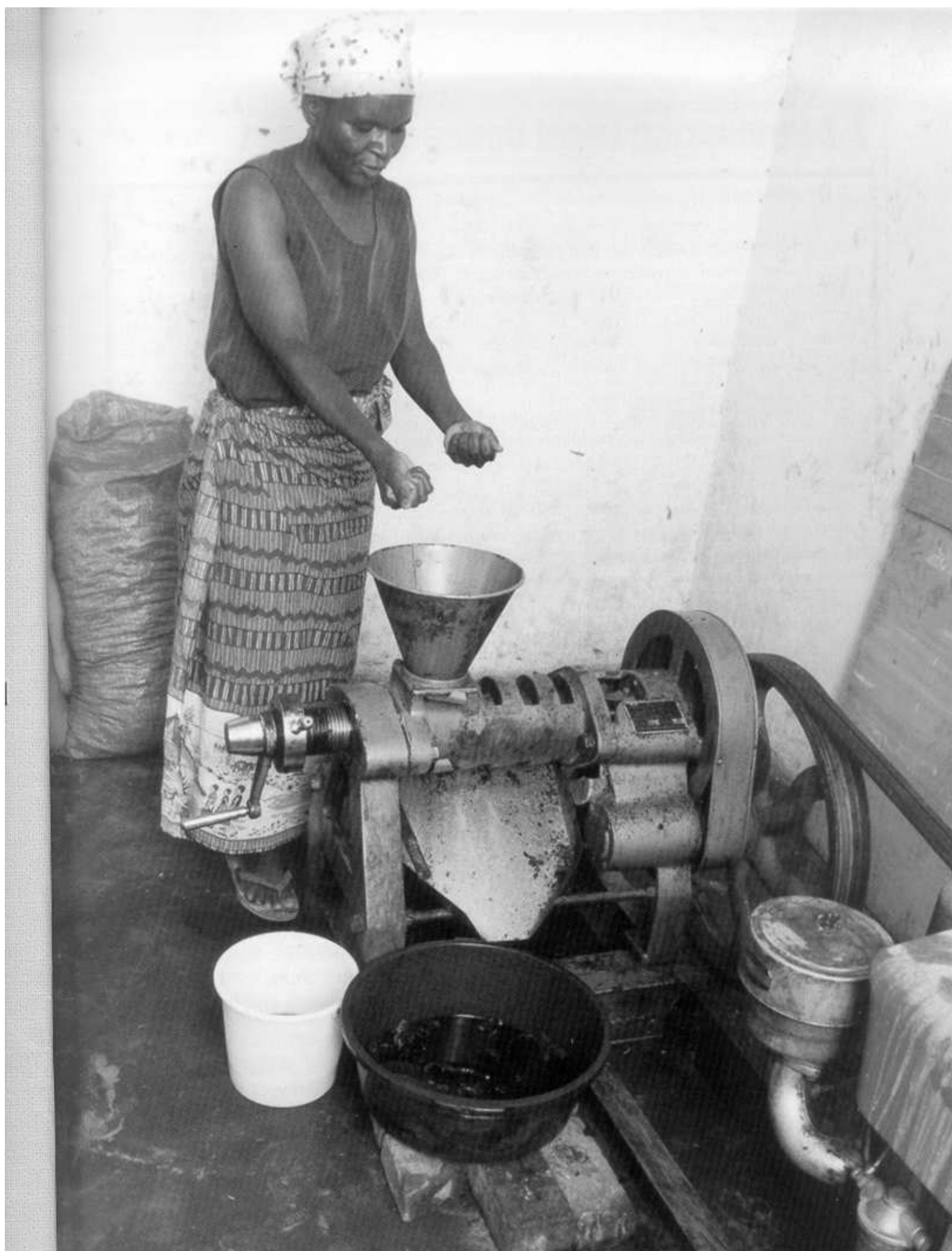




**EMPOWERING
LOCAL
COMMUNITIES**



benefited directly from the facilities created under the Community Sub-Projects Program by enjoying improved accessibility to learning facilities, health services, safe water, and sanitation.

- MASAF has helped to instill a sense of community self-reliance and constructive partnership with government, where communities have been able to exercise their rights to development, articulate their needs, directly manage resources, and demand accountability.
- Under MASAF II the Public Works Program has utilized funding to the tune of MK3.0 billion to finance 1,281 sub projects in road rehabilitation and construction, afforestation, environmental management, water harvesting and irrigation.
- The Public Works Program is an effective safety-net operation, which has cushioned poor individuals and households against the effects of shocks and poverty in general. A total of MK700 million wage income was transferred to 326,400 individual house holds by the end of MASAF II. This has translated into about 1.8 million people reached by the programme.
- Under the Sponsored Sub-Project component, a total of 334 projects were funded nationwide to the tune of MK250 million, directly benefiting 502,336 vulnerable or marginalized groups such as orphans, street children, elderly persons, people affected with HIV/AIDS, and people with disabilities.
- The Sponsored Sub-Projects component has also supported capacity building of NGOs in financial and project management,

projects sustainability, and asset maintenance. The component has further trained 1,800 home based care volunteers for both orphans and chronically ill patients.

