



NGO REGULATORY AUTHORITY

2023 NGO Sector Report

4th Edition



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About the Regulator

The Non-Governmental Organization Regulatory Authority (NGORA), is a statutory corporation mandated to register and regulate operations of Non-Governmental Organizations (NGOs) in Malawi. The statutory areas of focus are; (i) promoting the development of a strong independent civil society in Malawi that inspires public and donor confidence; (ii) enhancing collaboration between the Government and NGOs in furtherance of public benefit; and (iii) ensuring transparency and accountability of the NGO sector.

NGORA is governed by an independent Board of Directors drawn from various professional bodies. It reports to Parliament through the line Ministry of Gender Community Development and Social Welfare (MoGCDSW).



Vision

An NGO sector that maximizes public benefit.



Mission

Delivering Sustainable Development through NGO Sector Regulation.



Foreword



It is with great pride and a sense of obligation that we present the 2023 NGO Sector Report. This Report is a comprehensive summary of key indicators extracted from annual reports submitted by NGOs and it analyses the role the NGOs play in complementing government development efforts.

Over the course of the year, NGORA has dilligently compiled and analysed data from 432 compliant NGOs focussing on critical areas such as finance, source of funding, employment trends, sector preferences and challenges faced by the sector. This report, therefore, serves as a testament to the dedication and commitment of the NGO sector to the development of Malawi.

As you read the pages of this report, you will find a wealth of information shedding more light on the NGOs financial status, the sources of funding that sustain the crucial work they carry out, and the evolving employment trends through the sector. The report, further, analyses the prefered sectors of implementation by the NGOs themselves. It, also, highlights the challenges they encounter in the implementation of their programs, and provides the insights that can help in shaping the policy direction to support the growth of the sector.

The NGO sector is crucial to Malawi as a country as it strives to create an equitable and just society. It is, therefore, my hope that this report will serve as a valuable resource for stakeholders, policy makers, donors and the public in fostering a deeper understanding of the role of this crucial sector.

I would, therefore, like to extend my profound gratitude to the 432 NGOs that submitted their reports and complied to the NGO Law in 2023. My appreciation also goes to the team behind this report. I look to the future with a positive mindset where the work of NGOs continues to impact the communities in a very positive light.

**Roselyn Makhumula,
Secretary to the Ministry of Gender, Community
Development and Social Welfare**

Preface



The NGO Regulatory Authority is obligated by law to provide free access to NGO information to the public. To fulfil this function, NGORA consolidates key indicators extracted from annual reports submitted by the NGOs and profiles them in the annual NGO Sector Report which analyses the role the NGOs play in complementing government development efforts.

The 2023 NGO sector report addresses the public's need for quality NGO information and provides the government with the necessary information on NGO activities to enhance informed decision making. The information also gives the public and donor community a chance to understand the contributions NGOs are making in the development of the country and thus promote public trust and confidence in the sector.

Even though this information is crucial, NGO compliance is still a challenge in the profiling of NGO work. The challenge is a result of low compliance rates for the past years, as the information provided is not a true representation of the sector. There however has been a constant increase in the compliance rate from 5% in 2016 to 61% in 2023. NGORA continues to put effort into place to help improve compliance and at the same time create a conducive environment for NGO development.

It is therefore my expectation that the information contained in this report will catalyse efforts towards informed and evidence-based policy and programmatic decision-making by government in collaboration with various stakeholders.

I wish to recognise and extend my gratitude to the Ministry of Gender, Community Development and Social Welfare for the support provided in the development of this report. To management and staff of NGORA for working tirelessly to produce this report and to the NGOs who submitted their reports on time and all those who assisted to make the development of this report possible.

A handwritten signature in black ink, appearing to read 'E. Chileka-Banda'. The signature is stylized and cursive.

Mr. Edward Chileka-Banda
Chief Executive Officer
NGO Regulatory Authority

Definitions

1. Capacity Building

Capacity building refers to actions that improve an NGO's effectiveness or enhance its ability to work towards its mission. Capacity-building efforts can include a broad range of approaches, e.g., financial support, training and supporting collaboration with other NGOs.

2. Exempted NGO

An NGO exempted from the provisions of the NGO Act under Section 5.

3. International NGO

An institution or organization for public benefit purposes, established under the laws of a country other than Malawi, or established under a treaty or convention and conducting some or all its activities in Malawi.

4. NGO

Non-Governmental Organizations are constituted for public benefit purposes to which the provision of the NGO Act is applicable.

5. NGO Regulatory Authority

The Regulator for all NGOs operating in Malawi, established under Section 6 of the NGO Act (Cap. 5:05 of the Laws of Malawi).

6. Public Benefit Purpose

Organizational purposes involving developmental and charitable purposes including but not limited to, education, health, welfare, advocacy, cultural, civic, social, recreational, scientific, environmental, or other similar objects for the benefit of the public. Excluded are activities involving a church or religion, trade union, employer's organization, or political party

7. Sectors

Related NGO activities are usually grouped based on thematic relationships referred to as sectors.

8. Service Provision

In service provision, NGOs work towards improving quality of life by ensuring access to basic services like education, shelter, water, health, food etc.

Abbreviations and Acronyms

| | |
|---------|--|
| AAM | Action Aid Malawi Ltd |
| ADC | Area Development Committees |
| AIDS | Acquired Immunodeficiency Syndrome |
| CONGOMA | Council for Non-Governmental Organizations in Malawi |
| DDP | District Development Plans |
| DEC | District Executive Committee |
| DPs | Development Partners |
| FDI | Foreign Direct Investments |
| FY | Financial Year |
| GoM | Government of Malawi (GoM) |
| HIV | Human Immunodeficiency Virus |
| ILO | International Labor Organization |
| IMF | International Monetary Fund |
| INGO | International Non Governmental Organization |
| LGA | Local Government Authority |
| LNGO | Local Non Governmental Organization |
| MDA | Ministries, Departments and Agencies |
| MIP1 | Mw 2063 Ten Year Implementation Plan |
| MoGCDSW | Ministry of Gender, Community Development and Social Welfare |
| MoLGUC | Ministry of Local Government and Unity and Culture |
| Mw 2063 | Malawi 2063 |
| Mwk | Malawi Kwacha |
| NGO | Non Governmental Organization |
| NGORA | Non Governmental Organization Regulatory Authority |
| RBM | Reserve Bank of Malawi |
| US \$ | United States dollars |

Executive Summary

The 2023 NGO Sector Report is a summary of key indicators extracted from reports of 432 NGOs that submitted annual reports in 2023 and highlights the performance of the NGO sector for the 2021/22 financial year. The report aims to provide the public with reliable NGO data which in the end will promote donor and public trust in the sector.

In the year under review NGORA registered 77 new NGOs, as compared to 44 in 2022, an increase of 64%. By the end of the period under review, the NGORA registry had a cumulative total of 941 NGOs of which 736 were local and 205 were international. Out of the 941, 706 active NGOs were expected to submit their annual reports, and 61% complied and submitted annual reports which contributed to the development of this report.

From the audited financial reports received, it was noted that the sector received a total income of Mwk589 billion with a total expenditure of Mwk580 billion. This indicated a 41% increase of the total income compared to what was reported in 2022. World Vision International reported to have received the highest funding (Mwk53 billion) while the top 20 NGOs reported a total income of Mwk334 billion. Of the total income received, it was noted that at least Mwk473 billion was received in foreign currency and at least Mwk200 billion was in US\$.

The health sector continues to dominate as the preferred sector in the alignment of NGO interventions (17%) followed by Education Research and Development (16%). This was also evident at district level where health related activities were the most preferred in 18 out of the 28 districts. Lilongwe had the highest number of NGOs implementing projects (202) followed by Blantyre (145) while Likoma had the least (17).

Though several successes were recorded in the year, a number of challenges were also noted; the delayed development of District Development Plans pose a challenge to the alignment of interventions to the national development agenda, the devaluation of the Kwacha which caused upward revision of commodities like fuel had a negative impact on NGO's budgets and natural disasters (Cyclone Anna and Gombe) made most roads in the affected areas impassable and disrupted the implementation of projects.

