NON-STATE PROVIDERS OF BASIC SERVICES

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COUNTRY STUDIES

Malawi: Study of Non-State Providers of Basic Services

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1. OVERVIEW AND IDENTIFICATION OF CASES OF INTERVENTION STUDIED

1.1 Reason for selection of cases

1. Across the three sectors, the selection of case studies was necessarily limited by the range of interventions available for study, and the differences between the three sectors. In each sector, case studies were selected in order to display a range of relationships between the government and NSPs.

2. The Health sector is significantly further advanced than the Water and Education sectors in integrating the different non-state actors, and the case studies selected here typified interventions designed to support NSPs either through financing, capacity building or via the development of service agreements which formalise existing arrangements: Traditional Birth Attendants (TBAs), Service Agreements with the Christian Hospitals Association of Malawi (CHAM), and the relationship between the government and non-state provider Banja La Mtsogolo (BLM).

3. The Education sector stands in contrast to Health in that there were no examples of initiatives undertaken by government to intervene in the non-state provision of primary education which could be studied, other than in relation to formal registration. Further, in all of the very few examples of any policy dialogue or relationship between non-state primary education providers and the government per se, the relations were initiated by the non-state providers rather than the government. The case studies selected in Education in Malawi covered for-profit private schools, grant-aided schools, and community schools.

4. There is very little involvement of private sector or non-governmental organisations in the provision of Water in Malawi, apparently as a result of government practice not to involve or to encourage private sector participation in the past. By far the majority of water and sanitation services are provided by the five Water Boards, local government bodies and donors acting with state acquiescence. NSP activity in the Water sector is largely confined to small scale informal community and private sector involvement in water supply and sanitation (including local construction of distribution networks and water kiosk management in peri-urban areas), “community-managed” rural and small town water supplies, and private sector and NGO borehole drilling, which were therefore selected as case studies. Sanitation services are not well developed.

2. HISTORICAL AND INSTITUTIONAL FACTORS AFFECTING SERVICE ARRANGEMENTS AND THE ROLE OF NSPS AND GOVERNMENT.

2.1 Historical precedent for NSP in Malawi

5. Mission hospitals, schools and water supplies have been present in Malawi for many years, and their longevity has influenced the attitude of government toward them – a much repeated statement is that non-state providers have been in Malawi longer than
democratic governance, and so the government has no option but to accept their presence and work with them.

6. Lack of government capacity to deliver adequate services, coupled with a situation in which mission hospitals, schools and, increasingly, water and sanitation are powerful actors, owning a very large proportion of health and education services in Malawi, predisposes the government towards a positive relationship with them, as articulated at national policy level. For example, Christian churches have traditionally led the provision of health services in Malawi, and facilities under the umbrella of CHAM currently provide about 37% of the country’s provision. A church-based water supply and sanitation programme has been quietly making significant progress in Mzimba district.

7. Faith-based organisations own around two thirds of Malawi’s primary schools, but the state has historically had a wish to exert its control over the sector. Missionaries introduced formal education to Malawi in the late 19th century, and from that time until independence in 1964, missions were the major providers of education, providing all the financial support to these schools until 1920. After 1920, the Malawi government began to make contributions, and in 1964 the state assumed control and funding of all primary schools, seeing education as its responsibility, a situation which has continued until today. However, with the introduction of free primary education in 1994, the resource implications of massive increases in enrolment led the government to consider handing schools back to their original proprietors, and thereby relinquishing state control over the sector. By the 1990s, faith-based organizations also lacked the financial resources to resume funding of these schools, as, unlike in health, they no longer receive substantial contributions from foreign missions. As the case study on the Association of Christian Educators of Malawi (ACEM) highlights, faith-based organizations have attempted to increase control over their schools (in particular with regard to selection of students and head teachers, and teaching of religious knowledge), while recognising their inability to support primary schools financially and so leaving this in the hands of the government. This historical relationship between the state and mission schools is an important context for the current situation.

8. While the rhetoric of national policy makers describes a harmonious relationship between government and non-state providers, the case studies undertaken in Health and Education show that the relationship is more variable. The relationship in the water sector is significant less, with formal links mainly being with contractors rather than service providers.

2.2 Current political context

9. The research visit to Malawi took place in the immediate aftermath of national elections in the country. Mr Mutharika, the candidate of the ruling United Democratic Front, was sworn in on 24 May 2004 after winning presidential elections. He was picked by the outgoing President Muluzi after parliament refused to accept an amendment to the constitution allowing Mr Muluzi to stand for a third term. During the visit, after a three-week delay, Mr Mutharika unveiled his cabinet. The period of political instability immediately before and after the elections had implications for the relationship between government and non-state providers, in that government ministers and ministries were unsure of their future position, and non-state providers were correspondingly unsure of the nature of future relationships with government. Practical implications of this uncertainty included delays in drafting and signing documents formalising relationships
between government and non-state providers. The Water Ministry was downgraded to a department, then after pressure from donors, reinstated as a Ministry.

10. Since holding its first democratic elections in 1994, Malawi has made considerable progress in establishing the institutions and systems of liberal democracy, however, the government faces a challenge of moving beyond party politics and populist policies. Weak political commitment, evidenced by a poor record in policy implementation, is a challenge for Malawi, and is closely associated with corruption, which is a key contributory factor to economic instability and poverty. Within government, there is weak institutional and human resource capacity, and in particular, ineffective monitoring and evaluation systems. In addition, HIV/AIDS and its associated problems of attrition of the working population are a growing problem for Malawi.

11. Monitoring and regulation are a particular challenge for the state in Malawi; although the civil service is large, it is not efficient, and there is a problem of ghost workers, as well as the issues associated with HIV/AIDS, such as sick leave, funeral attendance, attrition and retraining costs. In general, it is reported that there is a lack of policy guidance from the government on how non-state providers should operate, and where there is guidance, very little of it has a pro-poor focus – which reflects a view generally held, that the government itself is not motivated by a pro-poor agenda.

12. In the water sector, “water” in the form a borehole, is often treated as a short-term political promise; MPs appear to have a significant influence over the provision and siting of hand pumps, without consulting experienced officials. Even where a policy focus does exist, problems of implementation are evident.

3. ANALYSIS DRAWING ON THE SECTOR CASE STUDIES

13. In this section, examples from the three sectors will be selected to illuminate the situation in Malawi with regard to the level of knowledge about NSP, Policy Dialogue between government and non-state providers, and interventions characterised as Regulation, Formalisation/Registration, Contracting, and Facilitation.

3.1 Level of knowledge about NSP

14. A recurring theme across all three sectors was a lack of government capacity, and lack of information, and in terms of information, an extension of this lack of data to non-state providers themselves. In the Water sector, for example, the research found that there was no government information collected, and therefore no government control, coordination or regulation of the drilling of boreholes, with the result that donors, NGOs and various government ministries and departments construct boreholes on an ad hoc basis. In the Health sector, statistics are collected, but their reliability is questionable. In particular, health statistics show that maternal mortality in Malawi has doubled over the past decade – a finding that has led directly to government action in terms of antenatal service provision. However, it is still unclear whether the increase in maternal mortality is real or perceived. In terms of non-state provision in Health, the respected Christian

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1 Malawi Country Assistance Plan 2002/3 – 2005/6, DFID (Malawi) November 2002, p1
2 ibid, p8-9
3 ibid, p10-11
Hospitals Association of Malawi (CHAM) concedes that it does not have the resources to supervise all of its facilities, and therefore cannot exercise the control over them that it would like. In Education, the government has precious few statistics on the size of the non-state sector; the total number of pupils in private primary schools is unknown, and there are no data to assess changes in private provision over time. The lack of data is an indication of the government allowing the private sector to grow on ad hoc basis, related to its own constraints on provision.

3.2 Policy dialogue between government and non-state providers

15. The nature of policy dialogue between government and non-state providers varied between sectors.

16. In Education, the case study of the Private Schools Association of Malawi (PRISAM) gives an example of the relationships and political processes between the state and non-state actors in deciding and reviewing policy and legislation. PRISAM has been involved in discussion regarding the Education Strategic Plan currently being devised, as well as in discussions of a new Education Act, and it is also represented at the annual Joint Education Sector Review with government, donors and other key stakeholders. However, the initiative for the establishment of PRISAM itself, and for its subsequent relationship with government, came from the private providers, not the government. PRISAM was established with the aim of increasing the voice of individual private schools in relation to policy, in particular with a concern for the quality of education at secondary level (in response to the expansion of private schools in urban areas, many of which set up without any government intervention). As such, PRISAM emerged in response to state failure. The government’s response to the initiative was reactive rather than proactive, and while not characterised by resistance to PRISAM’s activities (allowing it to participate in policy meetings etc), this lack of resistance may be partly associated with the support afforded to PRISAM by the British Council and World Bank.

17. In terms of the effectiveness of this policy dialogue between the government and PRISAM, both ministry officials and PRISAM representatives express positive views, but the outcomes of the policy dialogue are not yet known, as negotiations over the Strategic Plan for Education, and the Education Act, are still ongoing. Reservations were expressed over the capacity of the government to carry out the implementation of the outcomes of these negotiations – with the implication that this laudable policy dialogue may not result in the desired impact.

18. Policy dialogue between the government and PRISAM has little effect on the incentives for PRISAM to attend to the needs or preferences of poor people, as neither PRISAM nor the Ministry of Education is explicitly pro-poor in outlook with regard to NSP.

19. The setting up of a local chapter of the Water Supply and Sanitation Collaborative Council may provide a forum for future Watsan dialogue, but there is currently little dialogue within the various government actors working in Watsan, let alone non-state actors.
3.3 Regulation

20. In the case study of Village Based Schools (VBS) supported by SCF-US, government regulation was exercised in such a way as to negate the effectiveness of the non-state intervention. The main objective of the VBS programme was to pilot an innovative way of delivering primary education of acceptable quality to underserved populations with the hope that the impact of their strategies would influence education policy. The VBS were established as community schools, recognised by government, and given approval to operate even though they did not meet some of the government’s minimum standards. They were established by an international NGO with a pro-poor agenda, in order to address some of the constraints facing Malawi’s education system, in particular related to the access of the poor to education in remote, under-served areas. Although the VBS did not meet some minimum standards, (including sufficient classrooms and at least three qualified teachers), initially the Ministry of Education allowed them to function with its support. Government intervention in the VBS primarily took the form of enforcement of its standards and norms of teacher qualifications and infrastructure. The Ministry was strongly opposed to the employment of unqualified teachers, and made it clear that, come the end of the pilot, when the VBS would be transferred to government control and funding, it would not take over the payment of any teacher without the minimum qualifications. This situation occurred even though the Ministry is aware that some government schools also lack the three qualified teachers required. At the end of the pilot phase, all the VBS schools were handed over to the state, as originally intended, with the government taking over the recruitment of teachers, and most of the innovations generated under the VBS programme were not maintained. The VBS schools therefore operate in a similar way to government schools, and face the same problems in terms of shortage of teachers and lack of supervision and support. The quality of education delivered is likely to have deteriorated as a result.

21. In this case, government intervention through regulation may have worked against the provision of acceptable education to the poor. The government response to the VBS programme suggests that it is concerned less with addressing the needs of the poor, and more with enforcing standards which are neither relevant nor appropriate given the current resource base in education in Malawi. In particular, the experience of the VBS showed that para-professional and unqualified teachers can achieve better results with on-going supervision and in-service training, but the government continues to oppose their recruitment, despite a shortage of qualified teachers in Malawi.

22. In the Water sector, the implementation of regulation by government is generally poor. Where there are government guidelines (for example on demand responsive approaches) these are not always followed, even by government programmes. Even workers on long established CCAP (church) programmes confessed to not being aware of the government implementation manual.

3.4 Formalisation/Registration

23. The case study of PRISAM also illuminates the situation with regard to government intervention through registration in Malawi. PRISAM was established by private education providers in response to a situation of failure of government intervention in the private sector, characterised by the system of private school registration. Government intervention in the private sector in education operates primarily through
registration, i.e. one-off regulation of entry to the education sector rather than on-going monitoring of quality and accessibility once schools are registered.

24. In accordance with the 1962 Education Act (now under revision), in principle, both government and private schools must register with the Ministry of Education. The process for registering should begin with an application to the District Education Office to approve the proposed location (although most schools only begin the process once operational), followed by a visit from the DEO to check the school has reached the required standards. However, a lack of standardised licensing procedures means delays in registering, and incorrect registering of schools failing to meet the minimum standards. Registration is one-off and free, and there are no follow-up checks. In practice, many private schools are unregistered (although figures are not known), due to a number of factors, including

- Lack of awareness of the requirements for registering on the part of the schools - even at the level of the DEO there are different interpretations of the requirements
- Lack of apparent awareness of the proprietors of schools that they should register at all – some register as businesses instead
- Failure to follow the registration guidelines correctly, or lack of sufficient feedback or support from government to assist schools in meeting the standards for registration.
- Lack of government capacity to carry out the registration procedure, in the context of demand on capacity to oversee government schools
- The complex registration procedure, including separate registration procedures with the Ministry of Education and with PRISAM; and separate registration with government for nursery classes and primary classes, leading to duplication and additional bureaucracy for schools.
- Schools choosing not to attempt to register, and therefore operating illegally, knowing that they would not meet the standards and will not be penalised

25. Most critically, if a private primary school does not take the initiative to contact the DEO, the DEO does not take the initiative to visit the school, even though they know that they exist. Some ministry officials claim that the Education Act does not give them the power to close down illegally operating (i.e. unregistered) private schools, although this is not the case. The system of registering private schools is fundamentally dysfunctional; however, once the revised Education Act comes into force, it is hoped that it will give clearer powers to the government in terms of closing down unregistered schools, although its effect will depend on whether the government is able and willing to implement it. The effect of this is likely to be that schools attended by children from low-income families would be worst affected, since it does not appear that consideration is given to the outcomes for the poor of closing schools with attention focusing on quality rather than accessibility.

26. In the Water sector, although all boreholes are meant to be registered, often the first time Ministry officials learn about a new borehole (often funded by a major donor or other government department) is when there are either construction problems or a few years later when it breaks down. This also demonstrates the general focus on hardware and not service delivery.
3.5 Contracting

27. An example of contracting as a means of government intervention in NSP comes from the case study of the *Development of service agreements between Christian Hospitals Associations of Malawi (CHAM) and the Government*. CHAM relies on the government to pay the salaries of its staff (see ‘Facilitation’ below), and the government relies upon CHAM to provide health services in areas where there are no government facilities – there are currently 15 such districts in Malawi. The motive behind the service agreements between CHAM and the government at district level is to ensure that health services are provided country-wide. The technical case for the agreements is arguably one of equity and the desire to ensure access to health services in remote areas – the agreements address state and market failure to supply health services to those unable to pay. Three agreements have been drafted, as a forerunner to a situation in which, in all 42 districts where CHAM are the sole or key provider, they will be contracted to specific health services at the expense of the government. CHAM facilities will be paid monthly according to the value of the contract laid out in the agreement.

28. The success of the intervention is yet to be determined as, at the time of writing, none of the three draft service agreements had been signed. Potential problems, such as the absence of measurable targets and quality of care standards, can be identified. However, there are potentially significant benefits for the population in this harnessing of non-state resources to achieve health objectives. The capacity of the government to effectively implement and monitor the agreements, however, is also questionable. Lack of capacity at the national level is reflected at the district level where the agreements are negotiated, and where the sometimes tense relationship between CHAM and the government is reportedly weaker.

29. Although contracting is used extensively in the Water sector (as one case study on the borehole drilling programme examines), it is mainly for capital works and not “service provision”. However, even in this case, the overarching problems in the sector as a whole (lack of co-ordination, lack of registration of water points, lack of capacity) obscure any lessons that could be learnt from this example of contracting out even part of service provision.

3.6 Facilitation

30. The case study of *Government Support to Traditional Birth Attendants (TBAs)* is an example of government intervention through facilitation. TBAs are (usually) women who assist mothers to deliver outside the formal health system. It is estimated that there are 5000 TBAs in Malawi, delivering 10.5% of live births in urban areas and 24.4% in rural areas. In Malawi, government intervention into this small-scale, informal form of NSP has taken the form of support through training and equipment. Training began in the late 1970s, and it is now estimated that 40% of the country’s TBAs have received training. The purpose of the government’s intervention is to improve the quality of service provided by TBAs through the provision for training, delivery kit and drugs, and through supervision. The case for intervention is that: TBAs assist in a significant proportion of births, especially in remote rural areas where formal health facilities are not available, or where women are unable to pay for fee-charging health facilities; some women prefer the services of a TBA even when they could use formal health facilities instead; and some women feel that traditional medicine provided by a TBA is more appropriate for
them. The technical case for intervention rests on government and market failure to provide a functioning formal health system.

31. In terms of the impact of the intervention, it is unclear whether or not facilitation through training, equipment and supervision has actually improved the services of TBAs – this is a situation complicated by a number of factors. Firstly, although a TBA may identify a problem pregnancy and refer a mother to a formal health facility, she cannot force her to attend, especially if there is no appropriately located or free facility in the area, or if the women herself refuses to attend. Secondly, the Ministry of Health in Malawi, while recognising the valuable role that TBAs play, has difficulty in reconciling their role with an apparent increased incidence of maternal mortality, and there is a sense that the government is reluctant to invest more resources in what most people view as ‘primitive’ service provision, when formal health facilities are inadequately resourced. In addition, with nurses and midwives increasingly leaving Malawi for work abroad, the government has been under pressure to improve the conditions of nurses and midwives in the formal sector.

32. The facilitation exercised by the government with respect to TBAs in Malawi can do little in terms of further improving the pro-poor focus of TBAs, as most already provide their services free to women in poor rural areas who need them most.

33. A further example of facilitation comes from the CHAM case study, in which CHAM and the Malawi government have signed a Memorandum of Understanding (MoU) to formalise a long-standing unwritten agreement that the government pay the salaries of CHAM staff, along with some other costs. The aim of this facilitation through financial support was to keep the user fees charged at CHAM facilities low and affordable. However, despite this MoU, there is still considerable unhappiness over the issue of human resources between CHAM and the government – the Ministry of Health suspect that CHAM facilities are topping up salaries to attract staff away from government facilities, while CHAM complain of an exodus of their staff because, although the government pay CHAM salaries, they do not extend the government pension scheme to CHAM employees.

34. In the Water sector, as there is little non-state provision, this aspect is not prominent, although the new policy does start to recognise the contribution of the non-state sector.

4. CONCLUSIONS

4.1 Comparison of experience with cross-sectoral propositions and hypotheses

i) There has been little sector-based research that directly addresses the question of policy dialogue towards the setting of frameworks of regulation, accountability, facilitation or contracting to benefit the poor.

35. This is certainly the case in Malawi – there has been previous research in all three sectors, but very little which explicitly addresses the issue of the relationship between non-state providers and the state, and still less which does this with a concern for the pro-poor nature of the relationship or intervention. An example is case studies undertaken by Water Aid and the Water Utilities Partnership, which are positive about
the role NSP can play, but question the replicability of projects, at least in the short term. In the Education sector, there is some literature on relations between NGOs, donors and government which considers the effect on the poor. There are also some studies on issues of policy dialogue at the secondary level in relation to for-profit providers but they do not tend to have a pro-poor focus.

ii) The three sectors (health-care, education and water/sanitation) have high ethical and ideological significance that can have a powerful effect on the political salience of decisions about the boundaries of public, private and donor action.

36. This is the case in Malawi, although to varying extents across the sectors. In some cases, the recent elections have thrown the situations into sharp relief. In Health, the elections highlighted political salience of relationship between the government and CHAM, as the election campaign drew attention to the tension between the government’s desire to achieve the provision of health-care for those in need, and its own incapacity to do so. Within CHAM, there has been a feeling of pressure to deliver care before the service agreements have been signed, although these ad hoc relationships succeed due to the mutual dependency between CHAM and the government.

37. In Education, the historical context of government and mission schools, particularly at the time of independence, and again on the introduction of free primary education, shows the historical political salience of education as a policy issue. There has been commitment to free primary education since 1994, related to a rights-based approach, as well as economic arguments in favour of government provision of primary schooling as part of a pro-poor agenda, coinciding with democratic elections, as well as international agreements made at the Jomtien World Conference on Education for All.

38. In the Water sector, there is a strong tradition of state provision of water services, but this is balanced by the very early uptake of community practices (1960s) in the rural sector. New policies accept and even encourage the role of NSP, but the translation of this policy into practice has yet to be demonstrated. The political nature of water, particularly influence from politicians at all levels, skews provision of services to the detriment of all.

iii) The economic and political characteristics of service sectors condition the nature of the engagement by ‘principals’ (citizens, clients and policymakers) with their ‘agents’ (providers).

39. In the Water sector there are very weak economic links between clients and providers. In the rural areas, donors and government provide free or subsidised services, although new policy does incorporate the Dublin Principle acknowledging the economic value of water. In peri-urban areas the poor do pay more for their water, a situation partly caused by the on-selling of water by kiosk operators, but at least a service is now being provided.
iv) The blurring of boundaries between public and private sectors favours rent-seeking and leads to the protection by vested interests of existing service arrangements.

40. In Education, blurring of boundaries and attempts to protect existing service arrangements is evident, but there is no evidence in the case studies of rent-seeking or protection of vested interests. In the Health and Water sectors there were no cases studied in which this hypothesis could be applied.

v) The de jure or de facto recognition of NSPs by the state (or civil society organizations claiming to act in the public interest) is the basis of any positive dialogue or intervention. This determines both the feasibility and the (attitudinal) terms of engagement.

41. In the Education sector, the case study covering registration of private schools showed that this should indeed be the basis for a positive dialogue or intervention, but also that the presence of a registration system does not necessarily mean that it is successful, or that it directly leads to further cooperation. However, faith-based organizations and registered private schools are able to engage with the government through ACEM and PRISAM respectively.

vi) NSP, particularly in health-care and education, operates at two ends of the social spectrum. On the one hand, there is formal, higher quality provision for those who can afford to opt out of or to supplement public systems. On the other hand, there is often informal but accessible provision that is the resort of poor people unable to gain access to public systems.

42. In Health, case studies looked at informal, accessible provision in the form of Traditional Birth Attendants (TBAs). In this case, it was found that although these forms of provision were a counterpart to the formal, high quality provision that also exists in Malawi (but was not studied directly), they are not exclusively the reserve of the poor with no other choice: some pregnant mothers were reported to choose TBAs over formal health facilities due to the nature of the care offered by the two different providers.

43. In Education, this hypothesis is true to some extent – in some cases, poorer households might be able to access public systems, but, given that these are often of even lower quality than the informal end of the private sector, they could choose to make sacrifices to send their children to the unregistered private schools where possible. The example of VBS, on the other hand, is an example of recognised provision benefiting the poor, who do not have access to the public system.

44. In the Water sector, there were no cases studied in which this hypothesis could be applied.

vii) NSP activity grows in response to state failure to provide services, but states that fail to provide public services are likely also to be states that do not have the capacity to support or regulate NSPs. (This hypothesis does not mean to suggest that all NSP is due to state failure. There are also other explanations of why it may arise)
45. In Health, the faith-based and NGO non-state sector did indeed grow in response to state failure, and now forms a significant part of the service provision in these sectors. In Education, faith-based organizations pre-existed government involvement in service provision, a situation motivated not by unsatisfied demand, but by religious beliefs. The for-profit private sector in Education has emerged in response to state failure, but is still relatively small scale compared with government provision, and is provided mainly in urban areas. The second part of the hypothesis, that states that fail to provide services are also likely to lack the capacity to support or regulate NSPs, also seems to apply, but current developments may disprove this. In Education, the state has proved itself incapable of regulating the non-state sector (and also of limited capacity in regulating the state sector), with the impetus for the relationship between the state and the NSP coming from the non-state providers themselves. However, in the Health sector, the situation is more complex; the supportive relationship between the state and TBAs may be on the brink of collapse, but longstanding unwritten agreements on human resources and financing between CHAM and the state are being formalised, and the prospects for contracting of CHAM services by the state are promising. In the latter two cases, however, the situation of mutual dependency, and therefore the powerful position of CHAM in relation to the government, may be the critical factor.

46. In the Water sector there is widespread state failure but very little evidence of NSP filling this role, although this does depend on how state and non-state are defined.

viii) Small and informal NSPs usually offer a high cost, low quality substitute for formal public or private provision to poor people.

47. In the Health sector, Malawi’s experience with TBAs contradicts this hypothesis – while it is true that in a majority of cases, maternity services are offered free in public health facilities, and while it is also true that some TBAs do charge for their services, there is no evidence in the case of Malawi that their fees have been prohibitive. On the contrary, while maternity services in public health facilities may be free, the transport and emotional costs of accessing such services are greater than the often nominal fee that some TBAs expect. The TBA case study would also contend the suggestion that the services provided by TBAs are a low quality substitute – although they lack some basic equipment and training, TBAs are the service providers of choice for some women with the financial and transport resources to choose between a range of maternity services.

48. In the Water sector, the peri-urban water supplies via kiosks do provide a higher cost service at a lower quality (standpost rather than house connection), but this is not seen as a flawed option, as the alternative is no service at all.

49. In Education, this hypothesis is partially true – unregistered schools offer a relatively low cost, low quality substitute, although their cost is higher than government schools (which are officially free of fees but usually charge levies which are still below the levels of unregistered schools). They are probably better quality than government schools, though not as good quality as registered private schools charging higher fees.
Within the range of forms of regulation that may act to suppress or promote markets, the regulation by government of small providers is more often 'unfriendly' than 'friendly' to small market operators.

50. In the Water sector, there were no cases studied in which this hypothesis could be applied, although this could be due to the lack of any power to enforce regulations. Regulation could, however, actually support the provision of services to clients by bringing some control and standards to bear on the donor/government providers outside the Ministry.

51. In Education, regulations are difficult for small providers to attain even though they do not necessarily relate to better quality, as the VBS case study shows.

Regulation is usually most effective in governing entry into monopoly opportunities or into licensed markets. More important in the case of NSPs (given that they normally operate in competitive markets) and more difficult are regulation of the quality and accessibility of providers' services.

