



Department
for International
Development

Operational Plan 2011-2016

DFID Malawi

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Introduction

In 2013 the UK became the first G7 country to meet the United Nations target of spending 0.7% of gross national income on international development. The Department for International Development (DFID) uses that investment to help countries to lift themselves out of poverty and leave poverty behind. Operational plans set out to the public how we plan to deliver results across policy areas and for every country we work in. These plans clearly explain why, and how, DFID is targeting its resources and what we expect to achieve; covering the period up until March 2016.

DFID is focused on spending in the right ways, on the right things, in the right places. The portfolio of our projects is already shifting to deliver a more coherent, focused and ambitious approach to economic development. We are helping to build strong and investable business environments in developing countries and improving access to finance for entrepreneurs.

Improving the prospects for girls and women in developing countries is a priority. Investing in girls and women is the smart thing to do, as well as the right thing to do. By unleashing their potential, we see returns for girls and women themselves, their families and communities, and for their economies and countries. No country can successfully develop if it leaves half its population behind.

Life-saving humanitarian assistance remains one of DFID's most fundamental responsibilities. When disaster strikes or conflict erupts we are first on the ground to support the most vulnerable people. We are also increasing our efforts to help those countries that are at higher risk of natural disasters to become more resilient in the first place.

DFID continues to drive value for money in everything we do on behalf of the British taxpayer. We have improved our procurement and programme management, increased our internal audit oversight and we are ensuring that staff have the skills to deliver the Department's priorities.

On the international stage we are working hard to agree a new set of global development goals to replace the Millennium Development Goals when they expire next year. We are determined to secure a clear and inspiring set of goals for the post 2015 development framework that leave no one behind.

Increasingly we will take new and innovative approaches and we will work with new partners. This will include businesses who are increasingly major development players. During the Secretary of State's time as co-chair of the Global Partnership for Effective Development Cooperation, DFID played a key role in encouraging different development actors to work together and use internationally agreed principles for aid and development effectiveness.

As our operational plans set out, our approach to international development is ambitious and innovative. We are determined to ensure that every pound DFID spends has the biggest possible impact on the ground. Ultimately by investing in developing countries, we can end aid dependency for good and build a better, more prosperous world for us all.

Context

High poverty and growing inequality: Malawi is a small landlocked country and one of the world's poorest economies, with some of the worst development statistics for a non-conflict country. It ranks 174 out of 187 in the Human Development Index (HDI 2013). Although Malawi has made significant progress against many of the Millennium Development Goals (MDGs) it is still unlikely to meet key targets for eradicating extreme poverty and hunger, universal primary education, gender equity and maternal health. Other MDG targets are at risk and need to be monitored closely. This includes targets to combat HIV and AIDS, Malaria and other diseases. Access to post-primary education for the very poor is extremely low with only 8% of children from the poorest households attending secondary school, and only 0.7% from the poorest quintile accessing tertiary education. Malawi's population is expected to double from 13 million in 2010 to 26 million by 2030. This is contributing to increased pressure on a depleting natural resource base, exacerbated by an already stressed agricultural sector which accounts for one-third of GDP. Malnutrition remains high. Malawi is vulnerable to climate change and is prone to hazards, particularly droughts and floods, which affect around 5% of the population a year. Urbanisation is low but increasing, rural poverty is entrenched and income inequality is on the rise.

A political settlement that has not been conducive to sustained poverty reduction: Malawi's first multi-party democratic elections took place in 1994, after 30 years of one-party rule under President Hastings Banda who took over following independence. Malawi went through its fifth successive elections on May 20th 2014 and President Arthur Peter Mutharika was elected to power following Joyce Banda's two year presidency. Overall, the transition to democratic multi-party politics has seen a broad improvement in civil and political liberties, especially press freedom and the transfer of power through relatively peaceful means. The recent elections also saw local councillors elected for the first time since 2005 bringing with it opportunities for meaningful reforms and improved service delivery at the local level. But the political changes and economic environment in Malawi have not been as conducive to supporting sustained poverty reduction as they might have been. Weak accountability, corruption and patronage have often undermined progress, including in service delivery, and formal democratic institutions are weak and often bypassed. Since September 2013, Malawi has been embroiled in a corruption scandal involving public finance, popularly referred to as "Cash-gate". An independent forensic audit – funded by the UK - has uncovered multi-million pound losses for the six months from April 2013 to September 2013 alone. There is no evidence that UK money was involved in this. The scandal has affected the confidence of Malawi's development partners in Government systems, and the Malawian public and others in its civil service.

