	Disbursements realised in 2008 (M €)
Focal area 1 Agriculture & food security	125	0	0	0%	
Focal area 2 Transport infrastructure	70	0	0	0%	
General budget support	175	90	90	100%	26
Non focal areas	66	0	0	0%	
- TCF	12	0	0	0%	
- EPA – investment & trade	12	0	0	0%	
- Governance	30	0	0	0%	
- HIV/AIDS - gender	12	0	0	0%	
Total A-envelope	436				
Total B-envelope	15				
Total 10th EDF NIP	451	90	90	20%	26

* based on the chronogramme annexed to the CSP.

** where relevant, split focal areas in main sub-areas of intervention; where sector budget support has been foreseen, please specify the effective implementation modalities and comment the possible discrepancy with the planned modalities in a comment to the table.

The year 2008 represented a record year for the EC development cooperation in Malawi in terms of implementation, with €115 M of new individual commitments (EDF: €99 M; Budget: €16 M) and €96 M of payments (EDF: €86 M; Budget: €10 M). The situation under each EDF programme is reported in the relevant appendixes. As of today three projects (MPP Phase 4 under the 8th EDF; NEPA Programme under the 9th EDF; IDAF Programme under the 9th EDF) run the risk of reaching an implementation rate below the expectations at the time of their initial design. All other initiatives are well on track.

2.2. Reporting on General and Sector Budget Support

The eligibility of the EU's general budget support to Malawi was established with the recent approval of the Malawi Annual Action Programme 2008, which included the adoption of the 90 M EU – Malawi Poverty Reduction Budget Support III. Programme. In this AAP all three eligibility criteria were fulfilled:

- Malawi has a national development policy (the "Malawi Growth and Development Strategy"),
- macroeconomic performance in Malawi has been satisfactory based on the IMF assessment on the sixth and final reviews under PRGF arrangement in July 2008 and the Exogenous Shock Facility approved by the IMF in December 2008, and
- progress in the implementation of public finance management reforms as indicated in the recent 2008 PEFA report.

However, the deterioration of terms of trade (oil prices; fertiliser prices) in the first part of 2008 made Malawi face a severe external shock. This created a fiscal gap that was to be filled by (a) a number of budget cuts, (b) higher than projected revenues, and (c) additional donor funding in the form of budget support. This development – if not addressed – may lead to macroeconomic imbalances, thereby threatening the macroeconomic eligibility. It should be noted that through General Budget Support,

Government and development partners, within the Common Approach to Budget Support ("CABS") Group, have created a privileged forum for policy dialogue. CABS members and GoM signed the Joint Framework (JF) for budget support to formalise the relationship in 2005. The JF is open to new members engaged in providing budget support to Malawi and in 2008 AfDB became a new core member by signing to it and Ireland joined the group as an observer. The joint assessment of the budget review is conducted through CABS reviews twice a year. In 2008, the first review was conducted in March based on the Performance Assessment Framework (PAF). The PAF specifies mutually agreed indicators and targets in the area of Public Finance Management, Social Sectors (health and education), Economic Growth and Governance. This was followed by revisions to the PAF indicators as agreed in the JF for the February/March 2009 review. The second review was conducted in October 2008 focusing on the implementation of the national budget and progress on PFM reforms in Malawi and most of these were broadly satisfactory.

Under the EC budget support, two individual commitments for a total of €35 M were made in 2008, of which €32.5 M were disbursed following the two CABS reviews. After the first review, Malawi received €6.5 M out of the €9 M committed as maximum variable tranche under the 9th EDF programme of PRBS II. The calculation of the variable tranche was based on the CABS – PAF assessment on relevant indicators as agreed with the GoM. The GoM met the target for three out of four PFM indicators to which the variable tranche was attached and three out of the six social indicators selected for variable tranche¹⁶. The second review led to the disbursement of the first instalment of the €26 M committed as fixed tranche under the 10th EDF programme of PRBS III.

2.3 Projects and programmes in the focal and non focal areas

As regards the two focal areas of co-operation it is reasonable to assume that these will continue to be very relevant for Malawi, independently from the results of the elections. The two focal areas (agriculture and food security; transport infrastructure) are unanimously recognised as top priorities for the development of Malawi, a finding which was also confirmed by a preliminary analysis of possible effects of the global financial and economic crisis on Malawi. Further work will be done in the next months to make a more in-depth analysis so as to verify these preliminary indications. In addition to these focal areas direct budget support has continued to grow in importance.

2.3.1 The two Focal Sectors

2.3.1.1 Agriculture and Food Security

The key policy document for the sector, the Agriculture Development Programme, went to Cabinet for approval and adoption in May 2008, but has not been adopted yet. There is now concern that this may not happen until after the elections in May 2009. This has created uncertainty in the sector and increased the complexity of preparing new programmes. This being said, in the agriculture sector, all development partners are reluctant to move away from the project approach and GoM has also question marks as regards the use of budgetary aid in the agriculture and food security business area.

Progress in the initiatives funded both under the EDF and under the Food Security and Sugar Adaptation budget lines was satisfactory, and the identification mission for Agriculture and Food Security programmes under the 10th EDF (€95 M in total) was launched towards end-2008.

Farm Income Diversification Programme (FIDP) Phase I (9 ACP MAI 015 - €16.2 M; December 2004 – December 2010) focused activities on: Soil and Water Conservation. Post-harvest losses were reduced by approximately 1.5 tons of maize through construction of 850 improved granaries. Agri-business activities were implemented generating an income of €1.6 M for some 9,300 individuals. The impact assessment carried out in 2008 showed that an average increase of 77% was experienced since the start of the programme. A mid-term review was carried out (A,B,A,B,B according to the five OECD assessment criteria¹⁷) which highlighted FIDP as the most successful agriculture programme in Malawi

¹⁶ A table on selected indicators for the variables tranches is highlighted in Annex 3

¹⁷ The OECD criteria are used in evaluation of projects and assesses a project based on 1) relevance 2) effectiveness 3) efficiency 4) impact and 5) sustainability. Grades are A = very good, B = good C= problems D = serious deficiencies. For further information refer to http://www.oecd.org/document/22/0,3343,en_2649_34435_2086550_1_1_1_1,00.html

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and stated that FIDP is considered a ‘brand name’ signifying high quality. FIDP’s impact on the ground is clear and is fully recognised by all stakeholders in the sector. Significant capacity in natural resource management and agri-business – in what has been termed a ‘revolution’ by the MTR - has been built at community level. The preparation of FIDP phase II is proceeding well and it is expected to start in early 2010. At the end of 2008, €15.6 M had been committed and €10.3 M disbursed.

Improved Forest Management for Sustainable Livelihoods (IFMSL) (ACP MAI 016 - € 9.0 M; December 2004 – December 2010) – is focused on activities related to the implementation of forest management plans, including capacity building of front line staff, community mobilization, controlled harvesting on selected sites and establishing forest-based enterprises. A mid-term review was carried out (B,C,B,C,C according to the five OECD assessment criteria) which found that initially the project had faced a number of implementation problems but that a certain momentum has now been built. Towards the end of 2008 the approval of co-management plans for forest serves and village forest areas marked a highly significant change from Forest Department’s previous approach of ‘forest preservation and protect’ to a participatory approach of ‘management and suitable use’. The identification fiche for phase II is on preparation. At the end of 2008, €8.6 M had been committed and €6.8 M disbursed.

Institutional Development Across the Agri-Food sector (IDAF) (9 ACP MAI 19 - € 7.97 M; June 2005 – December 2010) - This programme aims at improving institutional capabilities within the MoAFS and at district level and has struggled to achieve an ambitious set of objectives. Implementation of institutional change within the Ministry of Agriculture (MoAFS) has stalled, causing the project to lose momentum. Despite considerable efforts to reenergise the project and a change of leadership changes in the MoAFS have not been implemented. The programme was also affected by the departure of both long-term TAs, which still need to be replaced. Currently the programme has been suspended due to audit irregularities. At the end of 2008, €7.3 M had been committed and €2.5 M disbursed.

Fourth Microprojects Programme (MPP4 - 8. ACP MAI 041, € 35 M, March 2003 – December 2009) supported the implementation of a total of 921 micro-projects. No new projects were started in 2008 due to delays in the preparation and processing of tenders. Activities are focused to consolidate achievements in training the communities and local institutions in implementation and maintaining of interventions and institutionalising the MIS at district level. Some €31 M has been committed and €22 M disbursed to end-2008.

Support to the Implementation of Malawian Land Reform (9. ACP MAI 12, €1.97 M, June 2004 – October 2008) – the programme aimed to contribute to sustainable use and management of land based resources and create an environment conducive to efficient and effective implementation of land reform programme. The programme ended in October 2008. Some €1.9 M has been committed and €1.2 M disbursed.

Sustainable Nutrition Rehabilitation Program (SNRP) (9ACP MAI 20 - € 6.5 M; July 2005 – December 2010), financed by the EDF, through grants awarded to five main NGOs. Nutrition activities are well on track. The national component of the Sustainable Nutrition Rehabilitation Programme (SNRP), which ended in October 2007, was evaluated in 2008 and graded C,B,B,B,C according to the five OECD assessment criteria. The evaluation study found a positive impact of the support rendered directly to 48 Nutrition Rehabilitation Units and the referral system to supplementary feeding programmes in the districts.

The four NGOs implementing SNRP at community level¹⁸ continue to make commendable progress. Activities aimed at strengthening their ownership and capacity to recognise, to react to and to adequately address malnutrition were implemented in 11 districts covering 28 traditional authorities in line with SNRP targets. About 2,412 (out of 2,678) villages were covered by the programme. Provisional data show that at the end of 2008 some 25,500 households benefited from activities promoting dietary and crop diversification activities through SNRP, the large majority of which have adopted a diversified diet and production.

At policy level, a Nutrition Strategic Plan has been developed to guide the implementation of the Nutrition Policy. The Agriculture Development Plan was also revised to incorporate nutrition components.

¹⁸ The four NGOs are CARE, COOPI, Concern Worldwide and Dan Church Aid

As far as **food security** is concerned, the continuing GoM / donor input subsidy programme, coupled with good rains, gave rise to a good harvest for the season 2007/2008, although it was less than the previous year's record harvest. The final round cereal production for 2008 registers a total cereal production of 2.98 million MT, in excess of the estimated national food need of 2.35 million MT by 0.63 million MT. The Malawi Vulnerability Assessment Committee Report (MVAC) confirms that Malawi is nationally food secure for the third consecutive year. However, as usual, it identified localised deficits at household level, and WFP is planning food aid to assist households that did not have sufficient income to access food on the national markets. Although there was general consensus on the fact that it would have been preferable, given the national surplus, through to cash transfer that increased household's ability to access locally available food, due to the very late publication of the MVAC, there was insufficient time to set up a cash transfer system and locally purchase food aid was the only remaining option. Higher tobacco prices have helped to increase farmers' incomes. The much-acclaimed Government-run Input Subsidy Programme has gone beyond the agreed targets in terms of quantities of fertilisers purchased just a few days before the end of the year. This shows that reforms will be necessary.

The approximate cost of the 2008/09 Input Subsidy Programme (ISP) was \$ 230 million, amounting to 11 % of government expenditure, making the largest government programme. While the programme has been undeniably effective, and has won international recognition, there is a danger in equating Malawi's food security to the ISP as the programme is dependant on good rains. Malawi can only be truly food secure when water harvesting and irrigation, as well as storage of previous years surpluses, are developed enough in order to see Malawi through another dry spell similar to the one in 2005. Other innovative solutions, such as the market-based instruments, which Malawi has already successfully applied, should be developed.

There is a very high level of ownership of the ISP but the GoM, who meet regularly with private sector and donors, have agreed to a overall evaluation and review of the ISP in 2009. There is a clear need to better define the objective of the ISP; to draw up a multi-annual planning; and to improve the efficiency of the programme, both in terms of cost and technical efficiency. For example, the fertilisers purchased are not the most suitable Malawi soils. And lastly there is a need to improve linkages between the ISP, which is one of the main components of the ADP, with other activities under the ADP, such as natural resource management.

The EC and GoM continued implementing the *Multi-Annual Food Security Programme (MAFSP)* covering the period 2004-2015. The programme has a global value of €45 M, which is split in three annual allocations (2004-2006) of € 15 M each. The allocation for the first year was fully contractualised in 2007 and that of the second year within the deadline of December 2008. Implementation of activities under the first two years continues to progress steadily. Main activities financed under these allocations in 2008 that contributed to improvements in the sector include the financing of seed subsidy programme for 2008/09, the financing of the Food Security Technical Secretariat in the MoAFS, the replenishment of the Strategic Grain Reserve through a Contribution Agreement with WFP, the building of capacity of the NFRA, and provision of TA to the NAO Support Unit to deal with RDFS issues. The allocation for the second year was partly already used in 2007 to finance the largest call for proposal (CfP) ever organised in Malawi which resulted in the signing of seven grant contracts for which activities began during the first half of 2008.¹⁹ Finally, there are also a number of other NGO activities carried out in the sector that are funded from other EC budget lines.²⁰

2.3.1.2 Regional Interconnection with focus on Road Infrastructure

As regards transport infrastructure, Malawi continues to benefit from a reasonably good road network. Substantial progress was made towards this objective in the Malawi-EU co-operation with the completion of a number of on-going investments [Masasa – Golomoti - Monkey Bay road (89 km);

¹⁹ The seven grant beneficiaries are Inter Aide, SHMPA, SWET, DAPP Malawi, Oxfam UK, Care Austria and Find Your Feet/Harvest Help.

²⁰ Concern Universal, for example, has been implementing the following projects in 2008: Mkhumba Boundary Communities Livelihoods Improvement Project in TA Mkhumba, Phalombe District (2006 – 2010); Msamala Environmental Rehabilitation and Livelihoods Improvement Project in TA Msamala, Balaka District (2006 – 2010) and Kasumbu Food Security Improvement Project in TA Kasumbu, Dedza District (2007 – 2011)

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Monkey Bay – Mangochi road (62 km); urban roads in Lilongwe (41 km)] and the signature of all the remaining works contracts under the 9th EDF backlog maintenance programme (MABARM). Three, new, major rehabilitation investments were signed in the second half of 2008: (a) Lilongwe - Nsipe (168 km); (b) Chikwawa – Nchalo – Bangula (86 km); (c) urban roads in Mzuzu (17 km). The rehabilitation and maintenance of the urban roads in Mzuzu is expected to be completed by the end of 2009. The other two investments are instead foreseen for completion by 2010. The interim determination in the arbitration case on the abandoned contract for the construction of Masasa – Golomoti – Monkey Bay turn off roads was passed in 2008 and the award was favourable for the GoM. The conclusion of the arbitration case is expected in 2009 with the quantification and determination of costs. It was agreed that any revenue realised would be re-injected into the 9th EDF.

The capacity building of transport sector public bodies through the 9th INSTAP programme was delayed following problems with the mobilisation of experts under the long term technical assistance contract the implementation of which commenced in 2008. The delay also impacted on the implementation of the Rural Feeder Roads Programme, where tenders are to be launched in 2009.

The preparation of the planned 10th EDF Sector Budget Support (SBS) Programme started quite well in the first half of the year and culminated in the agreement of a road map in June 2008. Since then progress in the preparation of the SBS has been slower than anticipated. The Delegation believes the milestones of the Sector Budget Support Programme should be finally agreed immediately after the elections and that the intervention in the transport sector will be prepared during the second half of 2009 so as to enter into the 2010 AAP as an early deliverable. Should there be further delays or should there be further difficulties to agree on common objectives, then an alternative financing method (project approach) may still have to be considered. As far as the railway system is concerned discussions are on-going on the possible rehabilitation of railway lines linking Malawi to the Indian Ocean. Many development partners, including the EIB, have expressed strong interest to finance the rehabilitation of the entire railway network in Malawi and the GoM should consider taking these opportunities as quickly as possible, considering that the infrastructure environment is highly competitive. Finally worth reporting is that the GoM/donor transport coordination group gained momentum during the year. Meetings, co-chaired by the GoM and the Delegation, have become regular, on a monthly basis, and are attracting an increasing number of stakeholders, including non-resident development partners.

The impact of the Income Generating Works Programme phase I for an amount of €15.5 M will be assessed in 2009. This programme covers 15 districts managed by a local project management unit. The final Programme Estimate with a budget of €4.6 M ended on 30 September 2008. To date, a total of 1,605 village forestry clubs comprising 273,380 members have undergone continuous and targeted training in forest management and a total of 24.8 million trees have been planted covering a total land area of 4,960ha and a further 1,072ha of natural tree regeneration. A total of €420,000 has been realised by the clubs as a forestry fund. Under the irrigation component, 853 irrigation clubs are in operation involving a total membership of 7,762 irrigation farmers. €560,000 has been realised from crop sales in addition, the community managed treadle pump revolving fund now amounts to €305,000 and a total of €110,000 was realised from bonuses. A total of 670ha have been developed for small scale irrigation.

A second IGPWP programme (called phase II) was signed in December 2007, which builds on the achievements made in the first phase programme. The second phase of the programme emphasizes the need to maintain a link between income generation and productive activities in the participating communities through practical and sustainable approaches. To start the activities under phase II, the Government of Malawi had to set aside funds for maintenance of roads rehabilitated under phase I of the programme before phase II activities start. This condition was met in October 2008 ensuring the sustainability on the investment created under the first phase of the programme. The rehabilitation of rural feeder roads and reconstruction of bridges will commence in the first semester of 2009.

2.3.2 Development results in non-focal areas

Promotion of the Rule of Law and Civic Education in Malawi (9 ACP MAI 23) - EU contribution € 28 M. This programme targets the legal and judicial systems in Malawi aiming thereby to: strengthen the democratic process and good governance; improve accountability and transparency in public institutions and provide information and access to justice and to human, economic and social rights to

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the majority of the largely rural population. The programme is made up by two main components: the *Rule of Law component* and the *Civic Education component*.

Rule of Law component

One key element under this component in 2008 were the capacity building activities in support of the Malawi Electoral Commission, with the idea to improve on administration and management capacity in time for the 2009 elections. For this purpose, a Contribution Agreement was signed with UNDP that allocates €1.5 M to a multi-donor Trust Fund of \$ 17.5 M in support of the election process. Another major action in 2008 was the signing of an Administrative Agreement with the World Bank for €2.8 M with the objective of improving the business environment and commercial justice in Malawi, with two important objectives – to improve Malawi's capacity as well as position in developing business enterprise in the country. Other activities in 2008 included the commencement of works on the new Law Faculty Building to improve quality of legal education and increase the country's legal profession base. Another important activity responding to a major need was the starting up of printing of Malawi laws.

NICE component

After almost ten years of existence NICE played is widely considered as an important civic education body with nationwide coverage. By now, greatly thanks to its Malawian management and highly professional District Civic Education Officers, it is seen as an entirely non-partisan body for civic and voter education in Malawi. In the spirit of sharing its knowledge and expertise, considerable progress has been made on the issue of networking and cooperation with other stakeholders in the field of civic education by the signing and implementation of MoUs, by strengthening the organizational set-up of NICE and pushing forward the issue of institutionalisation. NICE played a crucial role both not only in voter education but also in the voter registration process that started during the second half of 2008 in the run-up to the 2009 General Elections,

Malawi Blood Transfusion Service (8 ACP MAI 020, 9 ACP MAI 026), € 9.36 M, January 2000 – March 2009): Against the background of a HIV/AIDS pandemic, the project was initiated to create a Malawi National Blood Transfusion Service with the mission of providing adequate supplies of safe blood to meet the needs of all central and district hospitals. By 2008 the project has been able to achieve a good coverage degree responding to most of the official needs of central and district hospitals. The project has been phased out and is currently being financially supported by the Ministry of Health and the National Aids Commission in terms of recurrent expenditure. However, this financial support is not adequate to ensure sustainability of MBTS hence there is need for more financial support from the Health SWAp. The sole activity which is still on-going under the financing agreement is the construction of three regional blood banks in Mzuzu, Lilongwe and Blantyre respectively. These are expected to be completed and become operational during the first half of 2009. The MBTS is already making significant impact in terms of access to safe blood across the country. In 2008, the MBTS was providing about 100% of blood and blood product supplies in the three central hospitals and about 80% of blood needs in district hospitals. This has reduced the incidence of HIV/AIDS and other diseases being spread via blood transfusion. It is also reported that maternal mortality has been reduced as a result of the establishment of the MBTS.

Support to the National Economic Partnership Agreement Secretariat (9 ACP MAI 22, € 1.6 M): Implementation of Programme Estimate 1 ended on 30 March 2008 without achieving all its objectives. In PE 2, the project has facilitated the participation of Government of Malawi officials and Non-State actors in regional technical meetings and regional negotiating forum meetings. In addition, it has supported the formulation of national positions by financing national cluster consultative meetings, which bring together all key stakeholders in the negotiations at national level. Despite this progress the broad objectives have not yet been met, and some weaknesses in project management remain, resulting in a slow down of the programme's activities. At the time of writing this report, replenishment of the project account in the Ministry of Industry and Trade had been suspended pending an audit query.

Capacity Building for NAO Support Unit in the Ministry of Finance (9 ACP MAI 018, €3.9 M, June 2005 - December 2009) – The project is aimed at building capacity at the NAO Support Unit to take a lead role in the preparation, implementation and monitoring of GoM-EC joint development

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programmes. Overall, the project is considered a success, as confirmed by a mid term evaluation conducted in 2007. At the end of 2008, €3.6 M had been committed and €2.9 M disbursed.

Technical Co-operation Facility (TCF, 9 ACP MAI 011, € 7.5 M, June 2004 – December 2008 and TCF II, 9 ACP MAI 037, € 8.85 M, September 2007 – June 2012) – The programme is aimed at facilitating the implementation of the National Indicative Programmes and other EU sponsored projects and programmes as well as capacity building and studies requested by the Malawi Government. TCF I expired in December 2008 and was superseded by TCF II. At the end of 2008 €6.8 M had been committed and €6.1 M disbursed from phase I and €2.3 M had been committed and €0.4 M disbursed from phase II.

2.3.3. Development results achieved by support to Non-State Actors

In line with the relevant provision of the Cotonou Agreement the European Union is supporting a Capacity Building Programme for Non State Actors in Malawi (9 ACP MAI 28 - €5.0 M; August 2006 – December 2010) with the aim of building capacities of local non state actors to effectively contribute to the development process. The programme has five objectives as follows: (i) develop institutional capacity of Malawian NSAs in project and organisational management; (ii) develop capacity of NSAs to provide efficient and effective service delivery; (iii) strengthen NSA influence on development and implementation of GoM policies, strategies and programmes; (iv) increase effective cooperation between Malawian NSAs and Government; and (v) increase effective cooperation between Malawian NSAs, GoM and the EC. The Steering Committee is composed of some of the most prominent NSA organisations in Malawi.²¹

In line with the relevant provision of the Cotonou Agreement the European Union is supporting a Capacity Building Programme for Non State Actors in Malawi (9 ACP MAI 28 - €5.0 M; August 2006 – December 2010) with five objectives aiming at building capacities of local non state actors to effectively contribute to the development process. The programme achieved a number of milestones. To develop institutional capacity, efficiency and service delivery effectiveness of Malawian NSAs in project and organisational management, training manuals were developed and a service provider will be recruited soon as well as capacity building activities will begin soon eventually addressed to 20 NSAs for €1.5 million. To strengthen NSA influence on development and implementation of GoM policies, strategies and programmes, increase effective cooperation between Malawian NSAs and Government and increase effective cooperation between Malawian NSAs, GoM and the EC, the NSA Programme organised a two days national conference, which was aimed at enhancing dialogue between GoM and NSAs in the spirit of the Cotonou Agreement. At the end of 2008, €3.1 M had been committed and €1.6 M disbursed.

2.4 Other cooperation

Malawi benefits from **Sugar Accompanying Measures** for an overall amount of- €10.578 M financed from the EC Sugar Budget Line for the period 2006-2010. The following actions are being carried out in line with the National Adaptation Strategy (NAS), the EC Response Strategy 2006-2013 and the MIP 2007-2010.

- 1) Review of regulatory framework (€0.267 M)
- 2) Capacity building for out growers in agricultural methods (€1.2 M);
- 3) Building of out growers' management capabilities (€1.2 M);
- 4) Kasinthula phase 3 expansion (€2.55 M),
- 5) Development of new schemes for out growers (€4.8 M); and
- 6) Dwangwa feeder roads (€0.35 M).

The institutional set up and quality of management of out growers' schemes was a focus of the work and activities that took place in 2008, especially as regards to one of the two existing out grower schemes, i.e. Kasinthula, where the preconditions (relating to institutional set up) for signing the grant for the third phase expansion were met. The ground work was completed for drawing up the guidelines for a €2.4 M CfP for building the capacity of both small holder sugar cane farmers as well as that of

²¹ The Steering Committee, in addition to EDF NAO, Ministry of Gender and Child Development and EC Delegation, is composed of CONGOMA, NASFAM, CISANET, MCCI, FEDOMA, and CURE.

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sugar out growers' management. The Monitoring and Evaluation system for the sugar sector was also set up in 2008 and its development will be continued during the course of 2009. Coordination with other donors in the sugar sector was enhanced during 2008, especially with the AfDB with whom a joint mapping and feasibility study is being carried out for future expansions in Dwangwa to be funded by both the EC and AfDB. Three separate financing agreements for a total of €10.578 M have been signed and – as per the end of 2008 – €2.8 M committed. The rate of commitments and disbursements is expected to significantly increase from 2009 onwards.

There are two projects under the **ACP-EU Water Facility** in Malawi: the “Dedza and Ntcheu safe water supply, sanitation & hygiene promotion” project is being implemented through a grant contract with Concern Universal, and the “Peri-Urban Water & Sanitation Project Blantyre & Lilongwe”, which will be implemented through a contract with the European Investment Bank (EIB). The Concern Universal project, ongoing since 2006, aims at the construction of water points, latrines and hand washing facilities and also foresees community training activities. The EIB project will address safe and sustainable water supply and basic sanitation services to low-income areas in two cities of Blantyre and Lilongwe. See the paragraph on the EIB below for further details. It is hoped that future calls for proposals under the Water and Energy Facilities will be of interest for potential beneficiaries in Malawi. Furthermore, there is one project under implementation via a grant contract with Concern Universal that receives funding under the **ACP EU Energy Facility**: the Msamala Sustainable Energy Project. The project aims to bring improved sustainable access to and use of fuel wood energy for the population of the Traditional Authority Msamala, as well as the provision of solar lightning impacting on about 5,000 students and 50 teachers. 2008 was the first year of operations that saw the recruitment of project staff, equipment etc.

The Delegation, with the support of the European Investment Bank, informed the Government of Malawi about the possibility of using the **Infrastructure Partnership instrument**. The new railway programme that the Government wants to launch could benefit from this substantial resource.

The implementation of **STABEX** was suspended in November 2005 to proceed with a final evaluation and a final audit, which subsequently permitted the re-mobilisation of an important amount of un-committed balances. On this basis a new Framework of Mutual Obligations (FMO) was drafted in 2008 that commits the remaining balances of €6.09 M from 6th, 7th and 8th EDF. The FMO was signed by the European Commission on 17th December 2008 and by the GoM on 5th January 2009. All individual commitments are now expected to be signed by the cut off date of June 2009.

In terms of **FLEX** (funded under the B-envelope of the 10th EDF) Malawi is receiving support to compensate for the shortfall in export earnings to the EU and other importing countries. In this context Malawi again received an allocation of FLEX funds amounting to €2.82 M, which is expected to be disbursed as budget support within the on-going PRBS III framework before the end of FY 2008/09 following a detailed assessment of exports statistics.

Food Price Crisis: the European Commission took a decision in 2008 to set aside €200 M from the reserve for unforeseen needs under the 10th EDF B-envelope to respond to the social and macroeconomic consequences of the unexpected and significant increase in world food prices in the most vulnerable ACP countries. Following a detailed assessment taking into account vulnerability, impact on the country and population level, Malawi was attributed the amount of €8.89 M for General Budget Support Operations and the additional resources are expected to be disbursed as budget support before the end of the FY 2008/09. In response to the food price crisis, Malawi has been also selected as a possible beneficiary country within the scope of the €1 billion Food Facility approved by the European Union. The indicative allocation for Malawi accounts for €17.9 M, of which 2.0 M are to be awarded to NGOs via a global call for proposals, and €15.9 M as additional budget support for the financial years 2009/2010 and 2010/2011.

European Investment Bank:

Two important contracts were signed in 2008 that strongly enlarged the EIB action in Malawi: The **Malawi Global Loan III** is the first line of credit to the country under the Cotonou Agreement. It provides long-term funding to private enterprises through two intermediaries, First Merchant Bank and Standard Bank Malawi, to the total amount of €30 M will be made available in two tranches of €15 M, the second being conditional on the full utilization of the first. It will be used for the financing of small and medium sized investments by private enterprises and approved public sector enterprises in

agriculture, agro-industry manufacturing, transport, tourism, utilities, construction and health and education.

Secondly, the finance contract and the grant agreement for the **Malawi Peri-Urban Water and Sanitation Project** were signed in December 2008, following the ratification of the relevant Loan Authorization Bill by the Parliament. This long-awaited project will address safe and sustainable water supply and basic sanitation services to low-income areas in the cities of Blantyre and Lilongwe. It is a joint effort of the Government, the two water boards, the EU/EIB, and NGOs, and has a high development impact since access to safe drinking water plays a central role in improving the socio-economic living conditions of the population. The project amounts to €32 M, almost half of which is financed through an EU Water Facility grant.

Other sectors in which EIB has engaged in during the year have been the energy sector, through ESCOM, as well as the infrastructure sector. Support to the rehabilitation of the railway system, notably the connection to Mozambican ports²², is already being explored. Further action will be taken once the findings of the EC's broad-based study on the system are known. However, it is clear that possible synergies between the EIB and the EC can be achieved in the railway rehabilitation through the Infrastructure Trust Fund.

2.5. Policy Coherence for Development (PCD)

Of particular significance to Malawi are the synergies between development policy and **trade policy**. As far as relations Malawi-EU are concerned these fall under the framework of the EPA negotiations. Malawi, within the ESA grouping, still has not signed an interim EPA, for its own reasons. Negotiations in this respect are still continuing. The expectation of the GoM is that a deal for a comprehensive EPA package that covers investment, services, goods, market access, development, and other sectors will be achieved by June 2009 subject to having in place a new government resulting from the 19 May 2009 elections.

