

Third Party Evaluation Report 2012  
Ministry of Foreign Affairs of Japan

**Country Assistance Evaluation of  
the Republic of Malawi**  
-Summary-

February 2013  
Mitsubishi Research Institute, Inc.



## Preface

This report is a summary of the Country Assistance Evaluation of Malawi undertaken by Mitsubishi Research Institute, Inc. entrusted by the Ministry of Foreign Affairs (MOFA) in FY 2012.

Since its commencement in 1954, Japan's Official Development Assistance (ODA) has contributed to the development of partner countries and to finding solutions to international issues which vary with the times. Recently, more effective and efficient implementation of ODA has been required not only in Japan but also in the international community. MOFA has been conducting yearly ODA evaluations mainly at the policy level with two main objectives: to improve the management of ODA; and to ensure its accountability. The evaluations are conducted by third parties to enhance their transparency and objectivity.

This evaluation study was conducted with the objectives of reviewing Japan's overall policies on assistance to Malawi, including the Country Assistance Policy for Malawi (April 2012), drawing on lessons from this review to make recommendations for reference in policy planning on future assistance to Malawi by the Government of Japan and its effective and efficient implementation, and ensuring accountability by making the evaluation results widely available to the general public.



Nobuhide Sawamura, professor at Graduate School of Human Sciences of Osaka University, served as a chief evaluator to supervise the entire evaluation process, and Jun Kawaguchi, Adjunct researcher at the Center for Study of International Cooperation in Education of Waseda University, served as an advisor to share his expertise on the region. Both have made enormous contributions from the start of this study to the completion of the report. In addition, in the course of this study both in Japan and in Malawi, we have benefited from the cooperation of MOFA, the Japan International Cooperation Agency (JICA), and the local ODA Task Force, as well as government agencies in Malawi, donors, and non-governmental organizations (NGOs). We would like to take this opportunity to express our sincere gratitude to all who were involved in this study.

Finally, the Evaluation Team wishes to note that the opinions expressed in this report do not necessarily reflect the views or positions of the Government of Japan.

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## Evaluation of the Republic of Malawi (Country Assistance Evaluation)

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<p><b>2. Period of Evaluation:</b> July 2012 – February 2013</p>	
<p><b>3. Country Survey</b> The Republic of Malawi</p>	<p>Residents using a bridge constructed with Japanese assistance</p>
<p><b>4. Outline of Evaluation Results and Recommendations</b></p> <p><b><u>(1) Evaluation Results</u></b></p> <p><b>(a) Relevance of Policies</b></p> <p>The validity of Japan’s policies on assistance to Malawi has been fully confirmed. These policies are consistent with the development plans of Malawi and with Japanese ODA and foreign policies, and the policy aims are in accordance with those of other major donors who provide assistance to Malawi.</p> <p><b>(b) Effectiveness of Results</b></p> <p>The effectiveness of Japan’s assistance, primarily in the area of social development, has been confirmed. However, in the area of economic development, the amount of assistance from Japan is relatively small, because Japan does not provide ODA loans due to the debt sustainability situation of Malawi. Therefore, the impact in this area has been limited in comparison to the area of social development.</p> <p><b>(c) Appropriateness of Processes</b></p> <p>No significant problems were seen in the processes of formulation and implementation of Japan’s policies on assistance to Malawi. However, several areas for future improvement were noted, including publicizing Japan's contributions in Malawi.</p> <p><b>(d) Diplomatic Perspectives</b></p> <p>From diplomatic perspectives, assistance to Malawi is recognized as an important tool in maintaining diplomatic relations between Japan and Malawi. Regarding its diplomatic impact, the development of personal networks through assistance to</p>	

Malawi over many years, including the work of Japan Overseas Cooperation Volunteers (JOCV), is expected to show positive effects in the future.

## **(2) Main Recommendations**

### **Recommendation 1: Develop assistance at the field level, including JOCV.**

Japan has steadily contributed to social development in Malawi with strong, long-term involvement at the field level, resulting in formation of Japan's comparative advantage. This is an asset that has been built up through Japan's practical, ongoing aid activities over the past several decades. Assistance to Malawi should continue to make use of this asset in the future.

### **Recommendation 2: Provide assistance for better use of geographical connection with neighboring countries as a means of promoting development.**

Japan's assistance should actively support the use of Malawi's geographical connection with neighboring countries.

### **Recommendation 3: Promote assistance aimed at building industrial infrastructure in Malawi.**

Development of the private sector will be essential in achieving the economic growth, and is highlighted in Malawi's development policies. Japan's assistance should also be aimed at promoting the growth of the private sector in Malawi.

### **Recommendation 4: Promote collaborative assistance led by Japan, based on Japan's comparative advantages in Malawi.**

To improve the effectiveness of assistance to Malawi, it is important to promote "collaborative assistance" and reach beyond the existing framework of "aid coordination", which tends to focus on avoiding duplication of assistance between donors.

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## 1 Background and purpose of this evaluation

Malawi, a landlocked country in southeast Africa, is a nation of traditional agriculture, with about 80% of its population engaged in small-scale farming. Its economy is dependent on staple food, maize, and primary commodities such as tobacco, tea, and sugar, which accounts for a majority of its exports. Since gaining its independence from Britain in 1964, Malawi has been one of the poorest nations of sub-Saharan Africa. There has been some improvement in the food situation in recent years due to changes, such as the introduction of a food production subsidy program, but the pace of irrigation development remains slow, and agricultural productivity is low. Per capita GNI is only \$330 (as of 2010). The cost of transporting goods for export is relatively high because Malawi is a landlocked country, and there are frequent power outages because of the undeveloped state of its power system. These factors are obstacles to economic growth and social development of Malawi. In addition, infectious diseases such as HIV/AIDS and malaria threaten many lives. The most pressing issue for the future is to attain sustainable economic growth and social development by improving agricultural productivity, ensuring a stable food supply, and promoting infrastructure development.

The nation has adopted the Malawi Growth and Development Strategy (MGDS), a medium-term development strategy, and established priorities including agriculture and food security, as it pursues development with the aim of leaving the ranks of the poorest countries. Malawi is also committed to collaboration and cooperation within sub-Saharan Africa through the African Union and the Southern African Development Community (SADC). In recent years, with recognition of its potential for development of rare earth deposits and other mineral resources, as well as its role as a critical passage for resource exports since it is surrounded by resource-rich countries, the expectation has grown that Malawi will contribute to economic growth and a stable supply of resources in the entire region of sub-Saharan Africa.

