

## MALAWI (CASE STUDY 4)

**Methodology:** The case study team conducted 24 individual and group interviews in Malawi, involving a total of 64 interviewees. These included USAID/Malawi staff, representatives of USAID program IPs and grantees, and selected local district government authorities and elected district councilors in the Balaka and Machinga Districts. Fieldwork occurred from November 8-22, 2015. These were complemented by background documentation from USAID/Malawi and other stakeholder sources.

**Country Context:** Malawi is a peaceful, relatively stable country with a small population that has enjoyed gradual socio-economic improvements over recent decades, but still faces daunting human development challenges. While the country has a reasonably independent judiciary, relatively open civil society space and a generally free media environment, an entrenched patronage system and systemic corruption have blunted fragile reform efforts undertaken in recent years. In 2014, the country held tripartite elections (simultaneous presidential, parliamentary and local government) for the first time in its history, with elections for district councilors (the first since 2005) and hesitant steps toward deeper decentralization. All of this offers the possibility of an improved enabling environment for service delivery in many districts.

**Mission Context:** USAID/Malawi's Country Development Cooperation Strategy (CDCS) rests on a fully integrated approach to the overarching goal of improving Malawians' quality of life. In addition, the CDCS intensifies integration by adopting a "3-C Approach": *Co-locating* programs in a number of 'fully integrated' or 'partially integrated' districts, and facilitating and/or requiring *Coordination* and *Collaboration* across sectors using a variety of organizational and administrative tools, including the use of integration provisions in contracts and cooperative agreements, and the use of integrated work plans. The Mission's initial approach after the adoption of the CDCS gave IPs the freedom to determine whether and how to integrate programming, but this proved infeasible over time. Thus, the Mission adopted a revised approach that includes more guidance and a shift to a more hands-on and directive approach with partners.

**DRG Integration Themes and Entry Points:** The Mission's approach to DRG integration has been highly intentional, anchored not only by the CDCS, but by a highly detailed Performance Management Plan and a five-year Impact Evaluation commissioned to determine the degree to which the 3-C Approach affects the Mission's development goal. DRG integration efforts have accelerated since the adoption of the CDCS, bolstered by a recent slight increase in DRG funding and leveraging of other sector resources to build capacity in district governments and among civil society organizations (CSOs) in a manner supportive of service delivery objectives in health, education, agriculture, and economic development. The two current DRG-managed projects in Malawi seek to assist newly-elected district councilors in better handling their representational and oversight roles (to improve citizen voice in service delivery), and to improve the management and organizational skills of local IPs, grantees, and sub-grantees/contractors. Looking ahead, a large local government support project is slated to be procured in 2016 that would work holistically to strengthen district governance and embed program staff in selected districts to help coordinate and streamline U.S. Government (USG) and Government of Malawi (GoM) assistance to those jurisdictions.

**DRG Integration Accomplishments:** While it is too early to assess the impact of integration, some accomplishments are already discernible. For example, the work with district councilors, which featured training on public expenditure tracking methods as well as substantive policy matters in the health, education, and agriculture arenas, resulted in adoption of sectoral action plans in agriculture and health in one district, and local by-law changes in education in another district. In both districts, oversight actions by councilors prevented the diversion of funds to improper uses.

**Challenges:** Significant constraints on DRG integration exist. This includes:

- A lack of familiarity or clarity about DRG integration among some Mission sectoral personnel;
- Mission workload burdens that make it difficult for staff to absorb the additional coordination and planning burdens associated with integration;
- Real or perceived restrictions placed on USAID and IPs regarding reporting and the expenditure of certain funding streams;
- District government and GoM capacity challenges and continued questions about political/structural limits to decentralization;
- Mission leadership and organizational challenges; and
- IP buy-in, based on IP concerns about capacity and workload burdens, contractual requirements, and information-sharing.