The vision of the Government of Malawi is to progressively swing the country from 'predominantly consuming and exporting to producing and exporting. EPAs provide a platform for the realisation of this vision. Firstly, from the perspective of trade in goods alone, Malawi benefits from duty-free quota free access to the EU market under the Everything-But-Arms (EBA) mechanism. However, EBA is only a unilateral regime, offered by the EU. The EPA, as a negotiated agreement covered by WTO rules, offers a level of legal security that EBA does not. Secondly, EPAs offer improved rules of origin which are much more favourable than those under the EBA. For instance, Malawi could export textile products semi-processed tobacco (imported say from Zambia) to the EU under a single transformation rule. Thirdly, by reducing tariffs on imports from the EU, the EPA would boost the competitiveness of Malawi's industries using capital goods or raw materials from Europe. Lastly, the safeguard of increased access of sugar exports to the EU market will boost Malawi's export into the EU. The thrust of the implementation of the EPA will see positive multiplier effects triggered across most industries and the realisation of Malawi's development needs through trade in addition to aid.

Of particular significance for Malawi is the **EU Sugar Reform**, agreed by the EU in November 2005. This is expected to have a significant impact on the economy of the country due to the important role of sugar exports in the country's trade. The reform aims at enhancing the competitiveness and market orientation of the EU sugar sector while ensuring conformity with the rules of WTO. In this context the EC has allocated to Malawi more than €10 M for the period 2006-2010, of which 5 M in the year 2007 only. The multi-annual support strategy includes: reviewing of the national regulatory framework in the context of the sugar sector; initiatives to increase out-grower production through the improvement of cane yields, area expansion and infrastructure development; and initiatives to reduce the cost of production/increase competitiveness. Thanks to the positive dialogue and collaboration amongst stakeholders, decision was recently taken to further enhance support to the sector with additional €3 M from old Stabex funds under the new FMO just signed. Moreover, the Sugar Steering Committee has been serving as catalyst for all development partners which may be interested in investing in the sector, including notably the AfDB.

²² The EIB is currently appraising a project on the other side of the border, to complete the financing of the Beira port and Sena line rehabilitation. The project is of direct importance for communications with Malawi.

Of interest to Malawi are activities of **agriculture research** centres in the region and in Europe. Under the 10th EDF part of the institutional support for capacity building may be invested in twinning arrangements. For the time being EC and GoM have been exploring the opportunity to improve the availability of high quality seeds in the country. Moreover, while aware of the importance for the EU to protect Consumers Health, GoM intends to focus on the respect of SPS standards. This may come in the framework of a regional programme or within the framework of the investment and trade bilateral programme to be developed under the 10th EDF.

Of particular interest to Malawi is the strong commitment of the European Union, fully reflected in the ambitious EU Council decisions taken in December 2008, to mitigate the potential impact of **climate change**. GoM and EC intend to launch studies on how Malawi can best mitigate the potential impact of climate change in short and medium term in food security, agriculture and natural resource management. The studies will highlight, or reconfirm, activities that can be taken in order to mitigate the consequences of climatic extremes (droughts; flooding). These will have ideally to be integrated into the agricultural development programme. The President of Malawi showed a strong political commitment to tackle climate change on several occasions.

EC and GoM have to sustain a dialogue which aims at carrying out an in-depth study on **migration** by the end of 2009. While available data and reports suggest that migration is mainly towards south, the issue of brain-drain remains an issue of high concern in a country like Malawi. It may hamper its sustainable development. Development partners in the health sector, while acknowledging the negative implications of the brain drain, have agreed through the health SWAP programme to increase in-take of health students in colleges, introduce a 52% salary increase on average for health personnel and improve working conditions particularly in the rural areas.

2.6 Dialogue in country with the national Parliaments, local authorities and NSAs

Parliament is one of the key stakeholders in the consultation process of the joint assessment of the general budget review conducted through the Common Approach to Budget Support reviews. This dialogue involves mostly the Public Accounts and the Budget Finance Committees. In addition, the Parliament is also one of the beneficiary institutions of the Rule of Law Programme (see chapter 2.3.2 above), so regular contacts are ensured from that viewpoint, too. Last but not least the EC Delegation is in regular contact with a number of individual MPs, some of whom have been invited on an individual basis on certain occasions throughout the year.

Dialogue with NSAs remains very open and constructive. NSAs play a positive role both in terms of policy dialogue and in terms of vehicles for implementation of development programmes. NSAs contribute regularly to the drafting of the JAR and were consulted in the preparation of this report. Representatives of NSA active in the governance area are in close contact with the Delegation. NSAs are also involved in the sugar steering committee and were involved in the preparation of the new Stabex FMO. In order to facilitate the role of NSA in implementation of programmes, the Delegation held a seminar with existing and new grant beneficiaries to disseminate best practices. A main theme of interaction with NSA in Malawi continues to be capacity building. This subject is fostered through the EDF-funded Capacity Building Programme for Non State Actors in Malawi. Specifically, the programme is designed to build capacity for Malawian NSA in the areas of programme identification and management; fundraising; service delivery; research, lobbying, and advocacy.

2.7 Aid effectiveness

The Debt and Aid Division of the Ministry of Finance is leading GoM's efforts on promoting the aid effectiveness agenda through intensifying the implementation of the Development Assistance Strategy (DAS), which was adopted in 2007. The DAS aims at guiding the process of aid mobilization, coordination and utilization in Malawi based on the principles of the Paris Declaration (2005) on aid effectiveness, namely: ownership, alignment, harmonisation, managing for results and mutual accountability. It emphasises on the need for the Government to improve on the utilization of existing Aid through Public Sector Management Reform, better Public Finance Management (PFM) and efficient loan and grant administration systems. For development partners, the DAS focuses on the need for donors to respond to Government reforms by increasing alignment to Government systems and strategies, and to harmonise practices to reduce transactions costs.

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The new PFM action plan will be built upon the results of the recent, third, PEFA assessment. Implementation of the revised PFM Action plan is expected to be supported by donors through a PFM SWAp arrangement. In addition the implementation of a Performance Assessment Framework (PAF) with agreed targets on PFM, social sector and governance indicators with annual reviews continues to be strengthened and has become a reliable means for budget support in Malawi.

The Public Finance and Economic Management (PFEM) Action plan includes activities in the area of strengthening of procurement, financial accounting and reporting systems, as well as auditing. Implementation of the revised PFM Action plan is expected to be supported by donors through a PFEM SWAp arrangement. In addition the implementation of the PAF with agreed targets on PFM, social sector and governance indicators with annual reviews continues to be strengthened and has become a reliable means for budget support in Malawi. It is envisaged that development partners will increasingly align aid resources to national systems and processes in response to improvements in these systems. However, despite these improvements, the OECD 2008 Survey reported a slight decrease in the overall usage of Malawi's PFM systems from 55% in 2006 to 50% in 2008.

The Ministry of Finance is currently working with sector Ministries and donors to institutionalise Sector Working Groups in about four of the sixteen sectors. The aim of SWGs is to provide a forum for negotiation, policy dialogue and agreement of plans and undertakings among stakeholders at sector level.

3.0 Conclusion

In 2008, EU-Malawi relations were characterised by a constructive political dialogue which intensified in the last quarter of the year. Political dialogue under Article 8 of Cotonou was extended to other stakeholders that included the Malawi Electoral Commission (MEC) and political parties in light of the 19th May 2009 Presidential and Parliamentary elections. Progress was made on a number of governance commitments that the GoM made at the time of signing the Country Strategy Paper, these will be reviewed in detail during the mid-term review of the 10th European Development Fund. In terms of development co-operation, the year 2008 was a highly successful one. The 2008 EDF Annual Action Plan, including a General Budget Support for € 90 M, was achieved in line with forecasts. The implementation of projects and programmes further accelerated to the point that 2008 represented a record year for the EC development co-operation in Malawi with € 115 M of new individual commitments (EDF: €99 M; Budget: €16 M) and €96 M of payments (EDF: €86 M; Budget: €10 M).

From the macro-economic point of view, Malawi continued to demonstrate strong performances in 2008 with a growth rate of 8.7%. Macroeconomic management remained sound during the year, as demonstrated by the positive conclusion of the IMF PRGF in July 2008 and the approval by the IMF Board in December 2008 of the Exogenous Shock Facility (ESF). Government of Malawi has made progress in the reform of Public Financial Management that has been guided by the PFEM Action Plan adopted in October 2006. An updated PFEM action plan has been developed in May 2009. The PFM Institutional support included under the EC budget support to Malawi will be prepared in line with this updated PFEM action plan in 2009. In terms of trade, the GoM continues to negotiate for a Full Economic Partnership Agreement (EPA) with the EU under the Eastern and Southern Africa (ESA) grouping. The possibility of a fiscal slippage due to unbudgeted purchase of fertilizers above the core programme of 170,000 MT is of great concern for all development partners, particularly those involved in budget support. This will need to be monitored closely in 2009.

The EC Delegation in collaboration with other development partners and GoM will initiate an in-depth analysis of the impact of global financial crisis on Malawi in 2009. The study will come up with short, medium and long term quantitative and qualitative impact of the crisis on Malawi and provide enough evidence for GoM and various development partners in developing response strategy and measures to the crisis, and draw up assistance strategy in the combat of the world wide meltdown. In addition, the study will also contribute to the upcoming discussions during the above-mentioned mid-term review under the 10th EDF, which is expected to take place in 2010. At this stage it does not appear likely that the focal areas under the Country Strategy Paper will need to be amended, even though the increase in

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budget support due to the additional allocations (as outlined in chapter 2.4 above) need to be reflected appropriately.

As far as climate change is concerned the GoM and the EC intend to launch studies on how Malawi can best mitigate the potential impact of climate change in short and medium term in food security, agriculture and natural resource management. Significant progress was made in 2008 on streamlining donor coordination in the spirit of the Paris Declaration on Aid Effectiveness. This will need to be pursued further in 2009.

Annex 1A - Macroeconomic indicators

		2006	2007	2008 ¹	2009 ²	2010 ³
Basic data						
1	Population (in million) ⁴	12.4	12.7	13.1	13.4	13.8
	- annual change in %	2.8	2.8	2.8	2.8	2.8
2a	Nominal GDP (in millions USD) ⁵	3164	3585	4218	4847	5339
2b	Nominal GDP per capita (USD) ⁶	241.1	267.8	308.9	347.9	375.6
2c	- annual change in %	8.6	11.1	15.3	12.6	8.0
3	Real GDP (annual change in %)	6.7	8.6	9.7	6.9	7.1
4	Gross fixed capital formation (in % of GDP)	14.6	19.2	24.5	24.5	24.5
International transactions		2006	2007	2008	2009	2010
5	Exports of goods and services (in % of GDP) ⁷	17.2	20.2	23.8	22.0	22.0
	- of which the most important: Tobacco (in % of GDP)	9.2	9.0	14.8	12.9	12.0
6	Trade balance (in % of GDP)	23.5	-19.2	-18.8	-15.6	-15.5
7	Current account balance (in % of GDP) ⁸	-6.4	-2.2	-8.0	-4.2	-5.4
8	Net inflows of foreign direct investment (in % of GDP)	0.9	0.9	5.2	2.9	2.0
9	External debt (in % of GDP) ⁹	14.3	14.5	16.5	17.4	19.4
10	Service of external debt (in % of exports of goods and non-factor services)	14.1	3.2	2.9	3.3	3.7
11	Foreign exchange reserves (in months of imports of goods and non-factor services)	1.1	1.4	1.3	2.0	2.3
Government		05/06	06/07	07/08	08/09	09/10
12	Revenues (in % of GDP)	31.7	31.7	30.1	32.5	31.7
	- of which: grants (in % of GDP)	13.9	13.6	10.9	13.2	12.2
13	Expenditure (in % of GDP)	31.7	33.0	32.8	36.2	34.2
	- of which: capital expenditure (in % of GDP)	6.9	11.5	11.7	8.7	10.8
14a	Deficit (in % of GDP) including grants	0.0	-1.3	-2.7	-3.7	-2.5
14b	Deficit (in % of GDP) excluding grants	-13.9	-14.9	-13.6	-16.9	-14.7
15	Debt (in % of GDP)	50.2	34.9	32.8	31.3	31.3
	- of which: external (in % of total public debt)	71.3	64.7	68.9	75.7	75.7
Other		2006	2007	2008	2009	2010
16	Consumer price inflation (annual average change in %)	13.9	8.0	8.7	7.9	6.7
17	Interest rate (TB annual rate in %)	20.0	13.9	11.13		
18	Exchange rate (annual average of national currency per 1 €)	168.6	190.8	207.2		
19	Unemployment (in % of labour force, ILO definition)					
20	Employment in agriculture (in % of total employment)					

Data source(s):

National Statistical Office, IMF Report January 2009, Info Euro

¹ Projections

² Projections

³ Projections

⁴ National Statistical Office – Projected Population based on preliminary of 2008 Malawi Population and Housing Census.

⁵ Data have been re-calculated from 2005 onwards with updated methodology (upward revision of approx. 40%)

⁶ Data have been re-calculated from 2005 onwards with updated methodology (upward revision of approx. 40%)

⁷ Uranium will start contributing from 2009 onwards. As soon as Kayelekera mine enters into production exports will increase by 25%

⁸ Including official transfers

⁹ HIPC completion point was reached in August 2006

PROJECT FICHE - MALAWI

Rural Development and Food Security

Support to the Implementation of the Malawi Land Reform Programme

Project no	9 ACP MAI 012
Global commitment: Government Of Malawi	€ 1,969,065 € 180,230
Disbursements	€ 1, 226,958.78
Financing agreement	15.06.2004
Period of execution	54 months ending 31 Dec 2010
Implementing agency	Ministry of Lands, Housing and Surveys

Project description

In 1995, the World Bank initiated land policy reforms in Malawi as part of a structural adjustment programme. The principal purpose was to have clearly defined rights of ownership, thereby encouraging the operation of land markets and the allocation mechanism enabling innovative and energetic farmers to acquire more land. Lack of access of local communities and more specifically, of farmers to land and other productive assets impact negatively on their productivity, resulting in perpetuation of poverty and social exclusion.

In 2003, the government approved a new comprehensive Land Policy, the aim of which was to ensure land tenure security and equitable access to land. A fundamental principle of the policy is to codify the tenets of customary land law and to elevate the customary estate (customary law) to full ownership status. In addition, a comprehensive Land Bill is being developed, under the aegis of a Special Law Commission instituted in early 2003 to review all land-related legislation.

The objective of the Programme is to contribute to the sustainable use and management of land and land-based resources by strengthening the institutional framework to implement the Land Reform Programme (LRP). One of the project's main

activities is to set up a Technical Land Services Secretariat (TLSS). TLSS is responsible for the development and operationalisation of a computerised monitoring and evaluation system and a financial management system for LRP, including a system for cost recovery from land services. Some €1,300,000 is allocated under the programme for the setting up of the TLSS and a further €300,000 is allocated for the development of a computerised monitoring and evaluation system for registration and land data management. The programme also supports the establishment of an information, education and communication unit within the Ministry of Lands to increase public participation in the land reform process; it also provides student bursaries in land management aiming at helping address the acute shortage of trained and experienced land administration personnel.

Project Implementation

Technical Land Services Secretariat (TLSS) staff was recruited in October, 2006 except for the Project Secretary who never reported to assume her duties.

A total of 55 students graduated from NRC with Certificates in Land Administration and were deployed to various District Assemblies. Another intake of 60 students began their Certificate Course in November, 2007. In addition, thirty six (36) students were trained in various short-term land-related courses at Polytechnic and 1 student completed his degree course in Development Economics at Chancellor College.

In terms of establishing systems for efficient and effective land reform programme implementation, a comprehensive Capacity Needs Assessment was conducted through a consultancy and the results will be an important input into the envisaged long term support programme. The programme also supported a consultancy to establish a system for mainstreaming cross-cutting issues into the land reform programme. Through direct commitment, the programme also supported a consultancy for establishing an efficient cost recovery system from land services.

A review of the draft Land Bill was completed. However, the bill which was planned to be presented to Parliament by end December, 2007 as earlier on

anticipated was not presented. The Law Commission, who were pre-occupied by the Constitutional Review exercise in 2007, did not finish putting the draft Bill in a legislative format that will be submitted to Ministry of Justice and Constitutional Affairs for presentation to Parliament for discussion. It is hoped that this will be accomplished in 2008.

By end of December 2007, a total of Euro 1,927,030.94 had been committed. Euro 1 226 958.78 is the one that had been paid. This is representing 63.6 % expenditure rate.

Farm Income Diversification Programme (FIDP) – Phase 1

Project no	9 ACP MAI 015
Global commitment	Phase 1: € 16.2 million
Disbursements	€4928784.77
Financing agreement	31.03. 2005
Period of execution	Phase 1 - 4 years ending 31.12.2012
Implementing agency	Ministry of Agriculture, Irrigation and Food Security

Project description

The Farm Income Diversification Programme (FIDP) is a successor to PROSCARP. The PROSCARP (Promotion of Soil Conservation and Rural Production) programme started in July 1997 with the objectives of reducing land degradation and improving the nutritional status of smallholders through soil and water conservation, soil fertility improvement, water supply and sanitation. An evaluation of PROSCARP at the end of 2002 recommended an expansion of the programme to adjacent zones with more focus on crop diversification and reform of agricultural extension services.

The FIDP programme, covering 11 districts, is designed to increase smallholder farmers and rural communities incomes by teaching them to grow, market and trade a range of produce. One of the

principal expected results is the development of a grassroots extension service using extension workers of the MoAFS, NGOS and private companies. The programme will inter alia teach smallholder farmers how to produce and use organic fertilizer as a complement to inorganic fertilizers, livestock production and set up farmers' associations/cooperatives for marketing produce. The programme will also support the development of a market information system for rural communities; undertaking of regional and international studies to identify potential markets for fresh and processed products; training for farmers in horticulture; as well as capacity building of horticultural teaching staff at Bunda College and Natural Resources College.

Over €6.5 million will be allocated to programme activities, including capacity building and support at village level. €3.35 million will be used for operating costs (including personnel costs) and over € 3.5 million for technical assistance. The programme will co-operate closely with another EC-funded project, the 'Institutional Development across the Agriculture-Food sector' (IDAF).

Project implementation

The total cost of the programme is estimated to €36.5 million. A second financing Agreement will be required for the additional operational implementation period of 36 months The Financing Agreement related to Phase I (36 months) was signed by the GoM on 31 March 2005. A start up PE of 6 months was signed only in August and concentrated on procurement and establishing the external programme management unit. The first operational PE was signed in February 2006. The recruitment process for the TA team was finalized in late 2006 and the three TA team were contracted late December 2006. Two TA team were mobilised in January 2007 while TA for M&E could not report and was re-launched through FWC which was finalised in December 2007 and TA was mobilised in January 2008.

One of the principal expected results is the development of a grassroots extension service using extension workers of the MoA, NGOs and private companies. The programme is operating within the framework of decentralization policy and to support this framework satellite bank accounts have been opened in each district and are being managed by

the District Agriculture Officer and the District Commissioner who are responsible for implementation of programme activities at district level. 415 staff are involved at district level. During the implementation of PE1 the programme reached 34 EPAs and started implementing activities in 1,297 villages with training activities at district and farmers level.

The shift to managing programmes through district offices and authorities is proven to be a challenging and the programme is working to strengthening local capacities.

Close link with the MoA&RD is maintained particularly for extension services, training and input to the new established data base at the FSJTF.

Strengthening of local capacity under FIDP has helped in the management and implementation of programme activities at district level by the District Agriculture Officer and the District Commissioner resulting into remarkable achievements in the implementation of five result areas except on result 6 which do not necessarily only depend on FIDP. ROM mission 2007 gave a very positive assessment of the programme.

Call for Proposal for large grant was launched on 1st June 2007 with the objective of engaging non state actors in the realisation of FIDP objectives. Three large grants were awarded to Mzuzu Coffee Planter Cooperative Union ((EUR998,000); The Trustee of National Smallholder Farmers Association (EUR857,605.50) and Ricerca Cooperazione (EUR811,071.17).

The project completed the organisational set up and it is now expected to reach full speed implementation. . A request for a rider was made to extend the period for implementation of the Financing Agreement from 15th February 2009 to 31st December 2010.

The Operational Programme Estimate No.1 of €3,365,000 started on 24th February 2006 and will end on 31st March 2007.

Implementation of the second PE of €3,005,000.00 started on 1st April 2007 and will end 30th April 2008. PE 2 targets 1,800 villages in 34 Agricultural Extension Planning Areas. The PE activities focussed on agricultural extension training and agribusiness initiatives in Livestock (poultry, piggy,

goats, dairy, beekeeping and aquaculture) and diversified crop and horticultural production, storage and processing).

The implementation of the third and final operational P E of €3,365,000.00 is expected to start on 1st May 2008 to October 2009.

On average, since the programme started, average annual income from farm related activities has increased from MWK 18,453.00 to MWK 20,871.00 representing a 13% increase in nominal terms.

All interventions in all operational PEs are focussing on capacity building (of the relevant extension staff as well as the farmers) in organisational development, business management practice and access to technology to support market access. FIDP is also supporting some government officials to undergo Masters Degree courses on horticulture engineering (3) agricultural economics, international trade and marketing (3).

To end-December 2007, commitments 9292769.26 and payments €4928784.77

Mid term Review (assessment of first phase) is being planned for March 2008 under FWC. FIDP had committed a total of EUR15.77 million leaving a balance of EUR0.4 million mostly Contingencies by 2nd Dec 2007 (Date+3) and € 4.9 million disbursed to end-2007

Improved Forest Management for Sustainable Livelihoods (IFMSL)

Project no	9 ACP MAI 016
Global commitment	Phase 1: € 9 million
Disbursements	€4,478,094.72
Financing agreement	31.03.2005
Period of execution	7 years to 31.12. 2012
Implementing agency	Department of Forestry in the Ministry of Energy and Mines

Project description

Increasing demand for land and energy resources combined with worsening poverty levels has placed extreme pressure on the

remaining forest areas in Malawi. The Improved Forest Management for Sustainable Livelihoods (IFMSL) Programme builds on the experiences of the GoM/EC Social Forestry Training & Extension Project, which was implemented between 1997-2003. This project was aimed at developing capacity of the Department of Forestry (DoF) to implement the National Forest Policy of 1996 focusing on participation of rural communities in forestry services.

IFMSL aims at contributing to increased household income and improved food security through more sustainable management of natural resources. The programme addresses poverty and forest degradation through promoting greater community involvement in forest management both in forest reserves and customary land, while formalising local communities' access to and control of forest resources. The programme covers forests of major importance within 12 Districts: Nsanje, Chikwawa, Zomba, Machinga, Ntcheu, Dedza, Ntchisi, Kasungu, Mzimba, Rumphi, Karonga and Chitipa.

The programme will support the establishment of collaborative partnerships between local extension agencies, civil society and other development programmes as well as the creation of income generating activities for local communities from forest resources (including tree planting and forest rehabilitation). Local communities will also be supported through direct inputs, capacity building in the areas of technical, financial and administrative management as well as through support to marketing opportunities for their products.

Governance of key forest resources will be strengthened through: the establishment of multi-stakeholder local forums comprising District Assemblies, Traditional Leaders, community and civil society representatives, who will be in charge of developing local forest management and land use plans; conclusion of co-management agreements with 120 communities for the shared management of State Forest Reserves and protected areas; review of forestry legislation; capacity building of Regional and District staff at the Department of Forestry for decentralisation of forestry services.

The programme will be implemented in two phases: The first phase is of three-year duration (up to the end of 2007), while the second phase is expected to begin sometime in 2008 depending on results

achieved during the initial three years of programme implementation.

Project implementation

The programme operates in 16 'Impact Areas' in 12 Districts. A Long term Technical Assistance Team, comprising four advisers, has been in place since March 2006 and the Programme also benefits from a number of short-term technical inputs. These include short term technical assistance in forest co management and developing financial incentives for sustainable forest management. The main activities done in 2007 have been (i) the implementation of a capacity building programme for 120 front-line staff of the Forestry Department; (ii) demarcation of more than 240 Village Forest Areas, totalling some 6,500 ha; with management plans completed for 60 of these; (iii) development of 14 Strategic Forest Area Plans; (iv) establishment and support to some 200 Village Natural Resource Management Committees; (v) support to an important study on charcoal consumption, trade and production; (vi) planting of trees on more than 1000 ha; (vii) 153 communities supported in a range of forest-based enterprises (e.g. bee-keeping; mushroom production; tree seed oil production); (viii) support to 40 certificate / diploma students at Malawi College of Forestry & Wildlife; (ix) development and execution of an ambitious communications strategy, targeting politicians and high-level policy makers, to raise the profile of the forestry sector and demonstrate its role in poverty alleviation..(ix) a baseline livelihoods survey was carried out in all Impact Areas and an M&E system for the project developed.

. Due to slower implementation of the project activities than anticipated especially in the initial stages a rider number 1 to the Financing Agreement was requested and approved. Therefore implementation period of the Financing Agreement has been extended from 15th February 2009 to 31st December 2010 while the end date of execution has been extended from 15 February 2011 to 31 December 2011

A mid-term review is planned for the second quarter 2008 to assess progress and provide recommendations for phase II.

To end-December 2007 commitments totaled €8,707,705.26 and payments €4,478,094.72

Institutional Development Across the Agri-Food Sector (IDAF)

Project no	9 ACP MAI 019
Global commitment	€ 7,970 ,000
Disbursements	€1,004,232.2
Financing decision	29.06.2005
Period of execution	7 years ending 31.12.12
Implementing agency	Ministry of Agriculture and Food Security

Project Description

There is a critical need to strengthen the institutional capacities of the key GoM Ministries and parastatals mandated to foster growth and development in agricultural production, processing and marketing. Also, institutions in the private/NGO sector and civil society such as farmer organizations need sustained capacity development if the acknowledged potential for growth in the national agri-food sector is to be realized.

The programme has two major components: institutional development and agribusiness development. Under the institutional development component, functions and organizational structures of the Ministry of Agriculture (MoA) will be reviewed in the context of defined core functions of all stakeholders across the agri-food value chain. Capacity building programmes for the Ministry's staff in policy formulation and strategic planning (in support -among other areas- of the decentralisation process) will be developed and implemented on the basis of the reviewed functions. The programme, in collaboration with the recently launched Farm Income Diversification Programme (FIDP), will support development of farmer organizations, cooperatives and farmers associations to optimize production systems, market orientation and access to markets., while Enhanced Food Security through Trade (supported under Food Security Budgetline) will support trade related activities at national and international level where Ministry of Trade has comparative advantage

Under agribusiness development, institutions and support systems to promote agri-food trade and realise access to export markets will be developed

and strengthened through the following activities: review of mandates, structures and capacities of Ministry of Trade, MEPC and MIPA; the development of a national strategic plan for food exports; enterprise development training programmes; the design and implementation of an agribusiness and food industry management development programme and the promotion of appropriate processing facilities, technologies and systems for the food industry. Beyond that, the systems, facilities and personnel needed to ensure compliance with international standards, quality assurance and market accreditation for agri-food exports will be identified and promoted as investment needs both within Government and within the private sector. Due to the very nature of the programme, which is focused on institutional change within the MoAFS, its success is very dependent on the active enagement of Government and civil society

Project Implementation

There was a delay in the commencement of programme implementation because the Ministry of Agriculture was not able to appoint a programme coordinator. The project coordinator was only appointed in mid-June 2006. The project is supported by two TAs, one started in July 2006 (Institutional Development Specialist) and the other in October 2006 (Agribusiness Development Specialist)

The programme started the first operational PE in June 2006. Approximately 50% of the budget was allocated to District level activities, where the aim was to strengthen and diversify current extension delivery systems in order to link smallholder farmer organisations to developing value chains. District Offices developed works plans and budgets, opened accounts and started implementing their activities in December 2006. Consultants were recruited to support the establishment of a monitoring system and the establishment of baseline information. The programme is being implemented in the context of a number of current MoAFS processes, including development of an Agricultural Development Programme, evolving from recent agricultural policy analysis, development of a Ministry wide strategic plan and a core function analysis process being led by the IDAF programme. The programme has suffered some delays during the first six months due

to difficulties in accommodating the project within the MoAFS, as well as a number of procurement related issues.

Due to the very nature of the programme, which is focused on institutional change within the MoA, it suffered more than other programmes from the fact that MoA understandably focused on the immediate and urgent needs of the current food crisis. The organizational set up is now in place, personnel recruited and major results are expected in the coming year.

ROM mission of May 2007 gave a very poor rating of the programme. As such measure restructuring and re-organisation of the programme was necessary before another fully fledged operational PE 2 could be agreed. Second Operational PE with reduced refocus (three key result areas and only concentrated in 11 districts) has been agreed by the Steering Committee and is expected to start on 1st April 2008 to November 2008. A third and final operational PE with similar focus and scope is expected to start in December 2008. IDAF implemented short (6 months) interim PE to pave way for the task force and steering committee to come up with agreed set of objectives and actions with various milestones for the project.

To end-December 2007, commitments totalled €2,654,354 and payments €1,004,232.25.

Food Security Programme for Malawi 2004-2006

Project no	FSP 2004-2006
Global commitment	€ 45 million
Disbursements	€ 12.08 million
Financing decision	04/08/2004-Decision 6173 for € 15 million 23/12/2005-Decision 17793 for € 15 million 13/12/2006-Decsion 18500 for € 15 million
End date of financing agreement	- 31/12/2012 for decision 6173 - 31/12/2013 for decision 17793 - 31/12/2014 for decision 18500
Project duration	2005 –2014

Beneficiary	Government of the Republic of Malawi
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Project Description

The “Food Security Programme for Malawi 2004-2006” aims to reduce chronic food insecurity at national and household level.

The proposed programme is designed to take into account the lessons learnt from the 2002 food crisis, the recommendations of the mid-term review evaluation of the on-going Multi-Annual Food Security Programme and the chronic food insecurity situation in Malawi.. The five components will aim to achieve the following objectives: (i) Improvement of the Food Security and Nutrition Policy implementation and management; (ii) More efficient management of the Strategic Grain Reserve; (iii) Improvement of the institutional capacity to set trade policy; (iv) Increase of households’ farm and non-farm incomes and (v) Improvement of the nutritional status of vulnerable groups.

The programme for a total amount of €45 million, consists of a foreign exchange facility of €21.3 million and €23.7 million for special commitments. The foreign exchange facility generates counter value funds in local currency that is used for local expenditure. The €23.7 million of special commitments includes €3 million for technical assistance to support the following: Principal Secretary of the MoAIFS in charge of the implementation of the Food and Nutrition Security Policy; NFRA; the NAO Support Unit in the Ministry of Finance and the Nutrition Department in the Ministry of Health. The programme also supports an analysis and monitoring system of the national food security situation. Some €5.7 million is allocated for NGO implemented projects and €0.3 million for monitoring and evaluation.