Economic fragility and economic recovery: Malawi has not yet been able to achieve the high and sustained growth rates necessary for poverty reduction. The country remains trapped in a cycle of sporadic rather than sustained growth episodes due to factors including an unstable policy and governance environment, corruption and lack of transparency, a poor business environment and vulnerability to external climatic and other shocks. While the macro-economic environment has improved in recent years, it continues to remain fragile. In the short-term the Government of Malawi has a challenging task of managing the macro-economy, addressing corruption and working within a tight domestic and international resource base, partly as donors pause financing through government systems following their loss of confidence in these systems. Foreign exchange shortages are not an acute problem in the short term, but reserves require careful management to ensure adequate import cover throughout the year. Agriculture is the dominant sector in the economy and accounts for 80% of the country's exports, dominated by tobacco farming. In the long-run the key challenge is to invest in sustainable economic growth by diversifying the economic base, and increasing exports to reduce the current reliance on tobacco. The most obvious possibilities are agriculture and mining.

Dependence on foreign aid: Malawi continues to be aid dependent and graduation from foreign aid is still a long way off. The UK is one of Malawi's largest development partners and provides support through funding, technical expertise and engagement in development policy, plus significant investments through multilaterals (including EU, World Bank, UN), global initiatives (Global Fund to fight AIDS, Tuberculosis and Malaria, Global Programme for Education) and through regional programmes. In June 2011 the UK suspended all General Budget Support to Malawi due to concerns over economic management, governance and human rights. While there were subsequently some broad improvements in human rights, as a result of the "Cash-gate" corruption scandal in November 2013 the UK ceased all direct funding through Government of Malawi financial systems. The UK will continue to work with the Government of Malawi, in support of national priorities and reform. However, until the necessary actions to strengthen government systems has been taken and independently verified, DFID will deliver its development programme outside of government financial systems to support Malawi's poorest people. This programme of investments in poverty reduction remains significant.

Vision

The UK is committed to addressing deep-rooted poverty and inequality in Malawi. We are particularly focused on addressing inequalities facing women and girls, and building the resilience of poor rural households. DFID will support the Government of Malawi to tackle the pervasive culture of corruption and to make the necessary reforms to better manage public finances and deliver basic services that reach the poorest. We will support efforts to boost economic development for jobs, income, food security and growth in order to sustainably help people out of poverty across Malawi. The UK's development programme in Malawi will focus on:

Fostering human development and tackling inequality: Our work promotes the development of an educated and healthy population critical for Malawi's development. Through interventions in education, health, nutrition and water and sanitation, we focus on where we can achieve measurable results and maximise impact. We will continue to strengthen work that will accelerate improvement in the lives of women and girls and reduce inequalities. This includes supporting programmes to keep more girls in school, improve access to water and sanitation for underserved communities, for more reliable essential drugs and medical supplies, and to increase access to reproductive health services. Following our decision to freeze finance through government of Malawi systems as a result of "Cash-gate", our health and education programmes have been redesigned away from sector budget support to work through non-state channels. This shift due to high levels of fiduciary risk, combined with the UK's strategic decision to invest heavily in multilaterals that benefit Malawi, including Global Funds, has led to a funding reduction for 2014/15. DFID will use the latest evidence and innovations to ensure that programmes deliver results and minimise risks to service delivery. We continue to support government priorities, better coordination and essential reforms in health and education through policy dialogue and technical assistance.

Supporting vital reform in Government, building accountability, strengthening effective institutions: Our governance work will continue to promote accountability and capability in the Government of Malawi, while underpinning the rest of our Plan by ensuring Malawi's limited resources are used to maximum effect. We are working with the Government to support reforms to increase the effectiveness and efficiency of the public sector, fight against corruption and build government's capacity to better manage public finances and public sector reform. We are also working to empower local citizens to realise their rights, increase local and national accountability and space for debate, protect the rights of excluded and vulnerable groups and increase access to justice, safety and security. This includes important efforts to reduce violence against girls and women. Our work on rule of law and accountability helps build more effective institutions and an open society in Malawi.

Supporting economic growth and development, and building resilience: Our programmes support economic development, particularly in rural areas, with the aim of promoting improved livelihoods, strengthening people's resilience to shocks, and reducing dependence on tobacco and maize. Agriculture and food security is central to supporting economic development, particularly in rural areas, and our private sector development programme supports growth in agricultural output, diversification, addresses constraints to growing businesses and helps to reform the regulatory environment for business, trade and investment. Our work is complemented by planned multilateral investments in regional infrastructure and trade facilitation, e.g. through the Mozambican Regional Gateway Programme managed by DFID's Southern Africa Regional programme office. Through DFID's Regional Programme, we are exploring how best to support Government of Malawi's geological survey, contract negotiation, and environmental capacity for developing the mining sector.

To address these three priorities we will demand accountability and be accountable ourselves; emphasize the delivery of results; engage in high performing partnerships; ensure value for money and create a culture of listening and learning. In this Operational Plan, we will not put finances directly through Government of Malawi's financial systems until confidence has been restored in Malawi's commitment to fight corruption and address systemic weaknesses in the public sector. We will continue to work closely with the Government of Malawi to strengthen these systems and to provide support through other channels.