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Chapter One

1.0. Introduction

The NGO sector plays a crucial role in addressing various social, economic and environmental challenges in the country. The roots of Non-Governmental Organizations in Malawi trace back to the period before the country's independence in 1964. Charitable and missionary groups were some of the earliest NGOs operating in the country and helped in the provision of education, healthcare, and social services. In the early 1990s, NGOs played a crucial role in the promotion of human rights, civic education, and good governance. The coming in of multiparty democracy saw a tremendous growth of NGOs operating in diverse sectors including health, education, agriculture, environmental conservation, women empowerment, human rights and democracy, and poverty alleviation.

Over the years, NGOs have provided significant support in some areas and some of the key thematic areas the NGOs are involved in here in Malawi include; Healthcare, Education, Agriculture Food Security, Women and Gender, Human Rights and Governance, Environmental Conservation, Community Development, HIV/AIDS Awareness, Microfinance, Disaster Relief and many more.

Malawi has a diverse NGO sector, comprising both local and international organizations. They collaborate with the government, development partners (DPs) and local communities to address the country's developmental challenges which in turn promotes the attainment of the Sustainable Development Goals and the realization of Malawi 2063. The effectiveness of the NGOs however varies, and there are often challenges related to funding, coordination, capacity building needs and sustainability.

In order to properly profile the sector's contribution towards the well-being of Malawians and the development of the country, the Government of Malawi (GoM) through NGORA publishes the annual NGO Sector Report as one way of making available NGO information to the public which is in-line with section 20(2)b of the NGO Amendment Act (2022). The provision of such information has in the recent past proven to be of high value as it has helped in policy and informed decision-making to different stakeholders, including government, NGOs, DPs, research institutions, the private sector and media.

Based on the reports received in 2023, this sector report provides a proper foundation for all stakeholders to identify key issues affecting the operations of NGOs in the country and identify areas of improvement in the enhancement of the sector's contribution towards government efforts in developing the country.

1.1. Scope

The 2023 NGO Sector Report provides a summary of the sector's growth (in numbers and funding), compliance with the NGO law, expenditures and its contribution towards employment and service delivery. The information contained in this report is based on the [2021/22 financial year (FY)] reports received from 432 NGOs out of the expected 706 NGOs that had active projects in the year under review. The submitted reports were as follows;

1. Annual audited financial statement;
2. Annual technical reports; and
3. Annual return form.

1.2. Objective

The primary objective for developing this sector report was to provide stakeholders with quality, credible and reliable data pertaining to the operations of NGOs in Malawi. Specifically, the analysis was undertaken to achieve the following;

1. Assess the growth of the NGO sector in Malawi;
2. Respond to stakeholder demand for NGO data; and
3. Assess the sector's contribution to the national development agenda.

1.3. Methodology

The report consolidated information extracted from the annual returns received from 432 NGOs. The income and expenditure figures were extracted from the audited financial statements. Other information such as sectors of engagement and employees were obtained from the technical reports and annual return forms respectively.

1.4. Limitations

The major limitation in the development of this report was the failure to profile the actual contributions of the NGO sector since 39% of the 706 NGOs expected to submit reports did not comply. The following were also some of the limitations noted;

1. Out of the 706 NGOs who were expected to comply with the law, only 432 complied which leaves a gap in profiling the actual contributions of the sector;
2. Inadequate sector based segregated data;
3. Inadequate district based expenditure data to assess the sector's investments at district level;
4. Capacity in the sector pose a challenge to compliance to NGO law; and
5. Inadequate data on alignment of interventions to district development plans and planning with district councils

Chapter Two

2.0. NGO Sector Compliance

The report defines compliance as the adherence to the NGO law. This includes registration with NGORA, transparent financial and technical reporting which help maintain accountability and credibility. The chapter focuses on regulators registry, report submission by the sector and other indicators such as annual income and expenditure as they also determine the sector's financial growth.

2.1. NGO Registry

2.1.1. NGO Registration

The NGO law requires all organizations to register with NGORA before they start implementing their projects in Malawi. Since the dawn of multi-party democracy, Malawi has witnessed an increase in the number of NGOs operating in different sectors of development. Cumulatively since its establishment, has noted a tremendous increase in the number of registered NGOs which currently stands at 941. Though this is the case it should be noted that annually there has been some changes in the number of registered NGOs, this was evident when the numbers decreased from 2018 to 2020 and then a slight increase in 2021. The number of registered NGOs in 2023 stood at 77 which represented a 64% increase compared to the registered NGOs in 2022.

Figure 1 summarizes the annual registration trends and percentage changes in comparison with previous years.

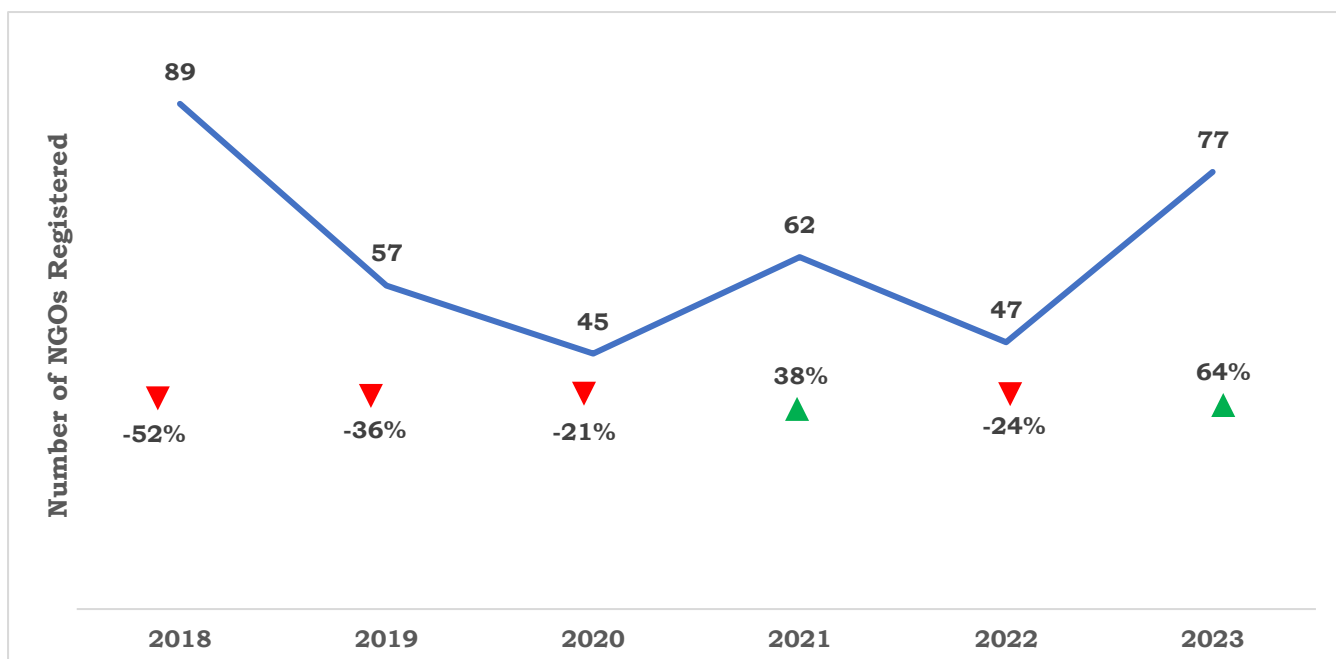


Figure 1: Annual NGO registration since 2018

2.1.1.1. Registration Types

The NGO Law categorizes NGOs into two; International (Organizations for public benefit purpose established under the laws of a country other than Malawi) and Local NGOs. Out of the 77 NGOs registered in the year under review, 64 were local and 13 were international. This brought the total of local and international NGOs to 736 and 205 respectively.