Japan has been contributing to the national development of Malawi since 1971, when it first sent volunteers as JOCV, and has expanded the scope of assistance to include grant aid and ODA loans. (However, Japan is not providing any ODA loans to Malawi at present, following the debt relief measures (debt forgiveness).) These efforts align with the priority issues of “poverty reduction” and “human security” under Japan’s ODA Charter, and are also meaningful in terms of diplomacy to Africa according to the process of the Tokyo International Conference on African Development (TICAD). These efforts have important implications not only for Malawi but for all of sub-Saharan Africa, and also for Japan.

This evaluation study has been performed to comprehensively assess Japan’s ODA policy toward Malawi by means of a well-balanced analysis with regard to development effectiveness and diplomatic significance, and to obtain useful lessons and constructive recommendations that can contribute to future revision of the country assistance policy. In developing the recommendations, we have tried to take into account such as differences between the stance of the country assistance policy and that of existing country assistance programs.



## 2 Scope and period of this evaluation

Because no Country Assistance Program has yet been developed for Malawi, we compiled the framework of policy objectives based on the existing project development plans, basic aims, and priority areas, and performed evaluation on that basis. The Country Assistance Policy for Malawi was formulated quite recently, in April 2012, so it was not a major focus of evaluation. However, that policy has been taken into consideration in diagramming the framework of Japan's objectives in ODA to Malawi, as it can be assumed that the policy incorporates the necessary perspectives for compilation of systematic policy goals, because it was based on assistance measures implemented by Japan for Malawi in the past.

The figure below shows the framework of Japan's objectives in ODA toward Malawi as covered by this evaluation study. The scope of evaluation was determined after the start of this study, based on documentation obtained from the relevant departments of MOFA concerning ODA measures for Malawi in the past fiscal year, as well as discussions at meetings with MOFA and JICA. The time period for evaluation is basically since 2003, when the current ODA Charter was formulated as the high-level policy.

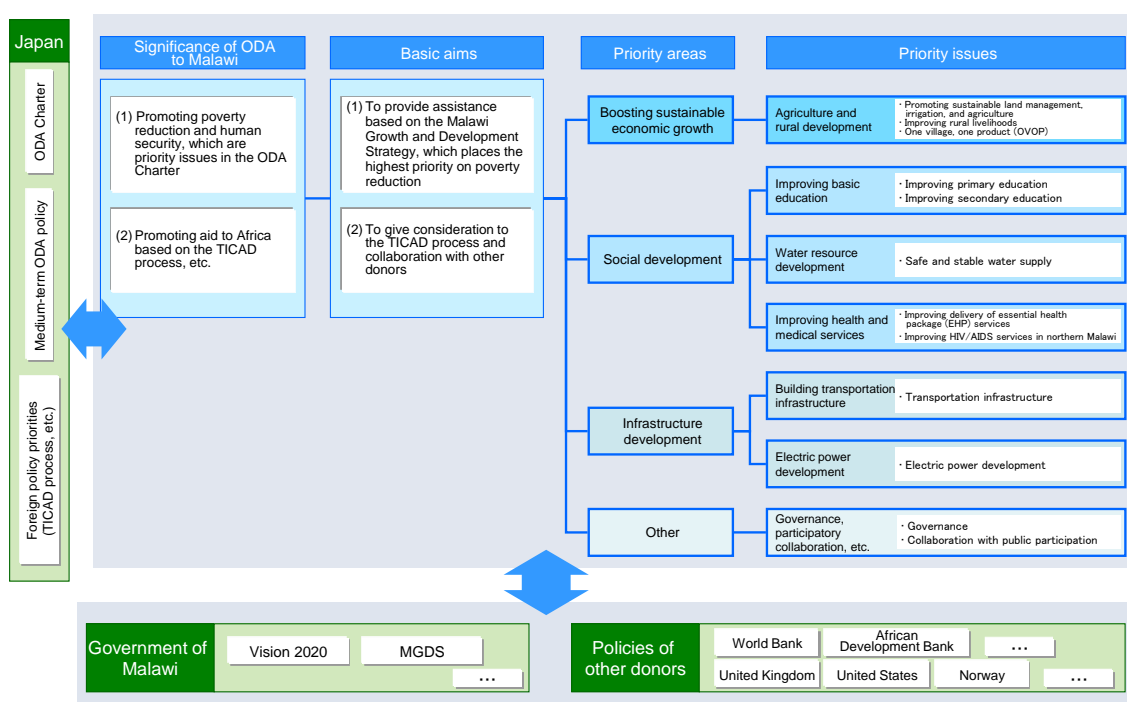


Fig. 1. Framework of objectives in Japanese ODA for Malawi

### 3 Methodology of this evaluation

In this study, we have evaluated Japan's assistance to Malawi in terms of four areas: Relevance of Policies, Effectiveness of Results, Appropriateness of Processes, and diplomatic considerations. We have also referred to the five OECD/DAC criteria based on the ODA Evaluation Guidelines (7<sup>th</sup> edition).

Specifically, concerning the Relevance of Policies, we have examined consistency with the development needs expressed in Malawi's long-term national development plan (Vision 2020) and its medium-term development strategy (MGDS), the situation of collaboration with other donors, and alignment with the TICAD process.

Second, with regard to the Effectiveness of Results, our evaluation has emphasized the level of attainment of sustainable economic growth, social development, and infrastructure development in terms of poverty reduction and human security.

Next, concerning the Appropriateness of Processes, we have evaluated the adequacy of information sharing and collaboration with the Government of Malawi and other donors in the establishment of priority areas and priority issues and initiatives to deal with those issues. We have also evaluated the appropriateness of the process used to formulate the country assistance policy that was adopted in April 2012.

Last, in the evaluation of diplomatic considerations, we have verified recognition of Japan's ODA contributions by the Government of Malawi and studied the ripple effects for Japan in relation to the development of mineral resources (significance for Japanese companies and resource diplomacy).