52. The case study of PRISAM in the Education sector in Malawi supports this hypothesis. Although the Ministry of Education has limited success in governing entry into the education sector through the registration of private schools, it is more successful at this exercise than at any longer term monitoring of quality or accessibility.

53. The case of TBAs in the health sector would tentatively support this hypothesis; TBAs have been recognised and subsequently supported by the Ministry of Health, although the nature of the services provided, the demand for them, the nature of the individuals providing them, and the lack of government capacity mean that any attempt on the part of the Ministry to restrict the practice of TBAs would be unlikely to succeed.

54. In Education, this hypothesis is true to some extent – although government officials are often aware of the existence of private schools (including unregistered ones) in their catchment areas, through word of mouth, or advertising signs, and may visit the schools unofficially.

In the case of informal small providers in competitive markets, the quality and accessibility of services are better achieved by strengthening the operation of markets rather than by regulation
- Promoting market competition
- Informing and empowering consumers
- Strengthening consumer/community accountability
- Enabling and training small providers
- Supporting professional self-regulation
- Franchising providers in return for monitoring.

55. In the Education sector, the applicability of this hypothesis is mixed. The issue for consumers is more to do with ability to pay than information and empowerment (where they are able to pay, they are also more likely to be empowered and informed). Self-
regulation is likely to result in protection of vested interests of more powerful, better resourced private schools at the expense of those serving the poor, as the PRISAM case study illustrates. Attempts by VBS to strengthen community accountability have not proved to be sustainable.

56. In the Water sector, there is very little competition (even the peri-urban areas, as kiosks are spaced to ensure viability). Information about water and sanitation options is lacking, even in professional circles, leading to a lack of choice on the part of communities. Sometimes the lack of choice is deliberate to ensure one decent choice (e.g. in hand-pump model) rather than many unsustainable options.

xiii) Successful cases of community management (design, contracting and monitoring of services for poor people) are isolated and present problems of scaling up and replicability. Hypothesis: the replication of community management requires sustained systems of facilitation and support.

57. Examples of community management encountered in these case studies support this hypothesis. In the Water sector, the validity of involvement of the community in gravity schemes is now questioned – early community labour has been labelled forced labour, and recently, the Blantyre Water Board community construction was initially less than successful because of poor supervision.

58. In the Education sector, the case study of the VBS suggests that there were positive aspects of these schools, but that the intervention of the government in enforcing unattainable standards limited their effectiveness. However, despite the effect of government intervention, the VBS could be argued to be an example of externally-driven community participation, raising questions over the extent to which local ownership is attained. Given their explicit focus on poor communities, whose members are often already struggling to survive, concerns arise over equity where further responsibilities on communities are generated. The evidence from VBS indicates that, while the international donor was supporting the programme, the communities were actively participating, but that when it became less involved, community support was not sustained. This indicates that community management requires sustained external facilitation and support, and even then, could be seen as a burden for poor communities.

xiv) Where the contracting out of services is effective, it is widely found to present gains in efficiency and quality. However, the conditions for effective contracting are demanding on governments’ capacity where (a) the service is not easily measurable, (b) the service is broken down into multiple contracts, (c) contracts are complex and long-term.

59. The example of contracting that arose during this research was the service level agreements between the government of Malawi and CHAM. Although only three agreements are as yet drafted, and none signed, the indications are that all three of the aspects of this hypothesis may apply: (a) the service is not easily measurable – there are issues around ensuring that the agreed (and funded) treatment for specific conditions is actually delivered, rather than siphoned off, and there will also be issues of the quality of care provided (b) the service will be broken down into multiple contracts, up to 42 in all, at the district level, and these will vary depending on what services are needed in which district. For example, the draft agreement for the districts of Dedza and Phalombe centre around the Essential Health Package as a whole, whereas that for
Nkhotakota contracts only maternity services (c) in order to deliver what the government wants, the contracts may well be complex, but their duration is not yet known.

xv) The maintenance of effective long-term partnership arrangements (contracting, licensing, co-production) with NSPs assumes levels of political stability and neutrality that are not typical of developing countries. These relationships are likely to escape corruption only where the provider has an independent, pro-poor ideology (faith, professional, political).

60. Malawi’s political climate is relatively stable, but corruption is rife, and concerns have been expressed by non-state providers over the government’s ability to deliver on its commitments to them. For example, the relationship between the government and CHAM is characterised by an element of mistrust, which arises out of a history of instability in funding arrangements between the two parties, with anecdotal evidence from CHAM suggesting that previous experience has shown that the government is sometimes unable to deliver the financial resources which it had allocated to CHAM.

5. POLICY IMPLICATIONS, RECOMMENDATIONS, SUGGESTIONS FOR FURTHER RESEARCH

61. A number of questions arise from the findings of these case studies. Firstly, the small number of case studies mean that informed comment about the differences between the sectors is necessarily tentative. Health seems more advanced in terms of government/non-state interaction than Education and Water, but the nature of the study did not allow us to investigate this further. The relative role of faith-based organizations could be a decisive factor, but it is not clear why these have been stronger in Health than in Education, and in particular, why CHAM was established in Malawi earlier than ACEM, and why it is more effective.

62. The difference between sectors might also relate to international agenda. International agreements and the national policies, which to some extent derive from them, tend to see basic Education as the responsibility of the government both from a rights-perspective as well as because of high social returns. While this does not necessarily mean that government should be the sole provider, this is a frequent interpretation, which may not necessarily be the case in the other two sectors of Water and Health.

63. An over-arching question, of relevance to policy recommendations arising from these country studies is what would pro-poor regulation/facilitation look like? It is not possible to deduce this based on a small number of case studies from one country, but cross-country experience may enable the NSP study as a whole to reflect upon it.
1. PART I: BACKGROUND AND CASE STUDY SELECTION

1.1 Introduction

1. This paper outlines the findings from the Malawi Case study visits as part of the DFID study of non-state providers of public services. The original terms of reference were to identify the factors that have influenced the development of various relationships with NSPs. In particular, a key objective is to highlight the positive and negative incentives inherent in interventions and to assess the extent to which incentives impact on the performance of interventions. This paper is divided into two sections. Part 1 provides a brief overview of the health sector in Malawi and the context in which NSPs operate. This then provides the basis for selection of particular examples of government interventions aimed at the non-state sector. The analyses of the case studies are described in Part 2.

1.2 Health in Malawi

2. Malawi has a population of 9.8 million, with an annual growth rate of 1.9% according to the 1998 census. Around half the population is under 15 years of age. Health indicators for Malawi are among the worst in the world. According to the Fourth National Health Plan which is for the period 1999-2004, life expectancy at birth is 44 years, infant mortality rate stands at 134 per 1000 live births and under-five mortality is 234 per 1000 live births. This is expected to rise as a result of the HIV/AIDS epidemic. Under-five mortality is mostly due to malnutrition, anaemia, pneumonia and diarrhoeal diseases. As in many sub-Saharan countries the most commonly reported cause of morbidity in both adults and children is malaria with both the incidence and case fatality rates on the increase. Malawi has one of the highest levels of maternal mortality in the world and currently stands at 1,120 per 100,000 live births. This is an almost 100% increase over 10 years, although controversy remains as to whether the increase is real or artefactual. HIV/AIDS continues to be the leading cause of death in the most productive age group (20-48 years) and accounts for over 40% of all inpatient admissions. The prevalence rate of both HIV and STD infections is high in Malawi. The HIV positive rate in antenatal women in 1995 was estimated at over 30% in urban areas and 12-14% elsewhere.

1.3 National Health Policies

Overview of Health Care Delivery

3. Nearly all formal health care services in Malawi are provided by three main agencies. The Ministry of Health (MoH) provides about 60%; the Christian Health Association of Malawi (CHAM) provides 37% and the Ministry of Local Government (MLG) provides 1%. Other providers including private practitioners, commercial companies, Army and Police provide 2% of services.  

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4. Health services are provided at three levels: primary, secondary and tertiary. At the primary level services are delivered through rural hospitals, health centres, health posts, outreach clinics and community initiatives such as the Drug Revolving Funds. Although some have specialist functions, district hospitals in the main provide secondary level health care services. These services serve to backup the activities of the primary level such as surgical back-up support mostly for obstetric emergencies and general medical and paediatric inpatient care. Tertiary level hospitals provide services similar to those at secondary level along with a small range of specialist surgical and medical interventions.

**Essential Health Package**

5. The government has recently launched the Essential Health Package (EHP). This is part of the move towards harmonising the bulk of support to the health sector by adopting a Sector Wide Approach (SWAp) and this is the mechanism by which the EHP will be delivered. Since Malawi is moving to harmonise all funding through a Sector Wide Approach, this has led to the recognition that the MoH needs to work more closely with the private sector and develop its public private partnership policy. The EHP covers treatment and care for 11 of the most important diseases, (e.g. HIV/AIDS, vaccine preventable diseases, TB and Malaria). The package has been costed and the intention is that different contributors to the health sector will ensure that their financing is supporting an integrated and cohesive strategy for provision and can be accounted for. This is independent of whether or not funding is channelled through government systems.

**Health Services Act**

6. The MoH intends to establish a Health Services Act which will supercede the present Public Health Act and give the MoH a mandate to control all providers and ensure that the population can obtain free health services from any provider whether in the public, private or NGO sector. An important interim step in this process is the development of a code of ethics for NGOs which will in effect be an over arching memorandum of understanding between the government and the not-for-profit sector.

7. In many ways the government is not as concerned with the for-profit sector as this is already heavily regulated by existing bodies such as the Medical Council. The MoH recognises that detailed agreements won’t necessarily work for all providers and the majority will be adequately served by a generic Memorandum of Understanding. However for the big providers, such as CHAM (see case study B) and Banja La Mtsojolo (BLM – see case study C), specific agreements will always be needed.
1.4 Interaction between Government & Donors with NSPs in Malawi

**Doctors & for-profit organisations**

8. The main involvement the government has with private doctors is in terms of regulation through the Medical Council of Malawi, and the Nurses and Midwives Council which are parastatal organisations charged with that responsibility. The Medical Council of Malawi maintains and updates a register of the following private sector entities (alongside government entities):

- Medical practitioners
- Specialists
- Dentists
- Paramedicals and allied health professionals (clinical officers, medical assistants, dental therapists, dental assistants, laboratory technicians)
- Clinics of private companies and private institutions
- Private hospitals
- Christian Health Association of Malawi (CHAM) Health Facilities

9. The Nurses and Midwives Council maintains and updates a register of nurses and midwives in government as well as in private practice. As noted above, the government has also signed a Memorandum of Understanding with CHAM regarding service provision. Among other things, the MOU outlines where CHAM will be offering services on behalf of government and how it will be compensated. Occasionally, the government holds meetings with private practitioners (mostly medical practitioners and doctors) to sensitize them to new developments in the treatment of some diseases, such as TB.

**Drug Vendors**

10. The principal involvement government has had with drug vendors has been in terms of regulation through the Pharmacy, Medicines, & Poisons Board which is a parastatal organisation charged with that responsibility. The Board maintains and updates a register of pharmacists in government as well as in private practice. In addition the Board also conducts random checks in market places to impound expired and unauthorized drugs being sold by informal drug vendors.

**Community Health Workers**

11. There are a number of community health workers in Malawi at the moment. The largest number is comprised of Traditional Birth Attendants (TBAs) and Health Surveillance Assistants (HSAs). TBAs assist women deliver babies outside formal health facilities. The ministry has so far been providing them with training and equipment. However, the government is planning to phase out TBAs because critics claim there has been no proven benefit from them in terms of significant reductions in maternal mortality rates.

12. HSAs were originally individuals who volunteered to assist in the provision of immunisation services in their communities. Later, they took on more responsibilities, and could be asked to assist in the implementation of the whole Health Sector Plan at community level. Their main role has been co-ordinating community involvement in
various health service activities. In 1981, the government implemented a pilot project in some three districts under which these HSAs (then known as Primary Health Workers), were paid. But the initiative was abandoned after an evaluation study in 1982 showed that government could not sustain it, especially since it required intensive supervision (MOHP, 1999).

13. Other community level workers are Community Based Distribution Agents who are identified by BLM to assist in the delivery of family planning and reproductive health services. Some communities also have Growth Monitoring Volunteers who assist Government in recording weight of children going to under five clinics. Other communities also have Home Based Care Volunteers who assist in caring for especially HIV/AIDS sufferers and orphans.

**Traditional Healers**

14. In Malawi, Traditional Healers operate under one umbrella organization known as the International Traditional Health Practitioners and Researching Council which oversees three other associations:

- The International Traditional Medical Association of Malawi,
- The Herbalist Association of Malawi,
- The Chizgani Association of Mzuzu.

15. The government does not have any mechanism for regulating traditional healers because they do not offer western type of health services. A constitution that will govern the operations of traditional healers is currently being developed.

**NGOs**

16. Although generally there has been relatively little formal interaction with NGOs, the government has developed agreements with several organizations (eg. Action Aid, Church Aid, Project Hope, Medicin Sans Frontiers). These agreements show the area or areas in which an NGO is operating, and the services it is providing.

17. In addition, donors fund several projects being implemented by various NGOs. For example:

- UNICEF alone supports nearly 40 projects in the areas of safe motherhood, child health, malaria, HIV/AIDS, Youth Reproductive Health, and PMTCT.
- DFID co-funds together with UNICEF and other donors Banja La Mtsogolo (BLM) (a major safe motherhood project that has offices in almost every district of the country). It also funds the Local Initiative for Health (LIFH) which is currently in its pilot phase. The LIFH aims at fostering community participation in the delivery of health services. It provides support to local community health committees with capacity to hold health service providers accountable for what they do.
- USAID also supports a project similar to LIFH known as Family Health International.
1.5 NSPs and Policy Formulation

18. According to the 1999 Malawi Health Expenditure Review prepared by the World Bank, NSPs complain that the “government makes policies and decisions on health issues with little or no involvement of other health providers.” As a result, the non state providers recommended that service providers should have a role to play in policy formulation and decision making. In addition the Ministry of Health needs to be more consultative e.g. by extending invitations to the private sector in technical committees, discussions on health policies, and coordinating meetings.

1.6 Selection of case studies

19. The health sector is significantly further advanced than the water and education sectors in integrating the different non-state actors. In particular, the Essential Health Plan has been a key first step towards co-ordinating all the different service providers. In choosing the case study interventions we attempted to arrive at a selection which both exemplified a range of relationships between the government and NSPs and demonstrated an explicit or implicit pro poor focus. Three case studies were chosen for further exploration:

- Support provided by government to Traditional Birth Attendants
- The development of service agreements between the government and CHAM
- Government engagement with Banja La Mtsogolo (BLM) in the under five vaccination programme and the provision of sexual and reproductive services.

20. All three case studies typify interventions which are designed to support NSPs either through financing, capacity building or via the development of service agreements which formalise exiting arrangements. It is hoped that the analysis will offer broader lessons to help governments and donors interact more effectively with NSPs to improve service delivery to the poorest groups.
21. Traditional Birth Attendants (TBAs) are women who assist mothers to deliver outside the formal health system. TBAs normally operate from their homes, and most women become TBAs through apprenticeship to other TBAs. However, there are some who acquired the skills because they worked in a maternity ward as assistants to trained midwives and nurses. Because of the role that experience plays for one to become a TBA, most of them tend to be elderly women.

22. According to the WHO, 47% of pregnant women in developing countries deliver in the absence of a skilled health professional. In Malawi, a survey conducted by Lule and Ssemabtya in Mangochi District in 1994 found that out of the 390 women that were sampled, 300 of them (77%) delivered outside a health institution (Lule and Ssembatya, 1994). Nationally, the Safe Motherhood Project estimates that 20% of deliveries are assisted by TBAs. According to the 2000 Malawi Demographic and health Survey, in Malawi TBAs assist in 10.5% of live births in urban areas and 24.4% of live births in the rural areas. It is also estimated that there are about 5,000 TBAs in the whole country.

23. Most countries with TBAs have developed support programmes, usually with funding from donors. The most active donors have been UNFPA, WHO, and UNICEF. In the early 1990s, these UN institutions issued a statement on TBAs to reflect common goals to contribute to the global effort aimed at improving reproductive health. The objectives of the support to TBAs in this statement are to: a) enhance the links between modern health care services and the community; b) increase the number of births attended by trained birth attendants and, c) improve skills, understanding and stature of TBAs. Malawi has also been providing support to TBAs since the late 1970s. This case study looks at Malawi’s experience with supporting TBAs since the late 1970s. This case study looks at Malawi’s experience with supporting TBAs in order to see what insights can be obtained for purposes of drawing guidelines for government and donor interaction with NSPs in a bid to improve their delivery of services for the poor.

2.2 Background

24. Support to TBAs can be traced to the late 1970s when the first course for TBAs was conducted in 1978 at Kamuzu Central Hospital in Lilongwe (now Lilongwe Central Hospital). However, it was not until 1982 that the training programme was rolled out into a national training programme. By February 1987, a total of 841 TBAs had been trained. It is estimated that out of the 5,000 TBAs operational in Malawi, 2,000 have received training (Smit, 1994).

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5 The scope of the formal health system extends to private as well as public health facilities.
6 During an evaluation study conducted by UNFPA in 1995, it was observed that in some two cases studies, TBAs were men. Otherwise, TBAs are normally women.


2.3 Description of the Intervention

25. The purpose of the Government’s support to TBAs in Malawi is to improve the quality of services provided by TBAs through the provision of training, delivery kit and drugs, and supervision. Thus, according to the TORs, it is a type of intervention number iii (a) because it is concerned with the provision of support to a NSP in order to improve its ability to deliver quality services. The next three sub-sections describe the three components of support in some more detail.

Training

26. This is the main component of the support that government provides to TBAs. Training is facilitated by TBA coordinators who are based at District Health Offices and it covers areas such as theory and practice on simple and safe obstetrics, how to identify at-risk mothers, how to carry out hygienic deliveries, including care of the cord, and how to promote appropriate health education to mothers. The training programme sometimes involves an attachment at a maternity ward. A typical TBA training course usually lasts two weeks and participants receive certificates of attendance.

Delivery Kit and Drugs

27. Apart from being trained, TBAs are also provided with a delivery kit and drugs free of charge. The kit includes such items as a gloves, kidney dish, spirit, razor blades, and measuring scales. Drugs supplied include chloroquine and iron tablets.

Supervision

28. The government also supervises the work of TBAs. TBA coordinators make occasional visits to TBAs in order to check if they are adhering to minimum health and child delivery standards. During such visits, they also check the birth register to check the TBA’s record in successfully delivering babies. In the register, TBAs record such information as whether or not the baby or mother dies or survived. Thus, based on the record of the register, the TBA coordinator is able to decide whether or not she needs to take action regarding the performance of a particular TBA. For example, if upon examination of the birth register, the coordinator notices unusually high death rates of mother and/or babies, she may take up the matter with the relevant health authorities.

29. Supervision trips are also intended to be opportunities for providing assistance to the TBAs. For example, it is during such trips that coordinators sometimes bring new supplies for the TBA’s delivery kit. In some cases, it is during supervision trips that TBA coordinators also assist TBAs in the construction of placenta pits, to ensure that they conform to health standards.

30. Due to resource problems at District Health Offices (DHOs), especially with regard to transport, it is the nurses in Health Centres that have been required to make regular supervision trips to TBAs. This is because unlike DHOs, most Health Centres are nearer to TBAs.
2.4 Explicit Case for the Intervention

31. As mentioned earlier, a significant proportion of births in Malawi, especially in the remote rural areas are assisted by TBAs. This is usually for three main reasons. First, in most cases, families cannot easily access the nearest health facility. The 1994 survey by Lule and Ssembaty in Mangochi found that of those women who had delivered outside a health institution, the majority (53%) said that by the time they realized they were in labour, they could not make it to the health centre.

32. Accessibility to a health facility is in some cases also hampered by financial constraints for those women whose nearest health facility is fee paying. Some women can simply not afford to pay for maternity services. As such, they have very little choice but to go to a local TBA.

33. Secondly, even in situations where a formal health facility is easily accessible, most mothers prefer to go to a TBA because from experience, or from what they have heard, they get a better service at a TBA than at a formal health facility. For example, it has been reported that most mid-wives and nurses at formal health facilities tend to be harsh, impersonal, and disrespectful to pregnant women. One of the complaints most women have is that sometimes mid-wives and nurses undress and shave pregnant women in full view of others, which they find very disrespectful. Again, the 1994 survey by Lule and Ssembaty found that 21% of the mothers who delivered outside a health facility indicated that they delivered their children at home because their own experience or that of others had shown that certain midwives were very unkind to mothers during labour. On the other hand, women are very comfortable with the TBA because she is a member of their community, and hence, they are more confident that they will be treated properly. Further, since most TBAs are elderly women, the clients have confidence in their experience.

34. Thirdly, women also sometimes go to the TBA because they feel there are certain pregnancy cases that require traditional medicine. Since such a service is not available at a formal health facility, the TBA becomes the natural choice.

35. Thus, because of these three reasons, deliveries at TBAs have been in existence since time immemorial. However, Government has recognised the fact that while TBAs are part of people’s lives, without some form of support, most pregnant mothers are at risk. Most TBAs do not have the basic equipment for delivery and most of them have not undergone through any formal training in midwifery. Also, by their nature, TBAs cannot deal with complicated pregnancy cases, such as those that would require an operation. Therefore, unless they receive various types of support, including training on early detection of complications and referral, pregnant mothers are at risk. Thus, the intervention is there to improve equity and access to high quality maternity services.

2.5 Technical Case for the Intervention

36. Technically, an analysis of the explicit case for the intervention shows that this is a case of Government as well as market failure to provide a properly functioning formal health system. Such failure has resulted in the emergence of an informal sector specializing in the provision of maternity services. Markets as well as the public sector have been unable to provide enough health facilities, and adequate telecommunication and transport facilities to ensure that formal health facilities are easily accessible. Similarly, the market and the public sector have failed to ensure that trained nurses and
midwives provide quality services at the formal health clinics. But at the moment, most nurses and midwives are either not properly trained in handling patients, or are simply strained by having to look after too many patients under poor working conditions.

2.6 Nature of the Providers Affected

37. In relation to formal health facilities, TBAs can be said to be in a monopolistic position in the very rural areas, but in a competitive market in urban and peri-urban areas. In those rural areas where access to formal health facilities is difficult, pregnant mothers have very little choice but to seek the services of TBAs. On the other hand, in peri-urban and urban areas, access to formal health facilities is much easier, hence, TBAs do compete with such facilities.

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<th>Box 1: Characteristics of TBAs</th>
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<td>Position in market:</td>
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<td>Scale:</td>
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<td>Motive:</td>
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38. In terms of clientele, because most of the TBAs are based in rural areas, and also because they tend to be largely primitive in their approach to service delivery, it can be said that TBAs mostly do cater for the needs of the poor.

2.7 Performance of the Intervention

39. This section assesses the performance of the TBA support programme from three perspectives: in terms of the intervention’s engagement with TBAs, in term’s of its effect on the incentives for the TBAs to attend to the needs of the poor, and finally in terms of its effect on the ability of the TBAs to deliver good quality services.

The Programme’s Engagement with TBAs

40. As mentioned earlier, Government started training TBAs nationally since 1982. This programme has largely been funded by UNFPA through the Reproductive Health Programme. There is evidence to show that Government was initially very enthusiastic in the implementation of the programme. It put in place the necessary structures to coordinate the TBA support programme. The Reproductive Health Unit (RHU) which falls under the Clinical Services Department was given the responsibility of coordinating the training of TBAs. The unit has placed a TBA coordinator in each of the twenty-four District Health Offices in the country. It is these TBA coordinators that are responsible for organising training programmes, supervising TBAs in their workplaces, and providing them with the necessary supplies. However, not all TBAs have been trained. As already mentioned earlier, to-date, of the estimated number of 5,000 TBAs nationally, only 2,000 (40%) are estimated to have been trained. This number may underestimate the actual number that has been trained because other organisations such as UNICEF and Plan International also train TBAs in some districts. However, they have not been consistent in reporting to the Ministry of Health and Population the numbers they have trained. This
problem notwithstanding, the fact is that there are still many more TBAs that have not undergone training. The Government’s aim was to train all the TBAs in the country, but this has clearly not been achieved. It is also important to mention that the government has recently started scaling down the training of TBAs, and that it plans to phase out the intervention completely. In other words, the original enthusiasm is waning.

41. With regard to supplies, data is not available on the numbers that have actually been receiving supplies. However, anecdotal evidence suggests that while some TBAs have been supplied with the necessary medical supplies, others have not. Since it has been reported that supervision of TBAs is not regular, this means that most often, TBAs operate without the necessary medical supplies. In some cases, the TBAs themselves are forced to take the initiative to travel to the DHO or to the nearest health facility to replenish the supplies.

42. Another area where the intervention has not performed well is with regard to supervision. While data are also not available on the average frequencies per TBA, the anecdotal evidence available is that supervision has been very minimal. Normally, TBAs are supposed to be visited every month, but the available evidence indicates that such a schedule is rarely adhered to. Some TBAs report that they are visited only once a quarter, others bi-annually, while there are some who have not been visited at all.

The Intervention as a Motivator

43. It is not clear the extent to which the support programme has motivated the TBAs to attend to the needs of the poor. There are some TBAs who provide their services for financial gain. But the support programme does not offer any financial incentives. Thus, for those TBAs who are in this for commercial purposes, the benefit from the support programme is that presumably, after attending training, they can charge higher fees on the basis that they are now better qualified. Otherwise, the majority of the TBAs are not motivated by financial gain. They derive satisfaction from the fact that they are able to offer a noble service to the community. As already mentioned earlier, the services provided by TBAs are a coping mechanism to a situation where people cannot have access to formal health services. Therefore, what the support programme does is to improve the way in which TBAs deliver their services to the poor, rather than prompt them to actively look for clients.