In relation to SGR, financial resources are required to replenish and maintain the stocks. The programme also covers the cost of production and distribution of nutritional products as well as the purchase of basic equipment, and rehabilitation for nutrition units. The programme aim also at strenghtening community capacities in term of nutrition through eduction and trainings. The programme will support SPRINT-an Emergency Public Works Programme that focus on income generating activities. The programme is also

supporting the Government's voucher seed subsidy programme with the objective to promote diversification by providing the possibility to the farmers to choose the type of subsidies seed he would like to acquire.

Programme implementation

Three global commitment amounts of €15 million each have been committed. The first global commitment includes €1.25 million for technical assistance and €13.75 million for food security programmes for which activities are detailed in a Memorandum of Understanding signed between the Government of Malawi and the European commission in August 2005.

Under this MoU, €865, 005 has been allocated to support the Technical Secretariat Joint Task Force (TSJTF) at the Ministry of Agriculture, €122,708 in support of office running costs of TSJTF, over €3 million to SPRINT, € 700,000 to support the Government of Malawi's seed subsidy programme and € 176,614 as support to WFP.

Two tranches totalling of €5.5 million have been released to support FSNP management, procurement of 16,000mt for the replenishment of the SGR and quality control, an emergency public work programme (SPRINT and and two yearly seed subsidy programmes and for WFP for distribution agreement for the crisis in Kasungu. Progresses achieved were satisfactory in road rehabilitation, forestry and irrigation: 227 village roads were rehabilitated, 1,310 Ha of tree planted and 105 fish ponds were constructed. In total more then 55,000 persons were able to increase their wages. The final SPRINT report shows that the programme was very effective and that cash-for-work can be an alternative to food aid in Malawi.

An amount of € 1.6 million is set aside for the purchase of an additional 10 425 MT of Maize to replenish the Strategic Grain Reserve. A further 1.5 million are committed for support to nutrition (TA, rehabilitation, equipment and training), 0.6 million to prepare the Enhanced Food Security Through Trade programme and to prepare essential studies on the comparative advantage of Malawi and on trade barriers and opportunities .

The second global commitment includes € 1.4 for technical assistance and monitoring/evaluation, €5.7 million for NGO implemented activities and €7.9

million for food security programmes. A call for proposals was launched in 2007 to implement the NGO €5,7 activities, the MoU to implement the €7,9 million is still to be signed. One technical assistance to the NAO has also been contracted under this programme.

The third global commitment includes € 0.65 for technical assistance and € 14.35 for food security activities implemented under a contract (MoU) signed between the GoM and the European Commission. This contract is yet to be signed.

Sustainable Nutrition Rehabilitation Programme (SNRP)

Project no	9 ACP MAI 20
Project amount	€ 6.5 million
Project duration	5 years
Financing agreement	25.07.2005
Period of execution	7 years to 31.12.2012
Implementing agency	NGOs in close collaboration with the Ministry of Health

Background

The SNRP finds its origin in the desire to sustain the ECHO nutritional interventions initiated during the 2002/2003-food crisis in Malawi. The ECHO-funded nutrition programme which ran from June 2002 to June 2004 helped *inter alia* to develop the necessary expertise in 45 (Ministry of Health managed) Nutritional Rehabilitation Units for the treatment of severe acute malnutrition. It also facilitated the establishment of a nationwide nutrition monitoring system. The SNRP project will ensure the continuity of the achievements of the 2002-2004 ECHO interventions (as well as the successor projects) and will complement the forthcoming Food Security Programme (FSP) for Malawi for the period 2004-2006 which foresees a specific component on nutrition. The added value of the present project lies in the high degree of integration with other more short-term initiatives as well as longer-term programmes, thus substantially contributing to linking relief, rehabilitation and development LRRD.

Project description

The SNRP provides a link between the short-term support that the European Union, other donors and the Government of Malawi have made available in order to address the current food insecurity in Malawi as well as longer-term programmes aimed at stabilizing and diversifying rural livelihoods. The programme fits into the safety net intervention framework, as its specific objective is to strengthen the ownership and capacity of local and national actors, including communities, by enabling them to recognise, respond to and adequately address malnutrition.

The expected result of the programme's national component (€1.5 million) will be to strengthen the national nutritional surveillance system, in order to provide timely information about the nutrition situation to all stakeholders. This component ensures continuance of the work that was being undertaken by Action Against Hunger (financed by the EC) in collaboration with the Ministry of Health. At community level, the project component (€5 million) is expected to contribute to the adoption of diversified household diets, improved mother and child care practices, and appropriate community based treatments for malnutrition. Four NGO projects are being supported.

Implementation

In April 2006 Action Against Hunger was awarded a grant contract to implement the programme at national level. So far €990,000 has been disbursed towards the development of an integrated nutrition and food security surveillance system. The funds have also been utilized to build the capacity of 48 Nutritional Rehabilitation Units countrywide to detect and treat malnutrition and associated HIV/AIDS, and also to reinforce the referral system. Implementation of the national component came to an end in October 2007. An end of project evaluation is planned for March 2008.

In December 2006, the following NGOs were awarded a grant by EC to implement the SNRP at community level: CARE International Deutschland eV, Concern Worldwide Malawi, Cooperazione International, and Danish Church Aid. The implementation period for the programme is 36

months. All the four NGOs started implementing the programme activities in January 2007.

As of end-December 2007 commitments totaled €5,987,212 and payments €2,128,353.

Transport and Infrastructure

Rehabilitation/construction of M1-Golomoti-Monkey Bay Road

Project no	7 ACP MAI 131, 8 ACP MAI 021 & 9 ACP MAI 014, 9 ACP MAI 21 (partly)
Project amount	€2,000,000, €26,000,000 €5,000,000 €3,000,000 respectively Total €36,000,000
Disbursement	€19,745,542.20
Financing agreement	28.02.2000
Period of execution	3.5 Years to 31.12.04 extended by Rider 3 to 31.12.06. Prolongation granted to 31.12.09.
Beneficiaries	Roads Authority (RA)

Project Description

The Rehabilitation/Construction of M1-Golomoti-Monkey Bay Road project was decided on 28.02.2000. The road serves the main fishing and tourist area of Malawi on the southern shores of Lake Malawi. The works cover two sections: Section 1 which is 30 km in length going from Masasa (on the M1) down the Rift Valley escarpment to Golomoti (on the M5); and Section 2 which is 58 km in length going along the floor of the Rift Valley from Golomoti to the junction with the Monkey Bay to Mangochi road (M10). The result will be a 90 km bituminised link between the M1 and the Mangochi-Monkey Bay Road, reduced vehicle operating costs and improved tourist access to the lakeshore area.

Project Implementation

The works commenced on 17.03.2003 with an expected completion date of 16.03.2005. Serious discrepancies in the survey information contained on the drawings were identified soon after commencement of works. This necessitated a complete re-design of Section 1, resulting in a projected increase in costs by €5 million, with the completion date pushed to November 2005. In early 2005 the contractor requested a further extension of the programme to August 2006. The contracting authority rejected this request and the contractor abandoned the site at the end of October 2005 resulting in a dispute which was referred for arbitration, with the hearing held in mid-2007 in South Africa. A decision is expected in April 2008.

With the onset of the rainy season due in November 2005, a small works contract was negotiated with a local contractor to cover emergency maintenance needs and to complete some critical outstanding works. The contract commenced in December 2005 for a period of six months. This contract proved very successful in limiting damage due to rains.

The current set of circumstances, required that an extension to the period of validity of the Financing agreement be sought. A request to extend the validity of the FA to 31st December 2009 has been approved.

Tenders for the completion works were launched in August 2006 with submission of bids in mid-January 2007. Tenders for the supervision services were received on 15th December 2006 and evaluated. Contracts for both the works and supervision were awarded in June 2007.

Completion works progressed fairly well in 2007, although there were complications due to theft of culverts and non-availability of the original contractor's camp, pending the arbitration ruling. At the end of 2007, section 1 was complete except for seal on the last 5 km. Overall, the works were 2 months behind schedule at the end of 2007, due to heavy rains.

HIV/AIDS, environmental and social issues for this project have been dealt with through a small programme estimate implemented by the NICE project unit.

To end-December 2007 contract commitments totalled €27,751,175.15 and payments €19,745,542.20.

Lakeshore Road Infrastructure Programme (LSIP)

Project no	6 ACP MAI 087 6 ACP 088; 7 ACP MAI 130; 8 ACP MAI 030; 9 ACP MAI 32; 9 ACP MAI 34
Project amount	€2,858,079.18; €122,921.98; €1,770,620 €11,955,880 €276,658.84 €15,840.00 - Total €17,000,000
Disbursement	€ 10,043,362.48
Financing agreement	12.07.2001
Period of execution	3.75 years to 31.12.05 extended by Rider 1 to 31.12.08.
Beneficiaries	Road Authority (RA)

Project Background

Road transport in Malawi is the most important mode for the movement of people and goods. There is, however, a build-up of backlog maintenance and continued seasonal damage caused by flooding and unpredictable hydrology. The principal aim of the programme is to re-open the Northern Transport corridor to Tanzania and provide access to the southern lakeshore areas along the M5 route. The programme also provides technical assistance to the National Roads Authority.

Project Description

The programme resources (total commitment of €17,000,000) support

- Works on the replacement of five bridges on the main M1 and M5 roads at Dwambazi, Liwaladzi, Kasangadzi, Lisasadzi, and Kalwe; (€6,723,850)

- Rehabilitation of Mangochi – Monkey Bay road (€5,244,550) and works supervision (€1,879,800);
- Capacity development of the National Roads Authority (NRA) (€1,929,000) with the balance covering audits, evaluation and contingencies (€1,222,800).

The programme began in 2002 and is scheduled for completion on 31.12.2008. The National Roads Authority is the project supervisor. The key programme elements are design, works, supervision, training and technical assistance.

Project Implementation

The project has been the subject of one Rider extending the implementation period from December 2005 to 31 December 2008. *Replacement of Bridges* (€6,723,850) - The construction of 140m dual lane composite steel and reinforced concrete bridge across Dwambazi river and 4.2 km of road approaches including related drainage works commenced on 17.04.2002 and were completed on 30.04.2003. The road was constructed to Class I standard carriageway of 6.7m with sealed shoulders. The final inspection at the end of maintenance period has been completed and the final acceptance certificate issued. The final cost of the works was €3,938,550.

Four bridges on the M1/M5 – A number of bridges along the M1 and M5 were damaged beyond repair due to a serious flooding in the late 1990s. Works commenced on 12.05.2004 at Liwaladzi and Kasangadzi and on 19.04.2004 at Lisasadzi and Kalwe. Works have been completed on all four bridges despite construction difficulties and site flooding during the 2004/05 rainy season. Final acceptance for all the four bridges was issued in mid-2006.

Capacity Development - NRA (€ 1,929,000) – Provision of Technical Assistance (TA) to the NRA is intended to facilitate maintenance planning. The provision of support to NRA commenced on 12.10.2002 with a team comprising three engineers supported by additional short-term specialists. This input was completed in December 2006. An important element of the work has focused on assisting NRA in its planning and programming function and has culminated in the implementation a computerized road management and maintenance

system (with links to the Highway Development and Management Tool HDM-IV). The TA also provides assistance with NRA's strategic planning, implementation of its quality management and management information systems, provision of standard contract documentation and training. The TA programme has also been instrumental in progressing the reform process that has seen the National Road Authority Act of 1997 being replaced in mid-2006 with a new Bill that effectively separates the operational functions of the National Roads Authority and establishment of an autonomous Road Fund Administration. The Road Sector Programme with the rolling 5-year investment plan for roads was prepared with assistance from the TA and released in April 2007. The TA finished in May 2007.

Mangochi – Monkey Bay road (€5,244,550 plus €900,000 from MABARM 9 ACP MAI 21) – The Mangochi-Monkey Bay Road follows the M10 from Mangochi to the junction of M10 and S128 at Mangoma (51.5 km), and then on to the S128 to Monkey Bay (12 km). The road is paved, though in poor condition, with some short sections ripped and returned to gravel. The works tender was launched in August 2006 and receipt of tenders on 5th January 2007. The rapid deterioration on the road led to a re-design of the planned intervention, which has slowed the procurement process. This necessitated the request to extend the implementation period of the FA to 31.12.2008. Derogation from Brussels was obtained to allow the works maintenance period to run until end September 2009. Works and supervision contracts were signed in June 2007. The implementation of the works has been very slow, with very late mobilization by the contractor, who has been subject to extreme pressure by the government and delegation. Completion within the performance programme is still possible and very rapid acceleration is expected.

To end-December 2007 contract commitments totalled €16,874,633.73 and payments € 10,046,362.48.

Malawi Backlog Road Rehabilitation and Maintenance Programme (MABARM)

Project Description

Project no	9 ACP MAI 021
Amount	€38,000,000
Disbursement	€1,556,223.10
Financing agreement	14.09.2005
Period of execution	9.3 years to 31.12.2014
Beneficiaries	Ministry of Transport, Public Works and Housing and Road Authority (RA)

Malawi is land-locked and good internal and cross-boarder road links are vital. EDF support in the transport infrastructure has centred on institutional reforms, capacity building in the public and private

sectors, and the elimination of backlog maintenance to bring the core network up to standard. The overall objective of the programme is to improve mobility of goods and people through sustainable improvement of the road network. The programme is based on five result areas:

- Backlog maintenance on main and urban roads
- Increased road maintenance competence in NRA and MoTPW by training of GoM engineers and administrative staff
- Increased capacity of local contractors and consulting industry
- Road safety improved on repaired sections and
- Accompanying measures for increased HIV/AIDS, gender, environmental, road safety awareness.

Project Implementation

Backlog maintenance on main and urban roads (€34,000,000) - The works component comprises various interventions which include patch and fog spray, patch and reseal, chip seal, asphaltic overlay, recycle of existing base (sub-base improvement and washaway rehabilitation. Specifically the project targeted periodic and backlog maintenance works on about 600 km of main and urban roads including - Lilongwe urban roads,

Chikwawa-Nchalo-Bangula, (73 km); Lilongwe-Nsipe and Salima-Balaka (324 km), Mzuzu urban roads and the Mzuzu-Bwengu road (79 km); Mangochi-Liwonde road (70 km); Karonga-Songwe and Bwengu-Chiweta roads (102 km).

A Rider to the FA in December 2007 reallocated resources and extended the implementation period until the end of 2012. The list of target roads was revised with some sections dropping to the reserve list, because of cost inflation.

Tenders for the works and supervision of the Lilongwe and Blantyre Urban roads were launched in mid-2006. Contracts were awarded in early 2007. The Blantyre tender was annulled because alternative funding from the Japanese Government was identified that captured the same suite of roads. Lilongwe urban roads were near to completion at the end of 2007 and are expected to be finished by end March 2008.

Cost estimates of other components were based on existing designs and tender dossiers held by RA. As these were some years out of date, a design review, with preparation of tender documentation was initiated for the Mzuzu urban roads, Mzuzu – Bwengu, Chikwawa-Bangula-Nchalo, Lilongwe – Nsipe, Balaka – Salima, Chiromo washaway and the Mangochi – Liwonde road. Revised designs and cost estimates resulted in the decision to move Balaka – Salima and, Karonga-Songwe and Bwengu-Chiweta to the reserve list. Chiromo washaway was removed due to the substantial cost increase caused by extensive recent damage. Tenders were launched in November and December 2007.

MABARM is also providing supplementary funding to other backlog maintenance projects (M1-Masasa-Golomoti-Monkey bay and mangochi-Monkey bay, both of which are underway).

Training of GoM engineers and administrative staff – A detailed training programme was produced for the training of various personnel in the transport sector with input from the technical assistance to the planning department in the ministry of transport and public works. The document is under review by GoM. It is planned that resources will be identified to provide some of the training of engineers through the supervision of the works contracts under the programme.

Promotion of involvement of Malawi contractors and consultants –The works contracts for rehabilitation of urban roads in Lilongwe were placed with a local contractor and the supervision is a partnership of international and local consulting firms. Other contracts under the programme are envisaged to promote such partnerships.

Road safety improvement actions – The design review currently undergoing with technical support by the EC has taken key attention to include engineering measures that promote road safety. One key cause of accidents in Malawi is cyclist-vehicle collision. Introduction of paved shoulders will therefore go a long way in addressing the problem. The shoulders in Mzuzu city urban roads have been provided with sealed shoulders. Such initiatives and others are also being introduced in the other designs. A review of institutional structure was carried out (TCF funding) with the intention of creating a Road Traffic Authority.

HIV/AIDS, gender, and environmental actions – Environmental, HIV/AIDS and gender issues have been incorporated in the urban roads contract in Lilongwe. The community will be sensitized on HIV/AIDS prevention, gender related issues and environmental protection. Financial responses would be provided to service providers by the contractor identified by the NRA to undertake the exercise. This will be incorporated in the other contacts.

At the end of 2007, project commitments were €6,104,309.99 and disbursements €1,556,223.10.

INSTAP – Institutional Support to Transport Sector Public Sector Bodies

Project no	9 ACP MAI 027
Commitment	€7,500,000
Disbursement	€451,801.86
Financing agreement	15.05.2006
Period of execution	4.6 years to 30.12.2010
Beneficiaries	Ministry of Transport Public Works and Housing, Road Authority (RA), other road sector agencies

Project Background

Transport infrastructure was identified as a focal sector in the Malawi-European Community Country Strategy Paper (CSP) and the National Indicative Programme (NIP). The current government (elected in May 2004) reconfirmed, during the 9th EDF Mid-Term Review (MTR) in October 2004, that this remains a top priority issue. Building strong institutional capacity to deliver effective and sustainable road management and maintenance conforms fully to the development strategies outlined in the Cotonou Partnership Agreement.

The 9th EDF Malawi NIP indicative commitment (chapter 6.7) for Transport Infrastructure included an allocation of €7.5million for transport sector capacity building, reconfirmed at the time of the 9th EDF MTR.

Project Description

The overall objective is to achieve a safe, efficient and sustainable road network while the project purpose is to establish a comprehensive Road Sector Programme with an adequate and realistic financial strategy

INSTAP will address a number of areas critical to the Sector Programme: Institutional structure and efficiency, coordination and monitoring, maintenance and investment planning and financing. These activities will underpin the substantial progress already made and will develop new initiatives.

The main results had been identified as follows:

Strengthen the lead role of the MoTPW- The planning department in the Ministry of Transport and Public Works will be supported in order to take a lead role in the transport sector through facilitation of Road Consultative Forum (RCF) and Road Sector Donors' Forum, coordination of the Road Sector Programme and monitoring of Agency performance and adherence to standards. Procurement of ST and LT technical assistance to facilitate implementation of PE 1 was launched

Enhance road asset management – The Roads Authority will be supported in road asset management through network survey and survey optimization, data input, HDM strategic and maintenance analysis, and technical input to other EDF projects in road sector.

Establish and improve enforcement of road traffic and safety regulations - Vehicles were procured for the future road traffic authority during the start-up period.

Strengthen Private Sector participation and improve the human resource base – The National Roads Authority and T2 centre will be supported through intensive training courses.

Project Implementation

The project began in 2006 and is scheduled for completion on 31.12.2010. The INSTAP programme implementation will be facilitated by Technical Assistance to public sector departments supported by Programme Estimates where necessary to meet urgent demands for equipment. The start-up programme estimate was completed in January 2007. PE2 (11 months) was started in July 2007 and included small supply contracts (equipment, safety clothing, office and lab equipment, support to the road condition survey, assistance with sensitisation workshops) and small service contracts for local consultants to provide field assistance in design and survey work.

An international restricted tender procedure was initiated with a call for expressions of interest for the main technical assistance programme. The tender process was completed in 2007 and the contract signed in December. Experts will be embedded in road sector agencies and will facilitate and build capacity to achieve the results above and establish conditions for sector budget support from 109th EDF financing. Mobilisation of experts will commence as early as possible in 2008.

To end-December 2007, commitments totalled €4,014,487.91 and payments €451,801.86.

Rural Feeder Roads Programme

Project Background

Unpaved roads are in generally poor condition in Malawi (over 40% classified as "poor") with particularly poor access in the wet season when much farming activity occurs. Road access has been identified as one of the prime factor limiting agricultural productivity and influencing price of products. Malawi has recurrent food insecurity often related to poor rain or lack of fertiliser, but improved

Project no	9 ACP MAI 029
Commitment	€15,000,000
Disbursement	€0
Financing agreement	6.04.2007
Period of execution	6.8 years to 30.12.2013
Beneficiaries	Ministry of Transport Public Works and Housing, Road Authority (RA), Ministry of Local Government and Rural Development

of feeder roads, linking to the main network will be a significant factor in improving the overall food security and agricultural competitiveness. Rural roads are mainly under the responsibility of District Authorities, according to the decentralisation policy of the country, but DA capacity is very low for planning and managing road networks and prioritisation.

Project Description

The overall objective of the programme is poverty reduction through enhanced food security and increased smallholder income. The project purpose is improvement in feeder road infrastructure linking areas of agricultural potential to the main network. The main results are as follows:

Result 1: 2,457 km A, B & C class roads passable all year by 2-wheel drive pick-up and maintainable under term-maintenance contracts.*

The feeder roads have been classified according to agricultural importance. All the feeder roads under the highest category are included in this programme, which will be subject to spot repair improvement (mainly spot gravelling and drainage) to ensure year-round access and make them maintainable with local resources.

Result 2: 26 km class A road, S118 Mchinji-Kawere, upgraded, suitable for local traffic volume and passable all year.

An economic analysis showed that the most cost effective intervention for this relatively highly trafficked road is sealing. The Mchini are is one of particularly intense agriculture and is also subject to access problems during the rains.

Result 3: District Assemblies capacity for road planning and prioritisation improved to meet decentralisation needs.

Assistance will be given to DAs to help them with management and planning. A series of maps will be produced and DA staff will be trained in traffic counting.

Result 4: Directors of Public Works trained in road engineering and maintenance.

Directors of Public Works of often not civil engineers. Training will be provided to instruct them on civil engineering practices, particularly for roads

Result 5: Gender issues and benefits of feeder roads understood.

Women constitute 70% of full-time farmers, but are often denied services of agricultural extension workers. An analysis will be made of the impact of this programme on women.

Project Implementation

The Financing agreement was signed in April 2007. The design for the Mchinji-Kawere road was launched (TCF funding) with a completed design expected in mid-2008. In keeping with the nature of the project, low volume sealed road principles will be used to contain costs and maintain the economic rate of return.

The design of the spot repairs requires input over a wide geographical area (2,500 km of roads over all regions of Malawi). A tender will be launched early in 2008 to provide site and survey support to the Road Agency, which takes in-house responsibility for the designs and tender dossiers.

No commitments or payments had been made under this project at the end of 2007.

Income Generating Public Works Programme (IGPWP) – Phase 1

Project no	9 ACP MAI 017
Project amount	Phase 1: €15,512,500
Disbursements	€ 10,256,205
Financing agreement	18.07.2005
Period of execution	6.5 years ending 31.12.2011
Implementing agency	Ministry of Local Government and Rural Development

Project description

The Income Generating Public Works Programme is the successor to the successfully concluded Public Works Programme, which came to an end in July 2005. The programme aims to improve the livelihoods of targeted rural and peri-urban communities by promoting their access to labour-intensive income generating activities in road rehabilitation and maintenance, forestry and irrigation.

The activities being carried out include dry season gardening through treadle pump irrigation and provision of agricultural inputs; developing sustainable fuel wood and timber supplies; as well as upgrading and maintenance of feeder roads to improve access to rural areas.

Expected results by the end of the programme include:

- 3,240 kms of rural roads will be upgraded and 80 bridges will be rehabilitated;
- 4,050 kms of rural roads will be maintained;
- 3050 village forestry and agricultural clubs will be established;
- Approximately 27 million trees will be planted;
- Approximately 1040 water harvesting projects will be established and 6,940 treadle pumps will be supplied to local communities;
- The income earned by local communities will reach MK 698 million (approx. €4.65 million).

Project implementation

The programme is currently operational in all 15 Districts targeted under the programme with four zonal offices. The programme is managed by a locally recruited PMU with a technical assistance team in an advisory capacity.

maintenance). The capacity of DAs will be The first Programme Estimate with a total budget of €2.8 million commenced in August 2005 and implementation of activities finished in June 2006, some activities (mainly road rehabilitation works) were carried forward to the next PE (PE2) hence the low level of expenditure under this first PE. The current PE with a budget of €6.9million runs from 1st July 2006 to 31st December 2007 – a period of 18 months in order to effectively complete ongoing activities and ensure efficient use of committed funds. The third and final programme Estimate under the first phase of the programme is expected to run from January 2008 to June 2008.

To date, a total of 905 village forestry clubs with 51,000 members have been trained in forest management and a total of 17million trees have been planted. Apart from the assorted indigenous and exotic species planted for provision of fuelwood, timber, poles and soil fertility improvement, the programme has also distributed 27,150 improved fruit tree varieties and 35,150 *Azadirachta indica* (neem) seedlings for consumption and medicinal use respectively.

Under the irrigation component, 2,819 farmers have received treadle pumps for small scale irrigation and a total of 585 village irrigation clubs have been formed, a total of 3,085 farmers have been assisted with the development of stream diversion schemes. So far 610 hectares have been developed for small scale irrigation. Over the period, beneficiaries have earned an income of about €1.5million.

On the roads component, a total of 951 km of feeder roads have been rehabilitated and a further 445km is currently under rehabilitation. 20 timber decked bridges have been upgraded to concrete deck. A total of 1,616km of feeder roads and 29 timber deck bridges will be rehabilitated by the end of the phase I of the programme.

A total of €925,000 has been paid out as wages to communities who participated in the rehabilitation of

rural feeder roads, upgrading of bridges and routine road maintenance. A total of 1.54million person-days of employment was created involving 26,800 communities.

To end-December 2007 commitments totalled €14,190,492 and payments €10,256,205.

Projects outside focal sectors

National Blood Transfusion Service

Project description

Against the background of a growing HIV/AIDS pandemic, the project was initiated to create a Malawi National Blood Transfusion Service with the mission of providing adequate supplies of safe blood to meet the needs of all central and district hospitals. Voluntary and unremunerated blood donation from low risk donors is one of the key elements of the project.

Project no	8 ACP MAI 020, 9 ACP MAI 26
Global commitment	Total: € 9,36 million
Disbursements	€ 5,339,127
Financing agreement	31 December 1999
Period of execution	9 years to 31.03.2009
Implementing agency	Ministry of Health, MBTS Trust

Project implementation

Implementation of project activities was delayed for two years mainly due to lack of expertise by the Ministry of Health in this area, late recruitment of a Project Manager and delays in the recruitment of necessary key personnel. A MBTS Trust was finally established in August 2002, but implementation of activities started only with the arrival of the Project Manager in March 2003.

Since this time, rapid progress has taken place. In 2003, a temporary MBTS Headquarters in Blantyre was set up with offices for Finance and

Administration, a laboratory, teaching and conference facilities and a Blood Donor Centre for Static and Mobile Donor Teams. Today the MBTS is a fully functional organization with some 110 staff members. The management structure of the MBTS is as follows: Project Manager, Finance and Administration Director, Medical Officer and Quality Manager.

A revised Constitution for the Trust is operational and a Parliamentary Bill has been drafted in 2005 and is awaiting approval. Once approved, the Act will ensure the sustainability of the project, mainly by guaranteeing the autonomy of the MNBTS and Government funding in support of the project. The formation of Blood Donor Association in Malawi (BDAM) has been approved and incorporated into the MBTS Trust Constitution.

The biggest successes of the project lie in the establishment of 2 temporary Blood Transfusion Centres (in Blantyre in September 2003 and Lilongwe in January 2005) and the fact that since the beginning of 2005, three out of four Central Hospitals have received 100% of their blood supplies from MBTS and 90% of the needs of one central hospital and the main District and mission Hospitals in Malawi are covered by MBTS. Five mobile teams collect more than 2,500 units of blood per month from voluntary unpaid blood donors from low risk populations. In 2006, the quality of project implementation increased further, testing of all donated blood for disease markers was achieved and a National Quality Assessment Scheme was developed for all Hospital Blood Banks.

The extension of the financing agreement for a period of three years as well as an increase of 20% to the initial global commitment (by €1.56 million) was signed early February 2006 to allow for the building of three permanent Blood Transfusion Centres in Lilongwe, Blantyre and Mzuzu. Construction should start in the second half of 2007. Contracts for the construction of the three blood centres were signed in 2007 and work is now in progress.

On the level of sustainability, two major achievements were made in 2006: The last Programme Estimate to run under this Project which started in July 2006, contains 31.3% funding from other sources than the EC. And at the end of 2006, the external manager of MBTS prepared to hand

over the management to the newly appointed Malawian Chief Executive Officer.

To end-December 2007 commitments totaled €8,892,239 and payments € 6,501,421.

Capacity Building for Economic Management and Policy Co-ordination

Project description

Project no	8 ACP MAI 027
Global commitment	€9,000,000.00
Disbursement	€8,085,834.47
Financing agreement	9 January 2001
Period of execution	7 years to 31.12.2007
Implementing agency	Ministry of Finance, Ministry of Economic Planning and Development, Department of Economics at Chancellor College, Policy

The project's overall objective is to build capacity for economic planning, policy formulation and financial management in the public sector. As such, the focus of the programme is on training, secondments to other countries, workshops, seminars, studies, consultancies and supporting development of management systems. The purchase of equipment such as computers and the improvement of building facilities are also within the project scope. The principal beneficiaries are the Ministry of Finance and Ministry of Economic Planning and Development. The Department of Economics of Chancellor College also became a full beneficiary in 2004/2005. The OPC was reintroduced under the PE4 in 2007 as the institution covers for the Policy Coordination aspects for the GoM.