## 4 Summary of the evaluation

### 4.1 Relevance of Policies

#### 4.1.1 Consistency of Japan's assistance policy to Malawi and Malawi's own development policy

Interviews with Malawi's Ministry of Finance, which is the counterpart on the Malawi side for aid to Malawi, and Malawi's Ministry of Economic Planning and Development, which is in charge of development planning for Malawi, demonstrated that Japan's assistance policy is consistent with Malawi's development planning. In addition, interviews with the relevant ministries indicated that Japan's assistance conforms to the development aims of Malawi in individual policy areas, including improvements in added value, productivity, and crop diversification in the area of agriculture and food security, afforestation for environmental conservation in the area of climate change, and promoting secondary school enrollment in the area of education. On the whole, Japan's assistance policy is consistent with Malawi's development policy, both at the policy level and at the project level.

#### 4.1.2 Collaboration with assistance programs of other donors

Collaborative assistance with other donors is being successfully implemented in Malawi, as the coordination of assistance is pursued through the Sector-Wide Approach (SWAp) and sector working groups, along with collaboration in assistance planning with other donors. Donors of large-scale assistance to Malawi, including the United States and the United Kingdom, have also been implementing aid in accordance with development policies formulated by the Government of Malawi such as Vision 2020; and therefore, the aims of Japan's assistance and assistance by major donors are generally aligned.

In addition, Japan has emphasized the field level in its assistance, including technical cooperation and activities by the Japan Overseas Cooperation Volunteers (JOCV), and this is expected to be beneficial for Malawi from a long-term perspective. This is a distinguishing feature of Japan's assistance compared to that of other donors, and it can be considered as an advantage.

#### 4.1.3 Consistency with Japan's ODA and foreign policies

The priority areas of Japan's assistance policy toward Malawi are sustainable economic growth, social development, infrastructure development, and other factors (such as governance). Meanwhile, the priority issues of Japan's ODA Charter and its Medium-Term Policy on ODA are poverty reduction, sustainable growth, addressing global issues, and peace-building; and each of these is related to the assistance policy toward Malawi. In addition, we have confirmed through interviews with persons involved in assistance to Malawi that the assistance policy toward Malawi was formulated on the basis of the ODA Charter and Medium-Term Policy on ODA.

## 4.2 Effectiveness of Results

It would be difficult to quantify the extent of contributions to Malawi as a whole that have taken place due to Japanese assistance, but interviews with related persons in Malawi confirmed that Japan's assistance has generally been effective, primarily in the area of social development. Meanwhile, in the area of economic development, the number of projects is not very large, and these are also relatively small in scale because Japan does not provide ODA loans due to the debt sustainability situation of Malawi. Therefore, the impact in this area has been limited in comparison to the area of social development. We have examined the specific effects by area, generally in terms of individual projects.

### 4.2.1 Agriculture and rural development

We confirmed that a contribution has been made in the area of agriculture and rural development in Malawi through individual projects. For example, in the Project for Community Vitalization and Afforestation in Middle Shire River (COVAMS), Japan's assistance has produced a quantified improvement in local agricultural productivity. For example, it has been confirmed that maize production is about 1.5 times higher when grown using the methods introduced in this project, compared to conventional methods. In the future, as similar activities are expanded to the region surrounding the place where this project was implemented, the effects of the project can be expected to reach a national level.

We also determined that Japan's ODA in the area of agriculture and rural development has been effective in the following three ways. First, it has not only improved agricultural productivity, but also contributed to the development of sustainable farming. Second, in addition to agriculture and rural development, its benefits have extended to other areas such as environmental protection, developing the capacity of residents, and improving the efficiency of electric power generation. And third, it has created synergy by forming the basis for assistance by other donors.



Photos Left: Members of the evaluation team hear an explanation about the COVAMS project.  
Right: A field with contour marker ridges based on the planting method introduced in the COVAMS project.

#### 4.2.2 Improving basic education

In the area of basic education, while the primary school net enrollment rate in Malawi is more than 90%, it is important to expand and improve secondary education. Japan is actively involved in assistance at the secondary education stage, and has contributed to building educational facilities, developing the capacity of instructors, and improving governance of local education. For example, under the secondary school improvement plan, multiple secondary schools have received general classrooms, science labs, libraries, and girls' dormitories. Related persons in Malawi indicated that Japan's assistance has led to improved school attendance, with a decrease in the number of dropouts and repeated school years, as well as capacity development for more teachers, especially in schools that received science labs. In fact, the secondary school net enrollment rate increased from 23.4% in 2005 to 29.3% in 2011, and the percentage of secondary school teachers with the proper teaching qualifications increased from 47.9% in 2005 to 59.4% in 2011.

As of November 30, 2012, JICA has sent a cumulative total of 191 Japanese science and math teachers as JOCV to Malawi (including current JOCV). More JOCV teachers have served in Malawi than anywhere else in the world (1,581 persons as of November 30, 2012), and the greatest proportion of these has been science and math teachers. Many of them are sent to the Domasi College of Education at University of Malawi. As the name of the Domasi College of Education is printed on Malawi's 20-kwacha bill, the impact of Japan's assistance in the area of education, including JOCV, seems to have been quite significant.

There are expectations for further expansion of support for improving basic education at the field level in the future.



Photos: Project sites of the secondary school improvement plan  
Upper left: School building under construction  
Upper right: Explaining Japan's assistance  
Lower left: Auditorium under construction  
Lower right: Girls' dormitory under construction

#### 4.2.3 Water resource development

In the area of water resource development, Japan's assistance has provided for the construction and maintenance of water supply facilities and wells, not only in cities but also in rural areas. This is helping to solve the problem of inadequate access to water, which is a major issue in Malawi. For example, in the rural water supply operation and maintenance project, support for the participation of residents in maintenance and management of water supply facilities has made it easier to ensure a supply of safe water in rural areas, and the construction of wells has lightened the load for women who no longer need to collect water from distant rivers. In fact, while the percentage of the rural population with access to a safe water supply was only about 68% in 2005, this figure improved to nearly 80% during 2007-2010.