Impact on the Quality of Services

44. There are mixed views on whether or not the support programme has actually improved the quality of services provided by TBAs. There are some who argue that training TBAs does not change the way in which they deal with their clients. There are some TBAs who are simply resistant to change. However, the majority view is that such TBAs are a minority. Instead, based on the views of key informants and from the findings of a 1995 UNFPA evaluation study, there are clear indications that the support programme has improved the quality of services provided by TBAs (UNFPA, 1996). According to the UNFPA study, the evidence on the ground is that trained TBAs practise clean delivery, advise mothers on basic pre-natal care, identify risk signs and make referrals. Also, trained TBAs have contributed to increasing the number of women going to health centres for family planning and immunization services.
45. Although those TBAs that have undergone training are able to identify risk signs and make referrals, in practice, this does not always materialise. Their performance is thwarted by other factors. Firstly, referred patients arrive late at a formal health facility because of transport problems. In an ideal situation, a pregnant mother that has been referred to a formal health facility is supposed to call for an ambulance. However, in some cases, it is just not possible to call for the ambulance because of lack of access to telephones. In other cases, it has been possible to send the message across, but there is no car available at the health facility—either because the vehicle or vehicles are on other errands, or because there is no vehicle in running condition.

46. Secondly, some patients who are referred to a formal health facility by a TBA simply refuse to go because they are afraid that they will not be properly treated at the formal health facility. They would rather take the risk of being treated by the TBA than face harsh nurses and midwives at formal health facilities.

47. The Ministry of Health officials in Malawi do accept that the role played by TBAs is highly appreciated, and that the support programme may indeed have had a positive impact in improving the quality of services provided by TBAs. However, they are having great difficulties to justify a continuation of the programme in the light of statistics showing that between 1992 and 2000, the maternal mortality rate in Malawi almost doubled, from 620 to 1,120 per 100,000 live births. They argue that if the TBA support programme was indeed effective, the maternal mortality rate should have been going down. This has prompted the ministry to suspend the programme in Lilongwe, pending a review of government policy. In this regard, the RHU commissioned a study to investigate the role that the TBA support programme has had in reducing maternal and morbidity in Malawi. The study was conducted in 2003 by the Centre for Social Research of the University of Malawi. However, the study report has not yet been accepted because the Ministry is not happy with the purely qualitative approach adopted by the study.

2.8 Explanation of the Performance

48. From the above assessment of the performance of the TBA support programme, there are three issues that need to be explained. The first is why fewer TBAs have been trained and supplied with medical kits and why supervision has been poor. The second issue is why the intervention has not really motivated TBAs to provide more and better services for the poor, while the third is why, despite the knowledge obtained by TBAs and the improvements in the quality of services provided by trained TBAs, the support programme has not been as effective.

Limited Engagement with TBAs

49. There are probably two main reasons why there has been limited engagement with TBAs under the support programme. The first is that resources have been limited. With the Government already struggling to ensure that the formal health facilities are adequately staffed and equipped with drugs and other medical supplies, it would not be realistic to expect the support programme to be adequately funded. Already, the Government has had to depend on donor funding for the TBA support programme. For example, the 1995 UNFPA evaluation study found that supervision of TBA coordinators has been restricted by lack of funds, lack of transport and limited staff. During the study,
the frequency of supervision visits to TBAs that stay in the rural areas was found to be much lower than that of the urban based TBAs.

50. Secondly, one gets the sense that the Government treats the TBA support programme as of less priority. While there is no doubt that the Government was well motivated in coming up with the programme, in practice, the programme has received much less attention. One gets the impression that the Government sees very little value in spending more resources in supporting what most people view as primitive service provision, when formal health facilities are already inadequately resourced. The cause for supporting TBAs has not been helped by the revelation that the maternal mortality rate is in fact getting worse in Malawi. Further, with more and more nurses and midwives leaving for more lucrative work abroad, the Government has been under pressure to improve the conditions of nurses and mid-wives in the formal health sector.

*Inability of the Intervention to Motivate TBAs*

51. As mentioned earlier, the purpose of the TBA support programme is not to motivate TBAs to attend to the needs of the poor, but to help them attend to their needs more effectively. In other words, in terms of motivating the TBAs to attend to the needs of the poor, the support programme is arguably superfluous. Most TBAs seem to be intrinsically motivated by the need to serve those who are in desperate need of their services.

*Muted Improvements in Quality of Services*

52. As it stands, the TBA support programme is rather limited since it only focuses on training, supply of delivery kit, and supervision. As a result, its impact has been rather muted. Much more could have been achieved if it adopted a more holistic approach. For example, the fact that the programme does not address the constraints faced when a TBA makes a referral has adversely affected the effectiveness of their training. In other countries, radio communication systems and bicycle ambulances have been provided to ensure an effective referral system. Of course the financial implications of such a solution are immense, and that may explain why Malawi's support programme has not incorporated these elements as well.

53. Also, TBAs have been less effective in some instances because of their clients' attitudes to reproductive health and to the formal health sector. Some women, usually due to illiteracy, either do not seek ante-natal care, or start doing so very late. As a result, they check in to a TBA when they are in a condition that is overdue for expert attention. Thus, although a TBA may refer them to a formal health facility, it becomes too late for their problem to be addressed. Similarly, some women simply refuse to be referred to a formal health facility. As alluded to earlier, this is sometimes due to the fact that the women dread the prospect of being mistreated by nurses and mid-wives there. Thus, the effectiveness of the support programme has been limited because it has only focused on TBAs.

2.9 Comparison of Experience with General Hypotheses

54. Malawi's experience with the TBA support programme provides insights into two hypotheses. The first is that it renders support to the hypothesis that NSP activity grows in response to state failure to provide services, but that states which fail to provide public
services are likely also to be states that do not have the capacity to support or regulate NSPs. As has been seen, TBAs emerged as service providers in response to the state’s inability to provide easily accessible, high quality maternity services to the poor.

55. Secondly, Malawi’s experience with the TBA support programme does not support the hypothesis that small and informal (i.e. illicit or semi-licit) NSPs usually offer a high cost, low quality substitute for formal public or private provision to poor people. While it is true that in a majority of cases, maternity services are offered free in public health facilities, and while it is also true that some TBAs do charge for their services, there is no evidence in the case of Malawi that their fees have been prohibitive. If anything, while maternity services in public health facilities may be free, the transport and emotional costs of accessing such services are greater than the often nominal fee that some TBAs demand.

2.10 Policy Implications

56. The analysis of the support provided by the Government to TBAs in Malawi raises a number of issues that have important policy implications. First, it has been observed that the Government of Malawi is contemplating the phasing out of the support programme to TBAs because infant mortality rates are not going down. But whatever the final verdict will be on the extent to which the increased mortality rates can be attributed to TBAs, it is apparent that with or without Government support, TBAs will always be in existence. No matter how much is done to improve the formal health sector, it is likely that there will always be situations when the services of a TBA will be required. Therefore, completely phasing out the support programme may not be an advisable policy option. In general, it is very unlikely that service provision in the public sector will be perfect, or that markets will work perfectly. Government should therefore always expect NSPs of one form or another to emerge in response to these imperfections. A better policy option would therefore be to have a two-pronged approach where Government should try to improve the situation that prompted the emergence of the NSPs while at the same time coming up with a suitable scheme for either effectively regulating the operations of the NSPs or effectively supporting them in the delivery of services.

57. Secondly, it has been seen that while the TBA support programme has gone some way to improving the quality of services provided by TBAs, there are some specific areas relating to the required support which need improvement. For example, supervision of the TBAs has been irregular and needs to be improved. Similarly, there is need to have a properly functioning system to support referrals from TBAs. Consideration should be made to provide TBAs with radio communication systems and intermediate means of transport. Further, TBA referrals should be properly integrated into the formal sector referral system in order to avoid delays. Community members also need to be sensitized to their responsibilities in ensuring the effectiveness of TBAs. Addressing all these issues requires more resources. The wider policy implications are that Government must have holistic approaches in designing support programmes to NSPs. Further, the financial implications of such interventions should be fully established, and strategies need to be developed to mobilize resources.
3 CASE STUDY B: DEVELOPMENT OF SERVICE AGREEMENTS BETWEEN CHAM AND THE GOVERNMENT

3.1 Introduction

58. The Christian Hospitals Association of Malawi (CHAM) is an ecumenical non-governmental umbrella organisation of non-profit Christian health providers. In December 2002 a Memorandum of Understanding (MOU) was signed between CHAM and the Ministry of Health (MOH). This formalised a long-standing unwritten understanding where the Government have paid the salaries of CHAM staff and some other costs. This was primarily to keep the user fees charged at CHAM hospitals low and affordable to most people. The agreement in the main covers personal emoluments and is intended to be aligned with government employee's pay scales and allowances. In addition CHAM hospitals are provided with the necessary medicines and equipment to administer national programmes at no charge (eg. The under five vaccination program). The value of the MoU amounts to K396 million per year.

59. CHAM facilities charge user-fees which account for 31% of their revenue. The rest is made up by donations (22%) and grants (46%). The introduction of a free at the point of use Essential Health Package throughout the country in many ways brought the issue of user fees centre stage. The current MoU is not sufficient to cover the additional costs of delivering the Essential Package. Service agreements are therefore being negotiated district by district. Forty two hospitals were identified for a first phase of negotiating Service Agreements. However, to date only three have made any substantive progress. This is due in large part to the limited capacity within the MoH, much of which has been taken up with preparing for the SWAp. This case study is concerned with the development of these service agreements with CHAM and it is hoped they will illuminate issues that emerge at the district level when trying to formalise a relationship agreed at the national level.

3.2 Background

60. CHAM was established in 1965 and is owned by the Episcopal Conference of Malawi (ECM) and Malawi Council of Churches (MCC). The churches have historically led the provision of health services in Malawi. CHAM comprises 163 health facilities, accounting for approximately 37% of health services. Around 80% of CHAM facilities are located in the rural areas. Thus they are potentially important to the very poor. In addition CHAM trains 77% of nurses in one of 9 national schools. CHAM’s main function is to co-ordinate the provision of technical, administrative and support health services for its member health facilities.

61. The relationship between CHAM and the MoH is characterised by a mixture of competition and mutual dependency. While CHAM is reliant on the government in terms of funding for staff, the government are reliant on CHAM to provide services in areas where there are no government services. However, the MoH feels that CHAM are not open with their sources of financing and argue that it is difficult to determine the true extent of CHAM donation funding. Second, there is considerable unhappiness about the issue of human resources. It is felt by the MoH and districts that CHAM facilities are topping up the salaries they pay, in order to attract and retain staff. This and the lack of transparency of their finances has not helped the relationship. At the same time CHAM complain of an exodus of staff from CHAM units to Government facilities because the
Government refuse to extend all employee benefits to CHAM employees. To some extent this has been resolved with the Government agreeing to standardise the pay package of CHAM health facilities with Government ones. However the pension scheme is a remaining point of contention.

62. The process of arriving at an MoU with the MoH was a protracted one. A draft MoU was first put on the table in 1991 but agreement was not reached until 2003. Some in the MoH felt that CHAM were reluctant to deal with a technical Ministry rather than the Ministry of Finance, where reporting requirements were thought to be less onerous.

3.3 Type of intervention

63. This case study can be considered an example of a Service Delivery Intervention (type iii in the TORs). It is also characteristic of an intervention designed to improve the relationship between the state and non-state actors via a formalised service agreement (type i).

3.4 Nature of the providers affected

64. In urban areas CHAM and the MOH see themselves as competing to deliver health services. However at an operational level it is important to note that there is also a great deal of co-operation. Staff and some facilities are often shared, drugs swapped and patients referred between the two providers. In the rural areas, CHAM facilities are often the only health services available and therefore enjoy a more monopolistic position. The service agreements are for those hospitals where there are no government facilities nearby; currently there are 15 districts where there are no government health facilities at all. CHAM are widely perceived to be able to offer higher quality services than the MoH, a fact the Ministry readily acknowledges. That said, CHAM does not have the resources to supervise all its facilities and in some respects does not have as much control over the activities of health centres as it would like. Donor agencies such as the Norwegian Church Aid do offer support in this area. However, CHAM argues that further support from the government should be forthcoming.

<table>
<thead>
<tr>
<th>Box 1: Characteristics of CHAM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position in market:</td>
</tr>
<tr>
<td>Scale:</td>
</tr>
<tr>
<td>Legal Status:</td>
</tr>
<tr>
<td>Motive:</td>
</tr>
<tr>
<td>Form of ownership:</td>
</tr>
</tbody>
</table>

65. As CHAM facilities are mainly located in the rural areas much of their potential clientele are the poor or the very poor. CHAM recognises that its user fees act as a major deterrent to the uptake of services by these groups and the faith based motive behind their services means that many CHAM facilities have informal user fee policies in place. For example many CHAM facilities provided services free of charge during the

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7 See 3.4 of the Methodology for Case Studies, Blatley 2004
famine that hit Malawi in early 2002. CHAM are working on a user-fee exemption policy which has involved study visits to Lesotho, Zambia, Uganda and Tanzania. A draft of this policy was due for completion in July 2004.

3.5 Explicit case for intervention

66. The main motive for the government to draw up service agreements with CHAM at the district level is to ensure that health services are provided country wide in areas where there is inadequate government provision. As noted earlier the move towards providing an Essential Health Package was a key catalyst for the development of the service agreements. Arguably, a further motive of the service agreements was to improve relations between the two parties.

3.6 Technical case for intervention

67. The technical case for engaging with CHAM is one of equity and the desire to ensure access to health services in the rural areas. The service agreements address a market failure in the delivery of essential services to those that need them but are unable to pay for them. Thus the services provided by CHAM are a classic example of a merit good which the government seeks to ensure wider access to. In the absence of the service agreements the price at which the health services provided by CHAM are available would exclude a substantial proportion of the population including the very poor. Given that the majority of the poor live in the rural areas, the service agreements between CHAM and the MoH can be seen as an implicit pro-poor intervention.

3.7 Nature of the intervention

68. As noted above, draft individual service agreements are in negotiation with CHAM hospitals in three districts: Nkhotakota, Phalombe and Dedza (see Table 1 for details). It is envisaged that all 42 districts where CHAM are the only or key provider will have a service agreement in place. The core of the Service Agreements at Phalombe and Dedza are the provision of the Essential Health Packages. At Nkhotakota the focus is on maternity services. Each service agreement describes the range of services to be provided and level of payment. For example the service agreement between St Anne’s Hospital and Nkhotakota district states that the former is expected to provide free maternal services both for the immediate catchment population and for complicated referral cases from MoH health centres. The service agreement between Phalombe District and the Holy Family Mission Hospital states that the latter will provide curative health services to all patients from all health centres in Phalombe and that it should focus and prioritise its service provision on those interventions in EHP.

69. The service agreements detail specific patient identification and referral procedures to ensure that only district residents utilise the free services. The CHAM facilities are paid monthly by the districts according to the value of the contract laid out in the agreement. The agreements vary in the level of detail given to the costs of services. At St Ann’s a major part of the agreement is the detailing of the typical volume and cost per case of the services required for normal and complicated deliveries. Whereas the other two service agreements specify only the monthly and annual cost of the agreement to the hospitals value of the agreement and only provide a breakdown of consumables.
70. Monitoring of the agreement relies on quarterly or monthly activity reports. The reports are expected to describe where possible the support, inputs and expenditure provided to CHAM facilities during the previous quarter. Performance under the agreement is also measured through quarterly meetings of a Steering Committee chaired by the Secretary for Health and Population. In addition the MoH are expected to carry out routine checks on the agreements as part of its district supervision visits. While quality of care standards and detailed treatment protocols are not outlined in the service agreement, the service agreement for St Anne’s does indicate detailed referral procedures for patients. Following an inspection visit, the agreement also specifies the start-up obligations and several areas of improvement were noted that must be in place before the service agreements could commence. The service agreements are currently non-binding in Malawi law.

Table 1: Service Agreements under negotiation with CHAM

<table>
<thead>
<tr>
<th>District</th>
<th>CHAM Hospital</th>
<th>Services to be provided</th>
<th>Annual value</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nkhotakota District</td>
<td>St Anne’s Hospital</td>
<td>Maternal Health Services</td>
<td>K2,117,338</td>
<td>To be signed July 2004</td>
</tr>
<tr>
<td>Phalombe District</td>
<td>The Holy Family Mission</td>
<td>Essential Health Package</td>
<td>K2,3840373</td>
<td>Informally operational since Dec 2003</td>
</tr>
<tr>
<td>Dedza and Salima Districts</td>
<td>Mua Mission Hospital</td>
<td>Essential Health Package</td>
<td>K1,060,686</td>
<td></td>
</tr>
</tbody>
</table>

3.8 Performance of the intervention

71. Given that the Service Agreements are at such an early stage, (at the time of writing none have been formally signed) it is in many ways difficult to comment on their performance. However, based on interviews with those involved in drawing up the agreements and an examination of the agreements themselves, it is possible to identify potential teething problems and give a general assessment of the extent to which they might achieve their principal objective of increasing access to good quality health services. In addition, the CHAM facility in Phalombe District have already informally agreed to treat referred patients from government facilities according to the unsigned SA so the experience from here will also highlight emerging issues. This section attempts to assesses the performance of the agreements with respect to two areas: level of engagement with NSPs and fulfilment of policy objectives and technical motives.

Engagement with NSPs

72. Overall it is felt that the government relationship is working well at the National level particularly now that issues to do with harmonising salaries between government and CHAM facilities have been ironed out. Thus it can be said that the intervention is operating as intended given that there is a closer alignment between the two parties, the
roles of CHAM and the MoH are more clearly delineated and competitive mistrust has diminished. However issues have emerged with respect to operationalising the agreements at the district level. In order for CHAM to feel confident about providing services free at the point of use, the government needs to improve the stability of funding arrangements. Currently CHAM facilities have reported gaps in funding towards the end of the financial year. In addition the drug distribution system needs to be strengthened. Health facilities are currently required to use the government’s Central Medical Stores (CMS) department to procure drugs and medical supplies. However CMS often reports drug shortages and the current arrangements with the Government preclude CHAM going elsewhere for supplies. Ideally the distribution systems at CMS need to be strengthened and/or more flexible arrangements should be put in place to enable CHAM (and other NSPs) to procure drugs and supplies elsewhere when there are CMS stockouts. Transportation issues have also been raised with the district being unable to provide transport for patients being referred from government to CHAM facilities.

73. The fact that the service agreements are currently taking so long to sign is, perhaps, one indicator of the complexity of defining a relationship between the CHAM facility and the district who acts as the purchaser (but also a provider) of services. It is felt within CHAM that the relationship between the government and CHAM is weaker at the district level compared to the national level. For example, in one district the relationship between the DHO and the CHAM facility might be strengthened by inviting CHAM members to DHMT meetings. This in turn could provide more strategic direction of what services should be provided.

### Fulfilment of policy objectives and technical motives

74. The implicit policy objective of the intervention is to increase access to good quality services. In many ways the relationship between CHAM and the government should have potential for addressing the failure of the market to provide free services in the rural areas. However, it is difficult to say to what extent the service agreements will improve the quality of services provided. Little is specified in the agreements themselves and the arrangements for monitoring and evaluation place more reliance on establishing general mechanisms rather than detailing specific requirements for quality. The above concerns notwithstanding, early indications suggest that access to services at least has increased for those who previously were unable to pay.

### 3.9 Explanation of the performance of the intervention

**Assessment of the forces for and against effective intervention**

75. The absence of measurable targets and quality of care standards is one area of concern, particularly to the MoH. This is amplified where care is split between government and CHAM facilities such as is in maternal health services. Here complicated cases often start in government facilities but are then transferred to the more specialised CHAM facility making it difficult to track who is ultimately responsible for overall quality. In all the service agreements there is a mechanism for a committee which is responsible for monitoring general standards and inputs, although there is no mention of specific targets for care.
76. Due to the complexities of specifying and costing these interventions, community level interventions have not been detailed in the service agreements. Often it is envisaged that in ‘the spirit of cooperation’ the hospitals will provide these interventions and that there should be sufficient flexibility in the service agreement to source the amounts of funds needed. This again illustrates the relational nature of the service agreements and the reliance on mutual trust.

**Assessment of the impact of service characteristics on control by principals**

77. Although CHAM are in a monopoly position in the rural areas, they very much depend on their relationship with the government to pay salaries. However, given their size and relative strong organisational structure they are in a good position to influence the nature of the service agreements. They also have a good knowledge of what services are likely to be provided. With respect to principals, the position of patients within the service agreements is weak given the inherent information asymmetry present between health care providers and patients. The position of the government is also relatively weak given the difficulty of specifying the services to be provided in the service agreements. In addition there are no mechanisms for enforcement.

**Assessment of capacity to perform interventions**

78. There are clear capacity constraints which limit the extent to which the Ministry of Health can implement and monitor effectively the service agreements. This is in large part due to the time devoted to setting up the SWAPs. The lack of capacity at the national level is in turn reflected at the district level where the individual service agreements are negotiated. Several informants argued that the relationship between CHAM and the government was noticeably weaker at the district compared to the national level. Without the ability to monitor the service agreements it is difficult for districts to ensure the quality of services.

3.10 Comparison of Experience with General Hypotheses

79. The experience of introducing service agreements with CHAM facilities provides support to the hypothesis that NSP activity grows in response to state failure to provide services. Moreover where Governments fail to provide services they are also likely to lack the capacity to fully support NSPs. It also supports the hypothesis that monitoring service agreements or contracts are demanding on governments’ capacity given that the service provided is often not easily measurable. What is less clear is how and where improvements in capacity should be made. One suggestion is that there should be someone in government specifically tasked with dealing with public-private partnerships.

3.11 Policy Implications

80. The analysis of service agreements between the government and CHAM highlights a number of issues with respect to developing a more generic agreement for relationships with other NGOs. First, the whole process takes considerable time and effort and relies in large part on the historical relationship between CHAM and the government. In terms of incentives inherent in the intervention one clear positive incentive is the mutual trust that has developed between CHAM and the governments. Yet, while the relationship has been largely successful at the national level significant technical and logistical issues have emerged when the national MOU is formalised at the district level. These
include ensuring security of funding streams, strengthening the supporting drug
distribution system and fostering a deeper collaboration between CHAM and
government at the district level.

81. Contracting, whether using ‘hard’ or ‘soft’ service agreements, is one of the principle
instruments a Government can use to harness private sector resources to achieve
health objectives. However contracting is more than just buying health care services to
provide access to for patients. In the case of CHAM the development of service
agreements is used as a mechanism to achieve the (albeit implicit) objective of
promoting equity. Importantly it can also be used to enhance the quality of priority
services, particularly where non-state providers are the first point of contact with the
health system. It is clear that the use of contracting and service agreements is growing.
The challenge for the government is to ensure that information on activities and
performance are collected and monitored. Non-state providers themselves can take on
the tasks of collecting and delivering information but they need incentives (or the threat
of penalties) to do this. Thus a key part of the service agreements is the transfer of
money from the government as purchaser to CHAM (the provider) in exchange for
specified deliverables.

82. While, the Government are keen to guarantee that care will be provided to those
most in need irrespective of ability to pay, some within CHAM feel that the inevitable
increase in public expectations places pressure on them to provide in care in hard to
reach areas before formal service agreements are signed. These ad hoc arrangements
between CHAM and government have in the main been successful due to the mutual
dependency that exists between CHAM and the government. In part this can be
explained by the sheer size of CHAM as a provider of health services within Malawi and
the mutual dependency this engenders. However this pressure to provide services
before funding is available leads to capacity problems within CHAM facilities and may
lead to problems in the future in terms of guaranteeing access.
4 CASE STUDY C: GOVERNMENT ENGAGEMENT WITH BANJA LA
MTSOGOLO (BLM)

4.1 Introduction

83. Banja la Mtsogolo (BLM) is a Non-Governmental Organisation (NGO) involved in the provision of Sexual and Reproductive Health Care in Malawi. It was established in 1987 under the Trustees Act of Malawi, by Marie Stops International (MSI), which is a leading British charitable organisation on Sexual and Reproductive Health with programmes in over 35 countries. MSI seeks to provide such services and information to women, men and children so that they can make individual choices about all aspects of their sexual and reproductive health.

84. The organisation is funded by a number of donors. They include the Department for International Development (DFID), the United Nations Fund for Population Activities (UNFPA), the Family Federation of Finland (FFF), the Swedish International Development Cooperation Agency (SIDA), and the Norwegian Agency for Development (NORAD). Although BLM does face financial constraints, it has generally been well funded.

85. The services provided by BLM are wide ranging, and they include family planning services, management and treatment of sexually transmitted infections (STIs), HIV/AIDS prevention information, under five clinic services, circumcision, counselling on general reproductive healthcare, immunisation for children and treatment for other ailments like malaria. As of 2003, BLM had a network of twenty nine (29) clinics in Malawi. Currently, it is the third largest formal provider of health services in Malawi, after the Ministry of Health and Population (MOHP) and Christian Health Association of Malawi (CHAM), providing 5% of the health services. It is also the only NGO in Malawi that provides surgical contraceptive services like Tubal Ligation and Vasectomy in all its clinics.

86. BLM also implements some specialised projects. Examples include the Young People Sexual and Reproductive Health Project which seeks to empower youths to make informed decisions on matters of sexual and reproductive health through trained Youth Community Based Distribution Agents; the Community Sterilisation Project whose aim is to develop, strengthen, and support a community based distribution and network system; and the Health in Prisons Project which aims at offering treatment of communicable diseases like scabies, STI management, and provision of information on issues like HIV/AIDS and STI to prisoners.

87. NGOs have historically been substantive providers of health services in many developing countries. In the context of decentralisation of public sector provision they will continue to play an important role as part of the public/NGO/private sector mix in health service delivery. Their distinctive contribution include providing services to hard-to-reach groups, complementing government health provision, relieving pressure on government by serving clients with the willingness and ability to pay, testing new technologies and approaches to service delivery, and advocacy for improvements in quality and coverage of services. In the past NGOs, have often worked in isolation from government. However the changing paradigm of greater co-ordination and collaboration across all parts of the health sector requires adjustment by both parties. This case study looks at how Government has so far interacted with BLM in the provision of its services. It is hoped that the analysis will provide useful insights into the drawing up of guidelines for
government and donor interaction with NSPs in a bid to improve their delivery of services for the poor.

4.2 Background

48. Government interaction with BLM can be traced back to the time when the NGO was being registered in 1987. At that time, there was acceptance on the part of Government that due to inadequate resources, its public facilities did not manage to provide sexual reproductive health services to a majority of the population. Thus, when Marie Stops International applied for the registration of a BLM under the Trustees Act, Government was all very willing to approve. Since then, it has been involved with BLM in a number of areas to facilitate its operations in the country.