2.1.2. Closed, Merged, and Deregistered NGOs

NGOs cease to operate or close due to different reasons. When this happens, they are required to notify the regulator of their closure for proper documentation and removal of from the NGO database. In the year under review, a total of 43 NGOs closed, most of them due to lack of funding whilst one closed because it merged with another NGO.

The regulator also deregistered two NGOs (one for malpractice and another due to gained diplomatic status). 44 NGOs were therefore removed from the regulator's registry, and one (with the merger) requested to be maintained until 2024.

2.1.3. Exempted NGOs

Section 5 of the principal Act mandates NGORA to exempt NGOs with the following characteristics from the provisions of the Act;

- a. Informal, and does not have a written constitution;
- b. Excluded, so that it belongs to a category of organizations deemed not to fall within the ambit of this Act;
- c. Established, administered or controlled by or on behalf of the Government of Malawi or other Government; or

- d. Specially exempted, so that the Authority has determined in its discretion that such organization is to be exempted from all or some of the requirements of the Act.

In the year under review, two NGOs were granted an exemption certificate allowing them not to pay an annual license fee to the regulator but were required to submit annual returns as per section 5(d) of the NGO Act.

2.1.4. Dormant NGOs

Registered NGOs without active projects are considered dormant, such NGOs are however expected to write the registrar within two months of the beginning of their financial year indicating their financial status and the registrar shall verify. In the year under review, NGORA's registry had a total of 126 dormant NGOs.

2.1.5. Unregistered NGOs

Though it is a requirement by the law for all NGOs to register with NGORA before they start operating in Malawi, there is still a significant number of NGOs that are operating illegally.

NGORA monitors the operations of all NGOs including those that are unregistered through District Service Centers and media outlets. To date, a total of 199 unregistered NGOs with active projects have been tracked across the country. Once tracked, the NGOs are sensitized to registration requirements and guided on how they can register to make sure they operate in accordance with the law.

2.2. Report Submission

Compliance with the NGO law involves adhering to legal, regulatory and ethical standards. As a regulator, NGORA has taken a number of steps to make sure that NGOs are well informed of what is expected from them in order to be compliant with the law. NGOs have been engaged on issues of legal compliance, financial transparency, governance and board oversight, transparency and reporting among others. This section focuses much on transparency and reporting as this is where the information contained in this report originates from.

In the year under review, NGORA expected reports from 706 NGOs who had been implementing projects out of the 941 that were in its registry. 235 NGOs were exempted from filing reports because they were dormant or newly registered (newly registered NGOs are given a maximum of 12 months to operate before they report). NGOs are given up to a maximum of six months after the end of their financial year to prepare and submit their reports.

NGORA has for the first time since its establishment passed the 50% compliance rate in 2023. 432 NGOs submitted their reports out of 706 representing a 61% compliance rate. Amongst the NGOs that complied, 293 were local, while 139 were international. It should be noted that compliance has been on the increase since 2020 mainly due to efforts made by the regulator to sensitize NGOs on compliance. Figure 2, summarizes the sector's compliance trends since 2019.



Figure 2: NGO sector compliance trend for the past 6 years

2.2.1. Efforts to Improve Compliance

A lot of effort was put in place to achieve the 61% compliance milestone in the year under review. Apart from the already existing efforts, NGORA engaged boards of trustees of NGOs (that did not comply in the previous year) to sensitize them on the changes brought in by the amended law and the consequences of non-compliance to the law as per the drafted regulations.

Before the engagement with the boards of trustees, warning letters were issued to all non-compliant NGOs. NGOs were also informed that non-compliance for three executive years would result in automatic deregistration by the online portal (myNGO). It is believed that once the regulations are finalized proper guidance on issues of reporting, among other things, will be in order.

Chapter Three

3.0. NGO Sector Revenue

The NGO sector plays a multifaceted role in national development by addressing social, economic, environmental, and governance challenges. The sectors' contributions are essential in achieving a more balanced and equitable development process. Assessing and profiling the contributions of the NGO sector in Malawi has for a long time been a challenge due to issues of low compliance and availability of resources for the regulator to ably verify the information submitted through the annual reports.

Delays in the development of District Development Plans (DDPs) of which NGOs are encouraged to align their interventions has also made it hard for the regulator to assess alignment of NGO work to the national development agenda. Alignment to DDPs is crucial as it ensures NGO work is aligned with the national strategy. As such, the contribution is assessed at input level (where NGORA profiles the sector's income) and partly at output level (where the Authority profiles the expenditure per sector and contributions towards economic empowerment through employment).

3.1. Income and Expenditure

NGOs often prepare annual financial reports that detail their income sources and how funds are allocated across different expenditure categories. As part of being accountable to the government on the resources mobilized in the name of its citizenry, the law requires NGOs to submit audited financial reports to the regulator. It is from these reports that financial information about the sector is extracted and profiled in this section.

In the year under review, the audited financial reports received from the 432 NGOs added to a total income of MK615 billion. However, MK25.7 billion of this income was reported to have been received from NGO partnership. The said amount was excluded from the total income to eliminate issues of double counting taking the total income to MK589 billion and a total expenditure of MK579.8 billion. This represents a 41% increase in the sector's annual income compared to what was reported in 2022. Figure 3 summarizes the sector's income and expenditure trends in the last 5 years.

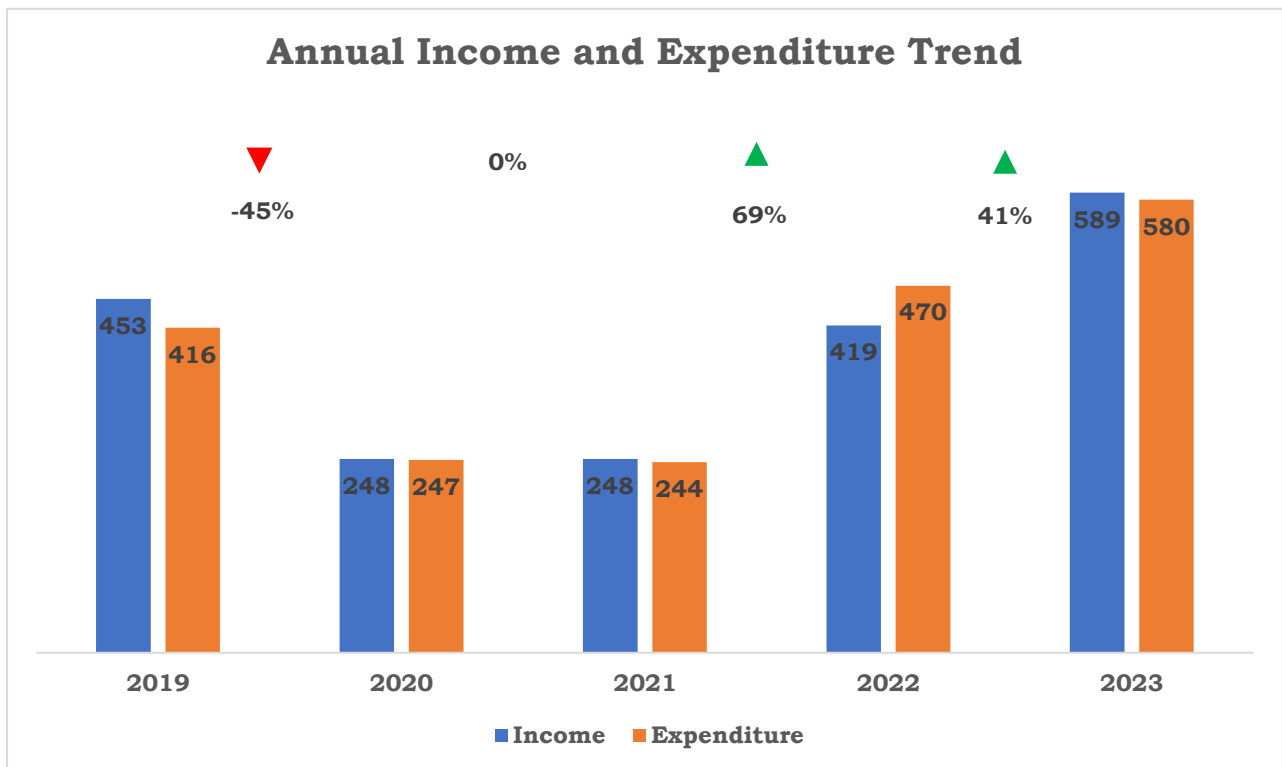


Figure 3: Annual Income and expenditure trend since 2019

As per the figure 3, it can be noted that although the global economic environment is not stable, there has been constant income growth in the NGO sector. The increase in the number of compliant NGOs can also be another factor that is unveiling a true picture of the sector's worth in as far as annual income is concerned. With such there are high expectations from the government and other stakeholders for the NGO sector to contribute more to the betterment of the lives of Malawians.