In addition, Japan's assistance has made effective use of non-governmental organizations (NGOs) in the area of water resource development, and related persons in Malawi stated that this assistance has been thorough and practical. For example, under the framework of Grant Assistance for Japanese NGO Projects, the Malawi office of the Nippon International Cooperation for Community Development (NICCO), a Japanese NGO, has helped to

improve the quality of life of residents by promoting the construction of wells and ecological sanitation toilets that use human excrement and urine to make fertilizer.

There are expectations for further expansion of support for water resource development at the field level in the future, including consideration for rural areas.

#### 4.2.4 Improving health and medical services

In the area of health and medical services, Japan's assistance has contributed to the UN Millennium Development Goals (MDGs) of reducing child mortality rates, improving maternal health, and preventing the spread of HIV/AIDS, malaria, and other diseases through assistance in Malawi for purposes such as improving hospital operations, improving public health, and combating the human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS). For example, in a project to promote "5S-KAIZEN-TQM" for improved hospital operations, assistance has been provided to support functional improvements in health and medical facilities by using the Japanese quality control methods of "5S-KAIZEN-TQM." As a result, related persons in Malawi have indicated that the practices of 5S (Sort, Set, Shine, Standardize, Sustain) have taken hold in behavioral changes at hospitals, making it possible to provide health care in a comfortable environment. In fact, the infant mortality rate (number of infants who die before reaching the age of one year per 1,000 live births) fell from 99 infants in 2000 to 58 in 2010; the under-five mortality rate (number of children who die before reaching the age of five years per 1,000 live births) fell from 167 children in 2000 to 92 in 2010; and the maternal mortality rate (number of maternal deaths per 100,000 live births) fell from 840 women in 2000 to 460 in 2010.

As of November 30, 2012, JICA has sent a cumulative total of 434 JOCV to Malawi in the area of health and sanitation, more than in any other field. Their contributions have been highly valued by related persons in Malawi. For example, at the Dowa District Hospital, where JOCV is active, there were comments to the effect that the state of sanitation at the hospital has been improved through the efforts of these JOCV, and that they have also contributed to improvements in overall operations.

There are expectations for further expansion of detailed support for health and medical services through people working at the field level in the future.



Photos "5S-KAIZEN-TQM" promotion project for improved hospital operations

Upper left: Patients waiting for examination

Upper right: Medical supplies, organized and labeled

Lower left: JOCV with posted information about 5S techniques

Lower right: Food preparation area after cleaning

#### 4.2.5 Construction of transportation infrastructure

Most of the assistance from Japan is provided as Grant Aid for General Projects, and the amounts are not very large, amounting to ¥500 million to ¥1 billion per project. However, Japan's assistance has also contributed to the development of transportation infrastructure at the request of the Government of Malawi. For example, the evaluation team visited the site of a highway bridge that was built with general project grant aid in the bridge rebuilding project on National Route 5 between Balaka and Salima, and confirmed that it is being used with some frequency by cars, buses, trucks, bicycles, and pedestrians and is playing an important role in transportation for residents of the local area and other users.

In addition, Kamuzu (Lilongwe) International Airport was built more than 30 years ago with ODA loans from Japan, and Japan's assistance is still contributing to the renovation and stable operation of this airport and the long-term maintenance of transportation infrastructure in Malawi.



#### 4.2.6 Electric power development

Rural electrification is an area with almost no involvement by other donors, so Japan's assistance in this area is appreciated. There has been a considerable contribution, although it would be difficult to quantify just how much Japan's assistance has contributed to increasing the electrification rate. Specifically, in a technical cooperation project for rural electrification in Malawi, Japan sent experts on long-term assignments and prepared a master plan, a manual, and other materials that contributed to rural electrification by improving the efficiency of rural electrification related projects by Malawi's then Ministry of Energy and Mining. The rural electrification rate in Malawi as a whole increased from about 5% to more than 10% from 2005 to 2009, and Japan's assistance made some contribution to this 5% improvement.

On the whole, although Japan's assistance has involved a smaller number of projects and a smaller amount of funding in the area of electric power development than in other areas, it can be said that there has been a large benefit in comparison to the amount of assistance in this area.

#### 4.2.7 Other factors

With regard to governance, an aspect which relates to multiple areas including all of the above, Japan's assistance has been aimed primarily at capacity building in relation to financial management, and has contributed to improving governance of local governments. For example, in a project on capacity building in the Public Sector Investment Programme (PSIP), Japan's assistance has included holding workshops and sending experts for capacity building in planning, operation, and management in the Ministry of Economic Planning and Development; and during that period, Malawi's Open Budget Index (OBI) improved from 28 in 2008 to 47 in 2010.

Gender is another aspect that relates to multiple areas. Although no projects have clearly identified elimination of gender disparities as their primary purpose, projects in areas such as education and health care have clearly been effective from a gender standpoint. For example, in the area of education, building girls' dormitories leads to an increase in the number of girls who attend school; and in the area of health care, improving health care facilities leads to a reduction in the maternal death rate. In fact, the secondary school net enrollment rate for girls rose from 21.9% in 2005 to 28.8% in 2011, and the percentage of female secondary school teachers who have the proper teaching qualifications increased from about 60% in 2005 to 73.5% in 2011.

Furthermore, the number of JOCV, who are the front line of Japan's assistance to Malawi, rose to a cumulative total of 1,581 persons as of November 30, 2012, the highest number sent to any country in the world. Their work is praised by persons at their assignment sites and the Government of Malawi, and many related persons expressed positive opinions of their detailed and practical assistance. For example, it has been confirmed that administrative organizations prepare and submit monthly reports on measures against HIV/AIDS at a higher rate in regions where JOCV have conducted activities to combat HIV/AIDS than in other regions, and that more residents are interested in balanced meals and nutrition in regions where JOCV have conducted activities related to nutrition.

Recognition of JOCV extends to the highest levels of government; for example, President Mutharika (in power until April 2012, but has passed away due to health issues) hosted a reception to celebrate the fortieth anniversary of JOCV activities in 2011. In addition, the activities of JOCV provide a valuable experience to the volunteers themselves, helping them to develop an international perspective, and are effective in training up Japanese human resources with international capabilities. However, from the standpoint of improving the level of understanding and trust between related persons in both Japan and Malawi and building closer ties on the personal level, there is still room for improvement in areas such as integrated project development and implementation with other assistance programs, cooperation with other donors, dispatching JOCV in groups instead of individually, flexibility in the duration of service including the possibility of extensions, and procedures for the handover of duties between JOCV.