THE CHALLENGES

In the course of implementing MASAF I and II, some issues paused as a challenge to the smooth implementation of the programs. However these experiences fed into the design of MASAF III. The major challenges in MASAF I and II implementation included the following:

- The design of MASAF I and II assumed that sector ministries at national and district level had adequate capacity to support supervision and implementation of projects at community level. As a result the quality of some of the structures was compromised.
- Completed Health Centres were left without staff for a long time due to capacity constraints within the Ministry of Health.
- Community capacity limitations resulted, in some instances, in delayed completion of projects.
- Targeting methodology of VAM under the Public Works Programme was challenged. MASAF III will use a demand-driven approach to identify beneficiaries.
- Fixing of the task rate below the market wage rate was controversial. MASAF III is working on the sensitisation of key stakeholders to the nature of the Public Works Programme as a safety net and not wage employment.
- Unequal distribution and over concentration of NGO's in some areas of the country especially

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urban centres posed some problems resulting in a skewed distribution of projects.

- Inadequate financial, human, and technical capacities at the Local Assembly level was a challenge that necessitated the inclusion of a

overwhelming demand for development projects. Establishing MASAF as a Commission under an Act of Parliament with the necessary competence and authority will not only attract additional donor support but will also instill confidence in the investing



capacity-strengthening component in MASAF III.

- Transparency and accountability problems in service delivery and resource management at community and local assembly level encouraged MASAF to consider a component that would support communities to measure and monitor service delivery and at the same time demand accountability from service providers.
- MASAF's current status as a World Bank funded Project has restricted it from accessing funds or grants from other financing agents to meet the

community to use MASAF for services in which it has the competence.

OUR COMMITMENT

MASAF III has been designed to strengthen community empowerment as an integral part of district service delivery over a 12 year period. This will contribute to the UDF government's long-term goal of sustainable poverty reduction and realization of Millennium Development Goals (MDGs).

Through MASAF III, the UDF is committed to facilitating the emergence

of a "People's Bank" that is responsive to the needs of the poor. This institution will ensure that the savings of the poor enter into the financial sector and derive maximum benefit for the savers on commercial terms. MASAF resources will be used to train communities in business skills and provide market-driven micro-finance services.

It is the desire of the UDF government to see MASAF evolve into "a peoples institution for empowerment and development accountability." Operationally, MASAF will continue to be the government instrument for leveraging financial resources towards the poor, empowering communities to demand accountability from service providers, and facilitating implementation of multi-sectoral development initiatives guided by the Malawi Poverty Reduction Strategy Paper and the decentralization programme.

Realizing that a lot of social capital (community bonding and self-actualization) has already been generated under MASAF I and II, it is the intention of the UDF Government to leverage the comparative advantage of the Social Fund Approach with regard to community empowerment, where MASAF will play the role of an institutional broker to address decentralization challenges between communities and local authorities, and bring forward the re-alignment of the central government's powers and functions within the decentralization framework.

OUR PLEDGES

Under MASAF III the next UDF government will meet the following specific targets:

To create new socio-economic infrastructure and services.

- The Community Development Component (CDP) will finance Community Managed Projects (CMPs) formerly known as Community Sub Projects (CSP) and District Managed Projects (DMPs) formerly known as Public Works Programme (PWP). These sub-components have deliberately been combined in order to allow for effective sectoral oversight and integration into the decentralization framework.

Community Managed Projects

- Rehabilitation, extension, improvement and construction of community infrastructure such as school blocks, teachers' houses, administration blocks, hostels, perimeter fences, ventilated improved latrines, electrification, bridges, community halls and resource centers, health facilities, dip tanks, postal agencies, markets, community water kiosks, boreholes, gravity fed and protected shallow wells.
- Provision of furniture, supplies and/or installation of essential equipment including electrification by solar or the national grid for most of the assets mentioned above.
- Implementation of labour-intensive public works programme for income transfers.

District Managed Projects

- Construction, rehabilitation and maintenance of earth roads, foot paths, bridges, rain water harvesting systems, land reclamation, sanitation and storm drainage, small scale irrigation and flood control systems.

- Supporting environmental and agricultural activities through the establishment of re-forestation, forestation, agro forestry, small-scale irrigation and flood control systems, terracing, sanitation and solid waste management, and compost manure making and hyacinth clearance.