3.1.1. Income Distribution

The information from the NGOs indicated a very huge gap in the income differences with the highest funded NGO receiving a total of over MK53 billion and the least having only MK100 thousand (World Vision International and Africa Inspire Foundation respectively).

With such a difference in the annual incomes, quartiles were used to separate the NGOs into lower, middle and upper based on their income to get a true representation of the distribution of the income amongst the NGOs. Table 1 summarizes the categorical distribution of annual income for the sector.

| Category | Minimum Amount |
|-----------------------|-----------------------|
| Highest Income | Mwk53,390,552,050 |
| Upper (75%) | Mwk834,452,308.60 |
| Middle (50%) | Mwk249,204,198.00 |
| Lower (25%) | Mwk75,128,989.25 |
| Lowest Income | Mwk100,000.00 |

Table 1: NGO Category by income

From the summary in table 1, at least 25% of the NGOs got annual funding of less than MK75 million whilst 50% got less than MK249 million. Only 25% got more than MK834 million. It should be noted that at least 90 NGOs reported to have received an annual income of over MK1 billion in the year under review.

3.2. Highest and Least Funded NGOs

Based on the 2021/22 FY audited financial reports received, the top 20 highest funded NGOs received a total of MK342 billion and out of that six were local NGOs. On the other hand, the 20 least funded NGOs received a total of MK54 million and out of that two were international NGOs. Table 2 and 3 summarizes the information.

| Name of NGO | Income % Change | 2021/22 FY Income (Mwk) | 2021/22 FY Expenditure (Mwk) | 2020/21 FY Income (Mwk) | 2020/21 FY Expenditure (Mwk) |
|---|-----------------|---------------------------|------------------------------|---------------------------|------------------------------|
| World Vision International Malawi (WVM) | 49% ▲ | 53,390,552,049.51 | 53,761,675,480.96 | 35,908,712,376.60 | 34,986,311,136 |
| Christian Health Association in Malawi (CHAM) | 8% ▲ | 38,042,601,066.63 | 37,013,260,763.46 | 35,261,880,820.00 | 35,261,880,820.00 |
| Elizabeth Glaser Pediatric Aids Foundation (EGPAF) | 113% ▲ | 30,823,238,796.00 | 30,823,238,796.00 | 14,486,770,000.00 | 14,486,770,000.00 |
| Partners in Hope (PIH) | 60% ▲ | 24,212,263,314.00 | 23,788,458,183.00 | 15,098,065,093.00 | 15,062,998,773.00 |
| Save the Children International (SCI) | 42% ▲ | 20,768,193,282.10 | 21,255,292,800.40 | 14,636,857,487.04 | 14,704,781,919.72 |
| CARE Malawi | 54% ▲ | 17,829,081,073.40 | 17,971,952,263.80 | 11,574,807,802.95 | 11,124,051,977.67 |
| JHPIEGO (JHPIEGO) | 63% ▲ | 16,665,222,000.00 | 16,665,222,000.00 | 10,235,334,000.00 | 10,235,334,000.00 |
| Baylor College of Medicine Children's foundation-Malawi | 9% ▲ | 15,777,836,027 | 15,777,836,027 | 14,433,909,874.00 | 14,433,909,874.00 |
| Lighthouse Trust (LHT) | * | 13,054,640,978.00 | 12,788,568,662.00 | | |
| Management Science for Health | 49% ▲ | 12,207,312,975.00 | 12,207,312,975.00 | 8,193,682,500.00 | 8,026,040,142.00 |
| Plan International INC. Malawi | -4% ▼ | 12,048,555,000.00 | 12,883,563,000.00 | 12,564,572,000.00 | 12,888,774,000.00 |
| Scottish international Relief Malawi/Mary's Meals Malawi (MMM) | 45% ▲ | 11,402,123,000.00 | 11,361,948,000.00 | 7,850,002,000.00 | 8,109,606,000.00 |
| World Education, Inc | * | 11,264,088,873.25 | 11,264,088,873.25 | | |
| Family Health Services (FHS) | -1% ▼ | 10,657,100,331.00 | 19,207,634,570.00 | 10,790,615,492.00 | 8,948,135,731.00 |
| CAMFED Malawi | 16% ▲ | 8,890,050,000.00 | 8,486,408,000.00 | 7,670,808,000.00 | 7,816,862,000.00 |
| Banja La Mtsogolo (BLM) | 23% ▲ | 8,079,191,000.00 | 7,682,614,000.00 | 6,554,497,000.00 | 6,423,839,000.00 |
| Development Aid People to People (DAPP) | 69% ▲ | 7,864,413,203.00 | 5,822,151,412.00 | 4,640,764,079.00 | 3,618,246,724.00 |
| Action Aid Malawi Ltd (AAM) | 23% ▲ | 7,333,566,000.00 | 6,981,203,000.00 | 5,958,942,000 | 6,344,161,000 |
| Partners in Health/Abwenzi Pa Za Umoyo | 35% ▲ | 6,998,054,545.45 | 6,812,590,909.09 | 5,186,158,540.77 | 4,767,598,989.06 |
| United Purpose (UP) | 63% ▲ | 6,754,752,000.00 | 6,899,316,000.00 | 4,152,906,000.00 | 3,806,863,000.00 |
| Grand Total | 48% ▲ | 334,062,835,514.34 | 339,454,335,715.96 | 225,199,285,065.36 | 221,046,165,086 |

Table 2: Annual Income and Expenditure for top 20 NGOs

NB: * indicates NGOs that did not provide the previous year's income, either due to non-compliance or had just been registered

| Name of NGO | Income % Change | 2022/21 FY Income (Mwk) | 2022/21 FY Expenditure (Mwk) | 2020/21 FY Income (Mwk) | 2020/21 FY Expenditure (Mwk) |
|--|-----------------|-------------------------|------------------------------|-------------------------|------------------------------|
| Angaliba Foundation | * | 7,000,000.00 | 7,000,000.00 | | |
| Malawi Volunteer Organization (MVO) | * | 7,000,000.00 | 7,000,000.00 | | |
| Developed Medical Imaging (DMI) | 240% ▲ | 5,624,954.00 | 5,323,560.00 | 1,654,373.00 | 1,631,119.00 |
| Story Time | * | 5,576,385.00 | 4,350,213.00 | | |
| Youth Project Excellence (YPE) | -21% ▼ | 4,514,941.00 | 6,298,533.00 | 5,685,448.00 | 5,658,761.00 |
| Trustees of Traditional Healers Research and Counselling Association (THRCA) | * | 3,497,800.00 | 3,472,800.00 | | |
| Labour Rights Organization (LARO) | * | 3,350,000.00 | 2,900,000.00 | | |
| Pan African Civic Educators Network | * | 2,400,000.00 | 2,400,000.00 | | |
| Vision For Development (VDO) | * | 2,366,000.00 | 1,875,600.00 | | |
| Kavuzi Camp Trust (KCT) | * | 2,100,000.00 | 2,000,000.00 | | |
| Centre for Good Governance Human Rights and Education (CEGORE) | * | 1,862,697.35 | 1,862,697.35 | | |
| Joint Village Development Initiative (JVDI) | 304% ▲ | 1,835,450.87 | 1,819,050.87 | 454,828.00 | 2,519,753.60 |
| Chididi Health for All Foundation (CHAFO) | * | 1,727,000.00 | 1,577,000.00 | | |
| Tiwasunge Community Support Organization | * | 1,666,000.00 | 1,640,000.00 | | |
| LOHAM CHILD CARE MINISTRIES (LOHAM) | * | 1,518,708.00 | 1,183,856.00 | | |
| One Step Foundation (ONESFO) | * | 1,232,935.60 | 1,165,970.60 | | |
| Lower Shire Ambassadors (LSA) | -42% ▼ | 840,000.00 | 840,000.00 | 1,458,300.00 | 1,458,300.00 |
| Healthwise (HWO) | * | 500,000.00 | 500,000.00 | | |
| Drug Fight Malawi (DFM) | * | 150,000.00 | 150,000.00 | | |
| Africa Inspire Foundation (AIF) | * | 100,000 | 100,000 | | |
| Grand Total | 493% ▲ | 54,862,872 | 53,459,281 | 9,252,949.00 | 9,636,814.60 |