Photo: JOCV in action

#### 4.3 Appropriateness of Processes

##### 4.3.1 Process to formulate Japan's assistance policy toward Malawi

The process of formulation of Japan's assistance policy toward Malawi is not specified in any publicly available documents. However, the fact is that there are not many concerned parties with regard to Japan's assistance policy toward Malawi other than MOFA and JICA; and policy formation is based on a shared understanding among the related parties in Japan. In addition, it is properly handled in accordance with the ODA Charter, which is the higher level policy. According to officials at MOFA, internal records on discussions concerning assistance policies for Malawi are retained by the head office of the Ministry of Foreign Affairs and the Japanese ambassador to Malawi and provide evidence that Japan's assistance policy toward Malawi has been formulated through consultations among the relevant parties.

It is expected that future revisions of the country assistance policy that was formulated in April 2012 will lead to public disclosure of the formulation process for assistance to Malawi. It is desirable for the formulation process of Japan's assistance policy toward Malawi to be clarified by means such as disclosure of related documentation so that this process can be evaluated periodically, and not only by the present evaluation study.

#### 4.3.2 Aid implementation process and consultation & coordination among organizations concerned in implementing assistance

##### (1) Local ODA task force

At present, the local ODA task force for formulation and implementation of Japan's assistance policy toward Malawi is meeting regularly, with participation mainly from the Embassy of Japan in Malawi and the JICA Malawi Office, to discuss the formulation and implementation of assistance policies for Malawi. We confirmed that there are no particular problems with reaching mutual agreement between the local ODA task force and related organizations in Japan.

##### (2) Collaboration with recipient government agencies

There is generally suitable collaboration between organizations in Japan and government agencies of Malawi. We did not discover any adverse effects on the implementation of aid to Malawi due to inadequate collaboration with agencies in Japan in the process of implementing assistance. There do not appear to be any particular problems from the standpoint of collaboration with the government agencies of Malawi.

##### (3) Collaboration with other donors

Through interviews with related Japanese organizations, we confirmed that collaboration with other donors is generally taking place. Meanwhile, in interviews with other donors in Malawi, two issues were pointed out concerning the implementation process of Japanese assistance: Firstly, Japan has a weak presence compared to that of other donors; and secondly, not much effort has been made to coordinate the implementation of assistance with other donors. One specific point regarding the first issue was that Japanese participants rarely speak up to make comments with regard to coordination of practical aspects with other donors at donor meetings and the like. Regarding the second issue, interviews in this evaluation study revealed that Japan's assistance is seen as generally focused more on technical assistance than other areas, and that there is a perception that Japan tends to take an independent approach when providing assistance.

##### (4) Publicizing activities

The publicizing of Japan's assistance is being handled in an appropriate manner. Through interviews with local media, we learned that there is widespread awareness of Japan's assistance among the general public in Malawi; and this seems to indicate that the activities are being publicized appropriately.

Meanwhile, some also expressed the view that the level of awareness of Japanese assistance among the people of Malawi could still be improved by further expansion of publicizing activities. It is possible that the diplomatic impact could be enhanced in the future by expanding public information to allow more of the people of Malawi to become aware of Japanese assistance.

##### (5) Other matters of collaboration

The JICA Malawi Office reports that it is collaborating not only with staff engaged in assistance to Malawi but also with its offices in neighboring countries; for example, it

regularly consults and collaborates with the JICA office in Mozambique concerning matters such as the plan to improve the Nacala Development Corridor. Collaboration with neighboring countries is expected to become increasingly important from the standpoint of improving the efficiency of assistance to Malawi.

#### 4.4 Diplomatic perspectives

##### 4.4.1 Diplomatic importance

The number of Japanese corporations operating in Malawi is limited, and only one Japanese corporation is active in Malawi on the private level. Because the bilateral relationship between Japan and Malawi centers around consultations on ODA issues, Japan's assistance to Malawi has become an important tool in maintaining diplomatic relations between the two countries.

Moreover, Malawi is one of the least developed nations in Africa, with per capital gross national income (GNI) of \$330 (as of 2010). Although the political situation is relatively stable in Malawi, if its economic weakness continues, there is a possibility that political weakness may emerge as well. ODA can have a significant impact on the continued peace and sustainable growth of Malawi by contributing to the construction of social and economic infrastructure of Malawi and promoting political and economic stability. Therefore, continuous provision of ODA to Malawi is an important action in terms of securing international peace and prosperity, which is one of Japan's diplomatic objectives

##### 4.4.2 Diplomatic impact

Most of Japan's assistance up to the present time has been focused on the field level. Therefore, it is not clear whether assistance to Malawi has directly benefited the economic relationship between Japan and Malawi. However, as there is a certain level of trade between Japan and Malawi, it can be assumed that the favorable relationship between the two countries developed through ODA has produced some indirect positive effects on their economic relationship. For example, there is widespread awareness of Japanese ODA among the people of Malawi and responses were generally positive during interviews in this evaluation study; and it is quite possible that this positive impression of Japan will contribute to Malawi's support of Japan in the international arena.

The Malawi Society of Japan, which is operated primarily by former volunteers of JOCV, holds regular exchange events with the embassy of Malawi in Japan and is contributing to friendly relations between Japan and Malawi. In addition, both the number of Japanese people living in Malawi and the number of Malawian people living in Japan have increased over the past decade, and one reason may be that ODA activities, including JOCV, are facilitating personal exchange by contributing to positive relations between Japan and Malawi. Maintaining these kinds of exchanges can be expected to increase the number of Japanese channels with Malawi, leading to diplomatic benefits in the future.

Since only one Japanese company is currently operating in Malawi, it does not appear that Japanese ODA has been helpful in enabling Japanese companies to establish a foothold in Malawi. However, if a positive impression of Japan can be maintained through ODA,

Japanese companies may be able to enjoy future benefits in relation to obtaining resources and establishing a business presence. Thus, it is important to maintain the relationship between Japan and Malawi through ODA in anticipation that it may become necessary to strengthen economic ties between Japan and Malawi in the future.