Project implementation

The project became operational only in June 2003 due to difficulties in establishing the Project Support

Unit (PSU). As a result, the project end-date was extended from 31.12.2005 to 31.12.2007. The € 9 million was nearly fully committed and some €8.1 million was disbursed. The amount disbursed can be broken down approximately as follows:

- Ministry of Economic Planning and Development (MEPD) € 1,605 million
- Ministry of Finance (MoF) € 1,343million
- Technical assistance to the NAO Support Unit (part of the MoF) € 0,699 million
- Extension to the MoF building to house the NAO Support Unit (Works completed Dec 2005) € 0,386 million
- Department of Economics of Chancellor College (DOECC) € 0,493million
- Policy Research, Monitoring and Evaluation (PRMEU) € 0,042 million
- Project Support Unit (PSU) running costs (including Technical Assistance) € 1,669 million
- Other Project Common Activities € 0,166 million
- Project Set-Up € 0,300 million
- Other Technical Assistance € 1,390 million

As concerns the Ministry of Economic Planning and Development, about a half of the expenditure has been for training. This ranges from sending officials abroad to pursue postgraduate studies, to carrying out induction and refresher courses for economists, and office skills training for secretaries and other staff. About a third of the expenditure has been on studies and consultancies such as the African Peer Review Mechanism study and the preparation and further development of the Malawi Poverty Reduction Growth and Development Strategy (MPRSMGDS). For the Ministry of Finance, the expenditure pattern is somewhat similar. Under the training component, the MoF has sent some 20 officers on short-term secondments to Tanzania to gain practical experience on topics ranging from budgeting and financial monitoring to treasury operation and debt management. The MoF studies carried out range from a study on expenditure monitoring and accounting for and a strategic review of the Medium-term expenditure Framework (MTEF), ministry, to training needs assessment for both the ministry and the Accountant-General's Office. An important part of the support to the MoF has been in developing a framework for improving

public finance and economic management. As concerns the DOECC, about half the expenditure has been for the construction of a library and computer room and the purchase of furniture. The remainder has been spent on various aspects of teaching and research programmes. There has also been support to policy coordination to the Office of the Vice President and this was later instituted under the Office of the President and Cabinet.

To end-December 2007 commitments totaled €8,936,910.50 and payments € 8,085,834.47.

GoM/EU Microprojects Programme (4th MPP)

Project no	8 ACP MAI 041
Global commitment	€ 35,000,000
Individual Commitments	€ 29.8
Disbursements	€19.0 million
Financing agreement	17.03.2003
Period of execution	6 Years to 31.12.2009
Implementing agency	MoLG&RD

Project Description

Consecutive Microprojects Programmes (MPPs) have been implemented in Malawi since 1995, completing over 1,700 projects up to 2003. Following the success of previous programmes, a 4th MPP started being implemented in 2003 with field activities starting in early 2004. The objective of the programme is to provide basic social infrastructure facilities. The programme, operating in support of the National Decentralisation Programme (NDP), responds to diverse community initiatives in the following areas: education, health, community development, water and sanitation, production and income generation, environment and agriculture.

Micro-project grants can be for up to 75% of the total cost of the project, matching the efforts and resources of communities who provide land, labour and locally available materials. The maximum grant for a microproject is the equivalent of € 300,000; however, most grants are for much smaller amounts in accordance with communities' capacities and own resources. MPP links communities, Community

Based Organisations (CBOs) and local government structures (District Assemblies-DAs, Village Development Committees) in respect to the formulation of proposals and evaluation of micro-projects, implementation and supervision.

MPP 4 differs from previous MPPs in that it places increased emphasis on community sensitization, mobilization and capacity building. Construction of facilities (such as school blocks and health centres) is complemented by initiatives promoting education and health services such as adult literacy classes, community education on hygiene etc. aiming at further increasing the positive impact on local communities. The revision to the MPP Financing Agreement first presented in 2004, provides for a phased increase in cooperation with local partners (such as CBOs) and development planning structures (including DAs and VDCs), supported by capacity building activities of the programme. Those activities aim at strengthening the roles and functions of the above mentioned stakeholders in the identification and implementation of local development projects. The revision to the FA was finally approved in late 2005, much later than envisaged and halfway into the implementation period of the programme.

The programme operates country-wide. The Programme Management Unit is based in Lilongwe and there are four regional offices in Lilongwe, Balaka, Mzuzu and Blantyre. Local communities apply directly to regional offices or through the District Assemblies.

Project Implementation

Despite the late start-up, the programme supported implementation of a total of 755 micro-projects, of which 398 were new projects in 2006. The projects were implemented in the following sectors: 126 health, water and sanitation; 209 education services; 12 community development; 28 production and income development; and 23 grants. At the end of December 2006 a total cumulative number of 2480 projects were supported by EC in Malawi since the implementation of MPP1 in 1995.

Cumulatively, by December, 2007 the programme supported the following components: 373 school classroom blocks, 224 teachers' houses, 25 health centres, 191 boreholes, and 108 bridges. In 2007 alone the programme supported the following: 87

school classroom blocks, 50 teachers' houses, 4 health infrastructure projects, 35 water supply projects, 41 bridges and 11 other infrastructures were constructed and completed. All the 23 grant projects were completed evaluated and closed within the period.

A second call for proposal was launched in April, 2007 to support NSA. The maximum grant is €100,000 and the minimum is €20,000 for a provisional PE value of about € 3.0million. The evaluation process was completed and reports were submitted to NAO and EU Delegation for approval. EC Delegation has finished the review of the reports.

The Programme completed appraisals and reviews for about 800 community projects and 130 NSA proposals to be financed under PE 10 and 8 respectively. A total of 315 community projects were approved under PE 10 while 26 NSAs were provisionally selected. The actual implementation of these projects will start in November, 2008

- By December 2007, the programme also conducted 28 Training of Trainers (TOT) training sessions for 18 District Assembly Training Teams with 204 Staff to orient them on all MPP 4 procedures. These DTTs trained the Extension workers which in turn trained 292 Area Executive Committee (AEC) members from all 28 District Assemblies in project management and MPP procedures. These sessions were facilitated by various DTT members who were oriented by the programme.

A total of 22 projects with 426 beneficiaries and Water Point Committee (WPC) for 17 projects with 187 beneficiaries were also trained in project management.

MPP 4 also handed over 20 motorcycles to 20 District Assemblies in order to improve on their mobility especially in the supervision and monitoring of all projects financed by EU Micro projects in their respective Districts.

A comprehensive monitoring and evaluation system was completed with the support of an M&E TA to provide a comprehensive management information system. The programme completed the design of the Project database, carried out a nation

wide survey of all MPP 4 projects in collaboration with 28 District Assemblies, web site was designed and completed.

o end-December 2007 commitments totaled €29.8 million and payments € 19 million.

Technical Co-operation Facility 1

Project no	9 ACP MAI 011
Global commitment	€ 7.5 million
Disbursement	€2,781,153
Project duration	4 years
Financing agreement	26.06.2004
Period of execution	4 years to December 2008
Implementing agency	Ministry of Finance

Project description

Malawi's 9th EDF NIP amounts to €276 million (A Envelope) and is focused on transport, agriculture and natural resources (focal sectors) and good governance as a non-focal sector. The country also benefits from budget support. External aid, most of which comes from the European Commission and EU Member States, accounts for close to 38% of the country's overall national budget and 80% of its development project.

The programme aims at facilitating the implementation of the 9th EDF National Indicative Programme. The programme provides:

- a) A Technical Assistance Facility (TAF) – a facility for the engagement of short to medium-term consultants to assist in the main phases of the project cycle, in particular, project identification and design, preparation and assistance with tender procedures as well as evaluation, monitoring and audits. The allocation of this component is €6 million.
- b) Training Support for Projects and Programmes (TSPP) – financing of various educational activities such as seminars or awareness raising activities e.g. a project cycle management or EDF procedures for stakeholders identified in the NIP prior to and during the formulation of a project or programme; The allocation of this component is €0,4 million.

c) Conferences and Seminars (CS) – these include: i) training activities for ACP officials and/or Non-State Actors on topics related either to the priorities of the ACP-EU Partnership Agreement (democracy, trade, environment etc) or to EDF or other EU administrative and financial procedures; ii) participation by ACP officials or non-state actors in international meetings or seminars on development and trade themes. The allocation of this component is €0,56 million.

Project implementation

Some €5.3m of the €6 million under the Technical Assistance Facility (TAF) has been committed as at December 2006. 25 contracts representing circa €2.3M were committed during the year covering all aspects of EC cooperation in Malawi. With regards to Rural Development and Food Security, one initiative should be highlighted: the review of the stakeholder response to the food crisis on 2005/06. The initiative contracted in April 2006 for €198,835 was an example of donor coordination at work: the ToR were developed jointly with GoM and other donors and the final report was widely circulated and commented on by all partners. A similar joint approach was used to conduct the second Public Expenditure Financial Accountability (PEFA) review for Malawi in May 2006 for a total cost of €87,453. As in 2005, a number of contracts were signed to conduct project reviews and evaluations (for the Health Reform and Decentralization programme, the Public Works Programme, the National Initiative for Civic Education and Rule of Law Programmes), while 7 commitments were made to conduct audits (for a grand total of circa €28,000). The TA Facility was also used to complement the provision of technical assistance under 8 ACP MAI 27 to the Ministry of Finance and Ministry of Economic Planning & Development through a specific commitment of €410,480. Also, support was provided on trade related matters through technical assistance to the design of the Malawi Sugar adaptation strategy in February 2006 (€84,930) and a study conducted on the Comesa Common Investment Area in November 2006 (for €93,989).

Of the €0, 4 million under the Training Support for Projects and Programmes (TSPP), no commitments were made in 2006.

Of the €0.56M million of Conferences and Seminars, one commitment was made for €150,000 to support

National Constitutional Review process through a contribution agreement with the UNDP.

To end-December 2006 commitments totalled € 5,495,192 and payments € 2,781,153.

Capacity Building for NAO Support Unit in the Ministry of Finance

Project no	9 ACP MAI 018
Global commitment	€ 3,900,000
Disbursements	€1,681,132.74
Financing agreement	18 June 2005
Period of execution	4 years to 30 June 2009
Implementing agency	Ministry of Finance

Project description

In 2005/2006, the European Commission disbursed some €4326 million of European Development Funds in Malawi. A further €12 million was disbursed under the Multiannual Food Security Programme (MAFSP). Apart from an amount of €14,76 million which was disbursed to the Government of Malawi in the form of budgetary aid, the rest of the funds disbursed were in the form of contracts, with the Government of Malawi in the person of the NAO (National Authorising Officer) as the contracting authority. In Malawi, the NAO is the Secretary to the Treasury, who reports to the Minister of Finance. To facilitate the work of the NAO in the management of European Commission aid, a NAO Support Unit was set up in 2003 within the Planning and Information Section of the Debt and Aid Management Division of the Ministry of Finance. The Director of the Debt and Aid Management Division reports to the Secretary of the Treasury. The current project is aimed at building capacity at the NAO Support Unit to take a lead role in the preparation, implementation and monitoring of GoM-EC joint development programmes and to enable more effective and timely disbursement and management of European Commission funds. Furthermore, the project is aimed at strengthening co-operation and dialogue between Government of Malawi, the EC and Non-State Actors as well as between the Ministry of Finance, NAO Support Unit and Line Ministries on different issues related to GoM-EC development co-operation. In this context,

a number of co-ordination meetings took place between the above-mentioned stakeholders in 2005/2006 and early 2007.

Project Implementation

The NAO Support Unit is structured as follows: Under the Head of Unit there are three Divisions, the Accounts and Administration Division, the Project Operations Division and the recently established Economics/Dialogue/NSAs and Cross-cutting issues Division. The Project Operations Division is responsible for EDF and Food Security Budget Line Operations. It is divided in three sections: Agriculture/Food Security/Natural Resources; Transport/Infrastructure; Good Governance (and other sectors). The first programme estimate (work programme) for an amount of €1,072,000 began on 01.09.2005 and was amended to end date on 31st December 2006. So far, €873,956 has been paid. This was followed by the second programme estimate amounting to €1,008,000 which started on 1st January 2007 and has been amended to end on 30th June 2008. The activities being financed are:

- Provision of technical assistance to the NAO Support Unit;
- Recruitment and staff training for efficient implementation and monitoring of EDF programmes;
- Periodic meetings between Ministry of Finance, Ministry of Economic Planning and Development, Line Ministries, EC and other donors on preparation/revision of key policy documents and reports (including Country Strategy Paper, National Indicative Programme and Joint Annual Report);
- Information and co-ordination meetings with Non-State Actors (NSAs).

To end-December 2007 commitments totalled €2,493,439 and payments € 1,681,132.

Technical Co-operation Facility 2

Project no	9 ACP MAI 037
Global commitment	€ 8,850 million
Disbursement	€0.00
Project duration	6 years
Financing agreement	22.10.2007
Period of execution	6 years to June 2014
Implementing agency	Ministry of Finance

Project description

The programme facilitates and supports the implementation of the CSP 2002-2007 and CSP 2008-2013 in Malawi.

The programme provides:

- a) A Technical Assistance Facility (TAF) – a facility for the engagement of short to medium-term consultants to assist in the main stages of project cycle, in particular, project identification and design, preparation and assistance with tender procedures as well as evaluation, monitoring and audits. The allocation of this component is €5,8 million.
- b) Training Support for Projects and Programmes (TSPP) – financing of various educational activities such as seminars or awareness raising activities e.g. a project cycle management or EDF procedures for stakeholders identified in the NIP prior to and during the formulation of a project or programme; The allocation of this component is €1,0 million.
- c) Conferences and Seminars (CS) – these include:
 - i) training activities for ACP officials and/or Non-State Actors on topics related either to the priorities of the ACP-EU Partnership Agreement (democracy, trade, environment etc) or to EDF or other EU administrative and financial procedures;
 - ii) participation by ACP officials or non-state actors in international meetings or seminars on development and trade themes. The allocation of this component is €1,0 million.

Project implementation

Some €173,059.00 of the €8,850 million under the Technical Assistance Facility (TAF) has been committed as at 31st January 2008. 4 contracts have been committed beginning October 2007 to end

January 2008. One contract was signed to conduct final project review and evaluation of the capacity Building for Economic Management and Policy Coordination. In addition, the rest of the contracts signed were to conduct final financial audits of the National Initiative for Civic Education and Rule of Law Programmes and Malawi Blood Transfusion Service. This will facilitate the closure of these projects in time.

Support to the National Economic Partnership Agreement Secretariat

Project no	9 ACP MAI 022
Global commitment	€ 1,600,000
Disbursements	€192,745.37
Financing agreement	18 May 2006
Period of execution	3 years
Implementing agency	Ministry of trade

Project description

In May 2006, the European Union (EU) signed a financing agreement of €1.6 million in support of Economic Partnership Agreements (EPA) secretariat in Malawi. The project aims to support the Malawi National Development and Trade Policy Forum for effective organisation and coordination of the EPA negotiations. The overall objective is to ensure that the EPA negotiation process is coherent with the National Development Strategy. The purpose is to reduce poverty and achieve rapid economic growth in line with the Malawi Growth and Development Strategy (MGDS)

Project Implementation

Implementation started in November 2006 with the approval of the first programme estimate for €600,000.00. This was designed to support and enhance communications and awareness around the EPA negotiators. Most of the activities were expected to be implemented in 2007 being a crucial year in the finalisation of the EPA negotiations and possible finalisation before the end of the year. Main activities include the following: developing trade negotiations positions and conducting impact assessment studies; capacity building in negotiations, trade analysis and assimilation of

technical issues; and conduction of stakeholder consultations of the EPA process.

Nevertheless, there was delay in the implementation of the programme due to delay in releasing the funds from the Reserve Bank of Malawi to the project account. In addition, recruitment of dedicated managers to run the project were conducted by mid 2007. Based on this background, the PE was revised and extended for 6 months to end March 2008. Thereafter another PE 2 will be prepared to cater for one year period. However, some activities have now been implemented, for instance awareness meetings on EPA have been conducted. Malawi has also been engaged in EPA negotiations and is in the final stage of signing the EPA agreement with EU

To end-December 2007 commitments totaled €681,102.00 and payments € 216,014.10

Promotion of the Rule of Law and Civic Education in Malawi

Project no	9 ACP MAI 23
Global commitment	€ 28,000,000
Disbursement	€ 1,696,747
Financing decision	28 November 2005
Period of execution	4 years
Implementing agency	Ministry of Finance & Min. of Justice

Project Description

Following the success of two previous projects, the Promotion of the Rule of Law project and the National Initiative for Civic and Voter Education project, it was agreed that a combined project would contribute to the strengthening of the democratic process and the increase of good governance in Malawi for accelerated economic growth and poverty reduction.

The specific purpose of the project is to improve the legal and regulatory framework, the delivery and access to justice, in order to create a suitable environment conducive to economic growth and poverty reduction, and promoting sound governance with the participation of citizens, encouraging and empowering them to exercise their democratic rights and responsibilities.

The project is clearly divided into two components, both implemented independently.

Rule of Law (RoL) component

The RoL component works with nine (9) main beneficiary institutions, which are the Ministry of Justice, Parliament, Judiciary, Faculty of Law of the University of Malawi, Law Commission, Malawi Electoral Commission, Malawi Prison Service, National Archives, Anti-corruption Bureau and collaborates also with the Malawi Human Rights Commission and the Office of the Ombudsman.

NICE component

The Civic Education component works with a variety of local, regional, national and international partners, but implementation is based on the established network of 33 district and 3 regional offices, managed and coordinated by a central Management Unit. NICE applies a variety of measures ranging from provision of information in resource centres, to activities with and through local organisations, signposting and participation in local, regional and national civic and voter education activities. In all its activities NICE is strictly impartial, non-partisan and neutral. The project, through its decentralised implementation structure, carries out an average of 250 activities per month. The Project also supports 163 local initiatives in the form of Rural Resource Centres which serve as information centres. Through these activities more than 20,000 people are reached on a monthly basis.

The amount allocated for the entire project is € 28,000,000 out of which € 8,930,000 are allocated for NICE. A rider was signed in September 2007, extending the period of implementation from four to five years up to December 2010.

2. Origin, context and key assessments

Following the introduction of the new political system in 1993 and the first multi-party elections in 1994, significant progress has been made in Malawi with regard to establishing the institutional framework for a democratic political system. The government under President Bakili Muluzi committed itself to the consolidation of democracy and the incorporation of human rights standards into its laws. These fundamental principles have been enshrined in the new Constitution which was adopted in 1994. However, the institutional framework upon which the implementation of these principles depend had been

undermined during 30 years of undemocratic rule of the Banda regime and, therefore, required significant levels of intervention to restore/establish it. The newly drafted Malawi Growth and Development Strategy (MGDS) is based on the premise that poverty cannot be reduced without economic growth and development. One of the pillars of this policy strategy is Good Governance as a prerequisite for growth and poverty reduction. The 2003 evaluation report of the former Rule of Law Project concluded that investing in a system of justice which is recognized as fair, efficient and accessible, is an essential cornerstone for a thriving democracy as well as for the proper functioning of markets and private sector investment. It also alluded to the necessity of engaging more proactively with civil society and avoiding the misleading assumption that there is sufficiently widespread understanding of democratic, constitutional and legal norms by the citizens. Civic education, through NICE, should provide a channel to make the roles of the legal institutions better known and to bring them nearer to the people.

NICE as the only nation-wide civic education project, even after 8 years of existence, is still needed to provide voter education in election periods, transmit general knowledge on democratic systems, institutions and procedures, embed democracy into Malawians' attitudes and behaviour and increase citizens' participation in public life. Though various efforts had been undertaken since 1994 to familiarize the people of Malawi with their newly acquired rights and responsibilities, the formally established democratic institutions had (and have) not been vested with sufficient resources to be able to exercise their role efficiently, transparently and with the participation of all segments of society. The lack of resources, together with limited knowledge about the principles and opportunities offered by a democratic system, had resulted in the development of a society with only fragile structures and avenues for political emancipation.

3. Summary of project implementation

Starting of project implementation has been at two different speeds for the two different components.

Rule of Law component

As the external management unit for this component is not yet in place, the Government of Malawi

delegated the implementation to the Ministry of Justice as a direct decentralized operation.

During its six-month Start-up Programme Estimate, only very little progress was made. PE 1 was extended for three months, as the implementation rate of the beneficiary institutions was very low due to very poor management by the Ministry of Justice. In the meantime, a new team with an external expert has taken up duty, so in the second half of 2007, the implementation rate picked up, especially on capacity building within the beneficiary institutions (through training).

NICE component

NICE started its first fully fledged PE in July 2006 straight after closing the previous project, implementing it through its Project Management Unit based in Lilongwe, its three regional offices (in Blantyre, Lilongwe and Mzuzu) and its 33 district offices with 33 officers. The district officers, are supported by approximately 200 Area Civic Education coordinators (ACECs) and approximately 6,000 "para-civic educators". The latter work on a voluntary basis, while the ACECs receive a small honorarium, both linking the district with the remote areas to be covered by the district office. The district offices disseminate voter and civic education materials in the thematic area of Local Democracy, while acting as facilitators on any cross-cutting issue, in close collaboration with the District Assemblies, a District Advisory Forum (made up of several role-players of the district) and any other organization based in the district. They also have at each office a library with daily newspapers, periodicals, and books on political and other issues. "Rural libraries" and "radio clubs", established during the previous phase in remote areas of the various districts, continue receiving support and documents from NICE to enable the rural population to access NICE's resources outside the district offices. Main focus during this current phase is the role of NICE as a facilitator, also for the Rule of Law institutions, focusing on networking and cooperation and now not only working with the rural population, but also more (compared to the previous phase) with duty bearers on their understanding of Democracy.

4. Changes in the context and in the key assessment areas

Contrary to the initial assessment, the Ministry of Justice has not yet proven itself up to the designed role as coordinator for this Project. Delays in implementation due to the lack of availability of Ministry staff suggest that the Government of Malawi might have to decide upon a different set-up for the Project. Nevertheless, with the appointment of a new Solicitor General (who is the former Law Commissioner and therefore knew the project already), the implementation rate has picked up

5. Progress in achieving objectives

Rule of Law component

Slight progress can be registered in the achieving of objectives no. 1 and 2 through the activities of Malawi Prison Service and the numerous capacity building activities of the different beneficiary institutions. Especially the National Archives are advancing well with their implementations.

NICE component

Considerable progress has been made on the issue of networking and cooperation with other stakeholders in the field of civic education by the signing of 7 MoUs at national level during the first PE and 4 additional ones since the start of PE 2 and numerous MoUs at district level, by strengthening the organizational set-up of NICE and pushing forward the issue of Institutionalisation, and through several activities as facilitator and civic educators, notably through the printing of a Civic Education manual for the Para-civic educators.

6. Financial execution

Time elapsed to date: 40%, The global commitment is € 28,000,000 (€ 8,930,000 for NICE € 17,670,000 for the Rule of Law and € 1,400,000 contingencies). The total amount committed to date reaches 29,97% and total payments 16,89%. NICE has some income-generating activities, mainly through facilitating the delivery of activities by other donors that are keen to use the expertise and wide structure of NICE and make a contribution to cover costs.

7. Issues arising and action required

Rule of Law component

The very slow implementation and poor management by the Ministry of Justice have raised

already the concerns of the other beneficiary institutions. Expectations are high for the arrival of the two long-term experts to manage the component, foreseen for April/May 2008, which will still have to prove a possible speeding-up in the process of implementation.

Based on the slow implementation rate, the rider to the FA not only extended the implementation period, but also the implementation method by making room for a Contribution Agreement with UNDP for the support to the Malawi Electoral Commission and an Administrative Agreement with the World Bank for the field of commercial justice with the Judiciary as the main beneficiary.

NICE component

Due to lessons learnt during the previous project phase, strong focus is now on Local Democracy as the thematic area for NICE, and the role as a facilitator is much more emphasized. In line with this, a certain number of Memoranda of Understanding are to be signed during the implementation period and one important issue for NICE to tackle is now its institutionalization within the Malawian constitutional set-up, in order to be prepared for the period when exclusive EC funding ceases. Unfortunately, the consultations and work of the explicitly established Task Force on the institutionalization have not been sufficiently intensified in order for the Government of Malawi to take a decision on this crucial question. This issue will have to be prioritized during the year of 2008.

8. Cross-cutting and other issues

Gender issues are significant to the administration of justice and awareness of gender perceptions, the avoidance of bias in judgments, the appointment of judges and magistrates, and the involvement of women's groups as part of civil society activities and interventions.

Environmental considerations will be addressed. Both a cause and a manifestation of poverty is extensive environmental degradation such as logging, poaching, and illegal fishing, leading to soil erosion and impoverishment, silting of the lake, and reduction of food species. The Rule of Law institutions have key roles in responding to these problems while civic education focus on the environment will be to encourage public attention for environmental degradation, natural resource

Annex 1B

MONITORING COUNTRY PERFORMANCE

Key indicators	1990	2005	2006	2007	2008	Intem. Targets (2011)	2015 goals
1. Proportion of population below 1\$/day in PPP ¹	54%	52.4%	46%	40%	36%	30%	27%
2. Prevalence of underweight children ²	28% 1992	20%	18%	14%	12%	15%	14%
3. Under 5 child mortality (per 1000 live births) ³	234	133	122	118	110	94	78
4. HIV prevalence rate of women aged 15-24	17.4 % 1994	15.3%	12%	11.5%	10%	6%	Halt / reverse rate
5. Proportion of births attended by skilled health personnel	55% 1992	38%	40%	45%	56%	75%	100%
6. Proportion of 1 year old children immunised against measles	85.8% 1992	82	84%	80%	84%	82%	100%
7. Net enrolment ratio in primary education	58% 1992	80%	73%	75%	78%	95%	100%
8. a) Ratio of girls to boys in primary education	0.87 1992	0.95	0.99	0.99	0.99	1	1:1
b) Ratio of girls to boys in secondary education	0.50 1992	0.75	0.76	0.76	0.80	0.83	1
9. Primary school completion rate		25%	25%	30%		48%	
10. Proportion of population with sustainable access to an improved water source	47.1 1992	70%	75%	75%	80%	80%	50% 1990 95%
11. Fixed lines and mobile telephone per 1000 inhabitants ⁴							
12. Formal cost required for business start up (% income/capita) ⁵		116	141	140	216		
13. Time required for business start up (Days) ²		43	37	37	37		
14. Real GDP per capita (US\$) and annual change		232.1 2.4%	239.4 8.2%	262.8 7.9%	293.9 7.4%		
15. Access of rural population to an all season road ⁶							
16. Household electrification rate ⁷ (No of consumers)		148698					

¹ 1991 HESSEA, 1998, 200, HIS and 2005, 2006, 2007 WMS, projection based on MMDG Report 2008

² 1992, 2000, 4000 MDHS and 2007 WMS, projection based on MMDG Report 2008

³ 1992, 2000, 2004 MDHS and 2006 MICS 2008, projection based on MMDG Report 2008

⁴ Source: data on telephone lines and cellular subscribers are collected by the International Telecommunication Union (ITU). Data for telephone lines come from administrative records compiled by national regulatory authorities or telecommunication operators and tend to be timely and complete. A source of information for DEL could be Gov (national agencies annual report) or ITU consolidated report (the most recent for 2006).

⁵ Source: www.doingbusiness.org

⁶ There are two main approaches to measuring this indicator: (a) household surveys that include information about access to transport, and (b) mapping data to determine how many people live within the specified catchments of the road network. A possible source of information for DEL, alternative to Gov, would be the WB (limited to 31 IDA countries).

Annex 2 – List of Government’s Commitments

GOVERNMENTS’ COMMITMENT ON GOOD GOVERNANCE¹

	Country Strategy Paper	Government of Malawi comments
<p>1. Political democratic governance</p> <p>- Human Rights</p>	<p>1. Providing regular report on human rights as announced by His Excellency the State President to the treaty Monitoring bodies such as the International Covenant on Civil and Political Rights (ICCPR)</p> <p>2. Providing Civic Education on</p>	<p>Government ratified the report in 1994 and was supposed to produce an initial report in 1996 and periodic reports annually from 2000. The Ministry of Justice has now established a human rights desk that will be working closely with the Malawi Human Rights Commission on the publication of the periodic and annual reports that are produced by MHRC.</p> <p>The EU funded NICE project continues to play a vital role in provision of civic</p>

¹ This is the report has presented by the Government of Malawi. This report should be soon the subject of an article 8 political dialogue with the GoM where the EU HoMs intend to express their comments.