Table 3: Annual income for the least funded NGOs for 2023

3.2. Source of Funding

The NGO law section 22(a)(iv) mandates NGOs to submit the details of sources of funding at the submission of annual reports. Such details help the regulator to verify the authenticity of the submitted information hence eliminating the doubts on issues of money laundering and terrorism financing.

The current global financial crisis has brought in a negative impact to the operations of both state and non-state actors (NSAs). Though this is the case, the analysis has reviewed an increase of support in the NGO sector. To assess whether there was a change in donor support, an analysis was made on how the categories of donors have supported the sector in the year under review. It should be noted that the sector reported a total of over 200 donors hence the categorization for proper visualization of the sources of income.

Table 4 summarizes the sources of funding for the sector from various funders.

| Name of Donor | | Amount (in billions) | Total percentage (%) |
|--------------------------------------|-------------------|----------------------|----------------------|
| International Agencies | Government | MK157.82 | 25% |
| Affiliated NGOs | | MK108.2 | 18.3% |
| Malawi Government | | MK47.6 | 8% |
| Partnership | | MK25.7 | 4.4% |
| Foundations | | MK21.45 | 3.6% |
| UN Agencies | | MK17.6 | 3% |
| Own Generated Income | | MK10.91 | 1.9% |
| Universities and Institutions | Research | MK9.3 | 1.6% |
| Individuals | | MK8.07 | 1.4% |
| Private Institutions | | MK5.8 | 1% |
| Other incomes | | MK4.26 | 0.7% |
| Anonymous | | MK3.15 | 0.5 |
| Religious Bodies | | MK1.68 | 0.2% |
| Not Indicated / Not Clear | | MK179.2 | 30% |

Table 3 is a clear indication that there is still a long way to go in profiling the sources of NGO income. At least 30% of NGOs did not clearly indicate their sources of income (either leaving the field blank on the form or just indicating a name without contact details). On the other hand, international government agencies still top the list of donors with USAID funding over Mwk80 billion of the reported Mwk147.8 billion.

The analysis also revealed an increase in the NGO sector's own generated income from Mwk2 billion to Mwk10.9 billion which is a positive indication to the sustainability of NGOs and their interventions considering the economic environment. A huge (252%) reported increase was also noted in NGO partnership compared to the last report. This is a good indication of the progress of the localization agenda and the importance of the Partnership Regulation which also promotes issues of partnership as per the NGO policy.

3.3. Forex

Malawi is currently battling forex shortages and depends on tobacco companies, foreign exchange bureaus, foreign direct investments, sugar, tea, pulse exports, and donor inflows for forex. The NGO sector has for a long time been included in the donor inflow category but its contribution to the country's forex has not been quantified and properly profiled.

In 2021, 60 NGOs were sampled to give the amount of grants they received in foreign currency, and it was noted that MK149 billion worth of forex was received as reported in the 2021 NGO Sector Report. In the year under review, the same analysis was done for all NGOs that complied and it was noted that out of the MK589 billion received, MK473 billion came in foreign currency (with at least MK200 billion received in US Dollars). The forex received in the year under review is about 104% of the country's foreign exchange reserves that could serve 1.5 months of imports as per IMF's July 2023 press release No. 23/282.

Chapter Four

4.0. Sectors of Operation and Utilization of Funds Towards National Development

The NGO sector has since post-colonial times played a crucial role in addressing various social, economic and environmental challenges in the country. Most of the NGOs are engaged in a wide range of interventions aimed at complimenting the government efforts in improving the lives of the citizenry. This section focuses on some of the key areas of interventions, utilization of funds, key target groups and contribution towards employment in the country.

4.1. Sectors of Operation

It is important to note that many NGOs operate in multiple sectors or focus on a specific niche within a broader sector. Additionally, the work of NGOs often involves advocacy, research, capacity-building, and collaboration with governments, other NGOs, and international organizations to address complex global challenges. The following sub-sections discuss some of the preferred sectors by both newly registered and active NGOs.

4.1.1. Newly Registered NGOs

At registration, each NGO is supposed to indicate the key sectors to which the organization's activities will be aligned to. The 77 NGOs that were registered in the year under review reported to have planned to implement activities in all the 16 approved sectors. It should however be noted that sectors like public administration and energy and mining had the least number of activities. Figure 3 summarizes the preferred sectors for the newly registered NGOs.