## 5 Recommendations

### 5.1 Basic approach to recommendations in this evaluation

This evaluation study has confirmed that Japan's assistance to Malawi has made a certain contribution to the development of Malawi in the fields of agriculture, health, and infrastructure the efforts of JOCV, which has sent a cumulative total of 1,500 volunteers to Malawi from 1971 to the present, technical assistance, and grant aid. In particular, there were many comments about improvements at the field level that have been made with Japan's assistance. This study has also found that the people and government officials of Malawi are generally aware of Japan's assistance to Malawi, and it is undoubtedly helping to increase the presence of Japan in Malawi and maintain friendly relations between the two countries.

Meanwhile, the Government of Malawi is pursuing development in accordance with policies such as Vision 2020, a long-term development strategy aimed at making Malawi a middle-income country; the Malawi Growth and Development Strategy (MGDS), a medium-term development strategy (the original MGDS was begun in 2006 and ended in June 2011, and Malawi is currently putting forward MGDS II as its medium term development strategy); and the Economic Recovery Plan, which was adopted in 2012 as a short-term plan for economic growth. In these development policies, the government is committed to pursuing development goals for economic development, including infrastructure development and promotion of tourism, in addition to basic development needs such as poverty reduction and health care.

However, the macroeconomic situation in Malawi is not completely sound, as evidenced by its chronic lack of foreign currency reserves and current account deficit. The country as a whole depends on general budget support from development partners such as the EU and the United Kingdom for about 40% of its fiscal revenues, and assistance from major countries is also indispensable at the level of policy implementation. While the economy has grown at an annual rate of about 7% in some recent years, with a per capita GNI of just \$330, it is definitely not at a high level even in comparison to other sub-Saharan countries. About 40% of the population live in poverty on less than one dollar per day, and continued assistance at the field level will be essential for attainment of the MDGs, which include expanding access to education, expanding access to safe water, and improving health care services.

Considering the above, it will become increasingly important to provide assistance for economic development and assistance for social development in a well-balanced manner in Malawi. Also, since the problems related to development are deeply-rooted and wide-ranging, it is important to provide not only assistance for contributions at the field level, but also assistance that will contribute to improved functioning at the policy level.

There is high praise for Japan's grant aid and technical cooperation, particularly at the field level, not only from the Government of Malawi but also from other donors. It appears to have had a very large impact in promoting social development in Malawi, especially with regard to expanding access to safe water and improving the quality of education, as indicated in section 1.1.2 (Effectiveness of Results). Meanwhile, the impact of Japan's assistance on economic development has been rather small in comparison to its impact on social development and in comparison to other donors' contributions to economic development.

This evaluation study has resulted in the following four recommendations for Japan's future assistance to Malawi, based on the above facts.

Recommendation 1 is intended to emphasize the superior characteristics of Japanese assistance to Malawi up to the present time. It is based on the view that Japan should maintain its careful and meticulous assistance for Malawi which has been formed over long years to be Japan's unique assistance style and can be distinguished from that of other donors.

Recommendations 2–4 are based on the assumption that Japan will continue its assistance at the field level to contribute to social development, with the same or even greater involvement than in the past. These recommendations are focused on identifying the perspectives that ought to be added so that Japan can contribute to accelerated progress toward the attainment of development goals of Malawi, based on the evaluation of past assistance.

#### 5.1.1 Recommendation 1: Develop assistance at the field level, including JOCV.

As Japan's overall ODA budget has been in decline, an important tool for Japan in the future will be the use of efficient aid schemes that make use of Japanese knowledge and experience, such as JOCV. A particularly important development issue in Malawi continues to be promotion of social development, including the attainment of MDGs. One finding of our on-site interviews is that Japan's ODA is recognized as being effective at the field level and as having steadily contributed to social development in Malawi from a long-term perspective. These superior characteristics of Japan's assistance constitute an "asset" that has been developed through Japan's steady involvement in assistance activities over the past several decades. Assistance to Malawi should continue to make use of this "asset" in the future.

Japan has sent by far a large number of JOCV to Malawi in comparison to the number it has sent to other countries, and this has enabled Japan and Malawi to develop valuable personal connections which have expanded from these JOCV. Because it is important to enhance the diplomatic impact of ODA with the limited ODA budget, Japan is required to focus on building a strong diplomatic relationship with Malawi through the personal connections built through ODA. In dispatching JOCV, it is expected to spread the effects of ODA at the diplomatic level and the policy level, while also building a stronger network of contacts between Japan and Malawi at the field level through the provision of ODA. JOCV can be expected to develop a more intimate personal network than other schemes such as technical cooperation and grant aid as their project durations are fixed and their targets are subject to changes on a regular basis.

Japan can develop this field level assistance as represented by JOCV even further because Japan has been providing this type of assistance to Malawi for several decades. In addition, it would be difficult for other donors, who have not been actively engaged in sending JOCV for assistance, to adopt a policy of assistance to Malawi that is centered on field level assistance; so this is effective from the standpoint of showing the comparative advantages of Japan's assistance. As the fiscal constraint on Japan's ODA is becoming increasingly severe, it would be effective to take advantage of the unique circumstances in Malawi where JOCV s are accepted without difficulties, and to implement assistance in a strategic manner through a combination of JOCV and technical cooperation, so that it would enhance the quality of the

field level assistance.

This is also a recommendation that forms the basis for implementing Recommendations 2, 3, and 4, which are described below.

#### 5.1.2 Recommendation 2: Provide assistance for better use of geographical connection with neighboring countries as a means of promoting development.

In recent years, with the start of uranium mining in northern Malawi, underground resources have begun contributing to the economy; however, when compared to neighboring countries like Mozambique and Zambia, there are still no signs of the underground resources leading to dramatic and sustainable economic growth. Furthermore, as a landlocked country, it is indispensable for Malawi to cooperate with neighboring countries for elevating economic development mainly through trade with foreign countries. For example, cooperation with Mozambique is vital because the Port of Nacala in the northern part of neighboring Mozambique or the Port of Beira in central Mozambique would be used to export goods produced in Malawi to Asia, Europe, or the Americas.