<p>- Fundamental freedoms</p>	<p>human rights issues through the EU funded national Initiative for Civic Education (NICE) project.</p> <p>3. Training of Law Enforcement Officers on human rights issues.</p> <p>1. GoM is committed to all fundamental freedoms, in particular the press freedom.</p>	<p>education on human rights in the country. Other institutions, such as the Law Commission, and the MHRC, use the project to disseminate civic education matters to the public. (NICE invested 2,348,000 euros in 2006/07 and 2,589,000 euros in 2007/08 and the budget for 2008/09 is 2,083, 000 euros in civic education)</p> <p>This is a continuing process and since 1994 human rights has been included as a subject on the curriculum for both Police and Prison Warders recruits training programmes and also as refresher courses for commissioned officers.</p> <p>Freedom of the press is guaranteed under the Malawi Constitution. Government is not enacting laws that are against the press freedom. Government, in fact, created a Central Information Office for the dissemination of information to the press. In addition, Govt has a website where it shares some valuable information such as on the national budget.</p>
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<p>- Electoral process</p>	<ol style="list-style-type: none"> 1. Holding of local government elections by the end of 2007 and the Presidential and Parliamentary General Elections in the second quarter of 2009. GoM will take over from the opposition a motion in Parliament to amend a piece of legislation to allow the holding local elections. 2. Revision of the Voter registers to be used in the Presidential and Parliamentary Elections. 3. Allowing all political parties free access to public media houses, i.e. Malawi Broadcasting Corporation and Television Malawi. The newly established Broadcasting Complaints Committee will ensure equal access to the media by all political parties. 4. The revision of the Malawi Electoral Commission (MEC) 	<p>Local elections were not held in 2007. However, preparations for the 2009 Presidential and Parliamentary elections are in top gear.</p> <p>This is being done successfully.</p> <p>MEC has already started engaging both TVM and MBC on access of the airwaves by the opposition parties. MEC has put a system in place to monitoring the airtime given to each political party.</p> <p>MEC feels that the Strategic Plan is just an implementation tool and what was perhaps very crucial was the</p>
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<p>- Principles of constitutional democracy</p>	<p>Strategic Plan and the Action Plan implemented with Electoral Commissioners appointed according to objective criteria by December 2006 (PAF Indicator 22).</p> <p>5. The provision of adequate ORT funding to the Malawi Electoral Commission for it to effectively manage the electoral process.</p> <p>1. As a minimum, funding for Parliament will remain constant in real terms (baseline FY 2006/07) to enable Parliament and its Committees to increase their sitting period.</p>	<p>appointment of the Commissioners which has now been done.</p> <p>This has been done. Government has allocated MK2 billion to MEC in the 2008/09 budget. GoM hopes that donors will also make substantial contribution towards the budget of the Malawi Electoral Commission for the holding of both the local and Presidential and Parliamentary elections in 2009.</p> <p>Agreed. MoF has no problem with this commitment. In 2006/07, MK 1 billion was allocated, in 2007/08, MK1, 060 million was allocated and in 2008/09, MK1,568 million was allocated.</p>
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	<p>2. Increase funding to the Office of the Ombudsman, the Anti-Corruption Bureau, the Director for Public Prosecution and the Office of the Director for Public Procurement. As a minimum, funding to these institutions will remain constant in real terms (baseline FY 2006/07).</p>	<p>Agreed. MoF has no problem with this commitment</p> <p><u>Ombudsman:</u> 2006/07: Mk 14 m, 2007/08: Mk 28 m, 2008/09: Mk 32m,</p> <p><u>ACB:</u> 2006/07: Mk 127 m, 2007/08: Mk 140 m, 2008/09: Mk 180 m,</p> <p><u>DPP & State Advocate</u> 2006/07: MK 75 m, 2007/08 : Mk 80 m, 2008/09: Mk 150 m,</p> <p><u>ODPP</u> 2006/07: MK 40 m, 2007/08: MK 44 m, 2008/09 : MK 52 m,</p>
<p>2. Political governance - Rule of Law</p> <p>- Judicial and law enforcement system</p>	<p>1. Implementation of the improved conditions of service for the judges and magistrates which will be determined through a</p>	<p>This has been done following the approval by Parliament of the new conditions of service for the Judiciary.</p>

	<p>rationalization process to be undertaken by Government.</p> <p>2. Improving the prison conditions by carrying out periodic reviews on remandees for speedy trials (PAF Indicator 28); reducing the number of deaths among prisoners due to poor nutrition and HIV/AIDS (PAF Indicator 28b).</p> <p>3. Meet the PAF Indicator 27 target on Actual recurrent expenditure to governance institutions.</p>	<p>The Prison Inspectorate conducts periodic reviews of remandees. The Judiciary also introduced community service for petty offenders to reduce over-crowding in our prisons. Government will intensify the programme of letting the Prisons produce their own food. The scaling up of ART will also target the Prison population.</p> <p>Agreed. MoF had no problem with this commitment. This was achieved and it does not appear in the current PAF document.</p>
<p>3. Control of Corruption</p>	<p>1. Continue its fight against corruption at all levels, taking to court all corruption cases without fear or favour, reducing the number of months taken for the trial of corruption cases (PAF Indicator 23) and increasing the percentage of corruption cases completed within 12 months (PAF Indicator</p>	<p>While it is in Government's interest to have all the cases, including the high profile cases, disposed off quickly, it is extremely difficult to meet the target as there are injunctions that sometimes delay the court processes. While this is the case, it is also the vision of the Judiciary to create other specialized divisions like the Criminal Division, in addition to the Commercial Division, to</p>

	<p>24).</p>	<p>speed-up corruption cases and other criminal matters.</p> <p>Target of PAF indicator 23 for 2007 review was: i) 410 investigations concluded between January to December 2008;</p> <p>ii) Cases in court for longer than 2 years down to 9 by mid August 2008</p> <p>iii) 13 Institutional inquiries/audits completed between January to December 2008 and 66% of 2007 recommendations implemented.</p> <p>Indicator 24: Corruption progress Target for 2009 review was: (i) World Bank Control of Corruption Indicator 27.1 in 2007;</p> <p>(ii) NACS document was approved by BRC on 14th November and the document will be launched on 5th February, 2009 and will be rolled out.</p> <p>Background work has already been done which will lead to the formation of institutional integrity committees. Tentatively there are Anti Corruption Committees at Immigration Department, MTL, ACB which will be converted to Institutional Integrity Committees after the NACS launch.</p>
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	<ol style="list-style-type: none"> 2. Appoint a new Director of the Anti- Corruption Bureau by December 2006 to spearhead the fight against corruption in Malawi. 3. The implementation of the Anti-Money Laundering Bill that was approved at the June sitting of Parliament. 	<p>This has been done. The new Director was confirmed by Parliament on 27 November 2007, after being appointed on 12 October, 2007.</p> <p>This is being done.</p>
<p>4. Government effectiveness</p> <ul style="list-style-type: none"> - Institutional capacity - Public finance management 	<ol style="list-style-type: none"> 1. GoM is committed to conduct both functional and strategic reviews of ministries and departments to achieve optimal use of both human and financial resources for better results. 1. The implementation of the new PFM Action Plan approved in October 2006 by the Minister of Finance. 2. The recruitment of the new Auditor General by the first quarter of 2007. 	<p>This is being done by OPC through the Department of Human Resource Management and Development.</p> <p>This was implemented, monitored and a new PFM Action Plan is being formulated.</p> <p>A new Auditor General is now in place since May 2008 after being confirmed by Parliament.</p>

<p>5. Economic governance</p> <p>- Private sector/market friendly policies</p> <p>- Management of Natural</p>	<ol style="list-style-type: none">1. Maintain fiscal discipline in the implementation of the Poverty reduction Growth Facility (PRGF) agreed with the IMF aimed at reducing the interest rates so that the cost of borrowing by the private sector can be lowered.2. The involvement of the private sector in the formulation of the National Budget through a well structures forum for dialogue with the private sector.3. The implementation of the private sector development strategy including the establishment of Commercial Courts in order to create investor confidence in the country. <ol style="list-style-type: none">1. The enforcement of national Environmental Policy will be strengthened through	<p>This is being done. The PRGF was successfully completed in July 2008 with a positive review by the IMF Board which was historical in the relations between Malawi and the IMF.</p> <p>This is being done. MCCI conducts pre-budget discussion forums where the Minister of Finance lead discussions in all the three cities of LL, MZ and BT.</p> <p>This has been done. The World Bank and the EU have agreed to finance a BESTAP project where funding to the Commercial Court has been made available. In fact, the Court commenced operations on the 14th of May, 2007</p> <p>Government has established Village Natural Resources Management</p>
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Resources	appropriate reviews of existing environmental protection laws.	Committees which are playing a vital role in the management of natural resources. Realizing that law enforcement still remains a big challenge as this touches on peoples' livelihood, Government is looking at alternative sources of energy.
6. Internal and external security - Internal stability and global security	1. GoM is committed to maintaining peace and stability as a way of attracting direct foreign investments into the country. The GoM is committed to the establishment of a professional and accountable national Intelligence Service.	Government is committed to maintaining peace and stability in the country. Government is working on a Bill on the establishment of the National Intelligence Services (NIS) which will also address issues of professional training. Government is also addressing the issue of mobility of the NIS officers through the provision of vehicles.
7. Social governance	1. GoM wishes to commit itself to achieving all the Social PAF Indicators, i.e. from indicator No. 14 to 20, on education, health, gender and HIV/AIDS.	These are always addressed in the CABS reviews that Government has with the CABS group of donors. For instance, the results of the 2008 CABS reviews are as follows: PAF 14. Pupil per qualified teacher ratio in rural primary schools –Target for

		<p>2008 SY is 95:1 - although this target has not been met, Govt is embarking on a massive teacher training programme to address the imbalance. this target has not been met</p> <p>PAF 15. Survival rate in standard 5 and girl's survival rate in Std 8- Target – 54% in 2008 SY for boys (Std 5) 51% in 2008 SY for girls (Std 5) 26% in 2008 SY for girls (Std 8)</p> <p>Progress at the end of 2008 Survival rate for boys in Std 5 was 78% up from 53.6% in 2007 Girls' survival rate in Std 5 was 73.6 % in 2008 up from 50.7% in 2007 Std 8 girls survival rate moved from 26.1% in 2007 to 44.9% in 2008</p> <p>PAF 16 Proportion of one year olds immunized against measles</p> <ul style="list-style-type: none">i) National Levelii) Districts below 75% level <p>Target- As at June 2008</p> <ul style="list-style-type: none">i) Maintain national level immunization at least at the level of June 2005 and (ii) reduce the number of districts below 75% to a
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		<p>maximum of two</p> <p>Progress as at June 2008: National measles coverage is 84%, the lowest immunization rated District is at 77% and the highest is 109%, therefore the target has been met.</p> <p>PAF 17. Proportion of birth attended by skilled health personnel – Target for 2008 was 45% in June 2008 against a baseline of 38% in 2005.</p> <p>Progress at the end of 2008: According to HMIS (June 2008) 45% of all births were attended by skilled health personnel, the target has been met.</p> <p>PAF 18. Nurse population ratio- target for 2009 review was 1: 3,200 by June 2008</p> <p>Progress at June 2008 According to the Human Resources Headcount census carried out in 2007, 4,450 nurses were enumerated translating to nurse population ratio of 1: 3062 taking into account the mid year population projection of 13.6 million. The target has been met.</p>
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		<p>PAF 19. HIV/AIDS Indicators, the target for 2009 review is 55% of all health facilities with at least a minimum package of PMTCT services by June 2008</p> <p>Progress as at June 2008 According to HMIS, as at June 83% of facilities had PMTCT services as compared to 44% in 2007, the target therefore has been met.</p> <p>PAF 20. Gender Indicator: The target required Government to have at least 21% of women in decision making positions in 2008 against a baseline of 15% in 2005 and 19% in 2007.</p> <p>Progress as at December 2008 19.2% of women have been appointed into positions of influence according to public service records the figure is expected to go up, the target has not been met.</p>
<p>8. Interrogation and regional context</p>	<ol style="list-style-type: none"> 1. GoM has committed itself to undergo the APRM process/comply with host requirement, e.g. setting up of a committee that will review the commitments 2. Involvement in regional peer 	<p>Although the actual review has not yet been done, Government established an APR Committee and funding was made available in the 2007/08 budget.</p>

	review mechanisms (e.g. APRM)	
<p>9 Quality of Partnership</p> <ul style="list-style-type: none"> - Political dialogue - Programming dialogue - Non State Actors 	<ul style="list-style-type: none"> 1. As confirmed by the Minister of Foreign Affairs and International Cooperation, political dialogue meetings (Cotonou Meetings) will be held on a monthly basis with EU (EC and EU member states). 1. GoM committed to engage EU (EU and EC member states) in programming dialogue under the frameworks of the Development Assistance Strategy (DAS) and the Common Approach to Budget Support (CABS). 1. Engage the Non-State Actors by way of consultations on development issues as the case was in the formulation of the Malawi Growth and Development Strategy (MGDS) and the programming for the 10th EDF. 	<p>Although the Cotonou Meetings have not been done on a monthly basis, there has been regular dialogue between Government and the EU. This has been done</p> <p>Done.</p> <p>The NSAs were fully involved. Moreover, they are always fully involved in the joint annual review processes of the EC – Malawi Cooperation</p>

	<p>2. Involve the NSAs in the monitoring of the MGDS implementation. Engage NSAs in Advocacy Policy Dialogue & implementation issues.</p>	<p>Done. The NSAs are always involved. The NSAs were involved in the mid-term review of the MGDS.</p>
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Annex 3

**ANNUAL REPORT ON BUDGET SUPPORT IN MALAWI FOR 2008
REPORT**

MARCH 2009

Annual Report on Budget Support in Malawi for 2008

1. Content

This report provides a snap shot of the General Budget Support (GBS) situation in Malawi in 2008. In particular, the report highlights structure, purpose, performance monitoring and disbursement, and donor coordination of general budget support in Malawi.

2. Introduction

Since 1980, donors of development assistance started giving financial support directly to governments of developing countries. This type of support is usually linked to certain conditions, such as macroeconomic stability and progress in public financial management. In this context, the European Union funded the so-called "Structural Adjustment Support" during the period 1993 to 2004, under which the government's recurrent expenditures in health, education, debt repayments and road maintenance were co-funded. The overall objective of this support was to assist the Government of Malawi (GoM) in its efforts to carry out reform programmes. This type of EU support to Malawi is now called "Poverty Reduction Budget Support (PRBS) programme". Phase 1 (also referred to as "PRBS 1") saw the payment of some € 36.1 million during the Malawi Financial Year 2005/2006. Phase 2 (PRBS 2) was prepared in 2006 as a continuation to PRBS 1. It supports the GoM achieve both the Malawi Growth and Development Strategy (MGDS) and Millennium Development Goals (MDGs) with a particular emphasis on efforts to improve public financial management and social sector funding. Currently, the EC approved PRBS III under the 10th EDF towards the end of 2008. The PRBS III has been programmed for three fiscal years starting from FY 2008/09.

3. Purpose of General Budget support

The GBS in Malawi supports poverty reduction through the implementation of the MGDS and its reform programmes, with a particular emphasis on GoM effort in improving public finance management and social sector financing. The programme has been contributing to the country's foreign exchange requirements for the import of goods and services, foreign debt servicing requirements and the maintenance/build up of international reserves. Together with all CABS donor support, the EC funds are supporting GoM to implement the PRGF arrangement within the agreed fiscal framework, thus leading to pro poor and pro growth expenditures by reducing the burden of domestic debt on government budget.

4. Structure of General Budget Support in Malawi

Under PRBS I, II and III, the EC budgetary contribution is provided in the form of direct untargeted budgetary support. The release of the budget support is based on positive fulfilment of general and specific conditions with the GoM. The disbursements are planned and released as fixed and variable tranche with the former released based on the fulfilment of the agreed general conditions as provided in the financial agreement and the latter are released based on the variable tranche indicators selected from Performance Assessment Framework (PAF) respectively. The review of the indicators and targets are done every year through Common Approach to Budget Support (CABS) review. Once the PAF has been agreed by all parties (Government and donors), indicators on public financial management and social sector are selected for the decision to disburse the variable tranches. The fixed tranches under PRBS

I and II were disbursed in the second quarter of each fiscal year and the variable tranches were disbursed in the fourth quarter of the fiscal year following the PAF assessment which provided for the calculations of variable tranches.

In order to improve on predictability of general budget support, it has been agreed under PRBS III to disburse both fixed and variable tranches in the first quarter of every fiscal year following the CABS review in the third quarter of the previous fiscal year. At this time, preliminary indications of the actual disbursement will be known and ready to be factored in the national budget for the following fiscal year. Another improvement is that the fixed tranches are almost 50% of total expected disbursement in every fiscal year so that allocations of budget support are maintained.

5. Performance Monitoring and Disbursement

The performance monitoring was undertaken by the Government of Malawi and coordinated by the Debt and Aid Management Division of the Ministry of Finance. The process of performance monitoring was complemented by the joint annual review with the general budget support donors of the Performance Assessment Framework (PAF) in accordance with the CABS Memorandum of Understanding between the Government of Malawi and Development Partners on GBS.

GoM received the last instalment of PRBS II in 2008 for the FY 2007/08 and the first instalment of PRBS III for the FY 2008/09. The EC Delegation position on GoM performance against the fixed and variable tranches were based on the positive outcome of the CABS reviews conducted in March and October 2008 and in certain instances Malawi 2008 PEFA assessment. CABS experts in the relevant fields of competence were consulted and a consolidated opinion along the lines was presented to the GoM.

5.1 PRBS II

In 2008, GoM was expected to receive the last instalment of € 9.0 million comprising a performance fixed tranche of € 2.0 million, and a variable component of a maximum of € 7.0 million in the fourth quarter of FY 2007/08 under PRBS II. The variable component was made up of a 'PFM related variable tranche' of up to € 4 million and a 'Social Sector related variable tranche' of up to € 3.0 million. Government received € 6.5 million in total comprising the performance tranche of € 2.0 million and variable tranche of € 4.5 million. The performance tranche was released based on positive CABS review in March 2008, good progress in the implementation of the PFM Action Plan, and data allowing the calculation of the amount to be paid as variable tranche based on performance. The variable tranche of € 4.5 million was released based on the calculations in line with the achievement of the agreed targets indicators selected from the GoM/CABS PAF during the March 2008.¹

5.2 PRBS III

The EC disbursed the whole committed fixed tranche of € 26 million in December 2008 for the FY 2008/09. The release of the fixed tranche was based on the general conditions as prescribed in the financing agreement. The general conditions include:

¹ For more details, see table 1 one for the selected indicators, allocations to each indicator and performance of each indicator. The indicators for the variable tranche were agreed through an exchange of letters between the Government of Malawi, the EC Delegation and Headquarters

a) Satisfactory progress in the implementation of the MGDS. CABS assessment revealed that the implementation of MGDS was broadly satisfactory since its adoption in 2006. The positive progress in the implementation of the MGDS is also confirmed by the 2006/07 MGDS annual review and this positive development was well received by the development partners as highlighted in the Joint Assessment conducted in September 2008 by the WB/IMF staff. Notwithstanding the good progress, further work is required to make the MGDS indicators “SMART” and improve the harmonization of the PAF indicators with the MGDS indicators.

b) Satisfactory progress in the maintenance of a stability-oriented macroeconomic policy. Macroeconomic management has been very satisfactory over the last three years as demonstrated by the positive conclusion of the IMF Staff Monitored Programme in 2005 and the Poverty Reduction and Growth Facility (PRGF) in July 2008. Under these programs, Malawi has constantly remained on track with the IMF and has established a record in the relations between Malawi and the IMF. This is also complemented by the IMF Board approving on one year Exogenous Shock Facility (ESF) in December 2008 intended to assist Malawi in adjusting to the large terms of trade shock it suffered from in the first half of 2008 (fertilizer and oil prices). The ESF will be followed by a classic PRGF programme to be negotiated after the general elections. In addition future prospects remains positive and will be boosted by the opening of the new Kayelekera uranium mine towards the end of 2009 and a new PRGF.

c) Satisfactory progress in the implementation of its programme to improve public financial management. There have been a number of reforms and improvements to the PFM system in Malawi over the recent years. Reforms have been implemented under the overall framework of a PFM Action Plan, and improvements to the system have recently been confirmed by the 2008 PEFA assessment. The main findings of the PEFA assessment indicate that Malawi continues to excise fiscal discipline in the budget execution with the domestic revenue collections maintained above targets. On the public accounting, there has been positive improvement in the timeliness of submission of public accounts (2006/07) due to the significant progress in the implementation of IFMIS. Positive developments were observed in the area of debt management, payroll management and government procurement reforms. The predictability and comprehensiveness of budgetary support from donors also improved. The Auditor General was appointed and approved by parliament after PEFA review to address the issue of external auditing and parliamentary scrutiny of financial accounts.

6. Donor Coordination

Dialogue between CABS and GoM has continued to be successful and this can be confirmed by the fact that CABS has played a catalyst role in 2008 attracting new members who have joined the existing members (DFID; European Commission; Norway and African Development Bank). The Republic of Ireland has entered with observer status while being fully involved in dialogue with a view to moving to full membership in the near future. The World Bank disbursed its first PRSG in 2008 despite not fully signing to the Joint Framework. It is now fully involved in the CABS review and is chairing the March 2009 CABS review.

The CABS holds its review every six months, in February/March and September/October. The former focuses on GoM development programmes, social sectors progress and PFM, and

especially assesses progress against PAF targets. The latter focuses on PFM and budget cycle and implementation. CABS and GoM dialogue is fed by sectoral expert groups active in health, in PFM, in governance and other sectors. CABS donor group conduct GoM's performance against commitments on poverty reduction, good governance, human rights, anti-corruption and sound PFM programmes. The performance is assessed against a PAF which is a set of indicators that the GoM and CABS group have mutually agreed to use to measure progress. The PAF is updated every year during CABS review of March (usually ready by June) whereupon targets are agreed for the next year (N+1) and indicative targets set for the year (N+2). Assessments for the variable tranches will be based on the results of the PAF reviews conducted in March every year.

7. Conclusion

In general the budget support has contributed positively to macroeconomic stability and poverty reduction in Malawi. In essence, the EC on its part will forge ahead in line with national priorities to assist Government in the fight against poverty. Key on the agenda will be to see that MGDS and MDGs are properly implemented, macroeconomic performance improve overtime and PFM is improving in the country.

Nevertheless, possible future risks exist threatening the eligibility of budget support in Malawi. Some of these include the recent global financial crisis, the deterioration of terms of trade in the first half of 2008, the implementation of the input subsidy programme and possible over-expenditures in the run-up to the general elections on 19 May 2009. There is need for a collaborative effort to conduct an evidenced based analysis of the impact of financial crisis on Malawi economy. Furthermore, GoM has been repeatedly advised to resist spending pressures in the run-up to the May 2009 general election.

Table 1: PRBS 2- Instalment 4 Variable Tranche Assessment

Indicators	Weight/ Amount	Baseline	2008 target	Review	Outcome 2007/08	Amount Disbursed
Public Finance Management (PFM) Indicators						
Budget appropriation for health and Primary Education	25% (€ 1M)	Health 05/06, 8.9% primary education 1.1%	At least 05/06 %ages, i.e. Health 8.9% primary education 1.1%	05/06	Target met: Health 10.7% primary education 1.1%	€ 1 M
Timeliness of Public Annual Financial Statement	25% (€ 1M)	Reference year 06/07 for 2008 review (Baseline 05/06 not submitted within 6 months)	Consolidated GoM statement is submitted for external audit within 6 months of the end of the FY		Target exceeded: submitted within 4 months	€ 1 M
Improved timeliness of audit report to legislature and external auditing	25% (€ 1M)	Reference FY 03/04 & FY 05/06 for 2008 review	1) Audit report on FY 06/07 submitted to legislature by Dec 2007 2) Report on audit related recommendations by Public Accounts Committee on the Audit Report for 2003/04 is issued by OPC by Dec	06/07	Neither targets met 1. No audit report for FY 06/07 has been issued 2. PAC only finished report in Feb 2008 and not submitted to full parliament	0

			2007		
Improved Government procurement capacity	25% (€ 1M)	February 2007 Internal Procurement Committees (IPCs) – 170 (100%) Special Procurement Units (SPU) – 29 (17%) 10 largest spending institutions	1) 30% increase in number of SPUs by Dec 2007 2) APUs are functional in 10 largest spending institutions by Dec 2007 3) IPCs number is maintained as at Dec 2007	Both Targets Met 1) 11 new SPUs i.e. 38% increase 2) SPUs were operational in all 10 of the largest spending units 3) number of IPCs maintained	€ 1 M
Subtotal	€ 4M				€ 3M
Social Sector Indicators					
Proportion of one-year old children immunized against measles	16.6% (€ 0.5M)	ii) National Level , June 2006: 82%	At June 2007 i) 75% of the districts (9 out of 12) show a +2% or more increase over June 2006 and none show a decline ii) Maintain the national level at least to a level of June 2006	i) not met fully: only 66% (8) of the districts reported increase of at least 2% ii) Not met: 80% i.e. a decline against June 2006	0
Proportion of births attended by skilled health personnel	16.6% (€ 0.5M)		42% by June 2007	Target met: 42%	€ 0.5M
Nurse Population Ratio	16.6% (€ 0.5M)		1: 3500 by June 2007	Met: Exceeded target reaching 1:3,304	€ 0.5M
% of health facilities with at least the minimum package of PMTCT services	16.6% (€ 0.5M)		33%	Met: Exceeded target reaching 44% by June 2007	€ 0.5M
Survival rate in standard 5 for boys	16.6% (€ 0.5M)	53.3% in 2006 School Year (SY) outcome	55% or more for 2007 SY	Not met: 53.6% Progress made 0.33 (total progress targeted = 1.7 pp)	0
Survival rate in standard 5 for girls	16.6% (€ 0.5M)	52.9% outcome in 2006	55% or more for 2007 SY	Not met: 50.7% indicator goes backwards	0
Subtotal	€ 3M				€ 1.5M
Grand Total	€ 7M				€ 4.5M

perspective donor presence in sectors in Malawi 1 January 2008 to 31 December 2008

In Euro x 1 million

Donor	Agriculture	Roads, Public Works & Transport	Integrated Rural Development	GBS	Water, Sanitation & Irrigation	Health	Education	Trade, Industry & Private Sector Dev.	Energy & Mining	Public Administration	Environment, Lands & Natural Resources	Democratic Governance	Vulnerability, Disaster and Risk Management	Economic Governance	Gender, Youth Development & Sports
EU	17.3	11.4		33.3		3.2	0.1	0.3				8.1	5.7	3.3	
DFID	6.6	0.1		25.2	0.3	37.3	11.2	1.0				4.9	0.2	7.8	
GTZ															
Ireland															
Total EU	24	12	-	58	0	41	11	1	-	-	-	13	6	11	-
Norway	0.4			6.3		17.9	0.5				0.3	4.5		3.2	1.8
CIDA					0.1	0.0	2.8			0.5		0.3		1.2	0.1
JICA	6.8	5.4	0.6		3.9	2.6	0.5	0.0	0.0		0.7			0.2	
USAID	2.8				0.2	26.9	4.8	1.3			1.1	4.2	0.2	-0.1	
KfW			0.1			2.5									
FAO	2.0					0.0									
UNDP	0.0					0.0		0.0				0.2		0.2	
UNICEF					0.8	2.8	1.5						0.1	0.3	1.6
UNPF							0.0							6.4	
WHO						1.1									
WFP							3.5						5.6		
AfDB	4.3			18.7	4.0	0.1	1.4								3.2
WB		2.3			7.3	2.8	5.8	0.8		3.7	6.1				
IDA															
OPEC															
BADEA															
KUWAIT															
IFAD			6.4												
Total Others	16	8	7	25	16	57	21	2	0	4	8	9	6	11	7
Total all Donors	40	19	7	84	17	97	32	3	0	4	8	22	12	23	7

Total disbursements by donor for 2008 Calendar year (Jan - Dec)

Donor	Agriculture	Roads, Public Works & Transport	Integrated Rural Development	Water, Sanitation & Irrigation	Health	Gender, Youth Development & Sports	Education	Energy & Mining	Public Administration	Environment, Lands and Natural Resources	Democratic Governance	Vulnerability, Disaster and Risk Management	Economic Governance	Trade, Industry & Private Sector
EU	9.453.941	18.071.363	10.413.516	-	6.443.768	-	228.003	-	-	-	8.794.001	-	4.055.611	-
DFID	916.733	-	-	363.061	9.250.391	-	5.482.420	-	196.901	-	6.513.717	124.662	6.978.671	-
Norway	6.081.642	-	-	-	6.602.624	1.426.786	619.910	-	-	-	2.960.125	-	3.004.495	-
GTZ	-	-	-	-	1.445.023	-	4.016.499	-	-	-	4.426.315	-	513.307	-
Ireland	4.960.570	-	-	-	101.755	-	-	-	-	-	-	-	279.827	-
CIDA	-	-	-	244.273	-	-	4.452.835	-	636.423	-	-	-	1.565.644	-
JICA	511.151	8.077.703	900.893	3.131.985	672.607	-	479.510	19.499	-	-	-	-	172.656	-
USAID	2.971.964	-	-	-	43.896.948	-	6.472.139	-	-	1.455.236	6.214.657	228.414	(92.149)	1.892.203
KfW	-	-	92.854	-	824.713	-	961.729	-	-	-	-	-	-	-
FAO	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNDP	28.449	-	-	-	15.911	-	-	-	-	-	36.078	-	221.805	-
UNICEF	-	-	-	-	4.231.664	-	2.237.923	-	-	-	-	-	403.433	-
UNPF	-	-	-	-	-	-	25.702	-	-	-	-	-	-	-
WHO	-	-	-	-	1.050.540	-	-	-	-	-	-	-	-	-
WFP	-	-	-	-	-	-	5.598.890	-	-	-	-	-	-	-
AfDB	5.352.975	-	-	13.058.828	4.156.311	-	3.190.430	-	-	-	-	-	-	-
WB	-	3.858.602	-	-	-	-	8.850.386	-	5.393.668	4.690.000	-	-	-	1.249.208
ICEDA	247.502	-	-	-	279.886	-	602.722	-	-	-	-	-	-	-
OPEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BADEA	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KUWAIT	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IFAD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	30.524.927	30.007.668	11.407.263	16.798.146	78.972.142	1.426.786	43.219.097	19.499	6.226.992	6.145.236	28.944.893	353.076	17.103.299	3.141.411

2.009 Total annual disbursement plan

Donor	Agriculture	Roads, Public Works & Transport	Integrated Rural Development	Water, Sanitation & Irrigation	Health	Gender, Youth Development & Sports	Education	Energy & Mining	Public Administration	Environment, Lands and Natural Resources	Democratic Governance	Vulnerability, Disaster and Risk Management	Economic Governance	Trade, Industry and Private Sector Development
EU	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DFID	600.601	-	-	645.646	2.484.985	-	63.813.814	-	-	-	3.378.378	295.796	2.677.177	-
Norway	7.218.221	-	-	-	14.556.804	1.734.129	433.532	-	-	-	2.949.214	-	1.910.606	-
GTZ	-	-	-	-	-	-	750.000	-	-	-	1.545.211	-	976.293	-
Ireland	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CIDA	-	-	-	-	-	-	8.865.173	-	-	-	-	-	1.087.489	-
JICA	-	-	222.335	-	-	-	-	289.779	-	-	-	-	-	-
USAID	1.043.750	-	-	-	33.618.920	-	1.109.562	-	-	-	424.436	54.289	-	503.500
KfW	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FAO	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNDP	-	-	-	-	-	-	-	-	-	-	868.339	-	-	-
UNICEF	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNPF	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WHO	-	-	-	-	2.916.432	-	-	-	-	-	-	-	-	-
WFP	-	-	-	-	-	-	8.860.637	-	-	-	-	-	-	-
AfDB	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WB	250.000	8.000.000	-	-	-	-	10.000.000	-	-	-	-	-	-	3.218.000
ICEDA	254.000	-	-	-	2.100.000	40.000	1.272.500	-	-	-	-	-	-	-
OPEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BADEA	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KUWAIT	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IFAD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	9.366.571	8.000.000	222.335	645.646	55.677.141	1.774.129	95.105.218	289.779	-	-	9.165.578	350.085	6.651.566	3.721.500

planned donor presence in Malawi for 1 July 2008 to 30 June 2009*

In Euro x 1 million

Donor	Agriculture	Roads, Public Works & Transport	Integrated Rural Development	GBS	Water, Sanitation & Irrigation	Health	Education	Trade, Industry & Private Sector Dev.	Energy & Mining	Public Administration	Environment, Lands & Natural Resources	Democratic Governance	Vulnerability, Disaster and Risk Management	Economic Governance	Gender, Youth Development & Sports
EU ¹	6.8	38.1	15.5	66.3		5.3		0.3			1.7	13.0		3.3	
DFID	6.3	0.0		0.2	0.1	24.6	11.6	0.5				8.9	0.5	1.8	
GTZ															
Ireland															
Total EU	13	38	15	66	0	30	12	1	0	0	2	22	0.5	5	0
Norway	0.3					6.6	0.4				0.5	3.2		0.7	1.2
CIDA					0.0		2.8			0.8				1.2	0.2
JICA	3.1	671.4	0.4		1.2	0.4	0.4		0.5		0.8				
USAID	8.1					41.4	4.3	1.2			0.7	1.2	1.4	0.0	
KfW						5.2									
FAO															
UNDP	1.5					0.4		0.4	1.5	1.8	0.2	9.5	0.4	1.0	0.8
UNICEF					5.5	7.5	5.6							2.3	3.5
UNPF															
WHO															
WFP							7.0						28.9		
AfDB	1.3				0.7		4.9								0.6
WB		6.3		31.4	11.2	7.9	6.3	2.4		1.3	2.8				
IDA															
OPEC															
BADEA															
KUWAIT															
IFAD															
Total Others	14	678	0	31	19	69	32	4	2	4	5	14	31	5	6
Total all Donors	27	678	0	31	19	69	32	4	2	4	5	14	31	5	6

* Information for other donors available on a fiscal year basis so table is presented by fiscal year and not calendar year

¹ EDF only, does not include budget lines. For the last semester of 2008 actual disbursement was used. Some EU disbursements in the previous table are replicated in this table

planned donor presence in Malawi for 1 July 2009 to 30 June 2010*

In Euro x 1 million

Donor	Agriculture	Roads, Public Works & Transport	Integrated Rural Development	GBS	Water, Sanitation & Irrigation	Health	Education	Trade, Industry & Private Sector Dev.	Energy & Mining	Public Administration	Environment, Lands & Natural Resources	Democratic Governance	Vulnerability, Disaster and Risk Management	Economic Governance	Gender, Youth Development & Sports
EU1	1.3	18.0	4.0	34.9	0	0.2	0	0.4	0	0	0	9.0	0	0.7	
DFiD	5.6	2.2		28.5	0.5	23.4	61.2	2.1			1.7	4.1	0.2	2.7	
GTZ															
Ireland															
Total EU	9														
Norway				8.5	0.8	16.2	0.3				2.3	2.2		1.1	1.6
CIDA							4.8							0.8	
JICA	5.4		0.2						0.2						
USAID	0.8					24.6	0.8	0.4				0.1	0.0		
KfW						0.3	5.0								
FAO															
UNDP															
UNICEF															
UNPF						0.3									
WHO															
WFP							6.5						22.9		
AfDB															
WB		5.9	7.3	29.4	11.0		7.3	2.4							
IDA															
OPEC															
BADEA															
KUWAIT															
IFAD															
Total Others	6	6	8	38	12	41	25	3	0	-	2	2	23	2	2
Total all Donors	16	6	8	38	12	41	25	3	0	-	2	2	23	2	2

* Information for other donors available on a fiscal year basis so table is presented by fiscal year and not calendar year.