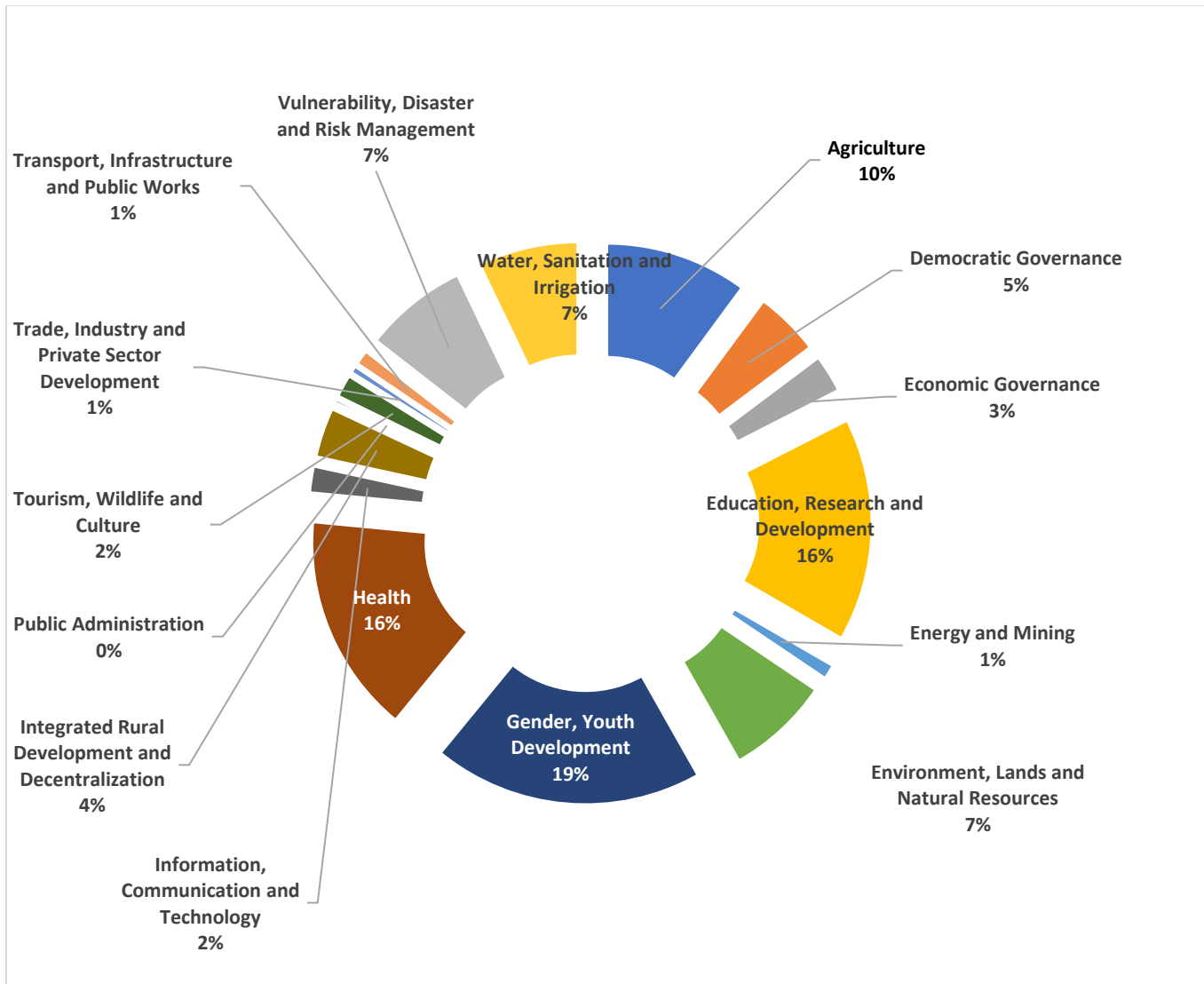


Figure 4: Preferred Sectors of implementation by the newly registered NGOs

4.1.2. Active NGOs

A combined look at the NGOs that submitted reports in the year under review and those who were newly registered show that in the year under review, NGOs preferred to work in sectors aligned to: Health (17%), Education (16%) Gender (11%), Agriculture (11%) and WASH (10%). The sectors that had less activities amongst the

newly registered NGOs also had a few in the active NGOs. Figure 5 summarizes the sector preferences of the active NGOs.

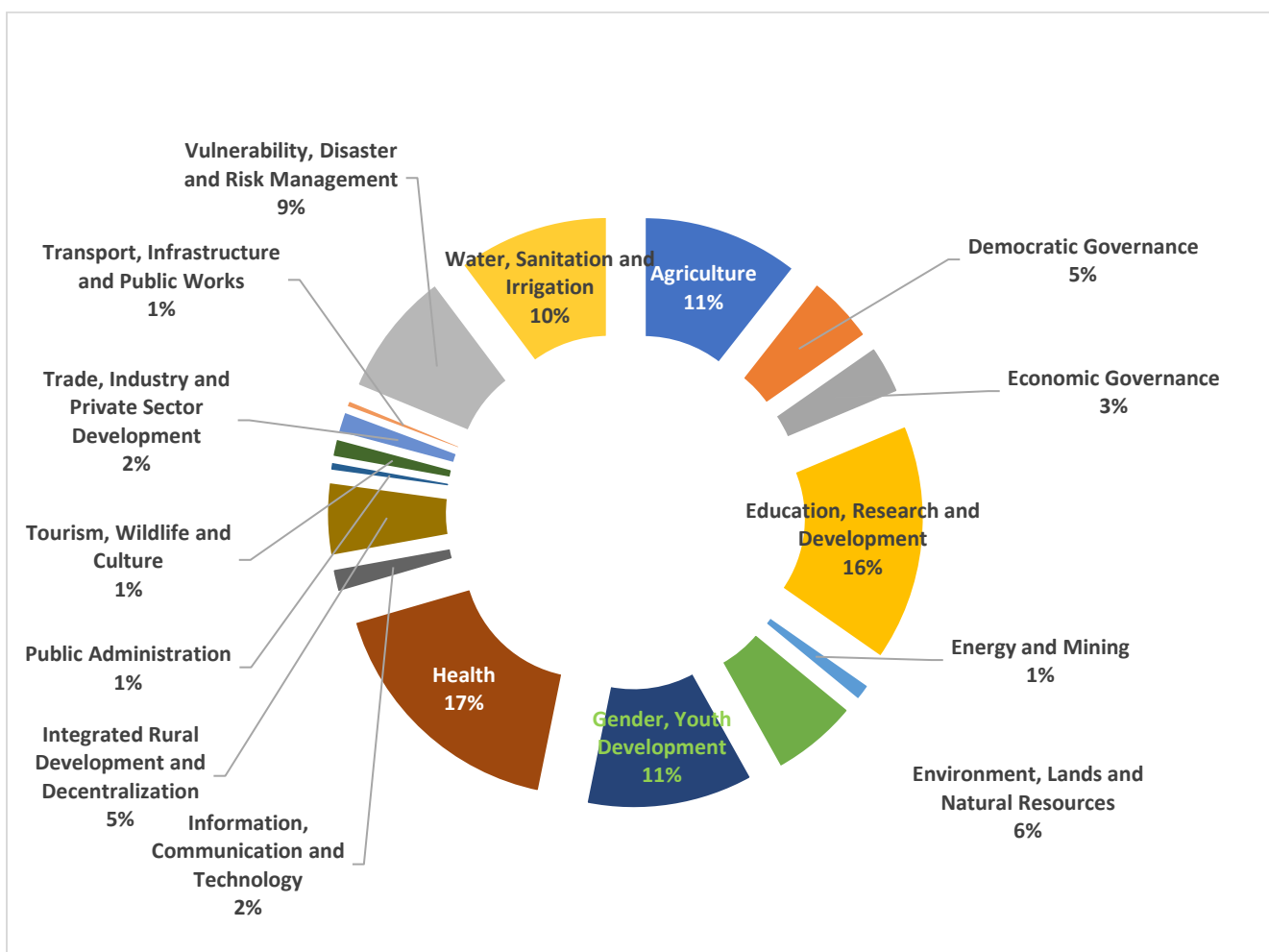


Figure 5: Summary of preferred sectors of implementation by active NGOs

From figure 4 and 5, it can clearly be noted that there is a similar preference in the alignment of NGO interventions to the sectors as slight differences are noted both at registration and on active NGOs' preferred sectors of implementation which would lead to some sectors being underserved by the NGOs.

4.1.3. Spatial Distribution of NGOs by Sectors

To assess the distribution of the NGOs and their preferred sectors at district level, an analysis was done that helped profile the presence of the NGOs in all the 28 districts in the year under review. The analysis was based on the dominant 6 sectors namely health, education, research and development, agriculture, vulnerability, disaster risk and management, wash and gender, youth development, as summarized in figure 5.

The analysis showed an uneven distribution of NGOs in each sector, as per figures 6 and 7, majority of NGOs prefer implementing their interventions in districts from the southern and central region. Amongst all the sectors, chitipa district was noted to have had the least number of NGOs implementing interventions followed by Mwanza, Neno and Karonga. However, Lilongwe and Blantyre had the highest of NGOs implementing interventions in the mentioned sectors. Figures 6 and 7 summarizes the spatial distribution of the NGOs per sector at district level.