The economies of neighboring countries including Mozambique and Zambia have been growing rapidly in recent years, primarily based on their abundance of underground resources, and foreign businesses have been actively investing in those countries. For example, companies from Brazil and other countries are conducting coal mining in the vicinity of Tete in northeast Mozambique, relatively close to the border with Malawi, and railroad construction is underway for the transportation of coal to the Port of Nacala by way of southern Malawi for the export of coal mined in this area. This suggests that there will be increasing opportunities in the future for Malawi to benefit from the growth of countries with which it shares a border.

In other words, although Malawi is a landlocked country, there are increasing opportunities for economic growth, because development is beginning to emerge in the surrounding area. To make use of these opportunities, it will be important to pursue strategies that promote the growth of Malawi through creating synergy with the growth of neighboring countries, in addition to building infrastructure such as power facilities and roads.

Therefore, in the future, Japan should actively provide assistance that makes use of the geographical connection that Malawi has with neighboring countries. One example is to facilitate projects to develop the bases for the manufacturing industry and agricultural export in southern Malawi in tandem with the Nacala Development Corridor project, to take advantage of the construction of transportation infrastructure from the Port of Nacala to southern Malawi. Pursuing development in line with the development of neighboring countries will not only make it easier to achieve development within Malawi, but also contribute to sustainable economic growth and development, which is one of the goals described in Vision 2020.

At present, in light of Malawi's financial circumstances, Japan does not extend ODA loans to Malawi. For that reason, in the short term, it would not be feasible for Japan to act alone in actively implementing the large-scale assistance which the World Bank and the African Development Bank (AfDB) are planning to provide to Malawi for enhancing connectivity, such as road construction. However, there is some potential for using schemes other than ODA loans as a means of forming in Malawi a "core" of economic growth for the southern



African region in Malawi through assistance to improve an investment climate for industrial development that Japan has been implementing in Asia and elsewhere. Japan is already actively implementing projects for the Nacala Development Corridor in Mozambique, and the JICA Malawi Office is implementing various forms of assistance in cooperation with JICA offices in neighboring countries as mentioned in this evaluation; so these efforts have been forming a basis for assistance oriented to regional development centered around Malawi. In addition, if ODA loans can be resumed in the medium to long term, it will become possible to expand assistance around that “core” to include infrastructure development and the like, allowing sustainable development that makes use of the geographical characteristics of Malawi. At the present stage, since the Nacala Development Corridor has not yet been completed, this could include investigating the changes in distribution after the Nacala Development Corridor is in place (in particular, changes in volumes and types of goods distributed by way of Malawi) and investigating the customs procedures at the borders with Zambia and Mozambique.

However, since Malawi is economically vulnerable in some aspects when compared to its neighboring countries, stronger geographical connection between Malawi and its neighboring countries could actually have the effect of exposing Malawi to excessive competition and making it more difficult to nurture industrial development in Malawi. Considering such risks, it is necessary to implement the actions mentioned in this recommendation by taking account of Malawi’s comparative advantages in advance. For example, to promote industrial development and strengthen Malawi’s competitiveness, it will be important to make use of advantages such as the greater ease of doing business in English in Malawi when compared to Mozambique, and shorter physical distances to harbors in Malawi when compared to Zambia. On that basis, it is necessary to provide assistance that helps to promote development by making use of geographical connection between Malawi and its neighboring countries.

### 5.1.3 Recommendation 3: Promote assistance aimed at building industrial infrastructure in Malawi.

Considering the scale of Malawi’s national finances and the fact that its financial structure is heavily dependent on general budget support, it would, of course, be difficult to conceive of using an economic growth model that relies heavily on public investment. Attention has been called to Malawi’s difficult investment climate on a number of fronts; for example, the inadequacy of access to the financial sector in Malawi has been pointed out at the World Economic Forum, and Malawi has been placed 145th out of 183 countries in the Doing Business Index of the World Bank, an overall ranking of the ease of investment.

Therefore, development of the private sector will be essential in order to achieve the economic growth goals mentioned in Malawi’s development policies, and Japan’s assistance should be oriented to fostering growth of the private sector in Malawi.

To that end, it is necessary first of all to provide assistance from the standpoint of building industrial infrastructure to enable ongoing economic activities by private businesses in Malawi. Then, on that basis, another important viewpoint in providing assistance will be to contribute to private sector development in areas such as energy, tourism, mining, agriculture, transportation, and information, for the sake of consistency with Malawi’s development

policies including its Economic Recovery Plan.

Among these, expectations are greatest for the fostering of private enterprise in the area of agriculture. Agriculture is a key industry in Malawi, accounting for approximately 40% of the gross domestic product (GDP). It is possible that growth in the agricultural sector could underpin the overall economic growth of the country.

There are two specific types of approaches that can be taken to assistance; these are an approach from the field level and an approach from the policy level. For example, in the area of agriculture, the approach from the field level is aimed at making agriculture in Malawi more attractive for the private sector by improving the crop productivity of individual farmers through technical cooperation, as in the project for the middle Shire River basin. Meanwhile, the approach from the policy level would design programs to prime the pump for new business endeavors by means of incentives for domestic and foreign companies to do business in Malawi, based on assistance from Japan.

Up to the present, it has been very rare for Japanese companies to establish a business presence in Malawi; but if the entry of Japanese companies into Malawi is promoted through assistance in the future, this could be expected to show effectiveness from the standpoint of Japan's national interests. Important reasons why such a small number of Japanese companies are doing business in Malawi include the dearth of information on Malawi that is available to Japanese companies and the difficulty of grasping onto factors that would draw them into Malawi. It would be useful to consider ODA projects, which are relatively low-risk from the corporate side, as a means of removing obstacles to the entry of Japanese companies into Malawi. In addition, for the purpose of building industrial infrastructure for the agricultural sector as mentioned above, assistance in the areas of roads and electric power could be effective both for Japan and for Malawi, as this is assistance that can be implemented by Japanese companies. With basic economic infrastructure in place, including roads and electric power, it would be possible for the Malawi side to work toward improving the competitiveness of its crops by lowering the cost of transportation and processing crops into products for higher added value; and meanwhile, it would be possible for Japan to consider making Malawi into a base for the surrounding region.

#### 5.1.4 Recommendation 4: Engage in collaborative assistance led by Japan, based on Japan's comparative advantages in Malawi.