Alignment to DFID and wider UK Government priorities

This Operational Plan is aligned to DFID's Business Plan 2011-16 and the Foreign and Commonwealth Office/British High Commission Lilongwe's Business Plan in Malawi. It builds on the UK Government's transformative agenda which looks at the three enablers that will allow citizens to improve their lives: the elimination of poverty, open economies and open societies.

Results 2011/12-2015/16

Headline results (those with a * directly attributable to DFID. In all other cases, DFID is contributing to the results)

Pillar/Strategic	Indicator	Baseline	Progress towards results (including year)	Expected (end year included)
Wealth Creation*	Number of additional people accessing credit through DFID support	0 (2010)	26,000 (2013/14)	27,000 additional people (by December 2014) <i>Forecasting a final target of 40,000 people by 2015/16</i>
Poverty, Hunger and Vulnerability*	Number of people directly supported by DFID to cope with natural disasters and the effects of climate change	0 (2010)	112,000 (2013)	350,000 people (by March 2015) <i>Forecasting an additional 140,000 people for 2015/16 resulting in a final target of 490,000 by 2015/16</i>
Health / HIV	Number of births delivered with the help of nurses, midwives or doctors through DFID support	41,400 (2010)	40,000 (2012/13)	80,000 births (cumulatively from 2011 to 2015) <i>Target reduced – See Annex A for details.</i>
Health / HIV*	Number of additional women using modern methods of family planning through DFID support	0 (2010)	262,000 (2013/14)	22,500 additional women (cumulatively from 2011 to December 2014) <i>Forecasting a cumulative final target of 800,000 for 2015/16</i>
Education	Number of children supported by DFID in primary school	98,900 (2009/10) 49,600 girls	484,000 (2012/13) Of which 242,098 girls)	443,000 children of which 233,000 girls (by December 2014) <i>Target date methodology corrected – See Annex A for details</i>
Education	Number of girls in secondary school with DFID bursaries	0 (2010)	13,000 (2013/14)	14,000 (by December 2014) <i>Forecasting an additional 1000 girls in 2015/16 resulting in a final target of 15,000 girls by 2015/16</i>

Pillar/Strategic	Indicator	Baseline	Progress towards results (including year)	Expected (end year included)
Water / Sanitation*	Number of additional people provided with sustainable access to clean drinking water sources and an improved sanitation facility	0 (2011)	271,000 (2013/14)	750,000 additional people of which 385,500 (51%) female (by June 2016) <i>Target delayed to 2016 – See Annex A for details.</i>
Governance and Security	Number of girls and women with improved access to security / justice services through DFID support.	357,600 (2010)	No data yet	406,900 girls / women (by December 2014 results will be known after 2015 DHS survey)

Headline Results

As set out in this Operational Plan, since 2013 DFID Malawi has reprogrammed its health and education support to ensure that this will have maximum impact whilst being channelled outside of government financial systems.

In addition to existing headline results, we intend to work with the Government of Malawi over the remaining Operational Plan period to March 2016 to support credible public financial management, public sector and anti-corruption reforms that can help improve government accountability and effectiveness following the “Cash-gate” scandal.

We are also now implementing our Private Sector Development programme which aims to provide capacity building support to key public sector institutions that shape the regulatory environment for business. We will support the oil seeds sector in Malawi to reach its full potential through the establishment of sustainable market structures supported by government and provide financial and technical support to businesses adopting pro-poor business models. The programme will also help to sustainably increase the incomes of poor farmers. We will also scale up our resilience work to reduce the vulnerability of rural communities to climate shocks.

We will devise suitable results metrics to ensure that we can demonstrate the impact of the UK’s support in these areas of UK support.

Looking beyond the current Operational Planning timeframe to the next UK Spending Review period, we will be developing new directions and programmes supportive of national priorities in Malawi and which will continue addressing human development priorities and inequality, especially within the health and education sectors. We will also expand further our economic development and resilience support in support of jobs, incomes, food security and growth.

Evidence supporting results

The majority of the programme and results are based on **best available evidence**. These continue or scale up what we know works in Malawi and can draw on systemic data collection and verification mechanisms. Planned MDG results are ambitious but achievable, based on past project results and existing data.

As far as possible we will rely on national statistics to track progress on key results. We recognize the need for supporting and strengthening national statistical systems in Malawi especially given the discrepancies in national poverty rate figures between the Integrated Household Survey (IHS 3: 2011) and the Welfare Monitoring Survey (WMS), with poverty rates being higher than earlier reported. We will support more regular IHS survey rounds to ensure that we work with the most current and reliable data on poverty and income inequality patterns. We will need to be much more analytical on how we understand and interpret figures and wherever possible triangulate data with additional sources. We will use the new survey data and a Gender and Social Exclusion study to check equity and targeting of our programmes. We will also draw on robust evidence available by other development partners as a means to verify the national monitoring systems.