¹ EDF only, does not include budget lines.

Annex 4A (2)

perspective donor presence in sectors in Malawi 1 January 2008 to 31 December 2008

In Euro x 1 million

Donor	Agriculture	Roads, Public Works & Transport	Integrated Rural Development	GBS	Water, Sanitation & Irrigation	Health	Education	Trade, Industry & Private Sector Dev.	Energy & Mining	Public Administration	Environment, Lands & Natural Resources	Democratic Governance	Vulnerability, Disaster and Risk Management	Economic Governance	Gender, Youth Development & Sports
EU	17.3	11.4		33.3		3.2	0.1	0.3				8.1	5.7	3.3	
DFID	6.6	0.1		25.2	0.3	37.3	11.2	1.0				4.9	0.2	7.8	
GTZ															
Ireland															
Total EU	24	12	-	58	0	41	11	1	-	-	-	13	6	11	-
Norway	0.4			6.3		17.9	0.5				0.3	4.5		3.2	1.8
CIDA					0.1	0.0	2.8			0.5		0.3		1.2	0.1
JICA	6.8	5.4	0.6		3.9	2.6	0.5	0.0	0.0		0.7			0.2	
USAID	2.8				0.2	26.9	4.8	1.3			1.1	4.2	0.2	-0.1	
KfW			0.1			2.5									
FAO	2.0					0.0									
UNDP	0.0					0.0		0.0				0.2		0.2	
UNICEF					0.8	2.8	1.5						0.1	0.3	1.6
UNPF							0.0							6.4	
WHO						1.1									
WFP							3.5						5.6		
AfDB	4.3			18.7	4.0	0.1	1.4								3.2
WB		2.3			7.3	2.8	5.8	0.8		3.7	6.1				
IDA															
OPEC															
BADEA															
KUWAIT															
IFAD			6.4												
Total Others	16	8	7	25	16	57	21	2	0	4	8	9	6	11	7
Total all Donors	40	19	7	84	17	97	32	3	0	4	8	22	12	23	7

JOINT ANNUAL REPORT 2008

LIST OF ONGOING PROJECTS AND CONTRACT AS AT CLOSURE OF YEAR 2008

EDF	COUNTRY	GLOBAL COMMITMENT REF:	INDIVIDUAL COMMITMENT REF:	PROJECT/CONTRACT TITLE	GLOBAL COMMITMENT €	INDIVIDUAL COMMITMENT €	PAYMENTS €	IC ONGOING CONTRACTS	PMTS ONGOING CONTRACTS	DAC CODE	SECTOR NAME	STARTING DATE	FINISHING DATE
8	ACP MAI		5	0 ROAD MANAGMENT SUPPORT PROGRAMME	13.500.000,00	13.478.757,47	12.795.090,44			21020	ROAD TRANSPORT	19980401	20061231
8	ACP MAI		5	11 BCEOM				740.750,00	690.368,52			20030926	20060215
8	ACP MAI		5	12 SERVICE CONTRACT - SCOT WILSON MALAWI LTD				46.800,00	43.395,04			20040701	20041122
8	ACP MAI		5	13 PROGRAMME ESTIMATE NO 4				881.000,00	695.650,43			20040812	20051231
8	ACP MAI		5	14 WKS CONTRT- TAFIKA CONSTNRN CO(MULOZA WEIGH BRIGDE)				248.514,00	188.376,02			20050701	20061231
8	ACP MAI		5	15 WRKS CONTRT- MKAKA/TAFIKA - (MCHINJI & MWANZA)WEIGH BRIDGES				512.655,89	386.947,15			20050701	20061231
8	ACP MAI		5	16 WRKS CONTRACT- MKAKA (SONGWE & BALAKA WEIGH BRIDGES)				441.888,47	341.027,75			20050701	20061231
8	ACP MAI		5	17 PE # 5 (JANUARY/DECEMBER,2006)				501.667,00	345.159,49			20060101	20061231
8	ACP MAI		5	19 FRAMEWORK CONTRACT JABOBSSGIBB LOT # 2				89.088,00	87.771,93			20060724	20061231
				TOTAL	13.500.000,00	13.478.757,47	12.795.090,44	3.462.363,36	2.778.696,33				
8	ACP MAI		10	0 ASYCUDA PHASE 2	5.044.169,92	4.851.679,79	4.808.231,93			15020	PUBLIC SECTOR FINANCIAL MANAGEMENT	19990331	20041231
8	ACP MAI		10	22 SERVICES MONTGOMERIE OLDFIELD AND DENN				169.000,00	125.552,14			20010822	20041231
				TOTAL	5.044.169,92	4.851.679,79	4.808.231,93	169.000,00	125.552,14				
8	ACP MAI		11	0 KARONGA-CHILUMBA-CHIWETA ROAC	37.325.008,34	37.325.008,34	36.516.064,63			21020	ROAD TRANSPORT	19990331	20070630
8	ACP MAI		11	1 WORKS MURRAY ROBERTS LIMITED				35.100.008,34	34.356.808,36			20000203	20030930
8	ACP MAI		11	2 SERVICES PARKMAN LIMITED				2.160.000,00	2.095.350,06			20000126	20040324
8	ACP MAI		11	3 SERVICE CONTRACT- GIBB AFRICA LTD				65.000,00	63.906,21			20041126	20050225
				TOTAL	37.325.008,34	37.325.008,34	36.516.064,63	37.325.008,34	36.516.064,63				
8	ACP MAI		12	0 3RD MICROPROJECTS PROGRAMME	20.575.853,36	20.575.853,36	20.314.188,22			43020	MULTISECTOR AID /COMPON. AVAILABLE	19990331	20031231
8	ACP MAI		12	14 W/P 9 01022003-31122003				1.457.078,33	1.320.237,88			20030201	20031231
8	ACP MAI		12	16 WORK PROGRAMME NO 10 01022003-31122003				485.287,10	430.346,54			20030201	20031231
8	ACP MAI		12	18 W/P NO 11 11/10/2003-31/12/2003				532.000,00	462.115,87			20031001	20031231
				TOTAL	20.575.853,36	20.575.853,36	20.314.188,22	2.474.365,43	2.212.700,29				
8	ACP MAI		14	0 SUPPORT HEALTH REFORM/DECENTRALIZATION: CHIRADZULU HOSPITAL	14.000.000,00	13.872.775,94	13.872.775,94			12230	BASIC HEALTH INFRASTRUCTURE	19990930	20050630
8	ACP MAI		20	0 NATIONAL BLOOD TRANSFUSION SERVICE	7.800.000,00	7.588.699,67	6.603.419,42			13040	STD CONTROL INCLUDING HIV/AIDS	20000401	20090331
8	ACP MAI		20	2 W/P 01062000-31122000				23.453,28	23.453,28			20000530	20001229
8	ACP MAI		20	3 CE NO 02 01072001-30062002				94.311,06	94.311,06			20010727	20030331
8	ACP MAI		20	5 TERRA CONSULTING				947.000,00	780.674,35			20021220	20051219
8	ACP MAI		20	6 W/P 3 01042003-30092003				338.076,33	338.076,33			20030401	20031231
8	ACP MAI		20	7 WORK PROGRAMME NO 4				2.216.880,00	2.081.557,59			20040101	20050430
8	ACP MAI		20	9 J VALENTINE DESIGN AND SUPERVISION OF WORKS				61.975,00	49.714,94			20040217	20051130
8	ACP MAI		20	10 SUPPLY CONTRACT -ABBOT LABORATORIES SOUTH AFRICA LTD				220.602,95	220.514,92			20041125	20060331
8	ACP MAI		20	11 SERVICE CONTRACT - MOD				245.200,00	116.631,60			20041126	20090331
8	ACP MAI		20	12 SERVICE CONTRACT- EURONET CONSULTING				44.798,00	42.073,59			20050101	20050331
8	ACP MAI		20	13 PROGRAME ESTIMATE # 5 (MAY05/MAR2006)				1.341.000,00	1.273.822,77			20050501	20060630
8	ACP MAI		20	15 SERVICE CONTRACT- GRAHAM CARR(AUDIT PE # 5)				9.134,00	7.709,36			20041222	20061130
8	ACP MAI		20	16 SERVICE CONTRACT - TERRA CONSULTING				348.096,00	319.722,70			20060320	20070420
8	ACP MAI		20	17 PE 6 (1 JULY2006/30 JUNE2007)				657.765,00	628.859,14			20060701	20070930
8	ACP MAI		20	18 SUPPLY CONTRACT -M.M AFRICAN TECHNOLOGY				77.020,00	59.141,31			20060821	
8	ACP MAI		20	20 SERV.CONTRAT-GRAHAM CARR- AUDIT PE6 (MBTS)				10.582,00	10.358,59			20061025	20080229
8	ACP MAI		20	21 CONSTRUCTION BLANTYRE BLOOD TRANSFUSION CENTRE				860.938,78	464.930,62			20071024	20081223
				TOTAL	7.800.000,00	7.588.699,67	6.603.419,42	7.496.832,40	6.511.552,15				
8	ACP MAI		21	0 REHAB & CONSTRUCTION OF GOLOMOTI - MONKEY BAY ROAD	19.000.000,00	18.980.599,86	17.181.091,22			21020	ROAD TRANSPORT	20010701	20091231
8	ACP MAI		21	2 MURRAY & ROBERTS (+7.MAI.131/1)				14.064.663,00	13.169.270,62			20030129	20060630
8	ACP MAI		21	3 SUPERVISION OF EMERGENCY WORKS ON M1(MSASA)-GOLOMOTI-MONKEY				526.807,08	424.432,26			20051215	20081231
8	ACP MAI		21	4 MOTA-ENGIL, M1-GOLOMOTI-MONKEY BAY CONTRACT 2				2.919.418,48	2.117.677,04			20070717	20080913
				TOTAL	19.000.000,00	18.980.599,86	17.181.091,22	17.510.888,56	15.711.379,92				
8	ACP MAI		22	0 PUBLIC WORKS PROGRAMME	14.063.276,78	14.063.276,78	13.935.155,78			21020	ROAD TRANSPORT	20000101	20050731
8	ACP MAI		22	2 SERVICES AFRICON ENGINEERING INTERN LTD				2.253.775,80	2.132.898,11			20010330	20050731
8	ACP MAI		22	20 AUDIT CONTRACT WITH KPMG				20.700,00	13.456,69			20040908	20050615
				TOTAL	14.063.276,78	14.063.276,78	13.935.155,78	2.274.475,80	2.146.354,80				
8	ACP MAI		24	0 STABEX 99 COFFEE - RAW OR ROASTED	363.465,00	363.465,00				53010	BALANCE-OF-PAYMENTS SUPPORT	20000724	20001231
8	ACP MAI		24	1 CONVENTION TRANSFER STABEX/23/99/MAI (RAW OR ROASTED COFFEE)				363.465,00	-			20010209	20011231
				TOTAL	363.465,00	363.465,00		363.465,00					
8	ACP MAI		25	0 EDUCATION CIVIQUE & ELECTORALE - PHASE II + 8 TPS 92	5.080.000,00	4.971.524,45	4.820.218,86			15030	LEGAL AND JUDICIAL DEVELOPMENT	20020101	20060731
8	ACP MAI		25	2 SERVICES GTZ-NICE-MALAWI				906.200,00	774.719,38			20010201	20041031
8	ACP MAI		25	15 EXTENSION PE 6- PARTIAL(1JAN/30JUNE2006)				72.500,00	52.675,03			20060101	20060630
				TOTAL	5.080.000,00	4.971.524,45	4.820.218,86	978.700,00	827.394,41				
8	ACP MAI		27	0 CAPACITY BUILDING FOR ECONOMIC MANAGEMENT & POLICY	9.000.000,00	8.780.252,15	8.117.749,94			15010	ECONOMIC AND DEVELOPMENT PLANNING	20000601	20071231

8	ACP MAI	27	2	SERVICES FITZWILLIAM PARTNERSHIP				74.600,00	69.809,23				20010821	20040420
8	ACP MAI	27	5	INTERIM WP AUGUST-DECEMBER 2002				334.814,43	288.781,59				20020808	20030531
8	ACP MAI	27	6	ARCADIS BMB				1.873.180,00	1.676.204,14				20030110	20071231
8	ACP MAI	27	10	LITTLEWAYS BUILDING CONTRACTORS				431.400,00	386.022,03				20031117	20050831
8	ACP MAI	27	11	AUDIT CONTRACT WITH GRAHAM CARR				30.900,00	28.822,25				20040401	20050331
8	ACP MAI	27	13	SERVICE CONTRACT - GRAHAM CARR (OLD PROJECTS)				15.100,00	12.474,91				20041125	20050524
8	ACP MAI	27	14	SERVICE CONTRACT - ECODES/GOPA CONSULTANTS				53.090,00	45.447,81				20050202	20050501
8	ACP MAI	27	15	PE # 3 (01.10.2005/30.09.2006)				1.008.000,00	986.457,34				20051001	20061231
8	ACP MAI	27	17	SERV.CONTRACT- GRAHAM CARR AUDIT PE2				2.671,00	2.570,79				20060529	20060628
8	ACP MAI	27	18	PE 4 CAPACITY BUILDING PROG. FOR ECON MANAGEMENT AND POLICY				1.279.000,00	972.713,47				20070101	20070930
8	ACP MAI	27	19	SERV.CONTRACT-PRICEWATERHOUSECOOPERS-AUDIT PE4				7.700,00	1.567,16				20070323	20080228
8	ACP MAI	27	22	AUDIT FWC 2006 / MOORE STEPHENS / FINANCIAL AUDIT CBEMPC				45.835,00	22.917,50				20071231	20080630
				TOTAL	9.000.000,00	8.780.252,15	8.117.749,94	5.156.290,43	4.493.788,22					
8	ACP MAI	29	0	Franchise art 195 a - the	651.529,94	527.908,14					53010	BALANCE-OF-PAYMENTS SUPPORT	20001208	20011231
8	ACP MAI	29	1	STABEX/19/REP LIV 2ND PR/MAI REPAYMENT AGREEMENT ART 195(A)				527.908,14					20010209	20011231
				TOTAL	651.529,94	527.908,14		527.908,14						
8	ACP MAI	30	0	LAKESHORE ROAD INFRASTRUCTURE SUPPORT	11.955.880,00	11.881.993,88	10.079.160,20				21020	ROAD TRANSPORT	20020331	20081231
8	ACP MAI	30	1	WORKS GROUP FIVE CONSTRUCTION (UK)				2.244.300,00	2.212.245,51				20020416	20030215
8	ACP MAI	30	3	SERVICES - WSP INTERNATIONAL MANAGEMENT CONSULTING				1.972.641,00	1.752.525,45				20020830	20061231
8	ACP MAI	30	4	SERV.CONTRAT - H.P.GAUFF INGENIEURE-AND LOUDON INTERNTNAL				268.679,48	252.670,31				20050404	20061231
8	ACP MAI	30	8	CMC - WORKS ON MANGOCHI - MONKEY BAY ROAD				6.519.365,00	5.215.488,80				20070701	20081110
8	ACP MAI	30	10	GAUFF LOUDON - SUPERVISION SERVICE OF WORKS MANGOCHI - MONKE				587.660,00	356.881,73				20070706	20081221
				TOTAL	11.955.880,00	11.881.993,88	10.079.160,20	11.592.645,48	9.789.811,80					
8	ACP MAI	41	0	4TH MICROPROJECTS PROGRAMME	35.000.000,00	31.097.457,49	22.225.892,17				43020	MULTISECTOR AID /COMPON. AVAILABLE	20030701	20091231
8	ACP MAI	41	9	PE5 DIRECT LABOUR OPERATION				1.874.000,00	1.632.295,28				20050510	20070331
8	ACP MAI	41	13	JOHN MURPHY SERVICE CONTRACT				216.828,48	215.349,79				20051101	20070831
8	ACP MAI	41	16	AUDIT CONTRACT GRAHAM CARR PE5 LOT 8 EC/PE AUDIT TENDER/DECO				10.100,00	2.806,98				20060215	20070831
8	ACP MAI	41	17	AUDIT CONTRACT PWC PE6 LOT 9 EC/PE AUDIT TENDER/DEC05/MW				31.800,00	22.256,19				20060215	20070831
8	ACP MAI	41	18	AUDIT CONTRACT PWC PE7 LOT 10 EC/PE AUDIT TENDER/DEC05/MW				17.900,00	12.166,04				20060215	20070228
8	ACP MAI	41	20	4TH MICROPROJECT TA FINANCE - BACKSTOPPER AND TRAINER				197.078,00	179.941,00				20061015	20080630
8	ACP MAI	41	21	FWC TA MONITORING & EVALUATION				199.990,00	119.994,00				20061102	20080215
8	ACP MAI	41	22	SUPPLY OF 20 MOTORCYCLES 125CC				32.777,80	32.777,80				20061117	20070414
8	ACP MAI	41	24	DIRECT LABOUR OPERATION PE 8				3.008.000,00	144.307,09				20061201	20080531
8	ACP MAI	41	25	PE 9 DIRECT LABOUR OPERATION				3.838.000,00	3.009.481,05				20061201	20080930
8	ACP MAI	41	26	DELOITTE AUDIT CONTRACT PE* 4TH MPP				9.006,00	9.006,14				20070405	20081031
8	ACP MAI	41	27	PWC AUDIT CONTRACT PE9 OF 4TH MPP				27.783,00	16.116,63				20070323	20080331
8	ACP MAI	41	28	PE 10 DIRECT LABOUR OPERATION				7.150.000,00	3.463.005,19				20071001	20090630
8	ACP MAI	41	29	SUPPLY OF 1 4X4 VEHICLE FOR MPP 4				27.579,00	24.821,10				20080521	20080923
8	ACP MAI	41	30	PE 11 1 NOVEMBER 2008-31 DECEMBER 2009				2.623.000,00	1.508.646,68				20081101	20091231
				TOTAL	35.000.000,00	31.097.457,49	22.225.892,17	19.264.536,28	10.392.970,96					
8	ACP TPS	4	0	PROMOTION RULE OF LAW AND IMPROVMENT OF JUSTICE IN MALAWI.	2.125.000,00	2.071.729,57	1.889.055,92				15030	LEGAL AND JUDICIAL DEVELOPMENT	19971125	20051231
8	ACP TPS	4	3	WP NO 03 JANUARY-DECEMBER 2002				776.953,79	776.847,39				20011231	20031231
8	ACP TPS	4	5	MILLENNIUM CONSULTING GROUP LTD				73.600,00	58.633,73				20020911	20040630
8	ACP TPS	4	8	SERVICE CONTRACT - PRICEWATERHOUSECOOPERS				12.400,00	8.210,33				20041125	20061124
8	ACP TPS	4	9	PROGRAMME ESTIMATE 6				279.000,00	127.283,41				20050101	20051231
8	ACP TPS	4	10	SERVICE CONTRACT - MALAWI LAW SOCIETY				45.209,00	38.396,85				20050201	20060131
8	ACP TPS	4	11	SERVICE CONTRACT- LAW REPORTING				149.190,00	144.307,43				20050301	20051231
				TOTAL	2.125.000,00	2.071.729,57	1.889.055,92	1.336.352,79	1.153.679,14					
8	ACP TPS	92	0	EDUCATION CIVIQUE & ELECTORALE - PHASE II + 8 MAI 25	2.320.000,00	2.264.415,02	2.120.192,33				15030	LEGAL AND JUDICIAL DEVELOPMENT	20020101	20060731
8	ACP TPS	92	4	4TH WORK PROGRAMME NOV 2003-OCT 2004				1.307.485,08	1.187.675,11				20031101	20041031
8	ACP TPS	92	6	SERVICE CONTRACT : AUDIT CONTRACT WITH GRAHAM CARR				13.800,00	12.307,41				20040625	20050624
8	ACP TPS	92	7	PROGRAMME ESTIMATE # 6 (AUGUST/SEPT.2005)				759.000,00	736.079,87				20050801	20051231
				TOTAL	2.320.000,00	2.264.415,02	2.120.192,33	2.080.285,08	1.936.062,39					
				TOTAL 8 EDF	197.804.183,34	192.695.396,91	175.278.287,00	112.013.117,09	94.596.007,18					
9	ACP MAI	1	0	TA TO THE NATIONAL SPATIAL DATA CENTRE	79.750,00	64.262,11	64.262,11				43040	RURAL DEVELOPMENT		20061020
9	ACP MAI	2	0	AUGM.PLAFOND PROJETS 7 ACP MAI 94 ET 8 ACP TPS 4, SELON NOTE	1.200.000,00	1.200.000,00	1.005.477,19				15030	LEGAL AND JUDICIAL DEVELOPMENT	19971125	20051231
9	ACP MAI	2	1	WORK PROGRAMME 1 BRIDGING				508.210,00	416.390,56				20040101	20041231
9	ACP MAI	2	2	COMMITMENT OF DHV CONSULTANTS				579.790,00	539.587,52				20041124	20051231
9	ACP MAI	2	3	PROGRAMME ESTIMATE 6				112.000,00	49.499,11				20050101	20051231
				TOTAL	1.200.000,00	1.200.000,00	2.400.000,00	1.200.000,00	1.005.477,19					
9	ACP MAI	3	0	AUGM.PLAFOND 7 ACP MAI 72, SELON NOTE 28632 DU 24/12/2003	1.823.185,01	1.788.529,20	1.788.529,20				12110	HEALTH POLICY & ADMIN. MANAGEMENT	19970101	20050630
9	ACP MAI	4	0	AUGM.PLAFOND 8 ACP MAI 14, SELON NOTE 28571 DU 24/12/2003 DE	390.284,00	359.753,67	359.753,67				12230	BASIC HEALTH INFRASTRUCTURE	19990930	20050630
9	ACP MAI	5	0	SUPPORT FOR THE MALAWI TRIPARTITE ELECTIONS 2004	1.990.000,00	1.990.000,00	1.860.133,00				15062	ELECTIONS		20081231
9	ACP MAI	5	1	UNDP - SUPPORT TO MALAWI TRIPARTITE ELECTION				1.990.000,00	1.860.133,00				20040225	20061231
				TOTAL	1.990.000,00	1.990.000,00	1.860.133,00	1.990.000,00	1.860.133,00					
9	ACP MAI	10	0	LEGAL ADVICE AND AUDIT OF PRICE REVISION - CONSTRUCTION	68.000,00	68.000,00	66.842,76				32310	CONSTRUCTION POLICY AND ADMIN. MGMT		20061231
9	ACP MAI	10	1	PRICE WATERHOUSE - LEGAL ADVICE AND AUDIT OF ROP				68.000,00	66.842,76				20040123	20050122