The United States, UK, EU, and other donors are actively pursuing assistance activities in Malawi. The UK and EU, in particular, are providing general budget assistance to Malawi to support Malawi's national finances. Also, major donors are cooperating in Malawi for efficient implementation of assistance through programs such as SWAp. This evaluation study has confirmed that Japan also is working to improve the effectiveness of assistance in cooperation with other donors through means such as active involvement in the Agricultural Sector-Wide Approach (ASWAp).

The World Bank and AfDB showed a move toward assistance to contribute to development of the Shire River basin while exchanging information with Japan in relation to COVAMS, a project conducted by JICA in the Shire River basin in southern Malawi until 2012 for purposes including the prevention of soil erosion. Because Japan does not provide general budget support or ODA loans, the monetary amount of assistance to Malawi by

Japan is much smaller than the amounts provided by the Department for International Development (DFID) of the UK or by the United States Agency for International Development (USAID). However, the method of providing assistance based on technical cooperation in initiatives of other donors, as in the project for the middle Shire River basin, is very important for efficient aid using the limited funds for Japan's assistance to Malawi.

In other words, to improve the effectiveness of assistance to Malawi in the future, it is important to promote collaborative assistance, reaching beyond the framework of aid coordination which tends to be focused on avoiding duplication of assistance by other donors. Collaborative assistance involves the combination of resources and schemes among donors including Japan; it is aimed at collaborating with other donors in the implementation of assistance in order to create synergy in assistance by Japan and other donors. In particular, if other donors are providing loans for road construction, and Japan provides technical cooperation to train human resources to handle the maintenance of those roads, the results of such collaboration can go beyond the construction of roads to help ensure that the roads will remain effective in the long term.

It is undeniable that the effects of Japan's assistance alone are limited, because Japan's assistance involves smaller amounts of money than assistance by the UK and the US. However, as seen in this evaluation study, Japan has steadily provided field level assistance in Malawi for the past several decades, including the works of JOCV; so Japan has greater knowledge about how to perform effective assistance at the field level, compared to other donors. Considering trends in Japan's ODA-related budget, it is unlikely that there will be any dramatic increases in the scale of assistance to Malawi. Still, it will be possible to amplify the effects of assistance to Malawi, in relation to the amount budgeted, by pursuing collaborative assistance through the combination of resources and schemes among donors including Japan.

However, it is not easy to coordinate with other donors, since donors vary widely in their approaches to assistance. This recommendation does not insist that assistance should be handled cooperatively with other donors in every aspect. Instead, the idea is that assistance should be implemented cooperatively in cases where mutual improvements in efficiency can be anticipated, primarily in those areas and projects where the policies and measures of Japan and other partner donors are well aligned with each other.

Also, the Country Assistance Policy for Malawi was adopted in April 2012 to provide documentation for related entities concerning Japan's policy on assistance to Malawi. For the sake of promoting collaborative assistance with other donors, it will be important to clarify Japan's policy on assistance to Malawi through detailed documents such as the country assistance policy.

## 6 Classification of recommendations

The four recommendations of this report are outlined below. The table below classifies these as either 1) recommendations related to policy and strategy aims or 2) recommendations related to assistance methodology and procedures, and also indicates which organizations should play the leading role in responding to each recommendation.

Recommendation 1, which concerns the continued development of assistance at the field level including JOCV as a strategy at the Japan HQ level, is directed at the head offices of MOFA and JICA.

Recommendation 2, which mainly concerns the directions of Japan's assistance policy to Malawi, is directed at both the Japan HQ level and the field level because it requires coordination at both of these levels.

Recommendation 3, which mainly concerns the directions of Japan's assistance policy to Malawi, is directed at the head offices of MOFA and JICA.

Recommendation 4 is directed at the field level because it requires improved mobility at the field level in particular.

Table: Classification of Recommendations

	Japan HQ level (directed to head offices of MOFA and JICA)	Field level (directed to the Embassy of Japan in Malawi and the JICA Malawi Office)
Policy and strategy aims	<ul style="list-style-type: none"> <li>• Recommendation 2: Provide assistance for better use of geographical connection with neighboring countries as a means of promoting development.</li> <li>• Recommendation 3: Promote assistance aimed at building industrial infrastructure in Malawi.</li> </ul>	<ul style="list-style-type: none"> <li>• Recommendation 2: Provide assistance for better use of geographical connection with neighboring countries as a means of promoting development.</li> </ul>
Assistance methodology and procedures	<ul style="list-style-type: none"> <li>• Recommendation 1: Develop assistance at the field level, including JOCV.</li> </ul>	<ul style="list-style-type: none"> <li>• Recommendation 4: Engage in collaborative assistance led by Japan, based on Japan's comparative advantages in Malawi.</li> </ul>

Source: Prepared by the evaluation team

Also, concerning the timing for consideration and implementation of each of these recommendations, we are proposing that Recommendation 1 should be continued; that Recommendation 2 and Recommendation 4 should be implemented as soon as possible; and that Recommendation 3 should be pursued over the medium term.

Because Recommendation 1 does not conflict with existing assistance, not much time will be needed for it to be put into practice.

Recommendation 2 should be considered urgently, including research activities and information gathering that will contribute to realization of this recommendation, because of the fact that economic development is already taking off in neighboring countries.

Recommendation 4, which is focused on improving communication with other donors, also would not be difficult to put into practice at the level of exchanging information concerning assistance. It is important first to move into action with Recommendation 4, and concrete steps in collaborative assistance should then be taken over the medium term.

Recommendation 3 should be implemented over the medium term, considering the need for careful study of projects that would be effective for implementation of this recommendation amid Japan's limitations concerning the budget and schemes, based on the vision for economic growth in Malawi.

Table: Timing for consideration and implementation of recommendations

Time frame	Recommendation
Short-term	<ul style="list-style-type: none"> <li>• Recommendation 1: Develop assistance at the field level, including JOCV.</li> <li>• Recommendation 2: Provide assistance for better use of geographical connection with neighboring countries as a means of promoting development.</li> <li>• Recommendation 4: Engage in collaborative assistance led by Japan, based on Japan's comparative advantages in Malawi.</li> </ul>
Mid-term	<ul style="list-style-type: none"> <li>• Recommendation 3: Promote assistance aimed at building industrial infrastructure in Malawi.</li> </ul>

Source: Prepared by the evaluation team