Population assumptions and fertility rate are based on the 2008 Census and 2010 Demographic and Health Survey (DHS). DHS data will also confirm other assumptions in our Health programmes on projections on maternal deaths averted and our focus on increasing births in clinics. On education, we adjusted our approach in 2010 to link funding to progress in nine areas from the Government's strategy and evidence drawn from the Education Management Information System (EMIS) and WMS. We will work to strengthen EMIS and other administrative data sources by supporting the National Statistics Office to establish the National Statistical System that will in the long run improve the reliability and quality of data. Where national statistical data is unavailable or inappropriate, we will use programme monitoring data to assess progress. We will verify and ensure that the quality of programme monitoring data is credible, reliable and of a high standard.

Other programmes are based on **incomplete evidence**, either from what has worked outside Malawi or smaller pilots. In such cases independent evaluations and better monitoring and learning processes will help inform the knowledge base of what works and what doesn't.

The Enhancing Community Resilience programme will scale up successful pilots as we get better data on which approaches deliver the greatest impact and will be informed by lessons from an independent evaluation.

Our Private Sector Development programme will have independent reviews that complement robust monitoring systems to help us learn what works and what doesn't in a Malawian context.

Our support to civil society as part of our work on empowerment and accountability will also undergo an independent impact evaluation to drive continuous improvement in civil society projects and build local knowledge and lessons on what works and what doesn't. In addition, our overall strategy will be informed by political economy analysis to help contextualise global evidence locally.

Our in-house Results and Evaluation team will provide advisory support to programmes to improve their evidence bases and improving the quality of monitoring and learning processes where programme evidence is weak or incomplete. Where possible we shall explore the possibilities of supporting results based financing in the social sectors.

Throughout this Operational Plan period, we will invest in learning and evidence to inform future strategy and programme design, including a focus on better data, technology and transparency

Delivery and Resources

The 2014 Operational Plans include budget updates for financial years 21014/15 and 2015/16. In-country allocations have been determined based on the current context, and to reflect lessons learned and individual programme performance. The scale of the challenge in Malawi makes prioritisation difficult given the needs of the country and limitations in resource availability. But maximising our impact and adjusting to new operational requirements means we must narrow our focus. This plan is driven by analysis of where we can achieve high results against DFID Ministers' priorities. It also takes account of risk levels, particularly with respect to corruption and fraud.

Instruments of delivery

DFID suspended general budget support in July 2011 due to a range of concerns on governance, human rights and economic management and since November 2013 we have also suspended all funding through government financial systems (including financial aid and sector budget support) as a result of the "Cash-gate" corruption scandal and the loss of confidence in Government systems. This particularly impacted our Health and Education programmes that were being delivered primarily through Sector Budget Support. Health funds have been reprogrammed; although these reduce in 2015/16, we still work to achieve the best results possible in a high risk context with funds available. Sector budget support to education was completed in 2013 and not extended due to concerns with fiduciary risk, but we continue to fund a significant girls' education programme, plus education construction, and have additional money to support the sector for 2015/16. Even though we will not fund through government systems directly, we will continue to work closely with the government to support key outcomes and reforms within the public sector. We continue to have a mixed set of instruments to deliver our plan. Our range of channels and instruments of delivery includes Multilaterals, Bilaterals, Trust Funds, International and Local Non-Governmental Organizations, Direct Procurement, Technical Assistance, and Private Sector Partnerships. We will also draw on DFID's Regional and Centrally Funded instruments where appropriate (for example regional infrastructure funds and technical assistance). We will keep the range of delivery mechanisms under review and may return to a form of performance-based financial aid in the future, depending on Government of Malawi improvements. We will leverage significant additional funds for key social sectors (including Health, HIV/AIDs and Education). This includes assisting the Government of Malawi to access funds such as the Global Partnership for Education (GPE) and the Global Fund to fight AIDS, Tuberculosis and Malaria both of which the UK is a substantial donor, while ensuring safeguards are in place.

Other Delivery Mechanisms and Partners

To make the best use of our capacity, minimise transaction costs for partners and maximise results in line with the UK's aid effectiveness commitments, joint donor work is increasingly the norm. Almost all programmes are joint ones, to some extent, with DFID managing others' funds (Tilitonse, Enhancing Community Resilience Programme) or leading aspects (e.g. health procurement). Slow or poor delivery, or weak value for money, is a risk we face when we work through others. But we will mitigate this by choosing our partners carefully and using those with a strong track record, by setting ambitious but realistic targets, by closely monitoring' progress to spot problems early on and address these as necessary including where programme reviews or wider research suggest a better way to do things. We are prepared to close programmes that do not deliver results. We will also have a zero tolerance to corruption. For all our partnerships and delivery mechanisms we will ensure that we closely monitor overheads and consultancy costs carefully to ensure value for money, and agree tight results frameworks with disbursements linked to these to maximise delivery for poor people, including girls and women.