Community Savings and Investment Promotion (COMSIP)

- The goal will be to transform the social capital developed under MASAF II into economic capital through the promotion of a savings and investment culture among the poor. Activities under COMSIP will include community mobilization, training in improved business management skills, and construction of clubhouses.
- Community development assistants will facilitate the formation of Community Savings and Investment Groups (COMSIGs) comprising 10-15 members each. An average of 15 groups will constitute a Community Savings and Investment Club (COMSIC), which will work with an appropriate micro-finance institution (MFI), such as the Malawi Savings Bank (MSB) to ensure that the poor operate in a viable and sustainable savings and investment environment. The UDF government will facilitate the establishment of a people's bank as a basis for long-term sustainability of COMSICs.

Provision of productive-enhancement skills and safety net activities for raising the welfare of vulnerable and marginalized persons:

- As in MASAF II, the Social Support Projects (SSP) component will target the marginalized and vulnerable persons through NGO's and CBOs.

The component will assist NGOs/CBOs in the development of long-term capacity to support vulnerable groups and will include technical assistance to organizations working directly with the vulnerable groups at the district, ward and village levels.

Activities under SSP component will depend on the specific need of the vulnerable group, but will include: economic empowerment, construction of early childhood development centers, vocational skills training, general trading, special education support, time and labour savings technologies, construction, and community centers.

Fostering of community empowerment and accountability management.

The Transparency and Accountability Program (TAP) will develop and support mechanisms for the exertion of social and public accountability through establishment of knowledge base for information sharing, capacity building, and skills transfer.

MASAF will promote transparency and accountability through participatory community monitoring and development communication strategies. The component will provide appropriate tools and skills to communities to demand accountability from sectoral ministries, NGOs, and other development factors.

Institutional Status and Mandate of MASAF

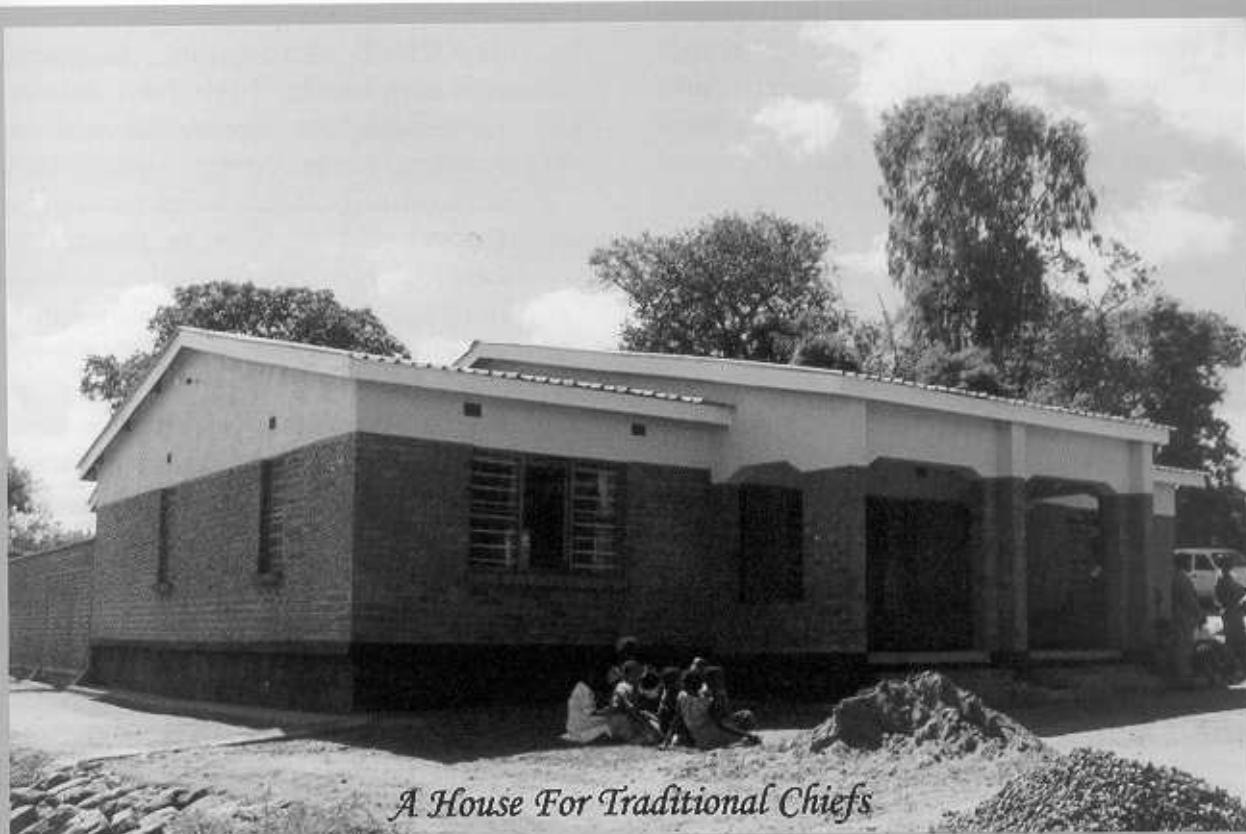
For the objectives of MASAF III to be effectively realized, there is need to adopt an adequate time frame to facilitate the harmonization of community approaches with the implementation challenges of the decentralization process. This is a process requiring institutional changes at various levels of society.