4.3 Description of the Intervention

89. There are a number of ways in which the Government has been interacting with BLM. These include provision of free certain medical supplies to BLM, government involvement in drugs procurement, involvement of Government staff in BLM activities, offer of Government buildings for BLM usage, legalisation of curative service provision, supervision and regulation, and involvement of BLM in policy issues. These will be described in some more detail in turn.

**Provision of Free Medical Supplies**

90. BLM asks its clients to pay a small fee for the services it offers, although most of the services are heavily subsidised. Government also plays its part by providing some free medical supplies to BLM. Examples of the free medical supplies it provides include family planning pills and condoms. Government has provided these free of charge because it has a duty under the Essential Health Package (EHP) to ensure that some basic sexual and reproductive health services are freely available to all Malawians.

91. As mentioned in the introduction above, BLM also provides immunisation services to under-five children on behalf of the Government. For this purpose, BLM gets the vaccines from Government, free of charge.

**Government Involvement in Drugs Procurement**

92. Since its establishment, BLM has been procuring its drugs through a private procurement agent, Charles Kendall. In 2001, Government advised BLM, through its main sponsor, DFID, to procure drugs through the publicly owned drug procurement institution, the Central Medical Stores (CMS). This was part of a pilot project to implement the Sector Wide Approach (SWAP). However, the procurement process was subject to substantial delays and as a result, after only a year, BLM asked DFID to revert back to Charles Kendall.

**Involvement of Government Staff in BLM Activities**

93. The Ministry of Health and Population (MOHP) has also cooperated with BLM by allowing BLM to use its staff in some of its activities. For example, under the Community Sterilization (Steris) Project, BLM works with MOHP medical staff to provide Tubal Ligation and Vasectomy services at Government health centres in various communities.
94. Also, since family planning has generally not been a priority for Government, staff at most Government health centres do refer clients to BLM clinics for advanced family planning products and services, such as Tubal Ligation.

**Offer of Government Buildings for BLM Usage**

95. In order to reach those clients who may not be able to visit BLM clinics because of transport problems, BLM operates Community Mobile Clinics. In order to facilitate the operation of these clinics, the MOHP has offered BLM to use its health centres in rural areas, free of charge.

**Training**

96. The MOHP has also in some cases invited BLM staff to participate in training programmes and refresher courses that the ministry has organised, free of charge. Examples of areas in which BLM staff have been trained alongside Government staff are immunization and infection control.

**Legalisation of Curative Service Provision**

97. While BLM’s area of focus is the provision of sexual and reproductive health services, Government has allowed it to provide curative services for certain ailments. This has helped reduce costs to BLM’s clients since they are able to obtain most basic health services under one roof. On BLM’s part, this has helped to improve its efficiency, against a backdrop of concerns that its overhead costs are very high.

**Supervision and Regulation**

98. BLM clinics also get supervised by District Health Officers (DHOs) just like Government or CHAM facilities. The purpose is to ensure that the clinics conform to minimum health standards in the provision of services. Similarly, the Medical Council of Malawi as well as the Pharmacy, Medicines and Poisons Board also regulate the operations of BLM. For example, BLM cannot purchase or dispose of drugs without obtaining the authority of the Pharmacy Board.

**Involvement of BLM in Policy Issues**

99. The MOHP has generally tried to involve BLM in policy matters. For example, BLM sits on such committees as the Reproductive Health Service Coordination Committee and the HIV/AIDS Committee that among other things, discuss policy issues. Also, BLM comments on policy drafts and reports that are related to its scope of work.

**4.4 Explicit Case for the Intervention**

100. As already mentioned, family planning methods, especially permanent ones are not readily available in government health centres. Thus, BLM complements the public sector in the provision of such services. However, although the organisation is well funded by donors, there has been need for Government involvement in various areas as outlined above. This has been necessary to help improve BLM’s reach to the poor, its effectiveness, and efficiency. For example, by making some medical supplies free to BLM, Government is ensuring that the associated services are accessible to the majority
of the population. Similarly, by allowing BLM to provide some curative services, Government wanted to ensure that people are able to obtain more than one service under one roof. The Government’s offer of its buildings and staff for use by BLM is meant to improve the NGO’s effectiveness and efficiency. Generally, being the third largest formal provider of health services in Malawi, Government feels that BLM cannot just be ignored, despite the fact that it is well funded.

4.5 Technical Case for the Intervention

101. Technically, an analysis of the explicit case for the intervention shows that this is a case of Government as well as market failure to provide adequate levels of a merit good – sexual and reproductive health services. Such failure has resulted in the emergence of a non-profit, but well funded organization, specializing in the provision of such services.

4.6 Nature of the Provider Affected

102. BLM is a market leader in family planning services. While Government and CHAM hospitals do offer such services, their coverage and quality does not match that of BLM. By 1998, after just five years in existence, BLM was generating more couple-years of protection (CYP) than all the government clinics together, even though government services were free (USAID, 2003). BLM is renowned for the provision of quality services. Its buildings and surroundings are conspicuously very clean, and its staff, most of who are clinical officers and nurses trained by (and previously working for) the government are relatively well paid, and therefore highly motivated. Each year, clinic staff set targets for the number of clients to be counseled and treated, the CYPs they hope to achieve, and the level of fees they plan to earn. Quality is assessed through supervision from BLM headquarters and client satisfaction surveys. Each month, each clinic plots its achievements against its planned targets and sends a short report to BLM headquarters, which periodically prepares a summary performance report of all clinics and then distributes this to each clinic (thus encouraging competition and peer pressure). Twice a year, BLM also publishes the clinics’ performance results in national newspapers along with short articles relating to the services they offer and their fees.

<table>
<thead>
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<th>Box 1: Characteristics of BLM</th>
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<td><strong>Position in market:</strong></td>
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<td><strong>Scale:</strong></td>
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<td><strong>Legal Status:</strong></td>
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<td><strong>Motive:</strong></td>
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<td><strong>Form of ownership:</strong></td>
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103. In terms of clientele, BLM caters for both, rich and poor people, although it mainly aims at targeting the poor.

4.7 Performance of the Intervention

104. This section assesses the performance of Government interaction with BLM from three perspectives: in terms of level of engagement with BLM, in terms of its effect on the incentives for BLM to attend to the needs of the poor, and finally, in terms of its effect on the ability of BLM to deliver good quality services.
**Level of Engagement with BLM**

105. In terms of level of engagement, the performance of Government interaction with BLM has been mixed. Government has generally done well in the area of provision of free medical supplies to BLM and with regard to legalisation of curative service provision. It has been able to supply condoms and pills as requested by BLM, although there have been some problems in sourcing condoms from a few health facilities for the Young People Sexual and Reproductive Health Project (Maliro & Simwaka, 2004).

106. Things have not been so smooth with regard to government involvement in drugs procurement, involvement of Government staff in BLM activities, offer of Government buildings for BLM usage, supervision and regulation, and involvement of BLM in policy issues. As indicated above, BLM had on a pilot basis, tried to procure drugs through Government’s CMS. However, this arrangement was beset by problems of long delays. In the end, BLM reverted to its original procurement system of using a private procurement agent, Charles Kendall.

107. The involvement of Government staff in some BLM activities has also not been very successful. In particular, most Government staff members have not been too enthusiastic to work on BLM activities. For example, under the informal arrangement where Government staff members are expected to refer clients to BLM clinics for those family planning methods that are almost exclusively provided by BLM, the experience has been that referrals have only been high in cases where Government nurses have been induced by some monetary incentives. At Lunzu BLM clinic, for example, nurses from surrounding health centres are given K117 as a token of thanks for every two clients that they refer to the clinic.

108. With regard to the offer of Government buildings for usage by BLM, while there have been very little problems in getting the MOHP to allocate rooms for the mobile clinics, in some cases, BLM has had to embark on rehabilitation works of the rooms to make sure that they meet the desired high quality standards. Thus, in the end, these rooms cannot be viewed as having been completely free.

109. Supervision of BLM clinics has been irregular and less rigorous. Most DHOs pay more attention to Government health centres than to BLM clinics. Similarly, the Pharmacy, Medicines and Poisons Board is not very strict when it comes to checking BLM’s operations.

110. Finally, while BLM has been actively involved in policy discussions with Government, it has generally been frustrated by Government delays to give feedback on issues raised.

**Government Cooperation as a Motivator**

111. BLM is on its own, a highly motivated NGO. The fact that it is well funded by donors means that in general, any government assistance to BLM has only helped in improving BLM’s ability to attend to the needs of the poor rather than, rather than acting as a motivator.
Impact on the Quality of Services

112. A very close look at the areas of cooperation between Government and BLM shows that most of them have not been critical to BLM’s ability to deliver quality services. The actions taken by Government in different areas have only helped to give BLM a push in its quest to provide quality services. As observed earlier, the high quality of services for which BLM is renowned have been due to its own strategies and efforts. For example, as has been seen, while Government has provided BLM with buildings in rural areas for use as mobile clinics, these have had to be rehabilitated in order to meet BLM’s high quality standards. Similarly, according to key informants, supervisions of BLM clinics by DHOs have been irregular and less rigorous because BLM already has a reputation of delivering high quality services.

Explanation of the Performance

113. The above assessment of Government cooperation with BLM has shown a mixed performance in terms of level of engagement. It has also been seen that Government actions have not played a critical role in motivating BLM to attend to the needs of the poor. Similarly, the impact of the various interventions on BLM’s ability to deliver quality services has been superfluous. This section looks at some apparent reasons behind these outcomes.

Level of Engagement with BLM

114. The supply of free condoms and pills has largely been successful because these have generally been readily available to Government itself. Donors have tended to provide enough resources for the purchase of condoms, not only for purposes of family planning but also for the prevention of STDs especially HIV/AIDS. Secondly, Government has in most cases been enthusiastic to supply condoms and pills to BLM because it recognizes BLM’s remarkable performance in the delivery of family planning services.

115. There are various reasons why engagement with BLM has been limited in other areas where Government has had to interact with BLM. In most cases, the Government’s poor performance is due to lack of adequate resources. For example, part of the reason why Government staff members have not been too enthusiastic to work on BLM activities is that they are already few in number and hence overburdened. In other words, due to human resource capacity constraints, it has not been possible for Government staff members to be readily involved in BLM activities. Further, due to limited resources, Government employees are poorly paid. As a result, they do not feel motivated to take on extra work. That is why in some cases, BLM clinics have themselves resorted to motivating the staff members through monetary rewards.

116. The problems that BLM has faced in sourcing free condoms and pills under the Young People Sexual and Reproductive Health Project have been due to negative attitudes on the part of some DHOs and Government Family Planning Coordinators to this specific project (Maliro & Simwaka, 2004). Some DHOs and Family Planning Coordinators are not too comfortable with the idea of encouraging young people to use condoms or other family planning methods, when they feel that this group of people ought to be taught about abstinence.
117. There has also been an attitudinal problem of a different kind with regard to supervision and regulation. The Government has been lax on these because most DHOs feel that BLM clinics are already providing high quality services and therefore do not need close scrutiny.

Inability of the Intervention to Motivate BLM

118. As already alluded to earlier, various interventions by Government have not acted as a motivator for BLM to attend to the needs of the poor because the NSP is already highly motivated to do so. BLM came into Malawi to fill a gap that existed in the provision of sexual and reproductive health services, and managed to mobilize enough resources for that undertaking.

Superfluous Impact on the Quality of Services

119. The cooperation and assistance that Government has rendered to BLM have not had a significant impact on the quality of services either because on its own, BLM has been a superior provider of quality services. As such, while Government’s interventions have helped BLM reach more people, become more effective and efficient, they’ve not had a direct impact on its ability to provide quality services.

4.8 Comparison of Experience with General Hypotheses

120. The experience that Malawi has hand in terms of Government interaction with BLM renders support to the hypothesis that NSP activity grows in response to state failure to provide services, but that states which fail to provide public services are likely also to be states that do not have the capacity to support or regulate NSPs. As has been seen, BLM was formed in response to the state’s inability to provide easily accessible, high quality sexual and reproductive healthcare services to the poor. However, because the state is weak, its engagement with BLM has been limited.

4.9 Policy Implications

121. It has been seen that BLM is reasonably well funded, highly motivated, and delivers quality services. Its biggest challenge is how to reach more people, but in the most efficient manner. This makes life for Government both easy as well as difficult as far as assisting BLM is concerned. The task of assisting BLM is in this case easy because on its own, BLM is generally doing well. But at the same time, for Government’s assistance to make a noticeable difference, it needs to do more. For example, we have seen that for BLM to reach more people through its Community Mobile Clinics, Government needs to improve the rural road network, an undertaking that has huge financial implications. Similarly, when it comes to working on BLM activities, Government nurses have had to be motivated by some monetary rewards. This would not be the case if they were well paid. The policy implication is that such differentials in working conditions should not be ignored when designing interventions that will require Government employees to work on NSP activities where the NSP employees are relatively well remunerated.

122. The failure of the arrangement where BLM was to procure its medical supplies through CMS should also serve as a warning that some interventions can actually be detrimental to the efficient operation of NSPs. There is therefore need to carefully appraise the effect of an intervention on the activities of the NSP before introducing it.
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ANNEX TWO: NON STATE PROVISION OF BASIC EDUCATION IN MALAWI
Pauline Rose and Esme Kadzamira

1. INTRODUCTION

1. While the study intends to focus on government intervening in non-state provision with particular emphasis on pro-poor provision at the primary level, there are no examples of initiatives undertaken by the government in this regard in the education sector in Malawi (other than attempts to set standards through formal registration, as the Case Studies illustrate). The three case studies selected represent the few available examples highlighting state relations with non-state providers. In all cases, these are initiated by non-state providers in response to state failure. They cover relations across the different areas of non-state provision that exist in the primary sector:

1. For-profit private schools – these are established and run by individual business people, mainly in urban areas. There will often be a government primary school in the vicinity. They serve low-income groups opting out of the government system (but not the poorest unable to afford fees). Relations with the government are potentially facilitated by the Private Schools Association in Malawi, PRISAM (Case Study 1).
2. Grant-aided schools – these are owned by missions, but operate in a similar way to government schools. They are evident throughout the country, and the types of students attending are similar to those attending government schools (including the poor). Relations with the government are organised through the Association of Christian Educators of Malawi, ACEM (Case Study 2)
3. Community schools – these are established and managed by communities with support from international NGOs and donors, including USAID through Save the Children-US, UNICEF and Redd Barna. They are set up in poor, rural communities where children are unable to attend government school partly due to distance. The main initiator of these were the Village-Based Schools programme initiated by SCF-US (Case Study 3).

2. There is a general impression by those stakeholders interviewed that education is not seen as a priority in the country and, within education, that primary education is no longer a major concern. This is partly because it is considered that Free Primary Education (introduced in 1994 following democratic elections) has solved the problems of access at the primary level. However, while an improvement in access (including for the poor) is evident (Table 1), many children continue to leave school before attaining basic literacy and numeracy with only half of children who start school reaching standard 3. In addition, quality, which was already low, has deteriorated further. Those dropping out of school include children from poor households who are unable to afford direct and indirect costs due to the need for their labour, as well as orphans (Kadzamira and Rose 2003).

3. While there is evidence of growing interest in the role the private sector is playing in education, including at a policy level, there are limited studies available on this in Malawi. Studies that are available are mainly commissioned by international agencies, and are mainly related to secondary schooling where there is more general consensus that the private sector can contribute to supplement insufficient government school places (Kiernan et al 2000 – CfBT/British Council; Chimombo et al 2004 - DFID; Chawani
There is more of a debate about the role of the non-state sector (particularly for-profit) at the primary level, given international agreements that schooling is a human right (based on the 1948 Convention of Human Rights). While a rights-based approach does not necessarily stipulate that the fulfilment of this right should be the responsibility of the government, it is recognised that social returns are likely to exceed private returns at the primary level, that there would be under-investment if left to the market, and that the poor in particular would be excluded (Colclough 1996). Therefore, the Malawian government has expressed a commitment to providing free primary schooling (Kadzamira and Rose 2003). Given USAID’s interest in supporting NGOs to provide education (with the motivation of by-passing the government given perceptions of its inefficiency and lack of capacity), it has commissioned studies exploring the role of NGOs and relations between them and donors/government (Chuturvedi 1994; Kadzamira and Kunje 2003 – see Case Study 3).

### Table 1: Primary gross and net enrolment rates by income quintiles and gender

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<th>GER</th>
<th>NER</th>
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<tr>
<td></td>
<td>Boys</td>
<td>Girls</td>
</tr>
<tr>
<td>I – Poorest</td>
<td>65</td>
<td>51</td>
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<tr>
<td>II</td>
<td>83</td>
<td>69</td>
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<td>III</td>
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<td>83</td>
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<tr>
<td>IV</td>
<td>104</td>
<td>89</td>
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<tr>
<td>V – Richest</td>
<td>113</td>
<td>106</td>
</tr>
<tr>
<td>All</td>
<td>86</td>
<td>75</td>
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Source: Castro-Leal 1996; Al-Samarrai and Zaman 2002

### 2. CASE STUDY 1: PRIVATE SCHOOLS ASSOCIATION OF MALAWI (PRISAM)

#### 2.1 Overview and selection of case study

The case study examines an umbrella organisation of private schools which has recently been established – the Private Schools Association of Malawi (PRISAM). It has emerged partly in response to the growth of the private sector in education since the mid-1990s, and the government’s lack of response to this change.

For-profit private schools are reported to have mushroomed in urban and peri-urban areas following democratic elections leading to both the introduction of Free Primary Education as part of the election promise, simultaneously with the change in the political climate. FPE resulted in a sudden increase of enrolments by 50% and consequent deterioration in quality (particularly noticeable in relation to large class sizes especially in lower standards). This also had a knock-on affect at the secondary level, partly due to government resources focusing on primary schooling, as well as demand increasing at this level which the government has not been unable to meet (Kadzamira and Rose 2003; Lewin and Caillods 2001). The change in political climate resulted in increased commitment to liberalisation increasing opportunities for business, including in education. The combination of these factors has led to calls for the government to
enhance the policy environment to encourage greater private sector participation, particularly at the secondary level (Kiernan et al 2000).

6. The majority of PRISAM members are secondary schools (by 2004, 424 out of 668 schools – two-thirds of total members) (PRISAM 2004). Private primary schools registered with PRISAM (221 in total) constitute just four percent of the total number of primary schools in the country (including government and grant-aided), while at the secondary level they comprise 40 percent of the total number of schools. It is estimated that, in 2002, one-quarter of enrolment in Form One at the secondary level was in private schools (PRISAM 2004).

7. Comprehensive information on enrolment in PRISAM primary schools is not available, although it is likely that they will comprise a smaller proportion relative to government than the number of schools, as class size in private schools tends to be considerably lower than in government schools. The total number of private primary schools (including those not registered) is unknown. More attention has been paid to measuring the size of the private sector at the secondary level, with studies estimating that around one-half of private schools are unregistered (Chimombo et al 2004; EDMU 2004). During interviews, primary education desk officers in one District Education Office (DEO) informed us that they had been asked by the MOEST to collect information on unregistered private primary schools, although they did not know the reason for this. They attempted to collect this information by asking teachers in government schools to inform them of the name of unregistered schools in the vicinity. The DEO did not keep a record of the data they passed on to MOEST, however.

8. The data that officially exist are only for registered private schools and, even then, only those which report back to the MOEST. It is widely acknowledged that there are many more unregistered schools at both the primary and secondary level, but information is not compiled on these, as well as registered schools which do not consider they have the responsibility to report to MOEST as they do not receive any support from the Ministry. There is also no data to assess changes in private provision over time.

9. Despite this, it is widely acknowledged that the for-profit private sector has grown since 1994, and the recent growth has not been driven by conscious policy choice (even though it is advocated in policy), but rather has been happening by default in response to growing demand. With regard to basic education, the education Policy Investment Framework (PIF) states that the government will promote partnerships with other basic education providers with the aim of strengthening the involvement of private education providers and that the government will encourage the expansion of private primary schools. It also reports that the Education Act will be revised with the aim of accommodating cost-sharing and private initiatives with regard to educational provision at all levels of the education system. The Malawi PRSP (MPRSP) is silent on private provision at the primary level, however,

10. As Kiernan et al (2000) note, although private schooling is being encouraged in the policy, there is a need to consider government regulatory mechanisms that need to be established to develop, support and possibly finance the private education sector; and systems and performance indicators that are appropriate to enable the government to monitor the private sector in terms of quality and access (eg according to issues such as
population coverage, access, equity and the quality of learning and teaching environment). Chimombo et al (2004) further note the need to explore:

- The extent to which private education can grow to meet demand given its characterization and costs
- What realistically government capacity is to monitor and regulate private schools
- How the growth of the private sector will affect government schools.

11. The case study gives an example of relationships and political processes between the state and non-state actors in deciding and reviewing policy and legislation. For example, PRISAM has been involved in discussions regarding the government’s Strategic Plan currently being devised drawing on the 2000 Policy Investment Framework, as well as discussions on a new Education Act. In addition, it is represented at the annual Joint Education Sector Review with government, donors and other key stakeholders. Discussions in these fora include ones related to standards, regulatory and support systems for schools, as well as clarification of roles of the private and public sectors, with consideration for coordination and forms of collaboration.

12. PRISAM is also has the intention to self-regulate private schools in order to supplement/substitute government efforts, including through formal support as well as more informal support mechanisms. An important motive for the establishment of PRISAM has been to attempt to obtain financing from government and donors to support its activities.

2.2 Nature of providers affected

13. PRISAM categorises schools on the basis of fees charged (Table 2). The bands were primarily established for private secondary schools so are probably not sufficiently disaggregated for primary schools whose fee levels are likely to be lower. This case study focuses primarily on the registered and unregistered private schools which would fall into the lowest band – i.e. those most likely to cater for low-income groups opting out of the government system. It considers private schools not yet registered with PRISAM or the government, as these are potentially affected by the intervention, since the intention is to ensure that all private schools become registered. These schools are likely to charge lower fees than schools that are already registered.

<table>
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<tr>
<th>Band</th>
<th>Fee Category (Kwacha)</th>
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<tr>
<td>One</td>
<td>K8, 000 and above</td>
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<tr>
<td>Two</td>
<td>K2 000 – K7999</td>
</tr>
<tr>
<td>Three</td>
<td>Less than K2 000</td>
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<tr>
<td>TOTAL</td>
<td>1,600 – 20,000</td>
</tr>
</tbody>
</table>

Source: Kiernan et al 2000

14. Low-fee private schools (registered and unregistered) are usually located in more densely-populated urban and peri-urban areas. Half of the private primary schools registered with PRISAM are situated in Lilongwe. Unregistered schools in particular serve the relatively low income areas, with most of those in the low-fee band concentrated in one area of the city, where it is possible to obtain land at low or little cost no cost.
15. Some children of a similar socio-economic status to those attending low cost private primary schools are likely to be enrolled in neighbouring government schools (where fees are not charged). A more detailed analysis would be required to understand the reasons why parents opt for one or the other. As such, low-fee private schools primarily serve those opting out of the public system due to dissatisfaction with the poor quality of education in government schools (rather than due to inability to gain access to government schools). However, children from the poorest households would not be able to afford even relatively modest fees, so would either be attending fee-free government schools or none at all. Given that it is estimated that over 65 percent of Malawians live below the poverty line of K20 per day per person (NSO 2000, cited in Chimombo et al 2004), even relatively modest fees of K200 per month cited by proprietors of schools visited are likely to be beyond their reach (even before other costs of education are taken into account), as this would comprise over one-third of resources available per person. Private providers could potentially be supporting services to the poor by relieving pressure on over-crowded government facilities, although it is not apparent that class size has reduced significantly in government schools as the private sector has been expanding. Although the private sector has been expanding in absolute terms, it is still very small compared with the government sector.

16. Given that low-fee private schools are mainly concentrated in a particular area, these compete with each other partly on the basis of price and, within a price range, on the basis of quality as perceived by parents. It appears that parents consider that both registered and unregistered private schools provide a better quality of service than government schools. This includes significantly smaller class size, close supervision of teachers by proprietors and head teachers, or fear by teachers of dismissal for those not performing or misbehaving. An important reason given by proprietors for demand of private primary schooling is that tuition is provided in English (rather than local languages/Chichewa in government schools).

17. An indicator of the performance of private schools is that children may take the Primary School Leaving Certificate Examination (PSCLE) at the end of Standard 7 rather than Standard 8, and still achieve better results than their counterparts in government schools. Even though quality might be better than in government schools, it cannot be claimed that tuition in low-fee private schools is of a high standard. There is a concern amongst both government and PRISAM officials that some of these schools operate in unsuitable facilities (in former bars or houses, for example), with unqualified teachers who are preferred by proprietors as they are cheaper to recruit, and also due to the insufficient number of trained teachers even in government schools. However, visits to a small number of private schools suggest that even these schools may be in better condition than some government schools (particularly older grant-aided schools which are in need of maintenance) and that, because teachers are closely supervised and class size is smaller, children appear to learn more than in some government schools.

18. It is likely that children will move between private schools as parents attempt to find a better quality school for the same price (or because they are unable to find the fees, so move to another school when demands are made). As a result, some schools might not survive long, due to competition from other private schools and/or inability of parents to pay the fees. It is unlikely that parents would know whether or not private schools were registered with either PRISAM or the MOEST, or be aware of the significance of this. It is, therefore, doubtful whether registration of a school is currently a criterion on which parents base the decision for enrolling their children.
19. Low-fee schools are generally run by individual proprietors running one school, so operate on a small scale at a local level. The size of the schools is generally smaller in terms of total enrolment compared with government schools in the same neighbourhood. PRISAM members comprise both schools registered as well as those not registered with the Ministry of Education, so includes ones operating both legally and illegally. Registration of schools with PRISAM involves payment of a K5,000 fee. However, in practice, it has been difficult to enforce this so, in 2002 for example, only 17 percent of schools had paid their fees (PRISAM 2002). Registration with the government is free, although requires that minimum standards, as laid out in the Education Act, are met. The lower-fee private schools are often more informal, and unlikely to be registered with either the Ministry of Education or PRISAM. The government is aware of the existence of such schools but does not systematically collect information on them, and waits for proprietors to make an application for registration.