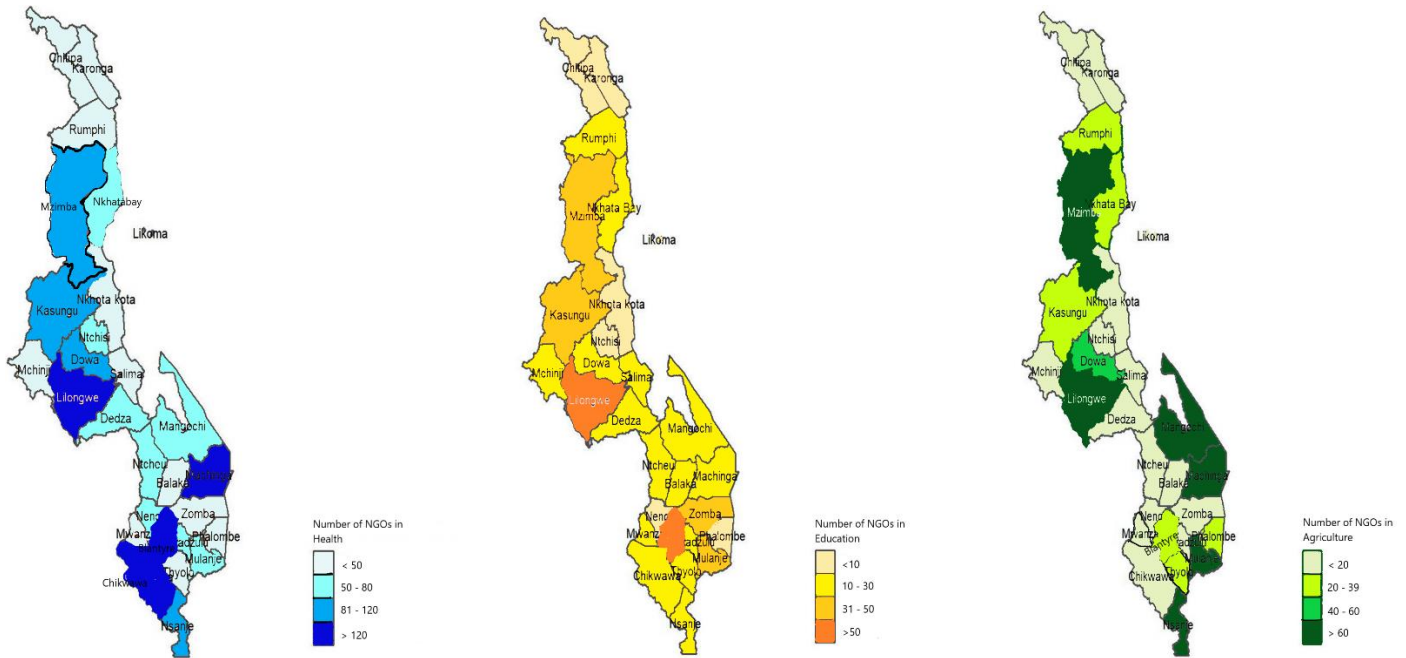


Figure 6: Spatial distribution of NGOs in the Health, Education and Agricultural sectors at district level

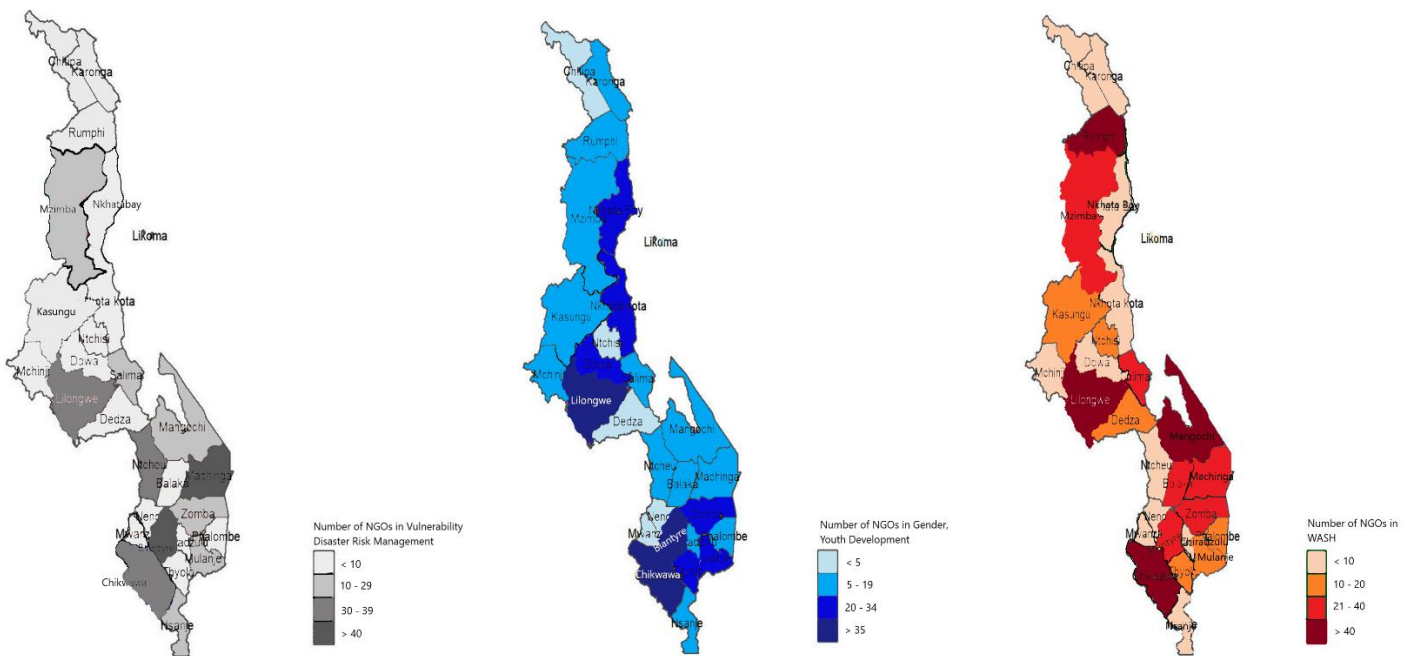


Figure 7: Spatial distribution of NGOs in Disaster, Gender and WASH Sector at district level

4.1.4. Utilization of funds per sector

NGOs in the country are allowed to operate or implement interventions that are aligned to more than one sector. This being the case, a sector specific analysis on the allocation of financial resources has always been a challenge for the regulator. As such, the analysis excludes NGOs whose interventions are multi-sectoral (it should be noted that most of these are big NGOs). Only 151 of the 432 (35%) that complied indicated to have been implementing activities that are aligned to one sector. These NGOs had a total annual income of MK272 billion out of the total MK589 billion.

In terms of funding, NGOs with interventions that were implementing interventions in multiple sectors had the highest proportion on the income (45.99%). Amongst those who reported to have been implementing in a single sector, Health had the highest allocation of the resources (36%), followed by education (7.17%) with intergrated rural development and decentralization getting the least (0.02%). Table 4 summarizes the income and expenditure per sector.

Table 4: Summary of utilization of funds per sector

| Sector | Income (M wk) | Percentage Allocation |
|--|--------------------|-----------------------|
| Multi-sectrol | 270,857,888,172.87 | 45.99% |
| Health | 213,379,632,344.95 | 36% |
| Education, Research and Development | 42,239,585,277.38 | 7.17% |
| Agriculture | 19,413,293,089.27 | 3.29% |
| Water, Sanitation and Irrigation | 13,008,214,630.28 | 2.20% |
| Vulnerability, Disaster and Risk Management | 10,096,463,202.80 | 1.71% |
| Trade, Industry and Private Sector Development | 4,802,661,024.00 | 0.82% |
| Information, Communication and Technology | 3,458,451,695.12 | 0.59% |
| Tourism, Wildlife and Culture | 3,397,466,766.00 | 0.58% |
| Economic Governance | 3,131,436,738.00 | 0.53% |
| Democratic Governance | 2,437,865,890.00 | 0.41% |
| Gender, Youth Development | 1,535,210,648.33 | 0.26% |
| Energy and Mining | 596,639,554.00 | 0.10% |
| Environment, Lands and Natural Resources | 503,479,749.00 | 0.09% |
| Integrated Rural Development and Decentralization | 141,711,218.00 | 0.02% |

4.1.5. Key Sector Players

A breakdown of the top earning NGOs who reported to implementation of activities solely aligned to a specific/one sector (except for world vision who separately shared a breakdown of expenditures per sector) was also done to profile the top NGOs per sector. Table 5, summarizes the top NGOs from the selected sectors.