It is therefore the desire of the UDF Government to give MASAF an institutional status and mandate that will enable it interact with government agencies (central and local), private sector and NGOs on behalf of communities on the one hand, and a legal mandate to work directly with communities on the other.

The UDF Government will transform MASAF into an autonomous legal body for the advocacy of community

entity with permanence, certainty, and clear mandates would translate the cost of the World Bank funding into a proud inheritance for future generations of Malawi.

- MASAF will enhance its public stature and exposure and therefore the necessary accountability and reporting responsibilities to Government, Parliament, and the general public.



A House For Traditional Chiefs

empowerment and development accountability. The justification for the institutional reform of MASAF is as follows:

- MASAF has accumulated information, knowledge, expertise and community driven development practices that need to be replicated, developed and strengthened. These experiences would be lost if MASAF continues to operate as a project and later winds up as such. A new legal

- MASAF will be able to transact in its own name, including the right to raise funds and receive donations in its own name, and the right to sue and be sued. This framework will enable MASAF to raise large amounts of grant funds for Community Driven Development. This would also reduce Government borrowing for development purposes.
- It is expected that in the long run

MASAF, within its legal mandate, will evolve into a reputable agency and become the flagship for Community Empowerment and Development Accountability, as well as a knowledge and capacity building institution on community demand-driven development in Malawi.

DECENTRALIZATION

OUR AIM

The UDF government aims to continue empowering people for effective participation in the development and decision making processes. We believe that devolution of power and responsibility from central to local government is a fundamental prerequisite to community based development and empowerment.

WHAT WE PLEDGED

In 1994 and 1999 the UDF government promised to strengthen local government

capacity and to continue devolving power to local authority. We pledged to introduce a "bottom up" governance structure and to rejuvenate town, city, and district councils.

OUR ACHIEVEMENTS

- Since the passing of the Local Government Act in 1998, the UDF government has made tremendous progress in establishing a management and legal framework for the decentralization process.
- The Chief's Act has been reviewed, and as a result, chiefs have become prominent players in the decision making process of local communities. Chiefs are now given respect and honour as paramount custodians of the nation's cultural heritage and community development.
- Local government elections were held in 2002, paving way for proper administration of district





assemblies. Positions of city mayors and ward counsellors have been successfully filled. Gender balance was maintained during the elections.

- The government has established a financial framework for decentralization which will guide the transfer of resources from government ministries to district administrators.
- The training of district commissioners, principal secretaries, and other relevant officers in financial management, development management and change management continues to take place.

THE CHALLENGES

Decentralization is not a straightforward process. Successful implementation requires political will and technical commitment. Line ministries need to be willing to pass on responsibilities and resources to urban and district assemblies. The process of administrative decentralisation by line ministries will not yield successful results if finances and decision making powers remain centrally controlled.

The UDF government is faced with the challenge of developing a sound financial base in the assemblies that is transparent and accountable. Additionally, a lot of effort will have to be put into building human and institutional capacities within district assemblies to enable them absorb the enormous responsibilities that were performed by central government.

OUR COMMITMENT

The establishment of a Decentralization Secretariat under the Ministry of Local Government is undoubtedly a

the devolution process. The government is developing institutional capacity for local governance and transfer of functions and resources to districts.

Plans are underway to computerize financial management systems at the district level. UDF wants to create a local governance system that gives more power to local leaders and communities, and that makes people take control of their own development. We believe that the success of MASAF III and other development project depends on the ability of communities to organize themselves, prioritize their needs, and work together, to accomplish shared goals and aspirations.

OUR PLEDGES

The next UDF government will:

- Continue to strengthen capacities in urban and district assemblies by providing adequate financial resources, training opportunities, and a means to enhance their own revenue base.
- Devolve the management of basic social services to urban and district assemblies including education, health, police, water, and roads. MASAF zone managers will be removed and funds will be disbursed directly to projects through district assemblies.
- Continue to build dwelling houses and offices for chiefs.
- Administer Public Works Funds efficiently and transparently.