20. Private schools which are members of PRISAM are mainly run by business people with the motivation of making a profit. Some claim to be involved in order to provide education of acceptable quality to Malawian children, so might also be motivated by philanthropic aims. To the extent that they are motivated by profit, some complain that returns to their investment may take years, as they have to first pay back loans at high rates of interest. However, these would be relatively high-fee private schools which are able to secure a loan. Out-goings of lower-fee private schools mainly includes rent for the property (where applicable) and payment of teacher salaries. These would be paid primarily from fees raised, as well as owner’s capital particularly to start up.

2.3 Explicit and technical case for intervention

21. The initiative for the establishment of PRISAM originated from private providers, with the aim of increasing the voice of individual private schools in relation to policy, with a particular concern for the quality of education at secondary level. This occurred in response to the expansion of private schools particularly in urban areas some of which are set up without any government intervention. As such, PRISAM emerged in response to state failure. Government’s response to the initiative was reactive rather than proactive regarding PRISAM as a pressure group (Chawani nd). It does not appear to have been resistant to PRISAM’s activities and has allowed it to participate in policy meetings, perhaps partly because PRISAM has the force of some international agencies behind it, notably the British Council and World Bank.

22. PRISAM has a Strategic Plan, which has been agreed with the MOEST, whose objectives include:
   • To improve the quality of education service in the private schools through training of teachers and school inspection
   • To control and regulate the establishment and operations of private schools
   • To assist private schools to acquire financing from government and donors for improvement of operations in private schools
   • To protect and safeguard the operations of private schools from government legislation and regulation (PRISAM 2001).
23. The PRISAM strategy is not explicitly pro-poor in its approach, but focuses mainly on quality of education at the secondary level. One exception is in the Code of Conduct for Association members which includes:

‘Be fair and take action not to discriminate. The values of equality, tolerance, respect for others, and the principles of equal justice govern this imperative’ (p41).

24. However, some of the activities of PRISAM potentially have an impact on provision for the poor, the implications of which are explored here.

25. As mentioned, the majority of PRISAM members are secondary schools in both absolute and relative terms. It is, therefore, not surprising that the PRISAM Strategic Plan focuses primarily on secondary schools, both in relation to increasing access and, more particularly to quality. It could be argued that, given those gaining access to secondary school are of higher socio-economic status (Al-Samarrai and Zaman 2000), the focus of PRISAM on the secondary level implies that private primary schooling is not considered desirable as part of a pro-poor agenda. However, given that primary schools are also included in PRISAM’s membership, it is particularly noticeable that these are hardly referred (if at all), and there is no mention in the Strategy of concern for pro-poor delivery at this level. The absence might also be due to a general view that the Ministry of Education should take the main responsibility for providing primary schooling, given the social benefits that accrue. However, given the reality that private primary schools are included amongst its membership, there is a need for PRISAM to be explicit about its role in relation to these, if it is to truly represent all private schools (there is no other body which represents these). For example, relations between the government and PRISAM in this regard need to ensure that growth in private primary schooling is not at the expense of equity and, where necessary to ensure that PRISAM in conjunction with the government includes strategies to address this directly.

26. In order to understand the reasons behind the establishment of PRISAM, it is important to recognise the context in which it operates in relation to the failure of government intervention in the private sector. Government intervention in private schools is primarily in terms of registration, the process of which has not changed since the 1962 Education Act, although this is now being revised. In principle, both government and private schools are supposed to register with the MOEST. Registration should begin with writing to the District Education Office (DEO) before establishing the primary school to seek approval for the location, although, more commonly, schools start the process once they have already opened. Once this is approved and the school is built, the DEO should again visit the school to check that it has reached the required standards. As Chimombo et al (2004) also note, a lack of standardised licensing procedures means that different standards are often adopted in practice. There are often delays in the registration procedure, and even those schools that do manage to register do not necessarily meet the minimum standards. At the level of the DEO, there are different views as to what is required. One DEO suggested that it was their role to inform the ministry of a recommendation to register a school, and then the ministry would send a team of people to carry out their own inspection, which includes representatives of other ministries such as the Ministry of Health. While this might have been possible when there were only a few private schools, this is clearly impractical now.

27. The process of registration for schools can appear complex. The expectation that schools should register separately with both PRISAM and MOEST, with the different
bodies wanting some control, results in duplication and additional bureaucracy for NSPs. Furthermore, most private primary schools have nursery schools attached. These are expected to register with the Ministry of Gender, rather than MOEST. Given that an annual fee is payable for registration of nursery schools, it appears that the City, Municipal and District Councils responsible are more likely to make visits to schools. Although these are the same schools as primary ones which are not registered, there is no coordination at district level with respect to sharing of information about registration status, or in supervising the schools potentially resulting in duplication of visits.

28. Registration of primary schools with MOEST is a one-off procedure for which no fee is charged. There is no follow-up to check that standards are maintained. In any case, in practice, many private schools are not registered either due to their failure to follow the guidelines or, in attempting to do so, the government does not have the capacity to complete the process as it struggles to provide appropriate supervision to its own schools. In cases where schools attempt to follow the procedures, it appears that they do not receive sufficient feedback or support to assist them to meet the standards for registration. In some cases, they might be offered a provisional license initially for one year, to give them time to reach the standards. Some schools might choose not to register because they prefer to operate illegally, since they know that they do not meet the standards and will not be penalised. Alternatively, it was evident from interviews with proprietors that an important reason for some schools not following the procedures is because they are unaware of the requirements. In some cases, it appears that proprietors are not aware that they are required to register with the MOEST, and instead register with the Registrar General as a business. This might also be a deliberate attempt to bypass the more bureaucratic procedures in the MOEST, but is not appropriate.

29. Some ministry officials claim that the current Act does not give them the power to close down illegal private schools because it is not explicit about government’s responsibility towards them. Since they are a recent phenomenon, the 1962 Act does not mention private schools by name. However, the legal position is that the Act does give the government the power over them, and gives the Minister power to close down schools which do not meet the required standards.

30. While the Education Act stipulates requirements, which are made of both private and public schools, there were differences in understandings about how these are interpreted, given that the Act is not always specific. The key criteria drawn upon by the Ministry officials is that schools should meet the standards for construction laid down by the Ministry, and should have at least three qualified teachers. There is no stipulation for the government to control fees set in private schools, so does not have much influence over ensuring accessibility of these schools to the poor. In addition, it does not provide a norm for the pupil/teacher ratio or class size which is an important indicator of quality, but is more concerned with the qualifications of teachers (even though, as the VBS case study, qualifications do not necessarily have as great an impact on quality as class size and supervision).

31. If primary schools do not take the initiative to contact the DEO, no attempt is currently made by the government to visit the schools. However, some ministry officials reported that once the revised Education Act comes into force, this would provide greater clarity about the roles of the government in relation to private schools, giving it powers to close ones down which do not meet the standards. If the government follows
this through, the effect is most likely to be on schools attended by low-income families, and would place more pressure on government schools to meet the standards.

32. Government intervention is mainly focused on regulating entry into the education sector through registration which is a one-off procedure, rather than on-going monitoring of quality and accessibility once schools are registered. Furthermore, there is no investigation of motives and intended use of profits, let alone any intention of a pro-poor focus. An example was given by a Ministry official of a school which met the criteria so was able to register, but used its profits for a tobacco estate rather than to support the school. After a few years, the proprietor closed the school since his motivation was in generating a profit for other purposes.

2.4 Performance of the intervention

33. PRISAM has had some success in terms of its involvement in policy dialogue, with both Ministry officials and PRISAM representatives expressing positive views about the role of PRISAM in discussions about the development of the education Strategic Plan, and new Education Act (including in relation to setting of standards for private schools). The outcomes of this are not yet known, as both are still in process. There is a general concern by those outside the Ministry that such policies and plans often take a long time to be finalised (and sometimes do not reach this stage) and, even if they do so, are not effectively implemented by the government who has the responsibility for carrying them out. For example revisions to the Education Act have been in process since at least 2001. Further delays to its completion are considered possible as the new Government settles down and decides on its priorities. Thus, while involvement in policy dialogue is laudable, it may be insufficient to have an impact on practice.

34. Most of PRISAM’s energies have focused on trying to mobilise resources from donors for its activities. This includes attempts to get support from the MOEST for the PRISAM Secretariat (President Muluzi is reported to have committed K30 million, which the Secretariat is still attempting to obtain). Its Strategic Plan suggests that funding (by government and donors) should be considered because parents do not choose to send students to private schools but have no choice due to limited places in government schools. This raises a question that, if government had resources, whether it would be preferable to provide additional places itself, and if donors were willing to support education further, would it be more appropriate to support the private sector or government in order to ensure equitable access and pro-poor delivery. In the context of developing a SWAp, the Development Partners in Education Coordination Group has recommended that PRISAM should submit its requirements through MOEST (PRISAM Annual Report 2002).

35. While some members of PRISAM argue that they contribute to the government through paying taxes on imports of iron sheets for their roofs etc, and feel that educational institutions should be exempt, these are the higher fee schools. It could be argued that it is appropriate for cross-subsidisation from them to government schools to continue in this way. In addition, the Association has developed a proposal to donors for a revolving fund in response to problems faced by some of the higher-fee schools which are able to secure loans from banks and building societies in the first place. There is no stipulation in the proposal of how the revolving fund might benefit schools serving low-income populations.
36. The Executive Director of PRISAM acknowledged that there had not been specific activities related to pro-poor provision, although some of the higher-fee schools provide fee-free schooling and accommodation for orphans. In one school, this was targeted at children who had become orphans while enrolled at the school, so probably were not from a poor household in terms of income but would be vulnerable to dropping out of school. In another school, the proprietor relies on the Board of Governors to identify children in need of support. There was no mention of fee exemptions at the low-fee schools visited. Although it was not possible in the time available to get detailed information about whether all children paid fees and what would happen to them if they did not, given proprietors rely on fees to run the school (particularly to pay teachers salaries), it is most likely that they would be asked to leave.

37. The other way in which PRISAM potentially supports low-income groups in practice is through support to schools to enable them to reach the required standard to register with the MOEST, both in terms of advice as well as assisting them to put together proposals to obtain funds. However this would require the school to register with PRISAM in the first place and pay the registration fee. UNICEF, for example, has included PRISAM in its provision of pit latrines to schools. Given that schools with inappropriate facilities of this kind are more likely to be serving low-income communities, PRISAM’s liaison with UNICEF in these activities is an example of an attempt to support low-income groups.

38. Given that PRISAM is relatively new and in the process of establishing its roles, it is difficult to judge whether it will be fully able to achieve its intended objectives. There is no doubt, however, that the senior officials within PRISAM have put considerable energy into promoting the organisation and developing its ideas, in conjunction with some donors who have provided both financial and technical support. It is also evident that quality has been a focus of activities, particularly at secondary level, but whether or not this has been achieved cannot be established in the context of this study (and, in any case, would require more time for the effects to be felt).

2.5 Explanation of the performance of the intervention

Assessment of the forces for and against effective intervention

39. Support of PRISAM is primarily from the British Council and World Bank, which have a commitment to the promotion of private schooling, based on a particular understanding of the economic environment related with an ideological commitment to the promotion of the private sector in the economy more generally. In his report to IDA on PRISAM, Chawani (nd) suggests, for example:
   ‘The conventional model of government-dominated public sector education provision has been challenged globally...The overriding issue is to find an approach for the private provision of education services that ensures efficiency and higher quality provision and by easing the financial burden on the state and by strengthening the capacity of state infrastructure to regulate and monitor the ever-expanding private sector’ (p2)

40. Conventional arguments related to the role of the state in education provision given externalities associated with it, and its perceived characteristics as a merit good (Colclough 1996) are over-ridden by economic considerations in this approach.
41. The success of PRISAM is partly due to government failure in provision. As such, government has to recognise the role that the private sector, as it is filling an important gap. Furthermore, some members of PRISAM have economic clout, which means that government is likely to take notice of their concerns.

42. To the extent that PRISAM is concerned with the quality of education, this potentially influences all schools that are members. It is evident from the analysis above that, as it currently stands, there are no incentives for PRISAM to promote pro-poor delivery by private providers. Given that high-fee schools are most likely to have a position on the Executive Committee of PRISAM and, therefore, a voice in deciding how to prioritise activities, it is likely that the needs of low-fee private primary schools are not met, and is a potential reason for a lack of explicit focus on pro-poor activities. Thus, PRISAM does not appear to create incentives for allocation, reflecting poor consumer’s preferences related to increase accessibility and affordability.

43. Since the government has been reactive in its relations with PRISAM, it has not made any attempts to ensure that it operates in the interests of the poor specifically. It is, however, not clear what incentives there might be for MOEST to promote a pro-poor agenda, and whether it is motivated to do so. As noted, there is a view that free primary education has solved the problem for the poor at the primary level. One of the new government’s election promise is to establish a new university in Lilongwe, to ensure that all regions have a public university which, given that many of those able to gain access to this level will be of a relatively high socio-economic status, is unlikely to be a pro-poor strategy.

44. If a school meets the required standard, there is no disincentive for registration either with PRISAM (other than payment of a fee), or with MOEST (other than bureaucratic processes that need to be fulfilled). On the other hand, there are no clear incentives for unregistered schools to register with PRISAM or the MOEST, other than fear of closure if not registered with MOEST (but given the limited extent to which this happens it is unlikely to act as deterrent). In addition, the government potentially acts against effective intervention due to its inflexibility over standards so, given that registration is not enforced, this is likely to be an important disincentive. On the other hand, there is limited incentive for government to enforce registration since it does not receive any payment and it is potentially easier to turn a blind eye to these schools than address the reasons for their existence related to failure of government provision.

**Assessment of the impact of service characteristics on control by principals**

45. A view was expressed that PRISAM would like membership to be compulsory, to enable it to control and regulate all private schools, raising questions of the roles of government and private sector in this. Chawani (nd) argues, however, that membership should remain voluntary, and would depend on perceived benefits which would encourage proprietors to join.

46. Currently, registration with PRISAM or the government does not seem to be a basis for parents’ decisions about choice of private school. This is primarily because such information is not available. If systematic information about the registration status and performance of private schools were collected and disseminated, this could be used as a criterion for parental choice about the schooling of their children and would also act as an incentive for other schools to follow the procedures to ensure they operate legally.
47. The government would need to have a role in the collection and dissemination of such information, given the vested interests of PRISAM members. However, this requires that the MOEST is able and willing to fulfil this role. As noted, the government has not been effective in enforcing its requirements which in some cases is due to lack of clarity of the procedures. However, encouragement of registration is only relevant if the standards required are appropriate and do not operate against the interests of schools catering for low-income groups provided they are of acceptable quality. Changes in this regard are possible given that the new Education Act is being developed in consultation with PRISAM, providing the opportunity for providers to assert their interests through an umbrella organisation.

48. PRISAM has become established in the context of a dominant but ineffective ministry which is keen to maintain control over private schools, despite the evidence of its inability to keep up with the changes taking place. It is reluctant to relinquish control even to lower levels of government in the context of decentralisation taking place. While a central role by government in setting of standards cannot be denied, it is possible that implementation of the process of ensuring that standards set are met could be more effectively carried out at district level. In this case, it would still be important for districts to report back to the central Ministry, to ensure information is systematically collected and made available – provided the Ministry fulfils this role.

2.6 Capacity to perform interventions

Internal organisational factors

49. Both MOEST and PRISAM have insufficient human and financial resources as well as equipment and capital to carry out activities appropriately. Government does not have the capacity to deal with the proliferation of private schools that have emerged, and has not restructured its own activities in response to the changes that have been occurring. For example, there is still just one person in the Ministry of Education responsible for registration of schools which remains centralised, despite the mushrooming of private schools that has occurred since 1994. Even though the Education Act is being revised to take account of some of the changes, it is questionable whether the new Education Act itself will have much influence, as the problems of implementation will remain. A particular issue in the Ministry is the frequent turnover of staff, which is one reason given for delays in finalising the new Education Act.

50. Even once changes to the Act have been made, it is questionable whether the government will have the willingness (given low standards in its own schools) or ability to enforce them. However, it could maintain some control over them by coordinating with the Malawi National Examination Board (MANEB) to ensure that unregistered schools cannot register children for exams. At present, schools have to be registered in order to act as exam centres, although children are still able to register in these centres, even if they are enrolled in unregistered schools.

Inter-organisational arrangements

51. While a relationship between PRISAM and MOEST is evident, coordination and flow of decisions between them is not clear. In general, it is apparent that initiatives are made by PRISAM to which the government responds. For example, one MOEST official
commented that there is an open door for PRISAM to meet with the Ministry, which has assisted PRISAM in meeting with donors, for example.

52. As mentioned, multiple layers of regulation are evident, with procedures of registration unclear, and limited clarity about the respective roles of MOEST, DEOs and PRISAM. For example, interviews identified that stakeholders within these organisations as well as proprietors themselves are not clear whether the expectation would be that they should first register with PRISAM or MOEST, whether registration with one would facilitate registration with the other, whether they use/should use the same or different criteria for registration – if they are the same, is there a need for duplication of registration?; if registration procedures with MOEST and PRISAM are different, what are the reasons for these differences? And, importantly, what are the incentives for proprietors to register with each of these? Furthermore, if schools register with PRISAM which are not registered with the government, does PRISAM have a responsibility to inform the government of its members?

53. The question of whether PRISAM or MOEST is best placed to take the leading role in regulation requires consideration. One proposal has been for PRISAM to take responsibility for accreditation and provide a PRISAM kitemark, awarded on the basis of criteria agreed with MOEST. An internal system of monitoring and evaluation would ensure the maintenance of standards or, where this was not occurring, to a loss in the kitemark (Chawani nd). This is taken up in the Strategic Plan which proposes a PRISAM plaque for schools attaining ‘quality standards’ (which are not specified). However, since PRISAM members are driven by commercial rather than education interests, self-regulation might not be in the interests of ensuring quality and accessibility. In addition, it is not clear to whom PRISAM would be accountable, if they were given this authority.

54. Another area in which PRISAM and the MOEST could, and do to some extent, coordinate is in relation to training. PRISAM would like teachers from its member schools to receive training alongside government teachers. This is also desirable from the MOEST perspective to ensure standards are maintained. There are examples of secondary head teachers and heads of departments from private schools attending training alongside their counterparts in government schools. This implies some subsidisation by the government of private schools. At the primary level, such training is lacking for those in government schools, let alone private schools. Given that PRISAM also organises training (for example National Workshops on Quality and Value in Private Schools; Governance and Management; and School Self-Assessment), it would be appropriate to consider participation of counterparts in government schools.

55. Chawani’s report suggests a number of issues on which PRISAM and MOEST could liaise, coordinate and consult. These indicate that PRISAM is more ambitious and precise in its expectations of a relationship with MOEST, although it potentially sees government’s role as supporting PRISAM through financing. The government sees the relationship more as drawing on relative strengths to improve service delivery. There is already experience of coordination in some areas, for example liaison over curriculum change, and involvement in the Education Act. However, given that clear guidelines have not been set, this has been relatively ad hoc and subject to change. As with PRISAM itself, there is no mention in Chawani’s report of issues related to equity or protection of the poor in the promotion of this agenda, other than the suggestion by MOEST of the need for consultation on fee levels.
56. In general, given the lack of clarity about roles and responsibilities, it is not clear at present whether PRISAM’s role is seen as complementary or a substitute to the government in relation to regulation and facilitation of private schools.

**Wider institutional environment**

57. The macro-economic environment has had an adverse effect on government’s financial position, at the same time as promoting private sector involvement (Rose 2003b). This has been an important reason for the recent proliferation of private schooling which has resulted in the establishment of PRISAM. Given the relatively weak civil society (Kadzamira and Kunje 2002), there has not been much pressure from the grassroots level to ensure more of a pro-poor focus in provision either by government or private providers. As noted, while a legal framework exists, the standards focus more on physical infrastructure (which are difficult to achieve), rather than service delivery. Even if appropriate standards are set in the new Education Act, there appears to be limited motivation for the government to ensure these are met, perhaps partly due to capacity constraints and lack of incentives since no fee is charged, but probably also because of awareness that government schools themselves do not meet the standards (and may be below the standards of private schools, if standards were adjusted to reflect service delivery). There is, therefore, a fear by government of private providers suing them if they threaten closure. Thus, changes to the regulations alone are unlikely to be sufficient.

**2.7 Capacity requirements of different forms of intervention**

58. It is evident from the analysis that both government and PRISAM lack sufficient capacity to address private providers effectively, and that they also do not have an explicit commitment to pro-poor delivery in relation to the private sector.

59. While formalising informal/unregistered schools is desirable to prevent unscrupulous business people from opening schools, this requires that standards set to be appropriate and realistic (both for government and private schools since government schools are often also below standard), and for the government to have the capacity to follow the process (either directly, or with the support of PRISAM). In particular, minimum standards need to give more focus on the quality of service delivery, rather than concentration on the physical infrastructure and qualifications of teachers (although attention to these would still be required). Revision of standards will hopefully be addressed in the new Education Act. It is relevant for government and PRISAM jointly to revise these, but both need to be encouraged to consider more explicitly the implications of private sector delivery of education on the poor, and their role in protecting access to the poor. In addition to addressing standards, it is necessary to reconsider the bureaucratic arrangements of registration and supervision, to ensure that the limited capacity of both government and PRISAM is used effectively.

60. There is currently only one person in the MOEST who is responsible for the registration of all primary schools (whether government, grant-aided or private). This is likely to be a reason for delays to applications being processed, and it is not surprising that many schools remain unregistered (including government schools). While some officials in the MOEST expressed the view that registration should continue to be a centralised activity even once decentralisation becomes properly established in 2005,
there is an argument for districts to take on this role while continuing to report schools which are registered to the MOEST.

61. Monitoring and supervision of the performance of private schools in a similar way to government schools also requires consideration. At present, both PRISAM and MOEST lack capacity (in terms of human and financial resources) to perform this effectively. Information on the performance of these schools according to the standards set could be disseminated through the media, for example to enable parents to make informed choices.

62. At present, schools are expected to pay a fee of K5,000 to register with PRISAM, while they can register with the MOEST for free. However, there are costs of registration to the government, including inspecting the schools and processing the application. The official in the MOEST responsible for registering schools mentioned that one form of collaboration between PRISAM and MOEST was in relation to the production of certificates of registration, since the Ministry often does not have the card for the certificates, so asks PRISAM to produce them! This highlights the extent to which even relatively minor tasks can create obstacles due to lack of resources, and that PRISAM appears to be slightly better resourced than the government.

63. As yet, there is no evidence of attempts by donors or others to develop the capacity of the government to fulfil its role. Some donors have supported PRISAM, but there is no evidence to indicate that this has occurred in relation to developing or implementing pro-poor interventions.

3. CASE STUDY 2: ASSOCIATION OF CHRISTIAN EDUCATORS OF MALAWI (ACEM)

3.1 Overview and selection of case study

64. This case study examines the Association of Christian Educators (ACEM), an umbrella of faith-based organisations (FBOs), representing all schools owned by Christian bodies. It was formed around 1995, but formally registered in 2002. ACEM is modelled on CHAM, with the aim of forming a body to coordinate all education services under the auspices of faith-based organisations. ACEM members own the largest number of primary schools in Malawi, and a significant proportion of secondary schools and also provide tertiary education. They are also the major providers of special needs education. For example, EMIS data from MoEST for 2000 indicate faith-based organisations owned about 64 percent of the primary schools while government and local education authorities owned about 34 percent. The vast majority of faith schools are owned by either the CCAP church (under the Blantyre, Nkhoma or Livingstonia Synods) or Catholic Church (MIM and IPRAD 2004). The reasons for this are historical, formal education was introduced by missionaries in the late part of the 19th century and from that time until independence in 1964 they were the major providers of education in Malawi (Kadzamira and Kunje 2002). Until 1920, the missions provided all financial support to these schools. After 1920, the government began to provide grants although the missions continued to make substantial financial contributions (MIM and IPRAD 2004). However, attempts by the colonial Board of Education to set standards proved ineffective due to lack of funds and it was not until 1964 (just before independence) that a national education system was established with full public control. After 1964 the state
assumed control of all primary schools partly as a result of funding problems faced by FBOs, but also because the state saw provision of education as its sole responsibility and wanted to have more control.

65. With the introduction of free primary education in 1994 and the resource implications the massive enrolment increase created, government considered handing back assisted and grant aided schools to their proprietors. This was partly based on the recommendations of a study it had commissioned as one of way easing the financial pressure on government and increasing stakeholder involvement in assisting government in the provision and delivery of education (MIE 1999). Emphasis on returning control to faith-based organisations mainly focused on secondary schools, based on three factors identified by the MOEST:

- A move for government to phase out boarding schools due to financial constraints
- Quality of provision of secondary schools is perceived to be declining, while cost of provision is increasing
- Discipline has deteriorated due to a misinterpretation of human rights.

66. By handing over schools to their proprietors, those under their control could be maintained as boarding schools, and it was hoped that the missions would provide financial support to improve the quality of schooling. Furthermore, restoration of Christian values was seen as a means to restore discipline in schools (MIE 1999).

67. A small number of the ACEM schools have been privatised as a result, particularly better performing secondary schools over which faith-based organisations wish to maintain control. However, government backtracked after it realised that the majority of the public schools were owned by faith-based organisations, and this would mean relinquishing its control over the education system. In addition, the faith-based organisations realised that taking over their schools would mean privatising them and that they would no longer receive financial support from the MOEST. Unlike previously, the churches no longer receive substantial amount of donations from missions overseas, and so now have to be self-sufficient. As a result, they would have to charge fees to maintain the schools which would mean that they would not be accessible to the poorest, and so would be in conflict with their mission of serving the poor. Thus, only 8 out of 2834 schools owned by faith-based organisations are classified as private (MIM and IPRAD 2004). While ACEM members do not wish to take on the responsibility of financing their schools, they have tried to regain some control over the running of the schools particularly in decisions affecting placement of headteachers to ensure they are of the appropriate faith, and selection of students at secondary level.