Multilateral Organisations

Our choice of partners is based on our assessment of who locally is best able to deliver agreed results. This includes contracting multilaterals to implement specific programmes (e.g. UNICEF on victim support units, UNDP on elections). Programme designs have taken account of and are guided by DFID's Multilateral Aid Review (MAR).

Other Country Activity

We are running a joint Civil Society Fund that aims to provide a more strategic, longer-term vehicle for increased NGO partnerships than we currently have, replacing the DFID/FCO Good Governance Fund and other ad-hoc funding mechanisms. We are also contributing to a joint Trust Fund to support the delivery of the government's PFM reform strategy. Analytical work and evaluations will also be done jointly wherever possible, with findings widely shared and we are working closely with Multilateral, Bilateral and Government agencies to improve national statistical systems and results based management in the country.

Planned Programme Spend

Pillar/Strategic	2011/12		2012/13		2013/14		2014/15		2015/16 (provisional*)
	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Total Resource and Capital £000
Climate Change	943		389		96				
Education	17,267		22,052	2,100	8,258	250	5,700	1,600	
Global Partnerships	248		1,333		1,159				
Governance and Security	5,929		11,716		10,648		9,500		
Humanitarian	11,291		11,834		20,393		500		
Poverty, Hunger and Vulnerability	10,786		12,193		10,024		2,300		
Water and Sanitation	1,102		3,407		4,084		7,800		
Wealth Creation	12,689		9,056		6,897		8,100		
Health	8,730		43,440		23,323		25,700		
Total	68,983		115,420	2,100	84,887	250	59,600	1,600	72,107

*Expenditure figures for 2015/16 are indicative. DFID works in a variety of challenging environments, including fragile and conflict affected areas. Humanitarian work is often reactive and can be scaled up or down. An element of flexibility within funding allocations is necessary to ensure that we can balance the need for long term planning alongside the ability to respond where necessary to changing requirements

Planned Operating Costs

	2011/12	2012/13	2013/14	2014/15	2015/16 (provisional*)
	£'000	£'000	£'000	£'000	£'000
Frontline Delivery Costs – Pay	1,130	1,559	1,373	1,538	
Frontline Delivery Costs – Non Pay	566	483	643	727	
Administrative costs - Pay	213	186	215	191	
Administrative costs – Non Pay	111	122	111	89	
Grand Total	2,021	2,350	2,342	2,545	2,489

*Expenditure figures for 2015/16 are indicative. DFID works in a variety of challenging environments, including fragile and conflict affected areas. Humanitarian work is often reactive and can be scaled up or down. An element of flexibility within funding allocations is necessary to ensure that we can balance the need for long term planning alongside the ability to respond where necessary to changing requirements

Since the Operational Plan began, DFID Malawi has achieved substantial savings in running costs, including more than 62% saving in consultancy costs, 68% reduction in travel and 40% reduction on estates during the period of the plan. Future budgets assume continued efficiency savings including supporting our office “Greening” commitments, but scope for further large-scale savings for DFID during the latter stages of the OP has been limited.

There will be further administrative savings in running costs realised from April 2015 when the delivery of corporate services transfers to the FCO and new regionalised processes for finance, procurement and human resources management begin to have an impact.

Delivering Value for Money

We are committed to delivering Value for Money (VfM) for all our work and ensuring that we achieve the greatest impact and difference in people's lives for every investment we make in Malawi. Delivering Value for Money is about 'maximising the impact of each pound spent to improve poor people's lives'. This means being very clear about the results we expect to achieve, why we think we are going to achieve them, and the costs involved. It involves all DFID staff and the partners we work with, and impacts on all stages of the programme cycle, including not only appraisal and design but also implementation and monitoring.

Programme Delivery: In order to deliver VfM in our work we have improved the level of scrutiny and quality assurance on all aspects of technical and administrative programme management including ensuring that all our programmes have strong results frameworks and are constantly monitoring the delivery of agreed results and holding implementing partners accountable for delivery. We will ensure that the appraisal and design of programmes takes account of the best available evidence and the political context within which we operate to design and develop pragmatic, evidence based and effective programmes. We have also improved our management information systems to help us track and document progress in our programmes better. We have an office wide fraud and anti-corruption strategy that informs our work to help us focus our external support to Malawi's anti-corruption goals, improve safeguards on our country programmes and ensure robust procedures are followed in our own fraud management. This strategy will help ensure VfM for us and the Malawian government by safeguarding both British and Malawian taxpayers' money. Through improved programme management we aim to ensure that due diligence assessments and regular audits are conducted for all relevant programmes. We are also improving our risk management processes so that we can manage and identify risks better so that we minimize the exposure of British taxpayers' money to misuse and non-delivery of results.