				TOTAL	68.000,00	68.000,00	66.842,76	68.000,00	66.842,76				
9 ACP MAI	11	0	TECHNICAL COOPERATION FACILITY	7.095.922,00	6.794.680,73	6.143.167,59				15010	ECONOMIC AND DEVELOPMENT PLANNING		20101231
9 ACP MAI	11	3	PENAL REFORM LIMITED				52.300,00	47.327,00				20041116	20051115
9 ACP MAI	11	4	FRAMEWORK CONTRACT AMS451 - LOT 8 - ECO				40.000,00	39.431,00				20041122	20050221
9 ACP MAI	11	7	AMS/451 CONTRACT- AGRIFOR CONSULT-TA TO NFRA LOT NO.1				76.750,00	63.651,85				20050317	20050616
9 ACP MAI	11	9	CONTRIBUTION AGREEMENT - JUSTICE MINISTRY				23.650,00	19.925,59				20050414	20050713
9 ACP MAI	11	15	FRAMEWORK CONTRACT- TA TO MAGIC				199.956,00	185.668,66				20050615	20060409
9 ACP MAI	11	17	SERV.CONTRACT - DELOITTE - GTZ AUDIT				2.860,00	2.447,89				20050602	20050615
9 ACP MAI	11	18	PE NO.1 (MAY05/APR06) TRADE & PVT SECTR				243.097,00	156.803,02				20050617	20061130
9 ACP MAI	11	24	SERV.CONTRACT SOFRECO/CONSILUM - TA ROAD TRAFFIC AUTHORITY				430.430,00	334.152,43				20060109	20070430
9 ACP MAI	11	25	WEAVIND FORUM. PROV OF LEGAL SERVICES ON M1-GOLOMOTI-MONKEY				235.809,30	212.801,11				20051215	20081231
9 ACP MAI	11	27	FWC HYDRATECH CONSORTIUM RURAL FEEDER ROADS FEASIBILITY STUD				107.348,00	96.803,36				20060110	20060309
9 ACP MAI	11	30	SERVICE CONTRACT - GRAHAM CARR- AUDIT PE#6				4.175,00	3.438,71				20051222	20060430
9 ACP MAI	11	31	SERV.CONTRACT- WSP - TA TO PLANNING DEPT-TRANSPT&PW MIN.				459.700,00	425.538,92				20060118	20070526
9 ACP MAI	11	33	AUDIT CONTRACT GRAHAM CARR PE1 ESDA LOT 4 EC/PE AUDIT TENDER				4.864,00	3.171,64				20060215	20060930
9 ACP MAI	11	34	AUDIT CONTRACT GRAHAM CARR PE3 CBPEMPC LOT 5 EC/PE AUDIT TEN				3.572,00	2.569,64				20060215	20070531
9 ACP MAI	11	37	CONTRIBUTION AGREEMENT-UNDP CONSTITUTION REVIEW				150.000,00	142.500,00				20060328	20070927
9 ACP MAI	11	40	FWC HTSPE REVIEW OF STAKEHOLDERS RESPONSE TO THE 2005/6 FOOD				198.835,00	187.423,52				20060502	20060630
9 ACP MAI	11	41	RIDER TO 8 MAI 027. COST AND TIME EXTENSION				410.480,00	347.428,98				20060505	20071231
9 ACP MAI	11	45	FWC ACE (PEFA)				87.453,00	83.273,73				20060511	20060810
9 ACP MAI	11	46	FWC DAAS				119.450,00	117.457,74				20060529	20060911
9 ACP MAI	11	48	FWC-ATOS ORIGIN- EVALUATION-NICE END OF PROJECT				70.330,00	51.899,20				20060705	
9 ACP MAI	11	50	SERV.CONTRT-AGRIFOR CONSULT - TA INVIORNMENTAL STUDY				65.070,00	55.983,79				20060724	20060930
9 ACP MAI	11	51	SERV.CONTRT - DELOITTE - AUDIT PE 6				8.100,00	7.522,91				20060724	20061223
9 ACP MAI	11	52	SERVICE CONTRACT MWENELUPEMBE & CO AUDIT PE 5 LOT 2				10.300,00	9.816,32				20060726	20070531
9 ACP MAI	11	54	SERV.CONTRACT- DELOITTE -WOMEN VOICE				1.487,00	1.201,62				20060822	20060921
9 ACP MAI	11	58	FWC-TRANSTEC - STA TO NAO SUPPORT UNIT				129.484,00	122.493,22				20071012	20071217
9 ACP MAI	11	59	FWC ACE-TA TO COMESA				93.989,00	88.806,47				20061022	20070121
9 ACP MAI	11	60	SERV.CONTRACT- GRAHAM CARR-EXTN ESDA PE1				1.107,00	926,34				20061122	20070430
9 ACP MAI	11	63	SERV.CONTRACT-ASSOCIES AUDIT ET CONSEIL- AUDIT STABEX PROG				136.091,00	128.340,27				20070108	20070220
9 ACP MAI	11	65	FWC -TA FINAL EVALUATION EXPORT STRATEGY				25.339,00	23.520,75				20070201	20070406
9 ACP MAI	11	68	MOORE STEPHENS, AUDIT STABEX VENTURE CAPITAL FUND				69.406,00	63.778,86				20070222	20070619
9 ACP MAI	11	70	PARSONS BRINCKERHOFF LTD TA TO MANAGE FIELD SAMPELING & LABO				83.419,42	83.419,42				20070402	20070915
9 ACP MAI	11	71	TA ON PAF INDICATORS TO THE MALAWI GOVERNMENT				154.600,00	141.756,86				20070416	20070809
9 ACP MAI	11	72	SERV CON WEAVIND & WEAVIND				117.904,65	91.854,72				20070420	20081017
9 ACP MAI	11	73	ECO3 SENIOR TRADE POLICY ADVISER TO THE MINISTRY OF TRADE				179.150,00	174.865,91				20070523	20080509
9 ACP MAI	11	77	DELOITTE - FOOD SECURITY AND STABEX BANK ACCOUNT AUDIT				2.431,00	2.358,63				20070515	20081130
9 ACP MAI	11	78	ILF- TA TENDER EVALUATION 9TH EDF MABARM (NRA)				142.900,00	85.740,00				20071015	20080514
9 ACP MAI	11	80	SHORT TERM TA TO MBTS				119.750,00	71.850,00				20070604	20080930
9 ACP MAI	11	81	SERV.CONTRT-AUDIT DHV CONTRACT PAYMENTS				2.659,28	-				20070604	20070623
9 ACP MAI	11	82	SERV.CONTRAT-DELOITTE-VERIFICATION WFP FOOD AID				2.622,00	-				20070604	20070723
9 ACP MAI	11	83	FWC-HYDRATEC-TA DESIGN-MCHINJI-KAWERE-MKANDA ROAD				151.950,00	91.170,00				20070702	20080801
9 ACP MAI	11	84	ACE, FINAL EVALUATION OF TCF				23.520,00	22.105,43				20070927	20071209
			TOTAL	7.095.922,00	6.794.680,73	6.143.167,59	4.442.338,65	3.790.825,51					
9 ACP MAI	12	0	SUPPORT FOR THE IMPLEMENTATION OF MALAWI'S LAND REFORM PROGR	1.969.065,00	1.921.608,40	1.370.743,23				31164	AGRARIAN REFORM		20101231
9 ACP MAI	12	3	PROGRAMME ESTIMATE NO 1 : SUPPORT TO THE IMPLEMENTATION OF T				836.000,00	608.043,37				20050301	20061231
9 ACP MAI	12	4	SZERVICE CONTRACT AUDIT GRAHAM CARR				12.200,00	9.747,95				20050429	20070531
9 ACP MAI	12	7	PE2 DIORRECT LABOUR OPERTION				888.000,00	577.043,51				20070610	20081010
9 ACP MAI	12	8	AUDIT CONTRACT KPMG PE 2 LAND REFORM				9.500,00	-				20071025	20090310
			TOTAL	1.969.065,00	1.921.608,40	1.370.743,23	1.745.700,00	1.194.834,83					
9 ACP MAI	13	0	AUGMENTATION DE PLAFOND PROJETS 8 ACP MAI 25 ET 8 ACP TPS 92	1.480.000,00	1.478.483,00	1.262.905,45				15030	LEGAL AND JUDICIAL DEVELOPMENT	20020101	20060731
9 ACP MAI	13	1	SIX MONTHS EXTENTION TO 30-04-2005				109.000,00	-				20041101	20050430
9 ACP MAI	13	2	PROGRAMME ESTIMATE # 5 (NOVEMBER 2004/ JULY 2005				912.000,00	855.174,66				20041101	20050731
9 ACP MAI	13	3	SERVICE CONTRACT - GTZ				144.783,00	118.587,29				20050429	20060428
9 ACP MAI	13	4	SERVICE CONTRACT - GRAHAM CARR - AUDIT PE#5				7.700,00	6.977,56				20050429	20061028
9 ACP MAI	13	5	PROGRAMME ESTIMATE # 6 (AUG.05/MARCH.06)				305.000,00	282.165,94				20050801	20060630
			TOTAL	1.480.000,00	1.478.483,00	1.262.905,45	1.478.483,00	1.262.905,45					
9 ACP MAI	14	0	RIDER NO.4 INCREASE OF CEILING 8.ACP.MAI.021&7.ACP.MAI.131	5.000.000,00	4.809.356,02	3.004.353,35				21020	ROAD TRANSPORT		20091231
9 ACP MAI	14	2	SUPERVISOR FOR COMPLETION OF M1 MSASA-GOLOMOTI-MONKEY BAY R				575.510,00	372.327,48				20070716	20081230
9 ACP MAI	14	4	MOTA-ENGIL, COMPLETION M1-GOLOMOTI-MONKEY BAY CONTRACT 2				3.518.883,86	1.966.147,73				20070717	20080913
9 ACP MAI	14	5	PROGRAMME ESTIMATE 3 (20.10.2007 TO 19.10.2008)				175.000,00	134.415,98				20071020	20081019
9 ACP MAI	14	6	AUDIT CONTRACT - GC - PE3				8.500,00	-				20080528	20090319
			TOTAL	5.000.000,00	4.809.356,02	3.004.353,35	4.277.893,86	2.472.891,19					
9 ACP MAI	15	0	FARM INCOME DIVERSIFICATION PROGRAMME (FIDP)	16.200.000,00	15.614.683,77	10.907.704,47				31120	AGRICULTURAL DEVELOPMENT		20121231
9 ACP MAI	15	8	SERVICE CONTRT DELOITTE AUDIT PE1 (FIDP)				35.100,00	28.815,69				20060724	20070831
9 ACP MAI	15	9	SUPPLY OF 80 125CC MOTORCYCLES				131.111,20	131.111,20				20061115	20070414
9 ACP MAI	15	12	LONG TERM TA PROGRAMME COORDINATION AND FINANCE				1.105.871,60	483.413,03				20070115	20100415
9 ACP MAI	15	13	LONG TERM TA TECHNICAL ASPECTS				1.383.745,00	571.977,37				20070115	20091231
9 ACP MAI	15	15	PE2 FOR FIDP				3.005.000,00	2.533.887,80				20070401	20080430
9 ACP MAI	15	16	TOYOTA MALAWI - SUPPLY 6 PICK UPS FOR FIDP				124.956,00	124.956,00				20070612	20070928
9 ACP MAI	15	17	SUPPLY CONTRACT (MINIBUS) - SFCE				46.800,00	45.349,20				20071005	20080207
9 ACP MAI	15	18	AUDIT CONTRACT CARR PE 2 FIDIP				32.800,00	9.193,30				20071022	20080930
9 ACP MAI	15	21	SUPPLY OF 16 4 WHEELS DRIVE STATION WAGONS				441.264,00	413.905,63				20071129	20080402
9 ACP MAI	15	23	FWC TA MONITORING AND EVALUATION				168.731,00	101.238,60				20071128	20100106

9	ACP MAI	15	24	GRANT CONTRACT TO NASFAM				857.605,50	471.368,45			20080101	20091231
9	ACP MAI	15	25	GRANT CONTRACT TO RICERCA E COOPERAZIONE				811.071,17	357.583,65			20080101	20091231
9	ACP MAI	15	26	GRANT CONTRACT TO MZUZU COFFEE PLANTERS COOPERTIVE UNION				998.000,00	898.200,00			20080101	20091231
9	ACP MAI	15	27	PE3 DIRECT LABOUR OPERATION				3.650.000,00	1.971.262,05			20080501	20091031
9	ACP MAI	15	28	COWI - MID TERM REVIEW OF FIDP				99.460,00	42.274,20			20080527	20090101
				TOTAL	16.200.000,00	15.614.683,77	10.907.704,47	12.891.515,47	8.184.536,17				
9	ACP MAI	16	0	IMPROVED FOREST MANAGEMENT FOR SUSTAINABLE LIVELIHOODS	9.000.000,00	8.626.953,36	6.903.981,20			31210	FORESTRY POLICY & ADMIN. MANAGEMENT		20121231
9	ACP MAI	16	1	SE/CONTRT-ITALTREN - TA TO IMPROVED FORESTRY				159.914,00	140.222,83			20050801	20060520
9	ACP MAI	16	3	SERVICE CONTRACT TA IMPROVED FORESTRY MANAGEMENT				2.057.430,00	1.561.728,94			20060217	20090816
9	ACP MAI	16	5	SERVICE CONTRACT GRAHAM CARR AUDIT PE1 START UP IFMSL				6.100,00	4.499,58			20060215	20060711
9	ACP MAI	16	9	SERVICE CONTR DELOITTE AUDIT PE1 (IFMFORSL)				21.400,00	17.772,90			20060724	20070531
9	ACP MAI	16	10	SUPPLY 82 125CC MOTOTCYCLES				134.388,98	134.388,98			20061115	20070414
9	ACP MAI	16	11	PE 2 DIRECT LABOUR OPERATION				2.277.000,00	2.159.760,97			20070101	20080229
9	ACP MAI	16	12	TOYOTA SUPPLY OF 12 PICK-UPS FOR IMPROVED FOREST MANAGEMENT				261.600,00	261.600,00			20070515	20070818
9	ACP MAI	16	13	DELOITTE - AUDIT CONTRACT IFMS PE2				27.250,00	15.496,83			20070625	20080731
9	ACP MAI	16	14	FWC TA FORESTRY CO-MANAGEMENT				60.656,00	46.113,80			20071022	20080314
9	ACP MAI	16	15	FWC TA IN DEVELOPING FINANCIAL INCENTIVES				31.578,00	27.831,25			20080102	20080301
9	ACP MAI	16	16	IFMSLP - IMPROVED FORESTRY PE3				2.329.000,00	1.314.231,34			20080301	20100228
9	ACP MAI	16	17	TRANSTEC - IFMSLP MID TERM REVIEW				72.645,00	32.342,40			20080516	20080801
				TOTAL	9.000.000,00	8.626.953,36	6.903.981,20	7.438.961,98	5.715.989,82				
9	ACP MAI	17	0	INCOME GENERATING PUBLIC WORKS PROGRAMME - PHASE	15.512.500,00	14.669.137,76	14.237.986,75			43040	RURAL DEVELOPMENT		20111231
9	ACP MAI	17	2	SERVICE CONTRACT - AFRICON ENGINEERING INTNAL				1.335.255,00	1.256.592,69			20050810	20080831
9	ACP MAI	17	3	SER CONTRACT- COWI A/S - MONITORING IGPWP				392.137,50	227.743,52			20060313	20090312
9	ACP MAI	17	7	SERV.CONTRAT-ERNST YOUNG- AUDIT PE # 2 (IGPWP)				16.516,00	-			20061025	20080531
9	ACP MAI	17	9	SUPPLY 20 125CC MOTOCYCLES				32.777,80	32.777,80			20061115	20070414
9	ACP MAI	17	10	IGPWP PE3				4.634.000,00	4.480.727,12			20080101	20090331
9	ACP MAI	17	11	REVIEW OF PERFORMANCE LONG-TERM TA TO IGPWP PHASE1				19.085,00	18.675,16			20080408	20080505
9	ACP MAI	17	12	AUDIT CONTRACT - PWC - IGPWP PE3				17.896,00	-			20080612	20090228
				TOTAL	15.512.500,00	14.669.137,76	14.237.986,75	6.447.667,30	6.016.516,29				
9	ACP MAI	18	0	CAPACITY BUILDING FOR NAO SUPPORT UNIT IN MINISTRY OF FINANCE	3.900.000,00	3.555.088,59	2.854.094,19			15010	ECONOMIC AND DEVELOPMENT PLANNING		20111231
9	ACP MAI	18	2	AUDIT CONTRACT GRAHAM CARR PE1 CAP. BUILDING NAO LOT 6 EC/PE				8.300,00	5.898,93			20060215	20070531
9	ACP MAI	18	3	CAPACITY BUILDING PROGRAME FOR THE NAO SUPPORT UNIT				1.009.829,65	880.693,82			20070101	20080630
9	ACP MAI	18	4	HYDRATEC TA TO NATIONAL AUTHORIZING OFFICER				145.527,31	145.527,31			20070510	20081219
9	ACP MAI	18	5	PRICEWATERHOUSECOOPERS - AUDIT CONTRACT CB NAO SU MIN FIN PE				11.270,00	-			20070618	20081130
9	ACP MAI	18	6	ACE, MID TERM EVALUATION OF CAPACITY BUILDING NAO SUPPORT UN				38.464,00	35.899,09			20070914	20071119
9	ACP MAI	18	7	PE3 NAO CAPACITY BUILDING NAO SUPPORT UNIT				1.339.000,00	834.873,81			20080701	20100630
9	ACP MAI	18	8	ADE FWC - TA M&E FOR NAO SUPPORT UNIT				128.741,00	77.244,60			20080520	20090601
				TOTAL	3.900.000,00	3.555.088,59	2.854.094,19	2.681.131,96	1.980.137,56				
9	ACP MAI	19	0	INSTITUTIONAL DEVELOPMENT AGRI-FOOD SECTOR (IDAF)	7.970.000,00	7.310.794,00	2.564.852,10			31110	AGRICULTURAL POLICY AND ADMIN. MGM1		20121231
9	ACP MAI	19	2	IDAF PE #1 (01JUNE 2006/31 MARCH 2007)				1.376.300,00	822.123,26			20060601	20070930
9	ACP MAI	19	4	SERVICE CONTRACT LONG TERM ASSISTANT TO IDAF				851.561,00	405.705,72			20060801	20090430
9	ACP MAI	19	5	SERV.CONTRAT- ERNST YOUNG - AUDIT PE # 1(IDAF)				14.793,00	1.820,67			20061025	20080228
9	ACP MAI	19	6	PROGRAMME ESTIMATE NO.2 (01/10/2007 TO 31/12/2007)				356.000,00	210.230,01			20071001	20080331
9	ACP MAI	19	7	PE3 IDAF 01/04/08 TO 30/11/08				1.819.000,00	819.508,35			20080401	20081130
9	ACP MAI	19	8	TRANSTEC - TA PROGRAM FACILITATOR - IDAF				189.930,00	113.958,00			20080530	20090201
9	ACP MAI	19	10	DAAS - TA PCU SHORT TERM CONCULTANCY				166.388,00	99.832,00			20080619	20081218
9	ACP MAI	19	11	PE4 IDAF				2.345.000,00	-			20081201	20100531
9	ACP MAI	19	12	COWI - 3 TA APPLICATION OF VALUE CHAIN ANALYSIS OF SELECTED				191.822,00	91.674,00			20080620	20090130
				TOTAL	7.970.000,00	7.310.794,00	2.564.852,10	7.310.794,00	2.564.852,01				
9	ACP MAI	20	0	SUSTAINABLE NUTRITION REHABILITATION	6.500.000,00	5.987.212,75	3.808.725,23			12240	NUTRITION		20121231
9	ACP MAI	20	1	GRANT CONTRACT ACTION AGAINST HUNGER				1.499.195,25	990.000,00			20060428	20071027
9	ACP MAI	20	4	SUSTAINABLE NUTRITION REHABILITATION AT COMMUNITY LEVEL GRAN				921.687,30	579.728,89			20061213	20091212
9	ACP MAI	20	6	GRANT DAN CHURCH AID SUSTAINABLE NUTRITION REHAB AT COMMUNIT				1.050.000,00	702.440,52			20061223	20091222
9	ACP MAI	20	7	GRANT CONTRACT CONCERN WORLDWIDE				1.141.479,00	679.575,29			20070101	20091231
9	ACP MAI	20	8	GRANT CONTRACT CARE INTERNATIONAL DEUTCHLAND				1.374.851,20	856.980,53			20070101	20091231
				TOTAL	6.500.000,00	5.987.212,75	3.808.725,23	5.987.212,75	3.808.725,23				
9	ACP MAI	21	0	MALAWI BACKLOG ROAD REHABILITATION AND MAINTENANCE PROGRAMM	38.000.000,00	34.798.593,05	12.737.891,48			21020	ROAD TRANSPORT		20141231
9	ACP MAI	21	1	SUPERVISION OF WORKS OF THE BACKLOG MAINTENANCE PROGRAMME PH				253.618,34	177.917,57			20070226	20080509
9	ACP MAI	21	3	MABARM PHASE 1 WORKS LILONGWE LOTS 1, 2 & 3				2.043.582,01	1.655.219,91			20070301	20080206
9	ACP MAI	21	4	MABARM PHASE 1 WORKS LILONGWE LOTS 5 & 6				804.819,33	701.910,93			20070601	20080326
9	ACP MAI	21	5	MOTA-ENGIL, COMPLETION WORKS M1(MASAS)-GOLOMONTI-MONKEY BAY				2.149.946,69	1.734.361,35			20070717	20080913
9	ACP MAI	21	9	CMC - WORKS ON MANGOCHI - MONKEY BAY ROAD				879.908,25	27.587,29			20070701	20081110
9	ACP MAI	21	10	SERVICE CONTRACT NICHOLAS O'DWYER - SUPERVISION MASSA-GOLOMOMO				100.748,00	-			20080716	20081230
9	ACP MAI	21	11	CILCON/SR NICHOLAS MAINTENANCE AND REHABILITATION MZUZU URBNA				2.555.001,28	766.500,39			20081006	20090705
9	ACP MAI	21	13	MOTA ENGIL - REHABILITATION & PERIODIC MAINTENANCE LILONGWE -				7.623.059,01	2.286.861,90			20080724	20100123
9	ACP MAI	21	14	MOTA-ENGIL REHABILITATION & PERIODIC MAINTENANCE FOR CHIKWAW				16.092.115,14	4.827.634,54			20080813	20100812
9	ACP MAI	21	15	DAVID CONSULTING - SUPERVISION MZUZU URBAN REHABILITATION				267.290,00	53.458,00			20080901	20100831
9	ACP MAI	21	22	GAUF SUPERVISION LILONGWE NSIPE ROAD REHABILITATION & MAINTEN				640.565,00	128.113,00			20081013	20110612
9	ACP MAI	21	23	PE1 - MABARM SOCIAL MEASURES * ENVIRONMENTAL SUPPORT PROGRAM				328.000,00	166.338,60			20081101	20100430
9	ACP MAI	21	24	GRONTMY - SUPERVISION CHIKWAWA-NCHALO-BANGULA ROAD MAINTENA				1.059.940,00	211.988,00			20080908	20101107
				TOTAL	38.000.000,00	34.798.593,05	12.737.891,48	34.798.593,05	12.737.891,48				
9	ACP MAI	22	0	SUPPORT TO THE NATIONAL EPA SECRETARIAT	1.600.000,00	1.261.148,00	478.527,52			33110	TRADE POLICY AND ADMIN. MANAGEMENT		20111230

9	ACP MAI	22		1	PROGRAM ESTIMATE 1					671,000.00	329,530.39			20061107	20080331
9	ACP MAI	22		2	SERV.CONTRACT-PRICEWATERHOUSECOOPERS-AUDIT PE1					15,102.00	2,126.87			20070323	20080831
9	ACP MAI	22		3	PE 2 - SUPPORT TO TH ENATIONAL ECONOMOC PARTNERSHIP AGREEMEN					554,000.00	134,242.66			20080815	20090814
9	ACP MAI	22		5	MID TERM EVALUATION OF SUPPORT TO THE NATIONAL EPA SECRETARI					21,046.00	12,627.60			20080917	20090121
					TOTAL	1,600,000.00	1,261,148.00	478,527.52	1,261,148.00	478,527.52					
9	ACP MAI	23	0	PROMOTION TO THE RULE OF LAW AND CIVIL EDUCATION IN MALAWI	28,000,000.00	26,353,490.07	10,544,687.46					15050	GOVERNANCE		20141231
9	ACP MAI	23		1	SERVICE CONTRACT-TA TO MIN.OF JUSTICE (ST)					199,321.00	150,451.33			20060502	20070331
9	ACP MAI	23		3	TA TO ACB - SUDGEST					179,790.00	172,764.62			20060610	20070405
9	ACP MAI	23		5	PE 1 DIRECT LABOUR OPERATION					1,529,000.00	1,528,806.08			20060701	20070630
9	ACP MAI	23		6	START-UP PE					121,576.00	120,517.92			20060701	20061231
9	ACP MAI	23		8	SERV.CONTRAT-ERNST YOUNG -AUDIT START-UP PE_(ROL COMPONENT)					4,612.00	-			20061025	20070531
9	ACP MAI	23		9	SERV.CONTRAT-GRAHAMM CARR AUDIT PE1 (ROL NICE COMPONENT)					28,695.00	10,808.64			20061023	20071130
9	ACP MAI	23		10	SUPPLY 150 125CC MOTORCYCLES					245,833.50	245,833.50			20061115	20070414
9	ACP MAI	23		11	PE 1 DIRECT LABOUR COMPONENT					1,101,000.00	998,561.89			20070101	20080331
9	ACP MAI	23		12	SUDGEST TA TO MINISTRY OF JUSTICE - FA IMPLEMENTATION					197,625.00	71,175.00			20071211	20080812
9	ACP MAI	23		13	PRICEWATERHOUSECOOPERS -AUDIT CONTRACT ROL COMP PE1					17,573.00	4,648.00			20070521	20080831
9	ACP MAI	23		14	SERV.CONTRT-COWI-TA DESIGN-ANNEX BUILDING LAW FACULTY					154,850.00	151,822.20			20070605	20071207
9	ACP MAI	23		15	SERV.CONTRT-ARS PROGETTI-ROL TA -IT PROCURE.& VEHICLES					21,975.00	20,148.58			20070605	20071017
9	ACP MAI	23		16	PE 2 DIRECT LABOUR OPERATION					1,909,000.00	1,781,808.44			20070701	20080630
9	ACP MAI	23		17	AUDIT CONTRACT / PE 2 NICE					16,700.00	-			20071025	20081130
9	ACP MAI	23		18	SERV.CONTRT -ECO- TA TO NICE ADMIN.& FINANCIAL MGT					85,350.00	51,210.00			20080307	20081103
9	ACP MAI	23		19	PE 2 DIRECT LABOUR COMPONENT					1,002,411.60	953,185.83			20080401	20090331
9	ACP MAI	23		20	TA TO MINISTRY OF JUSTICE					71,058.00	42,634.80			20080416	20080815
9	ACP MAI	23		22	SUPLY CONTRT-SOLAR RADIOS-BUCKINGHAMS OF KENILWORTH LTD					435,900.00	392,310.00			20080528	20080904
9	ACP MAI	23		23	TECHNICAL FACILITATION UNIT FOR RULE OF LAW					2,606,580.00	483,840.00			20080701	20110331
9	ACP MAI	23		24	PE 3 DIRECT LABOUR OPERATION (NICE COMPONENT)					2,083,000.00	1,626,393.57			20080701	20090531
9	ACP MAI	23		25	UNDP CONTRIBUTION AGREEMENT FOR MEC					1,500,000.00	1,350,000.00			20080701	20090930
9	ACP MAI	23		26	2ND LAYER AUDIT FOR PE1, PE2 AND REGULAR AUDIT OF PE 3					117,409.00	23,481.80			20080908	20091207
9	ACP MAI	23		27	S.R.NICHOLAS - CONSTRUCTION OF ANNEX TO THE FACULTY OF LAW A					1,136,974.21	341,092.26			20081016	20091015
9	ACP MAI	23		31	SUPPLY OF VEHICLES					784,399.09	-			20081112	20091016
9	ACP MAI	23		32	BUSINESS AND STRATEGIES IN EUROPE SA - MIDTERM REVIEW FOR NI					38,655.00	23,193.00			20081121	20090623
9	ACP MAI	23		33	BUSINESS ENVIRONMENT STRENGTHENING TECHNICAL ASSISTANCE -					2,800,000.00	-			20081202	20101231
9	ACP MAI	23		34	PRINTING OF MALAWI LAWS					250,387.67	-			20081218	20090617
9	ACP MAI	23		35	SUPPLY OF ICT EQUIPMENTS					278,665.00	-			20081219	20090318
9	ACP MAI	23		36	SUPPLY OF OFFICE EQUIPMENT LOT 3					61,150.00	-			20081219	20090318
9	ACP MAI	23		37	RULE OF LAW PROGRAMME ESTIMATE NUMBER 3					-	-			20090401	20100930
9	ACP MAI	23		38	RULE OF LAW PE 3 - PROMOTION OF THE RULE OF LAW AND CIVIC ED					4,148,000.00	-			20090401	20100930
9	ACP MAI	23		39	PROMOTION OF THE RULE OF LAW AND CIVIC EDUCATION IN MALAWI -					3,226,000.00	-			20090601	20101130
					TOTAL	28,000,000.00	26,353,490.07	10,544,687.46	26,353,490.07	10,544,687.46					
9	ACP MAI	24	0	POVERTY REDUCTION BUDGETARY SUPPORT PROGRAMME I	26,100,000.00	25,959,935.00	24,929,935.00					51010	GENERAL BUDGET SUPPORT		20120630
9	ACP MAI	24		2	POVERTY REDUCTION BUDGET SUPPORT					23,100,000.00	23,100,000.00			20051024	20081023
9	ACP MAI	24		3	SER.CONTRAT-DFC CONSORTIUM ASSESSMENT PRBS 1VARIABLE TRENCH					59,935.00	59,935.00			20060117	20060416
9	ACP MAI	24		4	CONTR.AGREEMENT-UNDP MONITORING & EVALUATION					800,000.00	770,000.00			20060927	20080630
9	ACP MAI	24		5	SUPPORT TO FIMTAP - PRBS1 TA. SIGNING OF THE ADMINISTRATIVE					2,000,000.00	1,000,000.00			20070719	20100301
					TOTAL	26,100,000.00	25,959,935.00	24,929,935.00	25,959,935.00	24,929,935.00					
9	ACP MAI	25	0	EMERGENCY FOOD AID PROGRAMME FOR MALAW	4,800,000.00	4,799,771.83	4,559,783.00					12240	NUTRITION		20080630
9	ACP MAI	25		3	CONTRIBUTION AGREEMENT WORLD FOOD PROGRAMME					4,799,771.83	4,559,783.00			20051019	20060630
					TOTAL	4,800,000.00	4,799,771.83	4,559,783.00	4,799,771.83	4,559,783.00					
9	ACP MAI	26	0	RIDER N.1 TO FA 6228/MAI - BUDGET INCREASE	1,560,000.00	1,321,853.68	744,619.48					13040	STD CONTROL INCLUDING HIV/AIDS		20090331
9	ACP MAI	26		1	CONSTRUCTION LILONGWE & MZUZU TRNSFUSION CENTRES					1,321,853.68	744,619.48			20071022	20081221
					TOTAL	1,560,000.00	1,321,853.68	744,619.48	1,321,853.68	744,619.48					
9	ACP MAI	27	0	INSTITUTIONAL SUPPORT FOR TRANSPORT PUBLIC SECTOR BODIES (IN	7,500,000.00	4,359,003.91	4,359,003.91					21010	TRANSPORT POLICY & ADMIN. MANAGEMENT		20121231
9	ACP MAI	27		2	SUPPLY CONTRACT SFCE 17 4 X 4 SINGLE CABS					260,729.00	234,656.10			20060821	20061120
9	ACP MAI	27		3	INSTAP PE2					477,000.00	217,145.76			20070716	20080630
9	ACP MAI	27		4	SUPPLY OF ROAD SURVEY EQUIPMENT					50,456.91	50,456.91			20071129	20071231
9	ACP MAI	27		5	SFCE - SUPPLY OF TWO 4X4 DOUBLE CABIN VEHICLES					40,802.00	40,802.00			20080108	20080407
9	ACP MAI	27		6	SCOTT WILSON, TA SERVICES TO TRANSPORT PUBLIC BODIES					3,185,500.00	155,187.78			20080307	20101231
9	ACP MAI	27		7	AUDIT CONTRACT - GC - PE1					7,300.00	-			20080528	20081130
9	ACP MAI	27		9	MOORE STEPHENS - 2ND LAYER FINANCIAL AUDIT FOR INSTAP PE2					25,216.00	-			20090115	20090731
9	ACP MAI	27		10	PE 3 INSTAP					312,000.00	155,544.65			20081218	20091031
					TOTAL	7,500,000.00	4,359,003.91	4,359,003.91	4,359,003.91	853,793.20					
9	ACP MAI	28	0	CAPACITY BUILDING PROGRAMME FOR NON STATE ACTORS IN MALAW	5,000,000.00	3,114,795.24	1,600,281.60					15050	STRENGTHENING CIVIL SOCIETY		20121231
9	ACP MAI	28		2	FWC ECO- TA TO NON STATE ACTORS (MALAWI)					197,926.00	103,512.00			20070905	20090831
9	ACP MAI	28		3	SERVICE CONTRACT AUDIT KPMG START UP PE NSA					3,431.00	-			20071025	20080430
9	ACP MAI	28		4	PE 1 FOR NSA (3/12/2007 TO 2/12/2008)					1,148,854.00	623,804.09			20071203	20081202
9	ACP MAI	28		5	FWC-SUDGEST-TA ADVOCACY & RESEARCH NSA PROJECT					143,969.00	86,381.40			20080324	20090630
9	ACP MAI	28		6	ECORYS - TA'S FOR PROJECT AND ORGANISATION MANAGEMENT					148,900.00	89,340.00			20080520	20090630
9	ACP MAI	28		7	AUDIT CONTRACT - PWC - NSA PE1					10,800.00	-			20080612	20090502
9	ACP MAI	28		10	SUPPLY OF VEHICLES					65,044.00	-			20081029	20090106
9	ACP MAI	28		11	PE 2 CAPACITY BUILDING FOR NON-STATE ACTORS IN MALAWI					1,136,000.00	553,833.37			20081203	20091130
9	ACP MAI	28		12	FWC AUDIT - NSA'S START-UP PE & PE1 - MOORESTEPHENS					34,705.50	-			20081219	20090930
9	ACP MAI	28		13	TA FOR THE DEVELOPMENT OF NSA POLICY IN MALAWI					81,755.00	-			20090105	20090630
					TOTAL	5,000,000.00	3,114,795.24	1,600,281.60	2,971,384.50	1,456,870.86					