68. ACEM is mainly an example of relationships between the state and non-state actors in deciding and reviewing roles, coordination and forms of collaboration, policy and legislation, regulatory and support systems. ACEM sees its role mainly as a support to government to provide education services with particular concern for the religious and moral aspects of education, while education provision and financing is seen as the main responsibility of government. Similarly to PRISAM, ACEM participates in major policy reviews and meetings such as the primary school curriculum and assessment review, the annual joint sector review and have been actively involved in the review of the Education Act.
3.2 Nature of providers affected

69. As noted, two-thirds of primary schools are owned by faith-based organisations (FBOs). ACEM members’ schools fall into two categories: public and private. The majority, however, are public schools which receive assistance from government including teacher recruitment and deployment, payment of teacher salaries, supervision and inspection, and provision of instructional materials. Thus most ACEM schools are supported and recognised by the ministry. Faith-based grant-aided schools receive a grant from the ministry. In addition, all ACEM member churches have their own education secretariats, which are responsible for overseeing education issues including supervision of teachers and schools. The synods owning the schools aim to ensure that the headteacher is of the same faith, and also have representatives of the church on the school management committee. Thus, although faith-based organisations own the majority of primary schools, most of these are funded, managed and regulated in similar ways to government schools with some additional support provided by church education secretariats, and are an example of the blurring of boundaries between public and private service delivery.

70. ACEM schools are evident nationwide, and the majority are located in rural areas. Given that primary schools are fee-free, their clientele includes children from poor households (although the poorest are more likely to dropout due to inability to pay other costs of schooling and/or the need to work for the family).

71. The schools usually serve a particular catchment area (especially in rural areas) where there are usually no other primary schools in the vicinity (either private or public). As such, these schools operate under monopolistic conditions. Given the funding arrangements, ACEM schools are usually of a similar quality as government schools. However, given that many of their schools were built prior to independence and insufficient attention has been paid to their maintenance since then, infrastructure is often in a worse condition than more recently constructed government schools. There is, however, a perception by some parents and teachers that ACEM schools have better discipline because of the religious instruction given.

3.3 Explicit and technical case for intervention

72. Although ACEM schools mostly serve the poor as the majority are located in rural areas, ACEM itself is not essentially pro-poor in its objectives. Some FBOs do attempt to provide support to orphans and poor communities where resources are available (mainly drawing on donations from missions overseas).

73. The main motive for faith-based organisations forming the Association was to present one voice for FBOs with which to lobby government over issues which were of mutual concern to its members. In particular, it aims to promote Christian values in ACEM schools. It was established mainly as a result of differences between FBOs and the ministry over the running of their schools, in particular over the issue of curriculum, as well as financing of schools at secondary school level. With reference to curriculum, ACEM members were particularly concerned with the proposed abolition of bible knowledge, which was being replaced by religious and moral education without consultation. At the secondary level, they wanted more control over selection and the fees charged in order to ensure that they could have sufficient resources to provide education of appropriate quality.
74. Modelled on CHAM, ACEM also hoped to take responsible for employing and managing teachers in these schools, while receiving a grant from the MOEST to fund the salaries of staff (MIE 1999).

3.4 Explanation of the performance of interventions

Performance

75. As mentioned, the main reason for ACEM’s existence is to assert Christian values in schools, and has had some success in this regard. The MOEST recognises ACEM as a representative body of faith-based organisations, and involves it in policy discussions. Through these discussions, ACEM has been successful in influencing decisions regarding the teaching of Bible Knowledge, with agreement reached that this could continue to be taught in schools owned by FBOs. With the support of donor funding (in particular Norwegian Church Aid), ACEM has developed a training manual for primary school teachers on HIV/AIDS and life skills and is in the process of training teachers in ACEM schools in particular on how to use the manual. This is related to the concern by ACEM to focus on abstinence in the teaching of sex education. The government has accepted the manual, and appears to be keen also to adopt it in its schools.

76. In addition, ACEM members have some success over influencing the recruitment of headteachers to their schools, although this is partly due to the action of the churches, rather than ACEM as an umbrella organisation and cases where Muslim heads are appointed to Christian schools still occur. At the secondary level, the government recognises that churches should have some involvement in selection, thanks to the interventions of ACEM.

Assessment of the forces for and against effective intervention

77. Although ACEM is relatively new, faith-based organisations have a long history of involvement in education and, given that they own the majority of schools, cannot be ignored by government. However, ACEM is less established than its health counterpart, CHAM. Attempts by ACEM to gain more control of schools, while receiving grants to fund them in a similar way to the relationship between CHAM and Ministry of Health has not been achieved. This is partly because, even though FBOs have always been involved in education, they lost control over the schools post-Independence. Subsequently, some of those interviewed expressed concern that overseas missions are more interested in supporting health activities of churches in Malawi perhaps because these do not have as serious financial implications. At the same time, ACEM members consider that external missions view education as a responsibility of the state, so are not willing to finance it.

Assessment of the impact of service characteristics on control by principals

78. Clients have little opportunity to exercise choice over the school that their children attend at the primary level, since there is often only one available. However, there is some evidence to suggest that they would prefer to send their children to FBO-owned schools over government ones because of perceptions of better discipline in these schools.
79. As noted, the interventions of ACEM have shown some success in providers being able to assert their interests over government. While each of the faith-based organisations is powerful for historical reasons, ACEM reinforces this through combining forces to speak as one voice and, given that its members own the majority of schools, it is difficult for the government to ignore. ACEM operates in a professional way. Although the secretariat is relatively small, it appears well-organised and the Executive Director, who has held senior positions within the education sector, seems to be well-connected with government activities which he is able to communicate to members. The network of ACEM offices in districts allows for dissemination of information to the local level. This was evident by the circulation of the HIV/Aids and Life Skills manual which had reached district offices, which they were already using to train teachers in their schools.

3.5 Capacity to perform interventions

80. ACEM is a well-organised group with a powerful membership of faith-based organisations. FBOs themselves have a long-established network at the local and national level. These intend to provide a parallel education support system to the government. At the national level, offices usually have an education coordinator. At the local level, parish priests or clergy are often used to monitor schools. Livingstonia and Nkhoma Synods have divided their synods into education zones. These zones are determined by presbytery boundaries, and so likely to be different to Ministry zonal boundaries. Nkhoma Synod uses volunteers, while Livingstonia Synod has employed school supervisors (often retired teachers) who are supposed to work together with PEAs. The parallel system intends to ensure that the interests and values of faith-based organisations are maintained in schools (MIM and IPRAD 2004). In addition, in principle, they intend to complement government efforts in supervision although it is apparent that the FBOs also lack the capacity to fulfil this. Furthermore, there is reported to be less interest in education by the churches given that they no longer have control over the schools, and also schools do not necessarily feel that they need to be accountable to supervisors from the churches since they do not support them financially. Thus, while the FBOs intend to supervise the schools they own, they are unable to do so and, therefore, rely on government PEAs. Given financial constraints faced by the government, PEAs also only visit these as well as other government schools infrequently due to lack of transport and subsistence.

90. Although ACEM has been successful at the national level in influencing policy, in general, most church education secretariats lack capacity to carry out their roles effectively, as they are under-staffed and under-resourced. They, therefore, cannot effectively support their schools or supplement the efforts made by government. The exception is the Synod of Livingstonia which has more or less a fully fledged education department and is well staffed with external funding solicited enabling it to provide a parallel support system to the state. Although some in the MOEST consider that ACEM could assist in supervision of schools, there appears to be little coordination by ACEM to facilitate the relationship between church education secretariats and government.

91. In terms of inter-organisational arrangements, a Memorandum of Understanding (MOU) between MoEST and ACEM was drawn up in 1997 through the initiative of ACEM, although it has not yet been finalised and is still in a draft form. According to an ACEM member, delays are attributable to turnover of staff in MOEST, as well as concerns in the Ministry of increasing powers of FBOs. The MOU intends to clarify the roles and relationships between the government and FBOs in the running of grant aided
schools. Among other things, the MOU specifies that FBOs are responsible for the construction and maintenance of schools, provision of furniture, equipment and utilities whilst MoEST is responsible for payment of teacher salaries and support staff and provide grants for running of the schools (MIM & IPRAD 2004). It also specifies working together with government to pay attention to the quality of education, and advocating education policy for consideration by government. However, there was a general perception among some of the stakeholders interviewed that the MOU affects secondary schools, teacher training colleges and technical colleges mostly and not primary schools, since it mainly covers issues of funding and fee structures which do not affect primary schools. In addition, it does not appear to focus explicitly on a pro-poor agenda. Thus ACEM’s main priority seems to be secondary and tertiary education despite the numerous problems facing its primary schools including lack of maintenance of infrastructure and understaffing among others.

4. CASE STUDY 3: VILLAGE BASED SCHOOLS

4.1 Overview and selection of case study

92. Most NGOs in education in Malawi are involved in service provision (for example, through the construction of schools and classrooms, training of teachers and communities, and provision of instructional materials) rather than service delivery, since most NGOs see service delivery as the responsibility of the state. This case study provides an innovative example of an intervention initiated by an international NGO (Save the Children Federation-US – SCF-US) to support delivery of education to rural areas previously underserved by the state system, and is explicitly pro-poor in its aims. A key objective of the programme is to involve communities in the design and management of village-based schools (VBS). As such, the case study aims to explore the relationship between the NGO, communities and government in the delivery of education to areas where the government has failed to provide, including in relation to the role played by communities and the government in facilitating and supporting a non-state provider. However, the innovation was designed as a pilot, with the expectation that government would ultimately be responsible for service delivery including taking over the financing of the schools.

93. SCF-US initially obtained funding for the programme from USAID, and this was later supplemented by funding from UNICEF and the Norwegian Redd Barna to construct additional VBSs. The VBS were established in Mangochi, a district that was characterised by low enrolment rates with 51 percent of school aged children out of school at the beginning of 1994 and also high dropout rates and high illiteracy levels among the adult population. The main objective of establishing VBS was to pilot strategies for increasing access, especially of girls and younger children by establishing junior community primary schools covering standards 1-4 in communities where there were no schools and long distance to school was a major constraint on enrolment. To do this several innovative strategies were introduced, drawing on the experience of the BRAC non-formal education programme in Bangladesh. Most of these were a departure from the Ministry’s norms and standards. For example, teachers were selected from the community by community members and special effort was made to recruit female teachers to serve as role models for girls. This meant that the qualification of teachers was often below the government criteria, with some teachers having just reached
standard 8 at the primary level. In addition, the curriculum was adapted to concentrate on four core subjects of Chichewa, English, mathematics and general studies with the rest of the subjects (i.e. music, physical education and creative arts) integrated into the core subjects. This was done in order to reduce curriculum overload, and so increase the likelihood that children would acquire literacy and numeracy skills quickly.

94. The VBS were established as community schools with a focus on community involvement in the development and management of the schools through school committees. The schools were constructed with the help of communities who provided labour, whilst SCF-US provided materials. Since they relied heavily on community contributions the structures were below the standards specified by the ministry. Communities were also expected to be involved in the management of schools, notably with regard to the selection of teachers.

95. While the VBS programme is no longer supported by SCF-US, and the schools have been taken over by the government, the case study provides insights into lessons learnt by the government with regard to its relations with NGOs involved in service delivery.

4.2 Nature of providers affected

96. VBS were established as community schools, recognised by government, and given approval to operate even though they did not meet some of its standards. The VBS catered for under-privileged, rural areas previously underserved by the state system. As such they faced very little competition from the nearest government schools. It deliberately selected poor, remote villages, and a criterion for the establishment of a VBS was that there was no other primary school nearby. The VBS were located in poorer areas than government schools and few of the VBS villages had any shops or other community facilities. School children were observed to be very poorly dressed compared to children in the government schools (Hyde et al 1996). Most of the families in the village school communities were subsistence farmers many of whom would be living below the poverty line. Parents in a particular locality had very little choice but to send their children to the VBS.

97. There is evidence to show that the VBSs were of better quality than government schools, achieving higher tests results, and the quality of teaching was reported to be more participatory and interactive (Hyde et al 1996). Three evaluation studies on the VBS schools which compared the performance of pupils from VBS schools with those from government schools found that VBS pupils performed significantly better in mathematics, English and Chichewa (Hyde et al 1996, Dowd 1997, Miske and Dowd 1998). The Miske and Dowd 1998 study also demonstrated that pupils from VBS learn more over the course of the school year and that the VBS pupils had significantly higher gains in the three subjects studied than their counterparts in government schools. As a result, the first evaluation of the VBS programme reported that some parents actually transferred their pupils from other public schools to the VBS because of their perceived better quality (Hyde et al 1996), suggesting they did face some competition.

98. VBSs were smaller in size in terms of enrolment than government schools, and local in their coverage. As is the case with most NGOs working in the education sector, their activities tended to be localised and concentrated in one district. They initially started operating in 4 schools, and later expanded to 28 schools by the end of the programme, with funding from USAID, UNICEF and Redd Barna. This is still very small scale
compared with coverage of government schools. Also, as with many NGO projects, the intention was that it would begin as a pilot and be scaled up over time, at the same time as passing responsibility to the government. There was mixed success in government taking on the responsibility, as indicated below and, despite its apparent achievements, in practice the programme did not extend much beyond its initial pilot phase.

4.3 Explicit and technical case for intervention

99. As indicated, the VBS were established by an international NGO with a pro-poor agenda in order to address some of the constraints facing the education system, in particular related to poor access due to non availability of schools and physical and geographical barriers to the nearest school, affecting the enrolment of girls in particular. In addition, SCF wanted to pilot innovative strategies of delivering a better quality of education, with attention to the mode of delivery which aimed to be more participatory and involving communities to promote greater accountability as well improve quality of education. Funding of the NGO initially came from USAID which was concerned with ensuring that its support reached schools and that the schools were accountable to communities, and so used the international NGO as a way of by-passing the state. During the first year of implementation much of the costs were borne by SCF-US, which also assisted nearby government schools with distribution of instructional materials among other things. However, this was short-lived.

100. The main reason for government intervention into the VBS programme is that government sees education delivery as its main responsibility. There is also a fear on the part of government that if NGOs are given a free reign, then it will lose control over the education system. For example, government expressed concern over the interest generated by the innovation of an integrated curriculum as some faith based NGOs have also applied to introduce similar curriculum in their schools. Since FBOs own most of the public primary schools, government fears losing control over the curriculum. It does, however, acknowledge the success of the integrated curriculum, and claims that lessons are being drawn from this with regard to the revisions currently being made.

4.4 Explanation of the performance of interventions

Performance

101. The main objective of the VBS programme was to pilot innovative way of delivering primary education of acceptable quality to underserved populations with the hope that the impact of their strategies would influence educational policy. While the schools themselves were successful in terms of their own performance, the influence of the programme on policy has largely not been realised.

102. As already noted the standards which all schools must adhere to and some of the policies adopted by the government might not provide incentives to NSPs to attend to the needs of the poor (see also Case Study 1). As mentioned, the VBS case study illustrates improved quality measured by higher achievement is possible in schools serving the poorest even where these fail to meet the minimum standards set by government, implying that these standards are not necessarily indicators of quality or accessibility. Despite the positive outcomes of the VBS programme and the success of its interventions in teacher training and supervision and, to some extent, community participation, government was more concerned with enforcing standards and adhering to
current policy prescriptions even though these have not been entirely successful to ensure quality education in government schools, and can have a negative impact on the poorest section of the society.

103. From the outset of the programme SCF-US sought approval and assistance from the ministry which was given in due course, even though in many respects the VBS did not meet some of the minimum required standards, including sufficient classrooms, an administration block, and at least three qualified teachers. Although the VBS did not meet most of these conditions the ministry approved them and initially allowed them to operate with their support. To some extent, it was difficult for MOEST to challenge aspects of this, in particular with regard to infrastructure, since communities have been allowed to construct schools using their own resources and this has been actively encouraged by government to do so in order to increase access in rural areas. In addition with the introduction of FPE in 1994 a large number of untrained teachers were recruited and it has been reported that some of the schools which opened as result were staffed by unqualified teachers only (although the level of education of VBS teachers was usually even lower).

104. Government intervention in VBS was primarily in terms of enforcement of its standards and norms as regards teacher qualifications and to a lesser extent infrastructure. Subsequently, the ministry insisted that the VBS programme should adhere to government policy and standards. In particular the ministry was strongly opposed to the recruitment of standard eight graduates as teachers. As the teachers were recruited locally, there were insufficient applicants with the minimum requirement of Junior Certificate of Education (JCE). As a result, all but two of the teachers recruited for the first 4 VBS schools were Standard 8 graduates. To overcome the problem, SCF-US encouraged all teachers to upgrade their educational qualifications through correspondence courses and at the time the first evaluation of the programme all Standard 8 teachers were studying for JCE (Hyde et al 1996). In addition, SCF the teachers received training and supervision visits from both the SCF supervisor and PEAs at least once a month.

105. From the outset of the programme the ministry made it clear that it would not take over the payment of any teacher who did not have the minimum academic qualifications. By the second year the intention was for the MOEST to incorporate VBS teachers who met government minimum qualifications into its payroll although this became a source of conflict. Tensions over the government fulfilling its role in the payment of teachers partly relate to concern over maintaining standards as well as to financial constraints on the part of government. Furthermore, MoEST did not like the idea of involving the community in the selection and recruitment of teachers since it felt that this was the sole responsibility of the ministry (Kadzamira and Kunje 2002).

106. Teacher deployment and allocation has remained a major problem within the education system affecting most rural and remote government schools. During the interviews, for example, some ministry officials pointed out that there are still some government schools which are understaffed, with some having only two teachers to teach eight standards. One of the major factors affecting teacher deployment is lack of teacher houses, or lack of appropriate housing which teachers could rent within some of the remote rural communities. As a result, schools with insufficient teacher houses and those in the poorest communities face a perpetual problem of teacher shortage as teachers are reluctant to teach in these areas. The VBS strategy of recruiting teachers
from within the local communities overcame these problems as the teachers were staying in their own villages and homes and thus did not require housing. The result was that the VBS was able to recruit and retain teachers, and so had smaller classes on average than government schools (Hyde et al 1996).

107. Another area of contention was on standards for school construction as specified in the Education Act. These standards are reportedly very high and costly and as such most local communities cannot afford to meet them. MoEST felt that SCF had to conform to the standards specified by the ministry. As a result, SCF eventually abandoned the construction standards it had set for the establishment of VBS schools which relied much on community contributions both in terms of labour and skills and, in SCF’s subsequent education programme (QUEST) all schools were built to government standards.

108. MOEST provided support to the programme through giving information and advice to SCF-US on standards and requirements. It also provided support through provision of instructional materials for both pupils and teachers to the VBS through the DEOs office, and providing support to training and supervision of para-professional teachers by PEAs. However, government insistence on standards and quality of teachers led to the abandonment of the programme which did not extend beyond a pilot. All schools established as VBS were handed over to the state, as originally intended. The ministry took over the recruitment of teachers to these schools, and most of the innovations under the VBS programmes which proved to be successful were not taken up by government. Thus the VBS schools are now more likely to run like government schools and face similar problems, including shortage of teachers, and lack of supervision and support. The quality of education is likely to have deteriorated as a result, to the detriment of the poor who were being served by these schools. Thus, government intervention and insistence on NGOs following its standards and policy might in fact work against the provision of education of acceptable quality to the poor. On the other hand, expectations of NGOs that the government is willing and able to take on their projects need to be more carefully scrutinised before they are embarked upon, in order to ensure government commitment, availability of resources and, therefore, sustainability.

109. As mentioned, school committees were set up to help in the running and management of the schools and were seen as a link between the school and community. Unlike school committees in government schools they were provided with training on their roles and responsibilities by SCF-US. A major objective of the project was to look at community involvement in the school beyond construction of school blocks. SCF-US saw community roles as provision of school structures, choice of school committee for management of school, choice of teachers, monthly meetings on school life of the child, discipline of teachers with regard to punctuality and performance, discipline of students, monitoring of absenteeism and dropouts, and timetabling (Dowd 1997). As such communities and school committees from the VBS schools were observed performing more diverse roles than school committees and communities in government schools most of which were dysfunctional. VBS school committees were more involved in school governance for example they monitored teacher and pupil performance particularly attendance and discipline (Dowd 1997). In some VBS schools teachers used community members as resource persons to teach areas were they had more competence and skill such as music and art and craft. In particular, the role of SMCs in monitoring and following up on absenteeism in VBS is reported to have reduced dropout rates, particularly for girls. Although they were found to be more
effective than government school committees, particularly where they played an active role in the school matters like supervision of teachers which was not the case in government schools, other aspects of community involvement were found to be similar to other schools. In particular, community and parental involvement was largely confined to contributing their labour during the development of the schools.

110. The experience of SCF-US in community participation is reported to have played a role in informing the formulation of the National Strategy for Community Participation in Primary School Management, which has been devised by CARE Malawi with support from DFID and in collaboration with MOEST (MIM and IPRAD 2004) and can, therefore, be seen as partially successful in so far as it has helped to influence government strategies.

Assessment of forces for and against effective intervention

111. The VBS were introduced in 1994, the year when FPE was introduced which resulted in massive increase in enrolments and created pressure on the existing infrastructure resulting in many classes being held under trees and also the recruitment of untrained teachers who had JCE and MSCE qualifications. The crisis faced by the ministry after the implementation of FPE might explain the support that SCF received initially from the ministry.

112. Some of the problems facing government schools in terms of teacher recruitment and deployment could be addressed by local recruitment, learning from the lessons of VBS schools. However, where communities have responded to teacher shortages by recruiting voluntary teachers locally to fill in the gap, the ministry remains vehemently opposed to the idea of voluntary teachers refusing to provide them with any training when such opportunities arise. In some cases, where voluntary teachers have reached the same level of education as teachers in government schools, the Ministry still refuses to recognise them since they did not recruit them. While the evidence of VBS indicates that in the present climate, supervised under-qualified teachers can be as effective as trained teachers, the government is reluctant to learn lessons from this. There is also strong resistance to the recruitment of para-professional teachers in the early grades from the Teacher Union of Malawi who sees it as undermining the professionalism of the teaching force.

113. The government response to the VBS programme suggests that it is not really concerned with addressing the needs of the poor, but more concerned with standards which are not necessarily relevant and appropriate given the current resource base in education. For example, the VBS have shown that para-professional and unqualified teachers can achieve at least as good results as long as they are provided with on-going supervision and in-service training, but the government continues to oppose their recruitment.

Assessment of the impact of service characteristics on control principals

114. There are a number of reasons why the VBS programme has not had as much impact on government policy as intended. These include the centralised nature of the education system, which makes it difficult to introduce innovative changes from the local level and high turnover of key personnel in the ministry affected the VBS programme (Bernbaum 1998). However, although programmes such as the VBS have not had much
direct success in influencing policy change, they have at least initiated debate and dialogue around policy issues and indirectly might have influenced some policies (Kadzamira and Kunje 2002).

115. The case study provides an example of attempts to strengthen the role of communities in the management and monitoring of schooling. This is supported by the education Policy Investment Framework (MOEST 2000) which encourages community participation in the management of schools. While community participation has always been apparent in schooling in Malawi, as Rose 2003a has argued, in practice this has tended to be extractive often limited to contributing resources and labour for school construction and maintenance rather than any real form of genuine participation. The VBS schools are an example of an attempt to move beyond extractive involvement of communities. In the VBS communities and school committees, which acted as the link between communities and the schools, were seen to have more diverse roles than communities and school committees in government schools. In particular VBS school committees were reported to be more involved in management of the school which included monitoring of teacher performance and school effectiveness which was not evident in government schools. This was in addition to their more traditional role of mobilising communities to provide their labour for school construction.

116. However, it remains an example of externally-driven community participation, raising questions over the extent to which local ownership is attained and can be sustained. Given their explicit focus on poorest communities, whose members are often struggling to survive, concerns of equity arise where responsibilities are being passed from government to these poorest communities without a proper analysis of whether they are able and/or willing to provide the support demanded. In practice, the evidence from VBS indicates that, while SCF-US was involved in supporting the programme, communities were more actively participating. However, once SCF-US became less involved, community support was not sustained. This indicates that community management requires sustained external facilitation and support and, even then, could be seen as a burden for poor communities.

117. The programme intended to involve local NGOs, which could have helped to provide continued on-going support at the local level and ensure that the project was sustained beyond the period of funding and support by USAID/SCF-US. However, a lack of local NGOs with the interest and competence in service delivery meant that this was not possible so once SCF-US withdrew, communities were left to their own devices.

4.5 Capacity to perform interventions

118. The case study is an example of an innovative pilot project by an international NGO which, not unusually, is planned for a short-period of time in the hope that it would be sustained locally by government, local NGOs and communities. However, as the analysis above has illustrated, each of these face constraints in taking on these roles. There were financial costs to the government of taking on additional teachers when it was already struggling to pay its own workforce. While the VBSs were able to achieve lower class size than government schools, it would not be possible for the government to achieve this on a large scale given the financial implications of considerable numbers of additional teachers that would be needed. Furthermore, while claims are made that models such as VBS are more cost-effective, this is partly because lower salaries are paid which would not be feasible once teachers become part of the civil service (and
unionised). In addition, the on-going support and in-service training, which is considered an important part of the success of the programme, is difficult to cost and so often not fully included in calculations. The full costs would need to be carefully considered at the design stage, to ensure the government would have the ability to take it over.

119. It is not clear whether the communities wanted to take over the role of managing the schools after the project phase. However what is clear is that the community did not have the capacity to effectively manage the schools once SCF-US pulled out. The initial intent of project was to hand over the schools to local NGOs which were identified as Catholic Church and the Muslim Association of Malawi but, as is the case with most local NGOs, both lacked the capacity to finance and supervise their schools and already heavily rely on the state to run their schools. Development and support to local NGOs would assist in providing a longer-term commitment to the principles of the schools related to community participation. This, in turn, needs to take account of the constraints communities in poor, remote areas face, with communities fully consulted about what they are willing and able to provide before the launch of the programme.