Regular monitoring and evaluation will ensure that we constantly check on value for money for the UK taxpayer. Corruption and fraud continue to be a key risk to achieving value for money and DFID Malawi has a zero tolerance approach to cases of corruption and mismanagement. We actively pursue perpetrators of misuse of funds and will take necessary action against such perpetrators including pursuing the reimbursement of mismanaged funds. We have recently stopped several programmes due to high risks of corruption.

Operating Costs: As part of our approach to delivering VfM during the course of the Operational Planning period we will finalise merging our corporate services with the British High Commission to reduce overall transaction costs. We systematically monitor travel and other key operating costs to ensure that we achieve the best VfM. Where possible we make an emphasis on using in-house technical expertise and reduce our reliance on external consultants.

Skills, Systems and Structures: We are investing in strengthening programme management and have recently recruited a senior programme manager to ensure we maintain high standards of programme management. We work closely with the regional commercial adviser to ensure value for money considerations are a top priority during procurement. A results and evaluation team provides oversight and support on results management and evidence generation.

Further Improvements: We are strengthening relations with the National Statistical Office to build stronger long term mechanisms for collecting quality national level data that could yield information on value for money and track progress on changes in people's lives. We are keen to improve our beneficiary feedback mechanisms so they better capture opinions and perspectives from Malawians and how they experience results, impact and value for money.

Challenges: Key challenges expected in driving further value for money improvements in our work during the Operational Plan period include: (a) Working with and through others (donors, Government, NGOs) who might give less priority to value for money and timeliness, or be less familiar with applying concepts like impact evaluation, economic rate of return or opportunity cost to aid programmes; (b) Monitoring VfM through Government of Malawi and other partner systems, especially given data weaknesses, and securing improvements in procurement processes controlled by others; (c) Driving down unit costs is not straightforward, given rising local costs outside our control (e.g. increase in prices after devaluation).

Monitoring and Evaluation

Monitoring

Monitoring and Evaluation (M&E) is already a top priority for DFID Malawi. The action points below are intended to strengthen our current approach and make sure that we both achieve the agreed results, and that we learn and innovate from our work. To help strengthen our Monitoring and Evaluation DFID Malawi has invested in a Results and Evaluation Team that will lead on improving the quality and usefulness of our M&E processes. A DFID Malawi Monitoring and Evaluation strategy has been developed that sets out the overall principles and approach to M&E adopted by the country programme.

Progress against the Operational Plan and Results Framework will be monitored regularly by the DFID Malawi Leadership Team, using light touch team reviews with more detailed reviews at mid and end of year. The results and evaluation team have support programme teams to review and strengthen their result frameworks with each team now having a rigorous results framework with traceable sources and methodologies. For programmes where results are expected to be monitored through national systems we have strengthened our engagement and support to the National Statistical Office (NSO) to improve data quality. We have improved our methodology notes for reported results to add rigour and honesty to our analysis and assumptions. For programmes where national and respective line ministry systems cannot capture adequate information we will work with partners to develop methods and processes that provide representative samples and evidence to inform our work. We will draw on other (often donor delivered) data to verify national data systems. As a guiding principle we will seek to place Malawian citizens at the heart of our feedback processes to capture their experiences, voices and perspectives and improve our regular contact with those whose lives we support. In addition to demonstrating the impact of our work, we will place a greater emphasis on learning and improving through regular field based informal reflections with our partners beyond our engagement with paper reports.

We will work closely with the NSO and relevant line Ministries to strengthen national monitoring and evaluation systems. Implementing partners will be responsible for monitoring programmes directly. The results and evaluation team will work closely with DFID programme staff to improve our own internal monitoring capabilities which will serve to triangulate monitoring information. We will encourage more critical peer reviews within DFID and with our partners. We will strengthen our internal Management Information Systems.

Frequency of monitoring will vary across programmes depending on each programme context. Internally we now review our work at least twice a year against our Operational Plan and individual results frameworks. Programme annual reviews will be planned in advance according to agreed timings and encourage wide participation wherever possible.

Performance and Annual Reviews monitor progress against our outputs and outcomes. We will harmonize all the various reporting frameworks so that they seamlessly capture performance trends from individual programme reviews. Where trends are off track, remedial actions will be designed in consultation with programme partners

Evaluation

An evaluation plan will be developed by the results and evaluation team in consultation with DFID Malawi Programme team members and the Evaluation Department in the UK. A tentative calendar estimates that at least 5 end of programme evaluations will take place during the period of this Operational Plan. 3 of these evaluations are ongoing, and 2 are at design and commissioning stages. We anticipate that at least 30% of the programme budget 2011-15 will be subject to independent evaluation. Every new Business Case currently undergoes a formal evaluation appraisal at planning stages to determine and justify the need for an independent evaluation.