9	ACP MAI	29	0	(EX 07 P003) TRYPANOSOMIASIS CONTROL PROGRAMME	229.836,60	176.533,93	229.000,00			43010	MULTISECTOR AID /COMP. NOT AVAILABLE	19920701	19990630
9	ACP MAI	29	1	(EX 07 P003 C048) WP DECEMBER 99 SEPTEMBER 2000				229.000,00	176.533,93			20000106	20001231
				TOTAL	229.836,60	176.533,93	229.000,00		176.533,93				
9	ACP MAI	30	0	NAOREQUEST REF DAD/5/1/5/NC/8065/PKS DATED 20 JUNE 2006	34.000.000,00	30.100.807,00	26.810.484,00			51010	GENERAL BUDGET SUPPORT		20121231
9	ACP MAI	30	1	POVERTY REDUCTION BUDGET SUPPORT				8.000.000,00	8.000.000,00			20061123	20091122
9	ACP MAI	30	2	POVERTY REDUCTION BUDGET SUPPORT TRANCHE 2,3 & 4				22.000.000,00	18.750.000,00			20070214	20091122
9	ACP MAI	30	3	FWC- POHL CONSULTING-PUBLIC FINANCE MGT ASSESSMENT				100.807,00	60.484,00			20071231	20080420
				TOTAL	34.000.000,00	30.100.807,00	26.810.484,00	30.100.807,00	26.810.484,00				
9	ACP MAI	31	0	(EX 06 P078) ROAD MANAGMENT SUPPORT PROGRAMME	134.590,98	123.078,40	97.299,66			21020	ROAD TRANSPORT	19980401	20061231
9	ACP MAI	31	1	(EX 06 P078 C005) WP NO 3 01062003-31052004				-	-			20030601	20040531
9	ACP MAI	31	2	(EX 06 P078 C006) SERVICES - GRAHAM CARR AUDIT WPCE3				3.680,24	-			20040426	20041025
9	ACP MAI	31	3	(EX 06 P078 C007) SERVICE CONTRACT - WILLIAM FAULKNER				5.546,34	-			20041111	20050510
9	ACP MAI	31	4	(EX 06 P078 C008) SERVICE CONTRACT GRAHAM CARR - AUDIT PE				55.875,82	43.728,24			20050323	20060622
9	ACP MAI	31	5	(EX 06 P078 C009) FWC COWI TA FOR MANAGEMENT AND MONITORIN				57.976,00	53.571,42			20060110	20060909
				TOTAL	134.590,98	123.078,40	97.299,66	123.078,40	97.299,66				
9	ACP MAI	32	0	(EX 06 P087) LAKESHORE ROAD INFRASTRUCTURE SUPPORT	276.658,84	241.018,69	241.018,69			21020	ROAD TRANSPORT	20020331	20081231
9	ACP MAI	34	0	(EX. 06 P088) LAKESHORE ROAD INFRASTRUCTURE SUPPORT	15.840,00					21020	ROAD TRANSPORT	20020331	20081231
9	ACP MAI	35	0	RURAL FEEDER ROADS PROGRAMME	15.000.000,00					00000			20131231
9	ACP MAI	36	0	PRBS1(FLEX)	10.000.000,00	10.000.000,00				51010	GENERAL BUDGET SUPPORT		20120630
9	ACP MAI	36	1	BUDGET SUPPORT: FLEX FACILITY				10.000.000,00	10.000.000,00			20051024	20080630
				TOTAL	10.000.000,00	10.000.000,00		10.000.000,00	10.000.000,00				
9	ACP MAI	37	0	NAO REQUEST REF DAD/5/1/5/27/10163/CL 13 FEBRUARY 2007	8.850.000,00	2.308.901,00	861.464,40			15010	ECONOMIC AND DEVELOPMENT PLANNING		20140630
9	ACP MAI	37	1	FWC POHL - FINAL EVALUATION OF PROJECT				28.780,00	17.149,00			20071130	20080302
9	ACP MAI	37	2	AUDIT FWC 2006 / MOORE STEPHENS / FINANCIAL AUDIT RULE OF LA				48.967,00	24.483,50			20071231	20080731
9	ACP MAI	37	3	AUDIT FWC 2006 / ERNST & YOUNG / FINANCIAL AUDIT NICE (OLD P				46.209,00	23.104,50			20080104	20080731
9	ACP MAI	37	4	MOORE STEPHENS / FINANCIAL AUDIT MBTS				49.103,00	-			20071231	20081130
9	ACP MAI	37	5	COWI - TA TO ROADS FUND ADMINISTRATION				160.848,00	96.508,80			20080421	20090213
9	ACP MAI	37	6	DAAS - MAPPING TOPOGRAPHICAL STUDY AND SOIL SAMPLING FOR SUG				164.045,00	98.427,00			20080604	20080731
9	ACP MAI	37	7	HTSPE - SNRP END OF PROJECT EVALUATION				49.430,00	29.658,00			20080617	20081112
9	ACP MAI	37	9	FWC-MOORE STEPHENS-FINANCIAL & SYSTEMS AUDIT 3RD MPP				58.662,00	11.732,40			20080711	20081231
9	ACP MAI	37	10	FWC-MAZARS & GUERARD-AUDIT IFMSLP START UP PE,PE1 & PE2				150.001,00	12.452,20			20080818	20091130
9	ACP MAI	37	11	AUDIT FWC FINANCIAL AUDIT IDAF PE 1 & PE 2				84.515,00	7.510,20			20080818	20090530
9	ACP MAI	37	13	TA FOR PROCUREMENT AND CONTRACTING PROCEDURES IN THE NAO				161.230,00	96.738,00			20080908	20090423
9	ACP MAI	37	15	MOORE STEPHENS - ROL 2ND LAYER AUDIT OF START-UP PE AND PE1.				94.588,00	18.917,60			20080908	20090903
9	ACP MAI	37	17	FINANCIAL AUDIT OF EPA PE 1				29.075,00	-			20081003	20090131
9	ACP MAI	37	18	SCANAGRI - FEASIBILITY STUDY EXPENTION IRRIGATED SUGARCANE U				111.980,00	67.188,00			20081110	20090131
9	ACP MAI	37	20	FWC AUDIT - FIDP PE0, PE1, PE2 & PE3				140.206,00	-			20081201	20100331
9	ACP MAI	37	22	FWC AUDIT - NAO PE1 & PE2 SU 2ND LAYER - MOORE STEPHENS				41.745,00	-			20090105	20091231
9	ACP MAI	37	24	FWC AUDIT - QUARTERLY AUDITS NAO SU PE3 - MAZARS & GUERARD				85.754,00	-			20081215	20100531
9	ACP MAI	37	25	COWI - TA TO RAIL SECTOR DEVELOPMENT				133.550,00	-			20090105	20090413
9	ACP MAI	37	26	HYDRATEC - TECH AUDIT OF EDF FUNDED ROAD PROJECTS				87.326,00	-			20090105	20090605
9	ACP MAI	37	28	FWC AUDIT - 4TH MPP PE5 2ND LAYER - MOORE STEPHENS				51.536,00	-			20081218	20090731
9	ACP MAI	37	29	FWC AUDIT - 4TH MPP PE9 2ND LAYER - MOORE STEPHENS				34.048,00	-			20081218	20090930
9	ACP MAI	37	30	COWI - SUPPORT SERVICE TO NAO SUPPORT UNIT INFRASTRUCTURE SE				-	-			20090106	20091205
9	ACP MAI	37	31	FWC AUDIT - 4TH MPP PE10 & PE11 QUARTERLY REPORTS - MOORE ST				122.187,00	-			20081218	20100228
9	ACP MAI	37	32	COWI - TA SUPPORT SERVICE TO NAO SUPPORT UNIT INFRASTRUCTURE				182.648,00	-			20090106	20091202
9	ACP MAI	37	33	10TH EDF IDENTIFICATION STUDY FOR AGRICULTURE AND FOODS SECUR				-	-			20090105	20090404
9	ACP MAI	37	34	10TH EDF IDENTIFICATION STUDY FOR AGRICULTURE AND FOOD SECUR				192.468,00	-			20090105	20090404
				TOTAL	8.850.000,00	2.308.901,00	861.464,40	2.308.901,00					
9	ACP MAI	38	0	INCOME GENERATION PUBLIC WORKS PROGRAMME PHASE I	9.487.500,00	5.757.557,22	2.649.121,74			43040	RURAL DEVELOPMENT		20130630
9	ACP MAI	38	2	AFRICON - PHASE II OF IGPWP TA TO PMU				863.633,22	-			20080904	20100903
9	ACP MAI	38	4	INCOME GENERATION PUBLIC WORKS PRORAMM PHASE II PE1				4.790.737,00	2.649.121,74			20081001	20090930
9	ACP MAI	38	5	FWC AUDIT - QUARTERLY REPORTS IGPWP PHASE II PE1 - MAZARS &				103.187,00	-			20090215	20100301
				TOTAL	9.487.500,00	5.757.557,22	2.649.121,74	5.757.557,22	2.649.121,74				
9	ACP MAI	39	0	(EX 07 P020) (EX 05 P001) FORMATION 1981-1985 FED 5	150.100,00	150.100,00	86.066,40			11110	EDUCATION POLICY & ADMIN. MANAGEMENT		
9	ACP MAI	39	1	(EX 07 P020 C007) COST ESTIMATE 1998				74.400,00	61.208,96			19980806	19990805
9	ACP MAI	39	2	(EX 07 P020 C008) WP 1999				75.700,00	24.857,44			19990729	20000728
				TOTAL	150.100,00	150.100,00	86.066,40	150.100,00	86.066,40				
9	ACP MAI	40	0	(EX 07 P065) SOCIAL FORESTRY : TRAINING AND EXTENSION (+6M	74.400,00	74.400,00	74.202,09			31210	FORESTRY POLICY & ADMIN. MANAGEMENT	19961004	20030331
9	ACP MAI	40	1	(EX 07 P065 C026) WP NO 02 BUNDA COLLEGE				74.400,00	74.202,09			20010817	20021031
				TOTAL	74.400,00	74.400,00	74.202,09	74.400,00	74.202,09				
9	ACP MAI	41	0	(EX 07 P072) SUPPORT TO THE HEALTH REFORM AND DECENTRALISA	2.378.358,14	2.162.950,00	1.929.441,41			12110	HEALTH POLICY & ADMIN. MANAGEMENT	19970101	20050630
9	ACP MAI	41	1	(EX 07 P072 C005) WORK PROGRAMME JULY-DECEMBER 1999 PART I				346.000,00	343.940,85			19990625	20000331
9	ACP MAI	41	2	(EX 07 P072 C006) AWP PART II JULY-DECEMBER 1999				46.200,00	45.818,48			19990625	20000630
9	ACP MAI	41	3	(EX 07 P072 C007) WP NO 02 03052000-30042001				804.000,00	798.628,60			20000503	20010430
9	ACP MAI	41	4	(EX 07 P072 C014) CE NO 03 JULY-DECEMBER 2001 PART I				442.750,00	436.448,38			20010730	20020129
9	ACP MAI	41	5	(EX 07 P072 C018) WP AND CE NO 04 AUGUST 2002 - JUNE 200				524.000,00	304.605,10			20020913	20030912

			TOTAL	2.378.358,14	2.162.950,00	1.929.441,41	2.162.950,00	1.929.441,41						
9	ACP MAI	42	0	(EX 07 P094) PROMOTION RULE OF LAW AND IMPROVMENT OF JUSTI	1.284.879,58	1.251.625,00	1.208.366,42			15030	LEGAL AND JUDICIAL DEVELOPMENT	19971125	20051231	
9	ACP MAI	42	1	(EX 07 P094 C022) SERVICES DHV/ADDENDUM				1.251.625,00	1.208.366,42			20011231	20051231	
				TOTAL	1.284.879,58	1.251.625,00	1.208.366,42	1.251.625,00	1.208.366,42					
9	ACP MAI	43	0	(EX 07 P096) POPULATION EDUCATION PROGRAMME HEALTH	558.612,99	550.440,53	514.902,29				13010	POPULATION POLICY AND ADMIN. MGMT	19971104	19991103
9	ACP MAI	43	1	(EX 07 P096 C003) WP 2000				550.440,53	514.902,29			19991217	20001216	
				TOTAL	558.612,99	550.440,53	514.902,29	550.440,53	514.902,29					
9	ACP MAI	44	0	(EX 07 P130) LAKESHORE ROAD INFRASTRUCTURE SUPPORT	77.984,82	77.984,82					21020	ROAD TRANSPORT	20020331	20081231
9	ACP MAI	44	1	(EX 07 P130 C005) CMS - WORKS ON MANGOCHI - MONKEY BAY ROA				77.984,82	77.984,82			20070701	20081110	
				TOTAL	77.984,82	77.984,82		77.984,82	77.984,82					
9	ACP MAI	45	0	(EX 07 P131) AUGM.PLAFOND-RIDER 2-NOTE M.SILVA DOMINGOS XX	2.000.000,00	2.000.000,00	1.822.755,74				21020	ROAD TRANSPORT	20010701	20091231
9	ACP MAI	45	1	(EX 07 P131 C001) MURRAY&ROBERTS				1.700.000,00	1.522.755,74			20030129	20050227	
9	ACP MAI	45	2	(EX 07 P131 C002) MOTA-ENGIL, COMPLETION M1(MSASA)-GOLOMON				300.000,00	300.000,00			20070717	20080913	
				TOTAL	2.000.000,00	2.000.000,00	1.822.755,74	2.000.000,00	1.822.755,74					
9	ACP RPR	188	0	AVENANT 1 AUGMENTATION DE PLAFOND (FLEX 07) LET TRE GQ XX/XX/	2.820.000,00	2.820.000,00					15050	STRENGTHENING CIVIL SOCIETY		20121231
9	ACP RPR	188	1	GRANT CONTRACT: PACIFIC NETWORK OF ISLAND UNIVERSITIES: MAIN				-	-			20081215	20111214	
				TOTAL	2.820.000,00	2.820.000,00								
9	ACP RPR	223	0	(EX 07 P307) SADC WILDLIFE MANAGEMENT TRAINING PROJECT.	2.537.171,77	2.207.056,00					31163	LIVESTOCK		
9	ACP RPR	223	1	(EX 07 P307 C018) ULG CONSULTANTS LTD	1.728.800,00	1.618.346,98							19960920	19990319
9	ACP RPR	223	2	(EX 07 P307 C036) WP AND CE 4 JAN TO DEC 1999	453.156,00	453.155,78							19990223	20000222
9	ACP RPR	223	3	(EX 07 P307 C048) WP AND CE NO 05 SEPT 2000-JUNE 2001	25.100,00	24.929,08							20000911	20010710
				TOTAL 9TH EDF	293.671.695,73	242.614.919,57	156.938.350,99	216.880.623,98	141.677.933,51					
10	ACP MAI	1	0	POVERTY REDUCTION BUDGETARY SUPPORT 3 (PRBS III)	90.000.000,00	26.000.000,00					51010	GENERAL BUDGET SUPPORT		
10	ACP MAI	2	0	POVERTY REDUCTION BUDGET SUPPORT III							51010	GENERAL BUDGET SUPPORT	20081208	20161208
10	ACP MAI	2	1	POVERTY REDUCTION BUDGET SUPPORT - FIRST TRANCHE			26.000.000,00	26.000.000,00	26.000.000,00			20081215	20090630	
				TOTAL	90.000.000,00	26.000.000,00	26.000.000,00	26.000.000,00	26.000.000,00					
				TOTAL 10TH EDF	90.000.000,00	26.000.000,00	26.000.000,00	26.000.000,00	26.000.000,00					
				TOTAL 8TH EDF, 9TH EDF AND 10TH EDF	581.475.879,07	461.310.316,48	358.216.637,99	354.893.741,07	262.273.940,69					

ANNUAL CONSOLIDATED VOLUME OF COMMITMENTS, CONTRACTS AND DISBURSEMENTS FOR 2006 TO 2008

Year	Reference	Global Commitment € (in Million)	Individual Commitment € (in Million)	Payments € (in Million)	RAC €	RAL €	RAC/Average Annual Volume of Contracts	RAC/Volume of Contracts for 2008	RAL/Average Volume of Disbursements	RAL/Volume of Disbursements for 2008
		a	b	c	d	e	d6/b5	d6/b1	e6/c5	e6/c1
2008	1	90,00	99,00	85,98			1,47	1,21	3,51	2,60
2007	2	33,30	81,70	46,82						
2006	3	54,49	64,38	57,75						
Total	4	177,79	245,08	190,55						
Avrg.	5	59,26	81,69	63,52						
Situation as at closure of 2008	6	581,47	461,31	358,22	120,16	223,25				

JOINT ANNUAL REPORT 2008

SYNTHETIC LIST OF STILL ONGOING REGIONAL AND INTRA ACP PROJECTS AS PER CLOSURE OF 2008

EDF	COUNTRY	GLOBAL COMMITMENT REF:	INDIVIDUAL COMMITMENT T REF:	PROJECT/CONTRACT TITLE	GLOBAL COMMITMENT €	INDIVIDUAL COMMITMENT €	BALANCE €	DAC CODE	SECTOR NAME	STARTING DATE	FINISHING DATE
9	ACP RPR	188	0	AVENANT 1 AUGMENTATION DE PLAFOND (FLEX 07) LETTRE GQ XX/XX/	2.820.000,00	-	2.820.000,00	15050	STRENGTHENING CIVIL SOCIETY		20121231
9	ACP RPR	223	0	(EX 07 P307) SADC WILDLIFE MANAGEMENT TRAINING PROJECT.	2.537.171,77	2.207.056,00	330.115,77	31163	LIVESTOCK		
9	ACP RPR	223	1	(EX 07 P307 C018) ULG CONSULTANTS LTD	1.728.800,00	1.618.346,98	110.453,02			19960920	19990319
9	ACP RPR	223	2	(EX 07 P307 C036) WP AND CE 4 JAN TO DEC 1999	453.156,00	453.155,78	0,22			19990223	20000222
9	ACP RPR	223	3	(EX 07 P307 C048) WP AND CE NO 05 SEPT 2000-JUNE 2001	25.100,00	24.929,08	170,92			20000911	20010710
8	ACP TPS	4	0	PROMOTION RULE OF LAW AND IMPROVMENT OF JUSTICE IN MALAWI.	2.125.000,00	2.071.729,57	53.270,43	15030	LEGAL AND JUDICIAL DEVELOPMENT	19971125	20051231
8	ACP TPS	4	3	WP NO 03 JANUARY-DECEMBER 2002	776.953,79	776.847,39	106,40			20011231	20031231
8	ACP TPS	4	5	MILLENNIUM CONSULTING GROUP LTD	73.600,00	58.633,73	14.966,27			20020911	20040630
8	ACP TPS	4	8	SERVICE CONTRACT - PRICEWATERHOUSECOOPERS	12.400,00	8.210,33	4.189,67			20041125	20061124
8	ACP TPS	4	9	PROGRAMME ESTIMATE 6	279.000,00	127.283,41	151.716,59			20050101	20051231
8	ACP TPS	4	10	SERVICE CONTRACT - MALAWI LAW SOCIETY	45.209,00	38.396,85	6.812,15			20050201	20060131
8	ACP TPS	4	11	SERVICE CONTRACT-LAW REPORTING	149.190,00	144.307,43	4.882,57			20050301	20051231
8	ACP TPS	92	0	EDUCATION CIVIQUE & ELECTORALE - PHASE II + 8 MAI 25	2.320.000,00	2.264.415,02	55.584,98	15030	LEGAL AND JUDICIAL DEVELOPMENT	20020101	20060731
8	ACP TPS	92	4	4TH WORK PROGRAMME NOV 2003-OCT 2004	1.307.485,08	1.187.675,11	119.809,97			20031101	20041031
8	ACP TPS	92	6	SERVICE CONTRACT : AUDIT CONTRACT WITH GRAHAM CARR	13.800,00	12.307,41	1.492,59			20040625	20050624
8	ACP TPS	92	7	PROGRAMME ESTIMATE # 6 (AUGUST/SEPT.2005)	759.000,00	736.079,87	22.920,13			20050801	20051231

INFCO/2007/019-679	29/10/2007	31/12/2009	20.000		Printing of 500 Information Folders with 10 inserts/information sheets in each Folder with information on EU cooperation in Malaw					Forecast	5.000					5.000	0	0	5.000	5.000	5.000	0	0	0	0	0	0				
ONG-PVD - Co-Financing with NGOs																															
PVD/2000/63	not available in CRIS	not available in CRIS	not available in CRIS	2000/11536	EARLY CHILDHOOD AND COMMUNITY DEVELOPMENT PROJECT - MALAWI	1/02/2001	1/01/2005	15/01/2001	1/01/2001	Ongoing	500.000	350.000	150.000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	To be decommitted and closed	150.000	N	
PVD/2001/24	not available in CRIS	not available in CRIS	not available in CRIS	2001/11718	MALAWI OPHTHALMIC OUTREACH PROGRAMME	13/12/2001	2/01/2006	10/12/2001	2/01/2001	Ongoing	963.247	698.557	264.690	0	72.052	0	0	0	0	72.052	0	0	0	0	0	0	0	To be decommitted and closed	192.638	N	
ONG-PVD/2002/001-092	9/12/2002	not available in CRIS	130.972.129	2003/20945	REHABILITATION FOR PERSONS WITH DISABILITIES IN MALAWI	19/02/2003	1/05/2006	13/02/2003	1/05/2003	Ongoing	750.000	675.000	75.000	0	0	0	0	0	0	0	0	0	0	0	0	0	To be decommitted and closed	75.000	N		
ONG-PVD/2003/004-562	25/06/2003	not available in CRIS	114.160.116	2004/65398	TA GANYA WATER AND SANITATION PROJECT - MALAWI	30/07/2004	1/10/2007	16/07/2004	1/10/2004	Ongoing	750.000	675.000	75.000	0	50.140	0	0	0	0	50.140	0	0	0	0	0	0	0	To be paid and decommitted	24.860	N	
ONG-PVD/2003/004-562	25/06/2003	not available in CRIS	114.160.116	2004/65425	PROJET DE SANTE DES JEUNES ET DE SANTE DE L'ENFANT DANS LES REGIONS CENTRE ET SUD - MALAWI	31/08/2004	30/11/2007	18/08/2004	1/12/2003	Ongoing	750.000	675.000	75.000	0	75.000	0	0	0	0	75.000	0	0	0	0	0	0	0		0	N	
ONG-PVD/2004/006-239	21/04/2004	not available in CRIS	149.525.355	2005/94801	Msamala Environmental Rehabilitation and Livelihoods Improvement Project, Malaw	13/12/2005	31/12/2010	6/12/2005	1/01/2006	Ongoing	737.242	278.844	458.398	0	128.226	0	0	0	128.226	0	128.226	0	0	0	0	128.226		0	N		
ONG-PVD/2004/006-239	21/04/2004	not available in CRIS	149.525.355	2005/94803	Mkhumba Boundary Communities' Livelihoods Improvement Project - Malaw	13/12/2005	31/12/2010	6/12/2005	1/01/2006	Ongoing	750.000	297.413	452.587	0	125.862	0	0	0	125.862	0	125.862	0	0	0	0	125.862		0	N		
ONG-PVD/2004/006-240	22/04/2004	not available in CRIS	21.794.302	2005/96903	BLOCK GRANT 2004	21/12/2005	31/08/2008	12/12/2005	1/09/2005	Ongoing	990.000	578.584	411.416	0	312.416	0	0	0	312.416	0	99.000	0	0	0	99.000		0	N			
ONG-PVD/2005/017-215	25/02/2005	not available in CRIS	155.275.000	2006/118709	Kasumbu Food Security Improvement Project - Malawi	4/12/2006	31/12/2011	27/11/2006	1/01/2007	Ongoing	750.000	157.868	592.132	0	129.283	0	0	0	129.283	0	129.283	0	0	0	129.283		0	N			
ONG-PVD/2006/018-227	4/07/2006	not available in CRIS	177.408.340	2007/134620	Extending Financial Services to the Poor of Malaw	21/11/2007	22/11/2010	16/11/2007	22/11/2007	Ongoing	595.000	233.071	361.929	0	0	0	0	0	0	0	151.215	0	0	0	151.215		0	N			
ONG-PVD/2006/018-227	4/07/2006	not available in CRIS	177.408.340	2007/135162	Reinforcement of the capacities of local partners and actors in rural areas to prevent the spread of HIV/AIDS: a multilevel approach with a significant impact on women's health - MALAW	10/11/2007	11/11/2011	9/11/2007	11/11/2007	Ongoing	743.927	184.567	559.359	0	0	0	0	0	0	0	161.656	0	0	0	161.656		0	N			
SANTE - Sexual and Reproductive Health																															
SANTE/2005/017-089	1/03/2005	not available in CRIS	17.846.000	2005/100350	Scaling UP SRH and HIV/AIDS Services for Young People of 10-24 Years	14/12/2005	15/12/2008	12/12/2005	15/12/2005	Ongoing	2.250.000	1.437.500	812.500	0	0	0	587.500	0	587.500	0	0	0	225.000	0	225.000		0	N			
SANTE/2005/017-089	1/03/2005	not available in CRIS	17.846.000	2005/100657	Promotion of behaviour change and increase of access to sexual and reproductive health service in the rural district of Thyolo, in the south of Malaw	19/12/2005	1/01/2009	12/12/2005	1/01/2006	Ongoing	1.350.000	787.500	562.500	0	0	0	427.500	0	427.500	0	0	0	135.000	0	135.000		0	N			
SUCRE - Sugar Accompanying measures 2006 for sugar protocol countries																															
SUCRE/2006/018-410	31/03/2006	not available in CRIS	667.000	2007/143723	FACILITATOR TO ASSIST WITH IMPLEMENTATION OF THE SUGAR ACCOMPANYING MEASURES IN MALAWI	3/10/2007	30/04/2009	3/10/2007	8/10/2007	Ongoing	134.660	80.796	53.864	0	0	0	0	0	0	0	53.864	0	0	0	53.864		0	N			
SUCRE/2006/018-410	31/03/2006	not available in CRIS	667.000		CIP for capacity building of outgrowers and outgrowers' management (added to 2ME 2007 funds)					Forecast	200.000			0	0	0	0	0	0	200.000	50.000	0	0	200.000	50.000						
SUCRE/2006/018-410	31/03/2006	not available in CRIS	667.000		Biofuels Study (FWC)					Forecast	40.000			0	0	40.000	24.000	40.000	24.000	0	16.000	0	0	0	16.000						
SUCRE/2006/018-410	31/03/2006	not available in CRIS	667.000		Strategic Environmental Assessment for Sugar Sector in Malawi (FWC)					Forecast	40.000			0	0	40.000	24.000	40.000	24.000	0	16.000	0	0	0	16.000						
TOTAL														93.852.557	39.902.893	12.342.721	4.147.315	1.830.000	6.188.006	14.172.721	10.335.321	19.750.000	5.346.203	0	13.160.000	19.750.000	18.506.203				

Malawi - Country Portfolio as of 31 December 2008

Own Resources

Contract no	Project	Mandate	Status	Signature date	Loan amount	Amount disbursed	Amount cancelled	Amount to be disbursed	Amount outstanding	First Repayment Date	Last Repayment Date
20510	SUCOMA SUGAR	LOME - CONVENTION 4 - PROT.2	Disbursed	16/03/2000	6.500.000,00	6.500.000,00	0,00	0,00	2.635.386,54	10/09/2004	10/03/2015

EDF

Contract no	Project	Mandate	Status	Signature date	Loan amount	Amount disbursed	Amount cancelled	Amount to be disbursed	Amount outstanding	First Repayment Date	Last Repayment Date
70281	MALAWI - CAPITAL HOTEL	LOME - CONVENTION 2	Disbursed	8/07/1982	3.000.000,00	2.492.653,30	507.346,70	0,00	1.138.430,30	5/07/1986	5/07/2007
70504	DWANGWA SUGAR CORPORATION II	LOME - CONVENTION 2	Disbursed	11/12/1984	3.500.000,00	3.492.372,77	7.627,23	0,00	1.438.508,34	30/09/2005	30/09/2009
70646	LILONGWE WATER SUPPLY PROJECT	LOME - CONVENTION 3	Disbursed	17/02/1987	2.500.000,00	2.500.000,00	0,00	0,00	1.923.134,62	30/11/2008	30/11/2012
70766	MALAWI ESCOM II	LOME - CONVENTION 3	Disbursed	19/12/1988	8.000.000,00	6.175.970,75	1.824.029,25	0,00	933.189,19	15/11/1994	15/11/2008
70813	BLANTYRE WATER SUPPLY	LOME - CONVENTION 3	Disbursed	17/05/1990	1.500.000,00	1.500.000,00	0,00	0,00	444.450,00	10/05/1996	10/05/2010
70864	MALAWI FOR PRODUCT. ENTREP.	LOME - CONVENTION 4	Disbursed	20/12/1991	6.500.000,00	6.500.000,00	0,00	0,00	152.674,43	15/12/1996	15/12/2009
70867	BLANTYRE WATER SUPPLY PROJECT	LOME - CONVENTION 4	Disbursed	20/12/1991	8.000.000,00	8.000.000,00	0,00	0,00	3.068.800,00	15/12/1997	15/12/2011
70934	MALAWI ESCOM III	LOME - CONVENTION 4	Disbursed	22/12/1993	15.000.000,00	15.000.000,00	0,00	0,00	8.022.197,28	15/12/2000	15/12/2013
71064	LILONGWE WATER SUPPLY II	LOME - CONVENTION 4	Disbursed	22/11/1996	15.000.000,00	15.000.000,00	0,00	0,00	15.000.000,00	20/11/2012	20/11/2016
71125	GL FOR PRODUCTIVE ENT. II - A	LOME - CONVENTION 4 - PROT.2	Disbursed	23/10/1998	6.930.000,00	3.306.180,00	3.623.820,00	0,00	1.746.105,71	30/09/2003	30/09/2013
71127	GL FOR PRODUCTIVE ENT. II - C	LOME - CONVENTION 4 - PROT.2	Disbursed	23/10/1998	3.000.000,00	2.165.487,35	834.512,65	0,00	2.062.368,22		
20511	SUCOMA SUGAR	LOME - CONVENTION 4 - PROT.2	Disbursed	16/03/2000	7.175.971,00	3.219.758,00	3.956.213,00	0,00	2.341.730,00	10/03/2005	10/03/2015
20512	SUCOMA SUGAR	LOME - CONVENTION 3	Disbursed	16/03/2000	324.029,00	324.029,00	0,00	0,00	235.666,28	10/03/2005	10/03/2015
21412	MALAWI BLANTYRE HOTELS	LOME - CONVENTION 4 - PROT.2	Disbursed	19/12/2001	4.000.000,00	2.000.000,00	2.000.000,00	0,00	1.602.600,00	31/03/2005	30/09/2016

Annex 5E – Indicative timetable for commitments and disbursements

1. 5E (1) Indicative timetable of global commitments (10th EDF ONLY)

	Indicative allocation	2008		2009		2010		2011	
		1	2	1	2	1	2	1	2
Food Security & Agriculture	125								
- Diversification and Natural Resources	30				30				
- Community Based Activities (e.g.: Micro-Projects; NSA) and small scale irrigation	80						80		
- Institutional Capacity Building	15						15		
Regional Interconnection with focus on road infrastructure	70								
- Road Sector Support Programme (Phase I and Phase II)	60					60*			
- Capacity Building and Studies	10					10*			
General Budget Support (PRBS III & PRBS IV)	175		90						85
Non Focal Sectors	66								
- Governance	30						30		
- EPA – Investments & Trade	12						12		
- HIV AIDS and Gender	12						12		
- Institutional Capacity Building including TCF	12				8		4		
B-envelope (only what is already committed in 2008)	8.89			8.9					
Total Commitments:	444.89								
Total Cumulative:	444.89								

*) It is currently envisaged that a special Financing Decision for the Road Sector Budget Support Programme will be taken in early 2010, combining Phase I & II