5. OVERALL SUMMARY AND POLICY ISSUES

120. Each of the case studies has highlighted issues of lack of clarity of roles between NSPs and their associated umbrella organisations and the MOEST, and resulting in lack of coordination in their activities. This, in turn, leads to duplication of efforts in some areas while others are neglected. In the case of PRISAM, a strategic framework agreed with the MOEST has been prepared although this does not adequately clarify respective roles and responsibilities. The MOU with ACEM is still waiting to be signed, although it has been in draft for some years. Even then, it would still seem that further clarity is needed in relation to coordination. Furthermore, to the extent it is occurring, coordination between both ACEM and PRISAM and MOEST is taking place mainly at the level of secondary schooling. While this is partly because there is greater agreement of a role for NSPs at that level, a gap at the primary level is likely to be detrimental as no regard is being given to the effects on the poor at this level.

121. The VBS illustrates that, even when it appears that agreement has been reached over respective roles and responsibilities, tensions over understandings of standards which are rigidly interpreted at the central level can cause tension limiting the success of more flexible approaches to service delivery. Even though an NGO might have an explicit pro-poor strategy, government concerns about standards and policy can adversely affect their operations. The role of NGOs in piloting new and effective ways of delivering quality education whilst addressing some of the constraints facing the education system does not appear to have been fully appreciated by the ministry. The case studies also show that standards set for schools (whether private or public) do not appear to be addressing issues of accessibility and quality of service delivery which could benefit the poor. Rather, they are more concerned with controlling entry through criteria related to teacher qualifications and infrastructure. It is evident that discussions about revising these are underway, and the review of the Education Act and development of the education strategic plan are welcome in this regard. However, it is not clear that these discussions are currently taking into consideration the implications for the poor. Furthermore, attention needs to be given to the implementation of guidelines even once they are devised. The VBS programme has demonstrated that addressing the needs of the poorest might require some changes to the way education
operates, including introducing greater flexibility into its delivery, which the ministry does not seem ready to do as it is concerned with losing control. The move towards decentralisation could, however, facilitate this. On the other hand, it also illustrates that attempts by donors to by-pass the state by supporting NGOs and communities directly are unlikely to be sustainable, and can result in distrust and conflict.

122. Related to some of these points is the issue of lack of coordination in supervision of schools. The VBS programme highlighted the importance of supervision in order to improve the quality of education. However, the respective roles of PRISAM, ACEM and government PEs in supervising schools is not clear, resulting in duplication and/or gaps in supervision. A clearer division of responsibilities is needed to allow for the strengths of ACEM/FBOs and PRISAM to be drawn upon, while ensuring that government maintains overall responsibility for maintenance of standards. Decentralisation could assist in supporting coordination in supervision at the local level, ensuring that the roles played by NSPs and government (and by the different arms of government) are complementary, rather than duplicating resulting in resources being spread too thin. Where attempts are made to ensure schools are more accountable to the communities they serve, these efforts need to take into consideration the constraints faced by communities and consult with them about what roles they feel they can and would like to take on.

123. While coordination is important, it is evident from the above analysis that the approach to private schools that is emerging by either the government or PRISAM/ACEM does not explicitly include a pro-poor agenda. This is due in part to capacity constraints on the part of the government, as well as perhaps limited concern with addressing the sector. From PRISAM’s perspective, there is no motivation for them to take a pro-poor perspective, other than to ensure that other private schools are not adversely affected by the low standards of those schools catering for low-income groups, so offering some support to assist them. Otherwise, the vocal members of PRISAM are more concerned about resources to support high-fee schools to enhance quality of secondary schooling. The allocation of resources in this way is likely to exacerbate, rather than address inequalities in the system. Thus, while some involvement of PRISAM in regulation could help to alleviate the burden on the government, it would appear that the government continues to have a role to play in protecting the poor. There is also a need to facilitate the process of registration of schools, ensuring proprietors are properly informed of procedures. Given its explicit aim of ensuring the quality of education, PRISAM could play a role in assisting private schools serving low-income areas by advising on registration procedures and providing support as appropriate. This could be achieved, for example, by local PRISAM offices calling a group of unregistered private schools to a cluster meeting and then following up with schools that do not attend. Where appropriate, those that are abusing the system could be reported to the MOEST for them to visit and close down.

124. Finally, it is evident that NSPs are playing an important role in the education sector in Malawi. However, this role should not be over-emphasised as it is evident that service delivery remains a state responsibility, with most stakeholders noting that this should continue to be the case, particularly with respect to delivery to the poor. It is, however, important to recognise that private schools in particular are filling a gap in provision and are likely to be providing a service for the foreseeable future. As such, there is a need to ensure that these schools operate in the interests of those who are sometimes making considerable sacrifices to send their children to these schools.
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## LIST OF PEOPLE INTERVIEWED

<table>
<thead>
<tr>
<th>Name</th>
<th>Position/Institution</th>
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<tbody>
<tr>
<td>Mr P. Moyo</td>
<td>Basic Education, MoEST</td>
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<tr>
<td>Mr Ainani</td>
<td>Basic Education, MoEST</td>
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<tr>
<td>Mr M. Kalanda</td>
<td>Basic Education, MoEST</td>
</tr>
<tr>
<td>Dr. J.B. Kuthemba-Mwale</td>
<td>Director of Planning, MoEST</td>
</tr>
<tr>
<td>Mrs J. Masache</td>
<td>Desk Officer, Lilongwe Rural West DEO</td>
</tr>
<tr>
<td>Ms. F. Thaulo</td>
<td>Lilongwe Rural West DEO</td>
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<tr>
<td>Mr O. Banda</td>
<td>PEA, Lilongwe Rural West DEO</td>
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<tr>
<td>Ms D. Makawa</td>
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<td>Ms E. Miti</td>
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<td>Mr W. Msiska</td>
<td>Law Commission</td>
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<tr>
<td>Prof A. Phiri</td>
<td>Executive Director ACEM</td>
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<tr>
<td>Mr Mastara</td>
<td>Catholic Secretariat</td>
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<td>Mr Mpaso</td>
<td>Blantyre Synod</td>
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<td>Mr Zibophe</td>
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<td>Ms A Likagwa</td>
<td>Blantyre Synod</td>
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<tr>
<td>Seventh Day Adventist Church</td>
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<tr>
<td>Mr N. Tembo</td>
<td>Care-Malawi</td>
</tr>
<tr>
<td>Mr Namathaka</td>
<td>Save the Children Federation/USA</td>
</tr>
<tr>
<td>Rev Chinkwita</td>
<td>President, PRISAM</td>
</tr>
<tr>
<td>Mrs M. Mkandawire</td>
<td>Vice President, PRISAM</td>
</tr>
<tr>
<td>Dr Chokani</td>
<td>Carmel Private School Lilongwe</td>
</tr>
<tr>
<td>Mr O. Katunga</td>
<td>St Stevens Primary School</td>
</tr>
<tr>
<td>Proprietor</td>
<td>Chidwi Private School, Blantyre</td>
</tr>
<tr>
<td>Mr M. Ilepele</td>
<td>Chris Foundation Private School Blantyre</td>
</tr>
<tr>
<td>Mr Manda</td>
<td>Blue Bubbles Private School Blantyre</td>
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</table>
1. INTRODUCTION

1. Malawi is facing difficulties in providing water and sanitation services to the population of about 11 million. There are serious shortfalls in both rural and urban areas, particularly in the central and southern regions of the country where population density is higher than that in the Northern Region. This situation has significant adverse impact on health through increased incidence of infectious diseases associated with water and sanitation deficiencies. In response to these challenges the Government has committed itself to achieving full coverage in line with the framework of Millennium Development Goals. This commitment has been made despite the limited availability of resources, problems associated with population growth and density and a sluggish economy. They will be difficult to achieve.

**General water supply situation**

**Water resources**

2. The water resources of Malawi, which include rivers, lakes (of which Lake Malawi is the single most important water resource) and groundwater, are relatively abundant in comparison to a number of Southern Africa countries. These resources, which are mostly fresh water, are estimated to be about 3,000 cubic metres of water per capita and are renewable annually as run-off. The availability and distribution of these resources are very variable both geographically and seasonally. There are a few areas of relatively abundant water resources such as the mountainous areas of Nyika Plateau, Viphya, Zomba Plateau and Mulanje Mountain. There is one rainy season between October and April. The availability of water resources (except from Lake Malawi) varies between seasons and from year to year.

3. Groundwater resources of Malawi mostly occur in two major aquifer types and are widespread. Most groundwater in Malawi is generally acceptable to drink. Ground water is presently exploited to over 25,000 boreholes and shallow wells equipped with hand pumps.

4. The water resources of Malawi are continuously being threatened by a number of problems ranging from the vagaries of weather to over-exploitation and environmental degradation and pollution.

5. Water Scarcity: The problem of water scarcity in Malawi is growing. The country is experiencing frequent occurrence of droughts resulting into dwindling river flows and reduced groundwater levels more especially during dry season. In some recent studies, Malawi has been identified as one of the two countries in Southern Africa categorized under ‘absolute water scarcity’ by 2025.

6. Water Resources Degradation. The NEAP report of 1994 clearly identified water resources degradation as one of the very serious environmental concerns that the country was facing. As a result of the effect of population pressure arising from high
population growth, and effect of deforestation, most of the water resources have been degraded. At the same time due to poor agricultural practices, there is considerable siltation in the rivers greatly affecting the water quality of the rivers.

7. Water Pollution. Increasing improper disposal of industrial waste products including human sewage into watercourses as well as groundwater has led to serious pollution of water resources in the country especially in urban areas of Blantyre, Lilongwe, Zomba and Mzuzu. At the same time increasing application of agro-chemicals such as fertilizers and pesticides in cultivated lands have also greatly contributed to the degradation of water resources in catchments.

8. Over-Exploitation. As a result of increased water abstraction from rivers as well as groundwater most of which are unlicensed, most rivers have been experiencing reduced flows or drying out altogether especially downstream. Such exploitation of resources has detrimental and serious impacts in the river ecosystem and aquatic environment, especially in catchments in the Central and Southern Regions.

9. Lack of Integrated Water Resources Management. It has now been accepted in the water sector that lack of integrated approach to developing the water resources has led to development and management of the resources which are sector specific or based on individual interest with virtually no room to accommodate other interests. This therefore limits the benefits that could be accrued from the development of those resources in an integrated manner. This is still a problem despite being recognized as a limiting factor to overall development of the sector.

10. High Population Growth. Malawi’s water resources like any other natural resources are limited. The population growth rates of nearly 3.1% pose a serious threat due to increased water demand and serious environmental degradation through human encroachment (i.e. agricultural activities and human settlements in unsuitable and marginal lands, leading to increased siltation in rivers etc.).

11. Inadequate Water Resources Developments. Most of the current utilisation of water resources in Malawi is dependent on the direct run of the rivers regardless of use (i.e. hydropower, irrigation, water supply etc). The country’s experiences of the past years show that it has been subjected to frequent occurrences of droughts as well as floods but there are currently no firm water resource conservation strategies.

12. The existing development, utilization and management of groundwater lacks sustainable strategies despite the extensive use for rural water supplies. The monitoring and assessment of groundwater is almost non-existent. In addition there is currently still the unfortunate development that donors, NGOs and other government ministries/departments construct boreholes without agreed and consistent control, coordination and regulation policies and legislation for boreholes development and construction programmes. The borehole construction industry has in a number of areas and times proceeded with various programmes with very little or no compliance at all with standards to protect the water resources from degradation.

13. Ineffective Water Demand Management. In the past, traditional approach to cope with growing water demands has been the obvious expansion or development of more water supplies such as storage dams or water transfer schemes. However, in recent periods, the international concerns are now focusing on preservation of water quality and
wastage prevention through water demand management. Malawi has not expanded its water supplies systems to deal adequately with growing water demand. In some areas groundwater is being mined as demand exceeds recharge.

**Institutional issues relating to non-state providers**

14. There is currently inadequate involvement of the private sector or non-governmental organizations in the development of the water sector particularly in water resources management. This is apparently as a result of a deliberate policy in the past for government not to involve or to encourage the private sector to participate actively in proper water resources management.

**Organization of the water sector**

15. The private sector has played a limited role because the main players are government and government institutions. The government executes the Water supply mandate through the Ministry of Water Development, five Water Boards, and the National Water Resources Board. The roles of Ministry of Water Development include:

- Policy Planning and Monitoring water supply
- Control and monitoring the quality of water supply
- Provision of water supply systems throughout the country, except the declared areas for the five Water Boards; add technical assistance to institutions in planning and designing sewers and effluent treatment.

16. The Ministry has a water policy finalised this year, with a strategic plan until 2006. A sanitation policy is being developed (funded by CIDA), which will probably result in a change in name for the Ministry. Water is not just about the provision of simple public infrastructure, but is also concerned with wide ranging issues, such as eco-tourism and food security. This means that other bodies, such as the Education Ministry, WFP, WHO, UNICEF and others all have their own water sector programme. The Water Ministry does not have sufficient political presence to control these programmes.

17. The Ministry’s activities are being decentralised to the Districts, with regional support. This requires the building of capacity at these levels and a training curriculum has been developed.

18. Water services in the cities and towns are provided by the five Water Boards: - Lilongwe Water Board, Blantyre Water Board, Southern Region Water Board, Central Region Water Board and Northern Region Water Board. The Water Boards are statutory bodies responsible for water supply services to the cities and towns. They operate commercially and receive no recurrent funding from the Government. They are empowered to operate their independent internal commercial management, employment and procurement arrangements. They are reportedly top-heavy in terms of management structure.

19. The National Water Resources Board is responsible for granting water abstraction rights and licences to discharge effluent and waste water. It monitors abstractions and controls waste water discharges. Environmental management at national level is the mandate of the Department of Environmental Affairs, but the constitution is weak in this
area, leading to a lack of environmental protection. There is a need for a regulator, but this is proceeding cautiously due to political sensitivities.

20. Local government bodies are responsible for waterborne sanitation, septic tank emptying and sludge disposal and disseminating information on pit latrine technologies. Blantyre and Lilongwe City Assemblies operate the two largest water-borne sanitation systems that serve less than 20% of the population of the two cities.

20. (Note the picture was a little confused during the visit, as the Ministry had been downgraded to a Department following the recent elections, but was subsequently elevated again to ministry status)

**Sector Financing**

21. The parastatals in water supply have traditionally been funded initially by seed capital from Government or a donor agency and subsequently through internally generated fund from tariffs and users charges. The rural water supply and sanitation programmes are funded by a combination of Government and donor funds.

22. Higher priority is given to water supply, neglecting sanitation. This may be due to the fact that elements of sanitation fall under different Ministries such as Health and Local Government. The public investment in rural water supply and sanitation has been reduced from MK1.87 billion in 2002-03 to MK1.7 billion. The level of expenditure in 2003-04 represents about 1% of GDP.

23. Malawi Government revenue for 2003/2004 will be MK 60 billion. Out of this revenue, MK 1.771 or 3% was allocated the water supply and sanitation. Of this, MK1.623 billion was allocated to development and MK148 million to revenue

*Source: Ministry of Finance*

24. The breakdown of the MK1,623 billion is divided as follows

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<th>Source</th>
<th>Amount</th>
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<td>African Development Bank</td>
<td>444,478,555</td>
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<tr>
<td>ADF/TAF/ MG</td>
<td>239,894,849</td>
<td>14.9%</td>
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<tr>
<td>IDA</td>
<td>187,265,396</td>
<td>11.6%</td>
</tr>
<tr>
<td>IDA/ MG</td>
<td>264,817,399</td>
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<tr>
<td>Japanese Government</td>
<td>5,264,470</td>
<td>0.3%</td>
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<tr>
<td>Kreditansalt fur Wiederaubau (KfW)</td>
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<tr>
<td>Malawi Government</td>
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<td>Malawi Government/ UNDP</td>
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<td>Malawi Government/ UNICEF</td>
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<td>UNICEF/ NORAD</td>
<td>22,732,005</td>
<td>1.4%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>1,613,199,459</strong></td>
<td><strong>100%</strong></td>
</tr>
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</table>
25. A national water policy is about to be published, but was delayed due to changes at Ministry level following the recent elections.

Note on sanitation

26. In each of the case studies, informants were asked about sanitation; there was a general awareness that a National Sanitation Policy is in the process of being drafted, but no details were known (the government official managing this project is currently off sick). Blantyre Water Board is likely to take over responsibility for piped sewerage, with on-plot sanitation remaining with the City Council.

2. CASE STUDY 1: COMMUNITY AND PRIVATE SECTOR INVOLVEMENT IN PERI-URBAN WATER SUPPLY

2.1 Introduction

27. Water supply in the city of Blantyre (population of slightly above 500,000) is managed by the Blantyre Water Board (BWB), a parastatal organization. The existing city facilities are insufficient to meet the increasing demand for potable water. In particular, the squatter and peri-urban areas (representing 55% of the population) and the traditional housing areas are all under-served. Only 27.4% of households in the city have house connections, the remainder rely on public water points.

Local water resources

28. One of the limiting factors for the development of independent water supplies is the lack of water sources. Groundwater development is restricted due to the possibility of contamination from pit latrines. Surface water abstraction is also limited in order to continue to provide for downstream users and environmental flows. The Coronation and Hynd dams on the Mudi River provide an additional water source for Blantyre, the bulk of which is piped from the Shire River. The Ndirande forest reserve around these reservoirs has recently been successfully re-established following agricultural encroachment following the start of multi-party politics. However, problems of siltation still occur in the reservoir.
Blantyre Water Board

29. The water board’s aim is to achieve and maintain financial viability, to:

- Encourage the development of financially responsible management and thus better investment decisions at the utility level, better financial planning and more cost-effective operations;
- Ensure the availability of adequate funds for operation and maintenance;
- Mobilize resources for the development of the sector by generating internally a cash flow;
- Enable the utility to service borrowings and helping to finance part of its expansion program;
- Make consumers aware of the financial consequences of their use of the service.

30. Both government and consumers have the attitude that good water supply is a social service, for which charges should be kept to a minimum. However, if resources are to be freed for extending service to the poor; consistent social policies require that, as a first step, anyone able to pay should be charged at least the full cost of service.

31. BWB cannot meet the cost of financing mains extensions throughout the city, communities are encouraged to raise their own funds and provide materials and labour (from their members, NGOs, donors and other funding agencies) to speed up the implementation of water projects in their areas. Building standards were officially relaxed to facilitate this process. However, despite the benefits of this approach in increasing the rate of coverage achieved, the downside was that materials of varying quality and sub-standard workmanship led to leaks, wastage and lack of pressure. The lack of availability of spare parts and other problems exacerbated the situation.

32. Water supply to low-income areas had also been facilitated by the handing over the operation of stand posts to small community groups and private operators.

2.2 Local construction of distribution networks

34. The BWB is required to operate commercially and the extension of the network into unplanned areas is not financially viable without external support. These suburbs are politically active and their status is being recognised in practice even if it has not yet been recognised legally; water, telephone and electricity services are being extended into the settlements.

Procedures and contract requirements

35. Although BWB had provided assistance for community projects on request, in order to rectify this problem and simultaneously maintain the benefits from community or NGO/donors financing extensions, the BWB decided to standardize procedures and play a more active role in the planning, implementation and monitoring of community initiated
extension projects. BWB now accepts group applications for water development in low-income urban areas and the following procedures have been established:

- BWB carries out an assessment of the feasibility of the proposed installation upon receipt of a request,
- If the proposal is feasible, BWB prepares a preliminary design and cost estimates for the applicants consideration.
- The community uses the design and cost estimates to finalise financing arrangements with donors such as MASAF and UNICEF;
- If financing is secured, BWB prepares a detailed design, a bill of quantities, a cost estimate and specifications of the work to be done and materials to be used etc;
- Once the project is approved, the donor, BWB, and the community draw up a contract for materials/works/costs. This tripartite contract stipulates the contract period and provides for supervision and a general commitment to accept adherence to standards and specifications;
- The works are supervised by independent agents/technical staff; and
- Conduct pressure tests and bacteriological quality analysis for approval of the installations and their connection to the BWB mains.

36. As part of the tripartite arrangement, BWB supervises and inspects excavations, the setting out of pipe works, civil works (valve chambers, standpipes etc) in the course of installation, pressure tests and bacteriological analysis and, lastly, connections to the public mains. BWB also allocates responsibility for maintenance and the specifications to be followed. BWB insists on securing warranties for materials purchased from suppliers or local manufacturers. Contractors who do not meet specifications and standards are not paid.

37. BWB has served nearly 200,000 inhabitants through this scheme. BWB takes total charge (directly or through appointed supervisors) of the technical aspects of the water development projects in unplanned communities.

2.3 Kiosk management

38. Following management difficulties with BWB run water distribution points, alternative methods of water supply have been used. In the Ndirande area of the city, an unplanned, low-income district, two methods are in action, community and privately operated water kiosks.

39. The community-managed kiosks are operated by water committees. Volunteers collect payments for water (MK1.00 (0.5p) for a bucket (15l) and MK1.40 (0.7p) for a larger (20l) pail), which are periodically banked and used to pay the monthly water bill. Daily meter readings are taken by the committee. Surplus income is used for community projects – the latest was the construction of a bridge over a small stream in the area.

40. An alternative method is privately operated kiosks; the kiosk visited was a family run operation selling water at MK1.20/ 1.50 (0.6p/ 0.8p)). These are much fewer in number.
41. The Water Board construct the pipe work up to the water meter; the kiosk construction is undertaken by the community and local plumbers.

42. Private connections are also available to those people living close to the distribution pipeline, but the congested nature of the settlement makes a denser pipe work difficult. Informal vending to neighbours takes place, but there did not seem to be much evidence of water vending from public stand posts.

3. CASE STUDY 2: COMMUNITY MANAGED RURAL AND SMALL TOWN WATER SUPPLIES

43. Malawi has had a reputation for large community based gravity flow schemes since the 1960’s (Glennie). These are technologically simple in theory, although the large scale of some of the schemes does require a certain level of knowledge and expertise to operate specific systems. The water is collected from either perennial mountain rivers or, more recently, dams, treated if necessary and then distributed by gravity over a large area.

Rural supplies

44. The Balaka/ Mpira project was constructed in 1987 with support from DANIDA. A dam at Mpira near Ntcheu collects water from a 42km$^2$ catchment, which is then treated and fed by gravity to about 4000 tap points and 400,000 people over 2000km$^2$. The distribution area extends to Liwonde in the East to Phalula in the south. The scheme was not fully completed as the change to multi-party government in 1992 disrupted construction. Some lines are also under designed, limiting capacity in some branches. After 15 years some of the pipes are becoming blocked, further limiting supplies, but about 80-85% of the system is working; unserved communities have to rely on boreholes, open wells and streams.

Small towns supplies

45. Within the supply area are two municipalities, Balaka and Liwonde. These are two of the 23 town supplies operated by the parastatal Southern Region Water Board (SRWB). Liwonde has its own source, but the Balaka system is supplied in bulk by the Ministry, at a cost of K9.5 per kilolitre. Previously the town was supplied by two boreholes, but these are not sufficient, and since the vandalism of the ESCOM transformer, that source has not been used.

46. There are 1,273 accounts in Balaka town, including dormant (disconnected) connections; the level of debt was not known. All the income is passed on to the headquarters of SRWB and all expenditure originates centrally.
3.1 Management

47. The development of gravity flow schemes has been well recorded\(^8\). The capital cost was funded through the government by a variety of donor organisations, with running costs shared between the communities and government. The first project in the Mulanje area (the Chambe project) was built for 30,000 people between 1969 and 1970. The District authority paid for the intake works and this sign of commitment enabled donor funds for the distribution system to be secured. The scheme was a community development project under the Ministry of Community Development and Social Welfare, rather than a water project.

**Construction**

48. Features of the construction included:
- the provision of a supply in response to a request from the community;
- the setting up of committees to liaise with the community;
- a significant contribution of manual labour from the communities;
- a hierarchy of construction supervision and monitoring, with nationally centralised procurement and distribution of materials and supporting decentralised activities down to the level of village committees;
- the programmed development and training of technical staff with an established career structure and a planned maintenance regime;
- standard designs to enable local contractors to build tanks and tap standards; and
- use of simple designs, that could be built and maintained using materials and skills provided locally.

**Management**

49. The management structure during construction had two parallel streams, one technical and one community based. These were allied to, but independent of, other local government structures, such as the District Assembly. The technical structure evolved to meet the needs of the programme, with a career path. The management levels reflected other government grades but revised the qualifications required, to place more emphasis on practical experience and willingness to work in rural communities. On the job training enabled technicians to be recruited locally, rather than town-based engineers who had been trained in higher cost technologies and expected higher levels of remuneration.

50. The community committees' role was to set-up and maintain the self-help labour programme, co-operating with the technical staff. The power of the committees came from the existing political and traditional leadership and they were responsible to this authority. During construction the committee structure was used to organize labour, give

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political acceptance to the project and ensure all villages and people contributed to the scheme.

51. Tasks that could not be carried out by community labour were contracted out to local builders. Standardizing many of the dimensions of reservoirs enabled builders to construct a series of structures with minimal changes to the design and thus dispensing with the need for complex specifications.

**Planned maintenance**

52. The gravity flow schemes did not only consider the construction phase of the project cycle, but also ensured that the project could be run after the project team had left. Again a parallel pair of systems was set up, with community and technical responsibilities. The village committees were responsible for their own taps and aprons, although there would be assistance in procuring replacement taps. The scheme committee would have an overview of the whole project – employing a part-time caretaker to look after the intake and main reservoirs. The maintenance of the shared main and branch pipes would be the responsibility of the scheme committee, using trained volunteers to carry out the work.

53. At community level, users feed into the management structure via local extension workers who liaise between the government staff and the communities. Communities are responsible for the upkeep of their stand post, a task that is limited to general caretaking and periodically replacing the tap. Funds for these activities are collected and disbursed locally.

54. Each large scheme had a government appointed Monitoring Assistant, whose task it was to inspect the whole system every year, oversee any repairs and report failings of the village tap committees to the main committee. The inspections would be recorded and reported to a supervisor, who would look after several schemes in the same area and in turn report to the ministry. The supervisor would request materials from the Ministry to carry out repairs. The technician would have the use of a bicycle to visit all on one large or a few smaller schemes (e.g. 100 to 200 taps or up to 40,000 people in total). The supervisor would have a motorbike to enable him to visit all the projects under his control (e.g. nine monitoring assistants, reporting to the supervisor monthly).