Building capacity of partners

With government partners we initiated a programme that supports the NSO and M&E leads in line ministries to strengthen M&E processes especially through the National Statistical System. We are working with key donors and the Government of Malawi to develop and support a long term plan to strengthen the National Statistical System in Malawi. We will work with key partners to improve our downward accountability and how we get feedback from beneficiaries and use the lessons to inform our engagement with different partners.

Transparency

Transparency is one of the top priorities for the UK Government. It helps people see where money is going and for what purpose. It helps improve value for money and makes governments everywhere more accountable to their citizens. DFID is a world leader in aid transparency and has an ambitious vision for both DFID and its partners. We will ensure that we play our part in continuing to work towards that vision – set out in a suite of commitments the Aid Transparency Guarantee (ATG), Aid Transparency Challenge (ATC) and DFID's Open Data Strategy.

Actions to ensure DFID meets its commitments in the UK Aid Transparency Guarantee

Publication of information

We will support DFID's transparency commitments by

- Ensuring that all project documentation is published on the Development Tracker:
<http://devtracker.dfid.gov.uk/countries/MW/>
- Ensuring that all information in the public domain is comprehensive, accessible, accurate, timely and written in plain English
- Ensuring that we continue to meet our commitments under the UK Aid Transparency Guarantee including publishing detailed information about DFID projects, including programme documents and all spend above £500

Supporting transparency in our work

- We will increase opportunities for those directly affected by our projects to provide feedback on project performance. We will strengthen our culture of consultation as part of improving transparency with our partners and encourage greater direct feedback on our work from Malawians in a bid to improve our accountability to developing partners.
- We will seek similar levels of transparency from our partners (CSOs, contractors, other donors).
- We will continue to employ good information management practices within the office, so documents and data are readily available if requested. We now have an easy to use internal Management Information System in place to ensure consistency in use and availability of key documentation.
- We regularly update our programme and financial data onto the Malawi Government's Aid Management Platform (AMP) to ensure that we are transparent about our spending commitments in country and to enable the Government of Malawi to plan its budgets based on the best available data on donor funding commitments.

We will support others to improve their transparency and learn from innovative transparency initiatives. Planned accountability work will expand current initiatives with civil society, local communities and Government to help them access information and track performance of our programmes as well as wider service delivery and governance issues (e.g. expanding use of community 'scorecards' for health, education, agriculture, water/sanitation, supporting community budget monitoring). Tilitonse, the DFID-led joint donor civil society governance fund, and Kalondolondo, a DFID supported community-based monitoring programme, will be the main vehicles for this.

We publish a regularly briefing note on our website highlighting important news and tracking progress with our delivery of results.

Annex A: Changes to Operational Plan

Change made to operational Plan	Reason for change
Updated context to reflect new president following elections and the recent "Cash-gate" corruption scandal including the effect it has had on DFID's decision not to fund through Government of Malawi systems.	Significant changes in context.
Updated vision section to reflect changing context	Reflecting changes in context
Results section updated with latest results and outer year forecasts and at risk results identified	Update of results
Changes in maternal health target	Changes in Maternal Health results target – target reduced from the original published target of 113,000 to 80,000. This reduction is due to reduced funding to the health sector and on-going reprogramming due to suspension of Sector Budget Support as a result of the "Cash-gate" corruption scandal.
Changes in target delivery date for Water and Sanitation result	The delivery date for the Water and Sanitation result has been changed to June 2016. The same target of 750,000 will be achieved but the date of achievement has been delayed due to the need to find alternative delivery partners following Cashgate.
Correction to delivery date phrasing for Education Indicator: No Of Children Supported In Primary School.	The the time frame reading was changed from ("in" 2014) to ("by" 2014) (it should not have been " <u>in</u> " 2014 as it was a peak year target for the OP, so " <u>by</u> " 2014 more accurate). We are reporting this using same DRF peak year methodology. It is essentially a 'peak year' target and the peak result was achieved in 2012-13. We did not continue with an education programme (SBS) due to high fiduciary risk concerns with the Government of Malawi and budget cuts and hence no outer year figure expected since.
Headline results narrative added for outer years	New addition
Evidence supporting results updated marginally	Update
Delivery and Resources section updated to include decision not to fund through government systems	Update
Planned programme spend updated	Update
Planned operating costs updated	Update
Delivering value for money section updated	Update
Monitoring and Evaluation section updated	Update

Change made to operational Plan	Reason for change
Transparency section updated	Update

Annex B: Human Rights Assessment

Human rights context

Economic and social rights: Malawi is ranked 170th of 186 countries in the Human Development Index (2013). It has made significant progress against the MDGs, but is still unlikely to meet most targets. Poverty reduction has stagnated (51% in IHS 3: 2011) with no significant reductions since 2004. On rights to health and education there was progress in some areas between 2000 and 2010. Infant mortality reduced from 103 per 1000 live births in 2000 to 66 per 1,000 live births in 2010 (DHS, 2010). Under five child mortality reduced from 189 to 112 per 1000 live births during the same period (DHS, 2010). Slower progress has been made on universal primary education (Malawi MDG Report 2011).