**Conclusions:** USAID/Malawi made great strides with cross-sectoral integration since adoption of the CDCS, which provided a foundation for DRG integration. As a result of strong Mission leadership and development of a robust institutional culture supportive of integration, the Mission is a clear integration leader within the Agency. However, more room exists to weave in and strengthen good governance in the technical sectors, potentially using the PITA principles as the foundation. This generally very strong and positive framework for integration helps contextualize a number of important conclusions:

- **Mission staff members are wrestling with the question of how best to internally manage the integration agenda.** There is more comfort at the team leadership level with integration, even though more could happen at the project or activity levels, which likely depends on a combination of more informed and stronger team management. This will almost certainly require more interaction between CORs/AORs. Accordingly, more interaction on integration could be encouraged at the concept and project/activity design stages, where more integrated design teams, containing a member of the DRG Office, would generate more creative strategies and more robust integration of DRG principles into sectoral programs.
- **In terms of leadership and oversight, the Mission could consider naming an integration lead supported by a cross-sectoral team to encourage greater collaboration between the technical teams, and facilitate integration between and among IPs and government at all levels.**
- **Another approach to strengthen integration could be to organize quarterly or twice-yearly integration updates at both the leadership and staff levels.** Senior staff appear to frequently discuss integration efforts, but the next level below, and particularly COR/AORs, are more focused on their individual activities. Thus, regular updates at all levels will highlight the importance of this work to staff and encourage a strong focus at all levels.
- **The current workload of the Mission is inhibiting uptake of integration.** The case study team heard this frequently when meeting with technical teams, particularly COR/AORs. However, it was unclear why everyone was so busy. Too many mechanisms? Too many internal reporting demands? Burdensome management and clearance processes? Too many Washington taskers? A management and systems review could uncover the reasons and recommend streamlined processes and clarify certain priorities.
- **Aligning incentives to encourage integration is an approach worthy of investigation.** This includes incorporating specific work objectives and performance measures on integration into individual staff member's annual appraisal processes. Other suggestions include giving "On the Spot" awards to the "best integrators" in the Mission and utilizing the Ambassador's award process to highlight staff members who go above and beyond in advancing integration.

- **There is evidence that Mission staff members are becoming more comfortable with DRG integration based on incremental learning through projects like MEDA and STEPS, and through informal interactions with DRG team members.** Although MEDA may have more intuitive relevance to mainstream DRG program activities, the STEPS program is an excellent tool for advancing DRG integration. There are opportunities to deepen this effort by ensuring that the addition of advocacy training is robust and adding a greater focus on leadership, social accountability, policy reform, communication, and community mobilization. Some technical teams appear reluctant to support these issues, but they are vital to building a stronger, more robust civil society in Malawi.
- **Increasing emphasis on proper coordination and collaboration in the three focus districts will require greater managerial attention from the Mission.** USAID/Malawi could play a valuable role in facilitating, not directing, integration in these districts. Discussions with Mission staff brought up the idea of basing an integration coordinator within the districts. This could occur by basing USAID staff there, or contracting the services of a “backbone organization” whose sole role is to facilitate coordination and deepen collaboration among USAID partners, government entities, and other donor activities.
- **Better guidance, tools, and lessons learned from other Missions and from Washington on DRG integration would make a big difference in more quickly and persuasively educating sector staff about potential benefits and good practices.** Staff, particularly Foreign Service National (FSNs), could benefit from seeing these integration efforts in action via short-term TDYs and by playing a greater leadership role on integration in the Mission. Ultimately, the Mission may need to devote more time to showcasing integration successes in Malawi (and elsewhere), as well as how integration challenges were effectively addressed. This showcasing could serve to model good conduct, provide practical help, and demonstrate mutual benefit to the IPs involved.
- **The technical and support teams in the Mission are unclear what is “allowed” under earmarks/directives and initiatives related to integration, and could use more direction from USAID/Washington.** The enormous management burden in the STEPS program is a casualty of this confusion. Thus, the Mission would greatly benefit from additional guidance to leadership and technical officers regarding the amount of flexibility in each funding stream. Otherwise, integration will be more dependent on top leadership and integration champions to encourage, and in some instances enforce adherence to, integration than is necessary or desirable