55. The government staff also have responsibilities for the point source supplies, such as boreholes, within their area.
56. About half the water supply points are functioning to a greater or lesser extent, although before the floods of 1999, the percentage of working taps was higher.

**Trends**

57. The lifetime of the schemes have seen a variety of trends that change the state of the resources.
- The human resources have aged, with people moving away, retiring or dying.
- The population has changed; there have been changes both numerically and in terms of location, affecting both water demand and the pressure on other natural resources such as agricultural production.
- Commodity prices of major exports have fluctuated; Mulanje is a tea growing area with some people dependant on wages rather than subsistence farming.
- The physical infrastructure has aged; the oldest schemes are now 30 years old, three times the original design life.
- Socio-economic conditions; “urban” settlements and cash economies are now operating within the traditional rural economy areas.

**Shocks**

58. The schemes have also experienced some more defined impacts on the resources.
- Physical damage due to flooding in 1999 washed away several intakes and river crossings.
- Financial situation; Malawi has gone through a structural re-adjustment process, reducing public expenditure, not just on water, but also on fertilizer subsidies, increasing costs to the rural community.
• The political conditions altered, with the one–party system being replaced by multi-party politics. This is now changing again, with de-centralisation of previously national roles to more local government organisations.

**Context**

59. The wider context of the schemes has also altered.
• International donors fund capital works rather than maintenance costs. Rehabilitation would be viewed as a maintenance activity rather than a capital investment.
• The “community” involvement has changed from requiring contributions to full participation. Small schemes, such as individual boreholes, are viewed as being closer to the grass roots and having better community ownership than large schemes. Thirty years ago, large schemes were favoured to reduce cost per capita.

**Tariffs**

60. In the rural areas, water supply is free. The only costs are for the maintenance of the tap stand. When a tap breaks there is a local collection of money and a tap is purchased and installed privately.

61. In the urban areas under the control of SRWB, a system of rising block tariffs is in operation (table below).

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**Tariff structure**

62. The MK9.50 / kl tariff levied on standpost supplies is converted into a flat rate of MK70 a month.

63. During breaks in the supply of water, vendors operate, but the amount they charge for water was not known exactly but is perhaps of the order of MK250 per 200l drum (MK25/20l). There was also no knowledge of selling of water by vendors or neighbours under normal operating conditions.
3.2 Problems and issues

Staffing

64. The scheme is meant to be community managed, but the link to the communities is via project extension workers. Of the staff who were recruited at the start of the project, almost half have left and not been replaced. Even if staff could be recruited, the training was provided under the “project” and is not available now.

65. Borehole maintenance is also meant to be the responsibility of users, but questions over the ability of non-government technicians has lead government staff to recommend that only their employees are allowed to perform major maintenance activities.

Supply chain

66. The rural water supply system depends on government procurement for its supplies. Few consumables are actually needed and they are simple and readily available in the country, but problems with the supply chain mean that the system does not necessarily operate as it should. At the treatment works, the sand in the slow sand filters (which has a thin layer removed periodically to clean the filter) now needs replacing. Similarly the coarser material in the rapid filters has also reached the end of its useful life. Currently both the rapid and slow sand filters are operating without any media, with chemically assisted settlement and chlorination the only treatment being provided. No funding has been received for replacement media, which is available from natural sources (from the Lake for the sand and quarries for the coarser material). Chemical deliveries are also not consistent, but through links with SRWB, supplies can be obtained informally.

67. For the distribution system, there is a large stockpile of pipes at the project headquarters; unfortunately this does not include the range of pipe sizes required. The other consumable required is solvent cement for joining pipes; supplies again are erratic.

Water source and treatment works

68. The water resource is under threat; siltation resulting from encroachment in the protected watershed and flooding in 2003 has led the reservoir’s capacity to be reduced. The demand is going to outstrip supply this year and rationing will have to be imposed. Alternative water sources are needed. The treatment works is in urgent need of routine maintenance.

Handpumps

69. Even within the water supply command area there are hand pumps used to supply water; these either predate the water scheme, provide an alternative supply when the gravity scheme is not functioning or have been installed for political reasons. Groundwater is sometimes reported to be “salty”. There is a cluster of boreholes along the Liwonde/ Mangochi road. Some private handpumps are located within the area and one private (electric) borehole is in use within the municipality. The Ministry project has 2 trained technicians and there are other pump mechanics in the area, but communities are encouraged to report major (riser pipe) problems to the Government workers, as they do not know the capabilities of the other mechanics.
70. These boreholes are all managed by the community, with support from the Ministry; spare parts can be purchased locally and there are suppliers in Blantyre.

4. CASE STUDY 3: PRIVATE AND NGO BOREHOLE DRILLING

71. Allied to the “community” gravity flow schemes are boreholes in rural areas. The private sector involvement in this case is the drilling and construction of handpumps. Most of this occurs at a large commercial scale, although WaterAid have been trialling using small-scale artisans contracted through local government Village Development Committees and the church (CCAP) have undertaken a large-scale programme in the North. However, the method of delivery was incidental to the general lack of co-ordination and duplication in this sub-sector. The management of this activity therefore was seen as crucial to its success and the case study looked at two aspects, the funding role of the quasi-state agency MASAF and the data collection role of the WSSCC mapping project.

4.1 Funding through the Malawian Social Action Fund

72. The Malawian Social Action Fund (MASAF) was established along the principles of a social fund where resources are normally channelled to community-based projects that are identified, designed, and implemented by the communities themselves. MASAF was established in 1995 to contribute to the reduction of income and non-income poverty in Malawi. A total of US$122 million has been disbursed to the various sub-projects and capacity building initiatives under the two phases of funding between 1995 and 2002. Resources were channelled to social and economic infrastructure projects such as construction of school blocks, teacher’s houses, clinics and administration blocks; supply of textbooks, rehabilitation of roads, drilling boreholes, etc. Data gathered from the Management Unit shows that both MASAF I and II funded nearly 4,600 projects. The water and sanitation benefited through the installation of 3,855 communal water points (boreholes, kiosks, shallow wells). 95% of the boreholes built since 1995 are still working, the main problem being with lack of community training in operation and maintenance. MASAF has a strong “brand” image nationally.

73. MASAF has a delegated authority from central government, using funding sourced by government for cross-sectoral development. It operates under the (cross sectoral) Office of the President, with inputs from the Ministry of Poverty and Ministry of Economic Planning and Development. The approach that is followed in financing the project is known as Community Contracting, which emphasises effective participation of the beneficiary communities. Community Contracting takes various forms; it is normally done through elected representatives but a more encompassing view of Community Contracting allows communities to participate in the creation of social and economic facilities. These processes include needs assessment, selection of projects, materials, procurement of materials and project management.

Features of community contracting

• Communities provided with information on project eligibility criteria to ensure equitable access to the fund;
• Communities elect project committees that assume legal responsibility by signing a financing agreement with MASAF;
• Facilitation and guidance by MASAF through priced Bills of Quantity, unit price data-banks and direct advice;
• Checks and balances at community level;
• PMC chairperson not signatory to project account but sanctions procurement;
• Procurement planning;
• Rotational procurement teams; and
• Encourage openness and accountability/community meetings

Procedures

74. The demand has to come via the District Assembly but the community must contribute 20% of the capital costs and be able to cover the recurrent costs. As boreholes are very capital intensive this contribution is reduced to 5% but the community have to assume total responsibility for O&M. For piped water schemes, the community provide 40%, but much of this is provided in kind (labour and materials).

75. After a desk appraisal, confirming demand and ensuring an even distribution over the country (with a bias towards the areas least served), there is a field appraisal. This confirms the demand from and involvement of the community (and that they have not just been appointed by a politician), the gender balance and meets with the individuals involved. This is followed by the technical feasibility and checking standards and norms – so communities do not have more than their fair share of boreholes just because they keep asking for them. The sector ministry at district level gives expert advice.

76. Feasible projects are costed and submitted via zone mangers (compromising two districts) to the headquarters for funding approval. MASAF facilitate community contracting and advertise for expressions of interest. The capacity of the interested organisations and cost of the tenders are checked and the successful tenderer signs a contract with the community. The sector ministry provides construction supervision, so for example piped water schemes are designed and supervised by the Ministry of Water Development. Final payments are made after a defects liability period.

MASAF 3

77. The next 12 year phase is funded by a $240 million World Bank grant, with $7 to $11 million from DFID to provide a “safety net”. The contracting method has altered slightly, focusing on a service package rather than just infrastructure (and includes refurbishment and repair of existing facilities). The District Development Planning Framework sets priorities based on poverty alleviation and Millennium Development Goals, through a system of extended PRA. The interest of the community in the identified project is confirmed; projects may cover essential health services, education, water and sanitation, transport and communication and food security, filling gaps in existing provision. The proposal has to go through a Transparency and Accountability Committee and an advisory committee on Community Empowerment, as well as ministry, NGO, civil society
and donor involvement. Monitoring and evaluation of projects does need to be improved but suffers from rapid turnover of staff. Some policy level issues still need attention, for example the definition of a minimum package of watsan provision. Experience of choosing between various options is limited and a wider choice is required.

78. Using ministry officials to ensure the quality of private sector provision has not always been successful. Capacity has been very centralised. MASAF technical advisors are being trained and the community are being given checklists to ensure contractors carry out the works properly – for example checking the depth of the bore hole by counting pumping rods and getting the community representatives to countersign pump test records.

79. Project will only be given approval if the local government is functioning effectively e.g.
   - 75% of existing boreholes must be operational
   - 50% of staff positions must be filled
   - 100% of the community board trained
If only 50% of boreholes are working, then new boreholes will not be built, but investments made in rehabilitation and training.

4.2 WaterAid and WSSCC mapping project

80. WaterAid (in conjunction with Save the Children and ActionAid) had been working around the town of Salima on a water supply project, but found from an early stage there was no record of the number or location of water points, with some communities having no water points per 1000 users and others having eight. Many of these were on roads rather than near users and activity was dominated by installation and not maintenance. There was poor co-ordination at District level, with activity dominated by political considerations. Mobilisation was inconsistent and each funding agency had different approaches, with one asking for a cash contribution and the next asking for contributions in kind (labour etc.). The districts had no strength or capacity to co-ordinate the various actors and donors.

81. The project went on to provide boreholes, but an important spin off was the creation of a GIS database of borehole locations. This research was translated into a project, which is now being operated under the auspices of the local branch of the Water Supply and Sanitation Collaborative Council (WSSCC), hosted by the Central Region Water Board. This has demonstrated that over 2/3 of the water points are outside the official water budget, with facilities being provided directly by donors and other ministries (Agriculture, Trade, Office of the President), with local MPs having great influence on the process. This provides a baseline survey for the monitoring of the MDGs.

82. Good spatial mapping data was available from the Ministry of Lands and Statistical Office. Thirteen districts have been covered, including about 55% of the rural population. Funding has come from JICA, CIDA, UNICEF and others, with WaterAid filling the gaps in the funding where needed.

83. This exercise has shown the disorganisation within the sector, but also revealed some positive points, such as a highly productive borehole programme in the northern region, run by the church (CCAP). It has highlighted disparities in density of service.
5. ANALYSIS

84. The case studies set out briefly above are water and sanitation “interventions”, rather than government interventions such as regulation, financing or other enabling activities. This short analysis looks across the three areas looked at and identifies government interventions that help or hinder the provision of water and sanitation services by non-state providers.

85. In general, the picture is one of very little non-state activity, with alternative suppliers being constrained by water resources or lack of economic incentive (public tariffs not really covering costs). At the same time, much of the (capital) expenditure is outside the government’s water budget, especially the indiscriminate drilling of boreholes. The dire state of the sector (especially sanitation), resulting from very poor co-ordination and a disempowered ministry overshadows any question of the mode of service delivery. The isolated examples of good practice (including case studies not included here) are dwarfed by the general malaise and poor performance of the whole sector.

86. The following discussion looks at some government interventions and their relevance to this study.

5.1 Relationships and political processes Policy

87. A new Water Policy has just been released (June 2004). The role of non-state providers is recognised in the policy, for both private and communities and urban and rural services.

<table>
<thead>
<tr>
<th>Relevant excerpts from the National Water Policy (June 2004)</th>
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<tbody>
<tr>
<td><strong>POLICY GOAL, OBJECTIVES AND GUIDING PRINCIPLES</strong></td>
</tr>
<tr>
<td>3.2.4  Promote the empowerment of user communities to own, manage and invest in water resources development;</td>
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<tr>
<td>3.2.5  Promote public and private sector participation in water resources management, development, supply, and conservation;</td>
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<tr>
<td>3.2.8  Promote and advocate water and sanitation services’ pricing and charging systems that recognize water as both a social and economic good in order to institute cost recovery principles;</td>
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<tr>
<td>6.2.6  To create an enabling environment for private institutions to effectively participate and invest in water services delivery;</td>
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<tr>
<td>6.2.9  To encourage growth of the local manufacturing base within the water industry.</td>
</tr>
<tr>
<td>6.4.2  <strong>Specific Objectives (under urban and peri-urban services)</strong></td>
</tr>
<tr>
<td>iv  To encourage public-private partnerships in urban and peri-urban water supply and sanitation.</td>
</tr>
<tr>
<td>6.5.3  <strong>Specific Strategies (under rural water services)</strong></td>
</tr>
</tbody>
</table>
Promoting private sector participation in the delivery of goods and services for Rural Water Supply and Sanitation;

NON-GOVERNMENTAL ORGANIZATIONS AND THE CIVIL SOCIETY

The roles of these institutions shall be to:

8.7.1 Assist in empowering communities to have community based water services and water resources management in planning, implementation, operation and maintenance;

8.7.2 Encourage communities to manage their water supply systems, community dams and catchment protection;

8.7.3 Participate in the provision and investment in rural water supplies and community dam development consistent with the prevailing Government policies and guidelines on such investments;

8.7.4 Assist in mobilization and securing funding for rural and low income communities for water and sanitation projects;

8.7.5 Assist in community sensitisation on water, sanitation, catchment management and conservation;

8.7.6 Liaise between rural low-income communities and Government/Donors and other cooperating partners through Local Governments;

8.7.7 Assist in the provision of water supply and sanitation services in rural areas and to low-income groups within urban centres;

8.7.8 Collect, process, analyse and disseminate relevant data and information to all stakeholders within the water sector.

PRIVATE SECTOR

The roles of the Private Sector shall be to:

8.8.1 Invest in water resources development and water supply and sanitation services;

8.8.2 Assist community based water management activities by providing, on commercial basis, necessary inputs to CBM like sale of spare parts and skilled maintenance services for water supply systems;

8.8.3 Provide capacity for consulting and contracting services in the water, sanitation and related industries;

8.8.4 Conduct research, develop and promote local manufacturing capacity for water and sanitation related services;

8.8.5 Collect, process, analyse and disseminate relevant data and information to all stakeholders within the water sector.

Sanitation

8. There does not appear to be any functioning sanitation policy and, although it is being drafted, this area is characterised by a general lack of action. This is a multidisciplinary sector and internationally suffers from having an institutional “home”.
Legislation

89. Legislation was not discussed in any detail by any informant, except to state where laws existed but not enforced.

Standards

90. Standards were mentioned – from references to over-designed boreholes being installed by some donors (thus limiting the number of water points that could be provided by the investment) to the construction standards of the BWB. Here the design standards were reduced to accommodate the level of technology that could be afforded, but when coupled with poor construction methods and supervision, the resulting pipes were not acceptable (leaking etc.). For a rural perspective, as officials only found out about boreholes when they broke down, any hope of influencing standards requires registration to work first. MASAF have been addressing construction standards through community empowerment and education.

Regulatory and support systems

91. The procedure for registering boreholes does not function. Often the first time ministry officials know about a borehole is when it breaks down and they are requested to repair it. The WSSCC GIS project does provide part of the solution (although a standardised numbering system is still required), but enforcement is the weakest link in the regulatory process.

92. Support systems to NGOs and the private sector do not appear to operate – mainly due to lack of awareness of government’s role, although apparent lack of power exercised by the ministry also breeds insecurity and does not promote reliance on their ability to cope. Support systems within the Ministry (for example in procurement and staffing) do not appear to meet the needs of people on the ground.

Agreements and understandings

93. Although there are isolated examples of good practice in reaching agreements between different stakeholders (e.g. Water Aid’s work at district level, MASAF, agreements between communities and BWB), there is no general presence of such mechanisms. Indeed BWB would prefer to contract with individuals rather than community groups, as debt recovery is difficult when the customer has no legal entity.

5.2 Implementation of interventions Regulation

94. As noted above, implementing regulations by government is poor. Regulation of construction standards is ineffectual and regulation of “service” not apparent at all, except in the case of BWB.

95. The Malawi Institution of Engineers, which is regulated by government in theory, is applying to follow the medical and legal profession and become self-regulating. Lack of government finance means the regulatory board does not meet for long periods. Self-regulation is envisaged to still lie in the hands of an independent board, but the funding would be raised by the profession in whose interest better regulation lies.
Holding providers accountable to clients

96. The softer side of water services (sanitation promotion and hygiene education) had less of a presence than infrastructure provision. One public perception that is actually damaging to the sector is the “brand” of the borehole. Whilst a convenient unit of infrastructure delivery, the costs, water quality, reliability and service level to the user of a borehole are all worse than a (gravity) piped system. Politicians seem to equate “water” with a borehole, to the detriment of many in the community.

97. The “free water” policy in rural areas means there is little opportunity for any connection between the supplier and client. The lack of extension workers exasperates this problem. The intervention of politicians dominates any client/provider dialogue.

Facilitating or supporting providers

98. As there is little non-state provision, this aspect is not very prominent. BWB did provide training for communities, but their early experience with defaulting on debt showed that this aspect had been explained insufficiently. The fragmentation of the sector and lack of dialogue between funders is apparent, although, again there are some cases of good practice and signs of improvement (e.g. MASAF). The legal status of NSPs was not raised.

Commissioning provision

99. As 80% of capital service provision is off budget, issues of contracting, licensing, partnerships, joint ventures and co-production were not raised. Again, the only real case was the limited experience of BWB, which is currently being replicated in Lilongwe.

6. EXPLANATION OF THE PERFORMANCE OF THE INTERVENTIONS

6.1 Impact of interested parties

100. Whilst clients, providers (state and non-state) and regulators have their own perspectives on issues, these are overshadowed by (short-term and often ill-informed) political interests.

6.2 Capacity of control by policymakers

101. The civil service appear to have little or no control over major investment decisions or the enforcement of policies and regulations, despite being able to identify the issues. MASAF as a quasi-autonomous (N)GO does seem to be more progressive.

6.3 Capacity of control by clients

102. Control by clients is exercised on their behalf by politicians. Whilst this has been successful in the politically active area of Ndirande, lack of understanding of all the issues means simplistic solutions are sometimes imposed on clients, wasting funds and not addressing the real service needs.
6.4 Capacity of intervening organization

103. The main state intervention to support non-state provision will be through the new policy, but the Ministry do not appear to have the capacity (mainly in terms of their enabling environment) to deliver this. MASAF, WSSCC and BWB, being removed from government but still having some level of authority, do appear to be in a better position to act.

7. COMPARISON WITH GENERAL HYPOTHESES

104. The following discussion explores the projects general hypotheses from the perspective of the Malawi water and sanitation sector.

7.1 Hypotheses

*Amount of research carried out into NSPs*

105. Despite the limited activities by NSPs in Malawi, Water Aid and the Water Utilities Partnership have undertaken cases studies (on private sector involvement in sanitation provision and the BWB case examined in this report, respectively); these are positive about the role NSPs can play, but the investment in setting up these two projects do mean that their replicability has to be questioned, at least in the short term.

*Ethical ideological significance and political decisions*

106. There is a strong tradition of state provision in water services, but this is balanced by the very early uptake of community practices (in the 1960's) in the rural sector. This early involvement however became institutionalised and moribund. The new policy accepts and even encourages the role of NSPs, but the translation of this policy into practice has to be demonstrated. The accepted dominance of political power rather than expert judgement results in poor planning.

*Blurring of boundaries*

107. Compared with publicly employed doctors or teachers also operating privately, there is very little opportunity for private enterprise by professionals in the water sector, although there are examples of reverse activities, with WSSCC carrying out a core regulatory role in recording the location of water points and a private consultant acting as a visiting lecturer at the University in Blantyre. Again this is due to the uneconomic value of water and the expectation of government provision.

*Economic and social characteristics – nature of “clients” and “providers”*

108. There are very weak economic links between clients and providers. Donors and government provide free or subsidized services, although the new policy does incorporate the Dublin Principle acknowledging the economic value of water. Social links have decayed, as extension workers have not been replaced on the rural schemes.
**Recognition of NSPs as a basis of dialogue**

109. This would need to be placed within a wider sector-wide approach to have any impact on service delivery, but the formation of the WSSCC does provide a platform for non-state representation and the policy provides the official mandate for such a dialogue. This is not occurring in practice yet.

**Formal high quality or informal and “not legal” provision**

110. There were no cases studied in which this hypothesis could be applied.

**NSP grows in relation to state failure and state failure cannot regulate / support NSP**

111. There is widespread state failure but very little evidence of NSPs filling this role, although this does depend on how you define the position of donors. They are filling a role that the state is not filling, but they are not directly working for “clients”, and not necessarily filling the role either, apart from satisfying the key stakeholders in political parties.

112. There is evidence to show that state failure is resulting in a lack of regulation.

**Small and informal = high cost and low quality substitute for the poor**

113. There were no cases studied in which this hypothesis could be applied.

**Regulations normally suppress and marginalize NSPs**

114. There were no cases studied in which this hypothesis could be applied, but that could be due to lack of any power to enforce regulations. Regulation however would actually support the provision of services to the clients by bringing some control and standards to bear on the donor / government providers outside the Water Ministry.

**Regulation governs entry not quality and accessibility**

115. There were no cases studied in which this hypothesis could be applied.

**Regulation is difficult – especially if NSPs are not recognized**

116. There were no cases studied in which this hypothesis could be applied.

**Quality and accessibility are best ensured through competition**

117. There were two examples of this; in Blantyre, BWB would only build a new kiosk if there was insufficient local provision, so not to provide competition to existing kiosks – or, more positively, to ensure that the existing previous remained financially viable. In this case quality and accessibility is controlled by BWB.
118. In rural areas, boreholes were drilled adjacent to existing working gravity schemes or boreholes. There was no sense of competition, just waste of scarce resources. Quality of service delivery actually suffers from this “competition”.

**Community design is advocated but experience is scarce – needs sustained external facilitation.**

119. The validity of involvement of the community in the gravity schemes is now questioned – early community labour has been labelled forced labour. Recently the BWB community construction was less than successful initially because of poor supervision. The experience of WaterAid in sanitation provision (not covered in this report) does demonstrate some success, but with prolonged external engagement.

**Contracting out is efficient and effective but problems in (a) measuring service (b) multiple contracts (c) complex and long-term**

120. There were no cases studied in which this hypothesis could be applied.

**Maintenance assumes political stability and neutrality – corruption requires independent pro-poor ideology**

121. Maintenance was obvious by its extreme absence.

### 7.2. Recommendations

**Policy implications**

122. Within the remit of this study, action relating to NSPs in the water and sanitation sector would have little impact on the provision of such services, unless it was taking place within a well-run and politically supported sector-wide approach. The failings of the sector overshadow the details of service delivery.

**Potential for cross-sectoral replication**

123. There is very little that the water sector can promote to the other sectors in this project, although there are lessons to be learnt from the BWB service delivery and WSSCC mapping project in terms of formal utility/community engagement and registration, respectively. Learning from others sectors may be possible, but there are easier comparisons with the water sector in neighbouring countries, for example the sanitation success of Mozambique and the utility reform in Uganda.

**Suggestions for further research**

124. WaterAid’s analysis of the sector spending could be taken further to show from an economic perspective the waste of resources and be a source of discussion for donors, ministry officials and politicians. The earlier research on mapping is already proving to be a powerful advocacy tool that also has great potential for planning and monitoring nationally.
125. There are current moves to extend the BWB kiosk programme to Lilongwe and this is already the subject of studies, but the work has the potential for a greater depth of research, especially from a community perspective.

**Capacity factors**

126. There is a general lack of human resources in this sector. There are limited numbers of skilled and experienced people, but the size of the population means that there is a limited pool of expertise, especially in neglected areas like sanitation. Wider capacity issues, such as the enabling environment, are probably more vital in the short-term, with the need to allow expertise to make technical decisions, rather than be dependant on political will.

127. One other area is the expectation that water = a borehole. The neat “package” of a handpump may be nice to count and easy to plan and install, but is not necessarily sustainable. The general public, donors and politicians need to have a greater understanding and acceptance of a wider range of more sustainable technologies, from simply improving traditional sources, to the advanced service levels that can be successfully provided by gravity systems.

128. The work being undertaken by the Malawi Institution of Engineers is to be welcomed in providing a basis for the profession.

**Changes in role**

130. There is already a move to split regulation and implementation, and even to take it further and split actual provision from government implementation. The MASAF model leads the way in this. However these institutional changes need to be mirrored by a change in political involvement.

**Incentives**

131. There is little private sector incentive in water when the artificial price of water at the tap in rural areas is zero. The expectation of water being “given” freely also negates against NGO provision, where they try to encourage community management and self-financing. Free or heavily subsidised water actually creates an environment that is detrimental to the poor.
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LIST OF INTERVIEWEES

A variety of professionals gave time and information that led to the production of this report; these include:

- Patric Makonyola, Chief Executive, Blantyre Water Board
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- Murphy Kajumi, Malawi Social Action Fund
- T.L.Sitolo, Project Engineer, MoW, Balaka
- Mr Kamanga, SRWB, Balaka
- Wellington Mandowa, Consultant and President of Malawi Institution of Engineers
- Owen M Kankhulungo, Director of Water Supply and Sanitation, Private Sector Participation Coordinator,
- Zione Uka Ministry of Water Development
- Jon Lane, Independent consultant
- Steven Sugden WaterAid
- Olivier Stoupy, WSSCC