Non-discrimination: Malawi has a Gender Inequality Index of 0.591 and is ranked 174 out of 187 on the index (2014). Maternal mortality remains high at 675 per 100,000 live births (Malawi MDG Report, 2013). Gender parity at secondary school remains a challenge with the ratio of girls to boys in secondary school standing at 0.82. Inequality is worsening and the IHS 3 (2011) notes that the GINI co-efficient (a measure of income inequality) worsened in urban areas from 0.484 in 2005 to 0.491 in 2011 and in rural areas from 0.339 to 0.375. Violence against girls and women is at alarmingly high levels – 48% of women say they have suffered from violence or abuse (DHS, 2010). Although Malawi recently had its first woman head of state, women's representation in politics remains low. In the 2014 elections the number of women MPs fell from 43 to 30 (22.3% to 15.6%) with only two women MPs from the previous Parliament returning to power (MEC 2014). Section 20 of the Malawi Constitution provides that "all persons are, under any law, guaranteed equal and effective protection against discrimination on grounds of race, colour, sex, language, religion, political or other opinion, nationality, ethnic or social origin, disability, property, birth or other status." Nonetheless people with disabilities continue to face discrimination. In 2012 the Malawi Parliament passed the Disability Bill which mirrors the provisions of the UN Convention of the Right of Persons with Disabilities (CRPD) to which Malawi is a state party. The Act is a step forward, however, it does not provide for collection of disability data or the establishment of an independent mechanism to monitor implementation. While the Malawi Constitution does not specifically prohibit discrimination on the grounds of sexual orientation, the Malawi Penal Code criminalises same-sex sexual activity and marriage. The laws, however, are not currently being enforced. Malawi is a highly conservative society and LGBT is a sensitive issue. The UK is working through civil society to address LGBT rights as well as broader anti-discrimination issues and minority rights.

Civil and political rights: In 2013 Freedom House noted that Malawi made gains in its political and civil rights indicators. The 2014 Freedom in the World index rated Malawi as 'partly free'. Malawi registered the biggest leap in the Reporters without Borders press freedom index (2013), rising 71 places from 146 to 75. Malawi held these gains in 2014. The Malawi Police Service (MPS) has struggled to control public gatherings, as evidenced by demonstrations in July 2011 which led to 18 deaths and 98 serious injuries. In recognition of this, the UK engaged the Scottish Police College to support the MPS to improve their capacity in public order management in the lead-up to the May 2014 Tripartite Elections. Although the Elections faced challenges, they were deemed to be free, fair and credible by international observers, and the transition of power from President Joyce Banda to President Peter Mutharika was peaceful. The Universal Periodic Review (UPR) reported in 2011 and the Government accepted 71 of the 127 recommendations but rejected 44. Implementation of recommendations will be reviewed at the next UPR process in 2015.

Direction of travel

- Social and economic rights have stabilised but remain at risk of being pulled downwards due to difficult economic conditions, high inflation and costs of living, and increasing poverty and inequality.
- Inequalities are growing and result in uneven progress across rural-urban, regional, social and gender lines.
- Civil and political rights are improving as evidenced by the increased space for civil society and the international community's assessment of the 2014 national and local elections.

UK approach and focus

- The UK will continue to support positive trends on social and economic rights through development programmes aligned to government priorities, for instance through our interventions in education, health, nutrition and water and sanitation.
- We will step up work to address inequalities through on-going programmes in support of the most vulnerable Malawians, examples include an increased emphasis on women and girls in education and justice programmes, and increasing support to underserved areas such as our Water and Sanitation work.
- The UK will continue to work closely with the Government, non-governmental organisations and international development partners to promote and safeguard human rights. We will build on gains made under the previous government (2012-2014) to strengthen human rights, the rule of law and government accountability, working actively with the FCO to promote positive change and move toward greater realisation of human rights for all Malawians.
- We will help build more accountable institutions, Our work on Public Sector and Public Financial Management reform will aim to promote transparency in government budgeting and strengthen the effectiveness and integrity of the civil service. We also directly support accountability institutions, including the Anti-Corruption Bureau and the Police Force. We have also designed a programme to support other democratic institutions, including the Electoral Commission and Political Parties, which has helped ensure peaceful and credible elections in 2014 and is supporting the identification and implementation of post-election reforms.
- Through our 'Tilitonse' governance fund and 'Kalondolondo' community score carding project, we will strengthen voice and accountability by working with and supporting civil society organisations to help citizens hold authorities to account and promote inclusiveness, as well as efforts to improve access to information.

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