Table 5: Distribution of income and expenditure among key players per sector

| Sector | NGO Name | Income (Mwk) | Expenditure (Mwk) |
|----------------------------------|--|-------------------|-------------------|
| Health | Christian Health Association in Malawi | 38,042,601,066.63 | 37,013,260,763.46 |
| | Elizabeth Glaser Pediatric Aids Foundation | 30,823,238,796.00 | 30,823,238,796.00 |
| | Partners in Hope | 24,212,263,314.00 | 23,788,458,183.00 |
| | World Vision International | 23,723,197,120 | 23,723,197,120 |
| | JHPIEGO | 16,665,222,000.00 | 16,665,222,000.00 |
| | Management Science for Health | 12,207,312,975.00 | 12,207,312,975.00 |
| | Family Health Services | 10,657,100,331.00 | 19,207,634,570.00 |
| | Banja La Mtsogolo | 8,079,191,000.00 | 7,682,614,000.00 |
| | Partners in Health/Abwenzi Pa Za Umoyo | 6,998,054,545.45 | 6,812,590,909.09 |
| | International Training and Education Centre For Health | 6,229,239,342.00 | 6,159,904,917.00 |
| | Cooper/Smith Trading as International Monitoring and Evaluation, LLC | 6,217,507,152.36 | 5,803,633,836.99 |
| Clinton Health Access Initiative | 6,159,777,286.14 | 6,159,777,286.14 | |

| | | | |
|--|---|-------------------|-------------------|
| Education, Research and Development | Scottish international Relief Malawi/Mary's Meals Malawi | 11,402,123,000.00 | 11,361,948,000.00 |
| | World Vision International | 6,504,102,544.00 | 6,504,102,544.00 |
| | Malawi Relief Fund – UK | 6,437,615,869.00 | 4,552,527,433.00 |
| | Synod of Livingstonia Church of Central africa Presbyterian | 3,258,309,167.00 | 3,046,100,183.00 |
| | Timotheos Foundation | 1,882,461,487.00 | 1,662,361,744.00 |
| | Association of Sunni Madrassahs | 1,482,024,175.00 | 1,210,386,446.00 |
| | Jesuit Refugee Service | 1,329,807,686.15 | 1,288,540,459.82 |
| | Advancing Girls' Education in Africa | 1,322,186,519.54 | 811,526,093.92 |
| | Rays of Hope Ministries | 1,185,725,676.00 | 902,828,786.00 |
| | Islamic Zakaat Fund | 1,129,971,948.27 | 1,087,671,941.17 |
| | Ahlus Sunnah Foundation | 1,114,652,412.00 | 898,627,787.00 |
| Vulnerability, Disaster and Risk Management | SOS children Village Malawi | 6,685,119,128.00 | 6,687,395,328.00 |
| | Children of the Nations | 1,130,625,882.00 | 1,134,377,304.00 |
| | Irish Rule of Law International | 849,861,825.80 | 847,923,970.40 |
| | Amitofo Care Centre | 603,908,179.00 | 836,635,542.00 |
| Agriculture | World Vision International | 9,746,468,000.00 | 9,746,468,000.00 |
| | Total LandCare Malawi | 4,329,096,223.62 | 4,329,096,223.62 |
| | Development Fund of Norway | 902,368,694.00 | 764,790,603.00 |

| | | | |
|---|--|------------------|------------------|
| | | | |
| | Farm Radio Trust | 745,649,000.00 | 876,229,000.00 |
| | Agricultural Commodity Exchange for Africa Trust | 729,651,961.00 | 668,982,237.00 |
| Water, Sanitation and Irrigation | World Vision International | 5,974,943,656.00 | 5,974,943,656.00 |
| | Evidence Action | 3,361,322,466.25 | 4,050,599,697.50 |
| | Water Missions International | 1,292,551,649.00 | 982,737,466.00 |
| | WASTE Advisers | 913,615,675.00 | 634,438,904.00 |
| | Water Wells for Africa | 810,856,532.34 | 740,313,126.00 |

4.2. Service Delivery

Service delivery is a critical component in the NGO's mission to address challenges and improve the well-being of individuals, communities, and the environment. NGOs aim to make a positive impact, promote social justice and contribute to sustainable development through their programs and initiatives. A wide range of direct services is offered by the sector which may include; healthcare, education, food and nutrition, housing, emergency relief etc.

This section shares some insights into some of the selected services that were reported to have been provided by the sector in the year under review.

4.2.1. WASH Sector

According to UNICEF, although 67% of Malawi's households have access to drinking water (at least 2.2 million Malawians have access to clean water), distribution among districts, and between urban and rural areas, is uneven. Improved drinking water sources are more common in urban areas (87%) compared to 63% in rural areas. In the rural areas, 37% of people spend at least 30 minutes to fetch drinking water while in comparison with 13% in urban areas.

Poor sanitation and hygiene are major contributors to the burden of disease and child survival, costing Malawi US\$57 million each year, or 1.1 per cent of national GDP, due to health costs and productivity losses.

NGOs play a significant role in providing WASH facilities in areas where the Government fails to provide. In the year under review, NGORA noted construction of more sanitation facilities in schools by NGOs. According to UNICEF only 26% of primary schools have access to improved sanitation facilities. One of the key sector players Water Aid which recorded an annual program expenditure of Mkw2.54 billion in the year under review (with 21% going to implementing partners) reported to have helped 93,664 people access safe water, 276,850 people accessed improved sanitation and 295,109 people are practicing good hygiene from the 8 districts where it implements its interventions as summarized in figures 9 – 11.



Figure 98: Newly Constructed toilet and shower at Chikwewo Health Care Facility - Machinga



Figure 9: Chairperson of the waterpoint committee explaining how they maintain their water point at Jali in Zomba as part of project sustainability



Figure 11: Villagers have access to clean water near their homes at Nkuwinda Village T/A Mwambo in Zomba

4.2.2. Disaster Response

In January 2022, Malawi received incessant rains that induced flash floods. A few weeks later, Tropical Storm Gombe hit southern Malawi, exacerbating the vulnerability of the people affected. Malawi declared a state of emergency in all the affected districts and appealed for humanitarian assistance.

According to Malawi's Department of Disaster Management Affairs (DoDMA), more than 870, 000 people were affected, close to 100,000 were displaced, with 33 deaths, 18 missing and 158 injuries. The tropical storms affected 221,127 farming households that lost their crops (maize, groundnuts, soybeans, tobacco, sesame, rice, cotton) through either complete wash away or submersion. A total of 36, 275 livestock were washed away, and 1,369 livestock got injured in the process.

Amongst other stakeholders, NGOs were amongst the first responders assisting the affected populations within 24 hours of the first reports of the disaster with relief items including food, clothes, hygiene kits, kitchen utensils, plastic sheeting and may more. According to Gift of the Givers, one of the NGOs that responded to the disaster reports

at least 12,700 families (63,000 individuals) were reached out to in 12 districts with relief items amounting to Mwk 122 million. World Vision Malawi in partnership with support from World Food program (WFP) supported 35,200 Households affected by the tropical storm in Chikwawa with US\$616,277.40 (US\$17.46 per Household).



Figure 10: Gift of the Givers with support from World Food Program distributing relief items to families affected by cyclone Ana and Gombe in Machinga

4.2.3. Education Sector

Access to education remains a fundamental human right, yet in Malawi, it remains a distant dream for many children. According to UNICEF, only 61% of children in the country attend primary school and the situation worsens as they progress through the education system. One of the major obstacles to improving education in Malawi is a lack of funding. The World Bank reports that only 4.1% of Malawi's Gross Domestic Product (GDP) is allocated to the education sector, making it one of the lowest in the world. With such, the Malawi Government fails to provide basic facilities in the schools making it hard to end the cycle of poverty, as children from disadvantaged backgrounds are unable to access quality education.

One of the Local NGOs, Let's Build received funding to build 20 double classrooms and 20 pit latrines for both boys and girls in Community Day Secondary Schools (CDSSs) in Lilongwe rural district. The classroom blocks and pit latrines were constructed at Kabudula, Chiseka, Matapila, Sendwe and Nselera CDSS. Figure 13 shows a sample of the constructed classrooms.



Figure 11: Classroom blocks constructed by let's build, to the right, students in one of the classrooms

4.2.4. Health Sector

Health care services in Malawi are provided through two main avenues: the government (federal and local) and the Christian Health Association of Malawi (CHAM) (a registered local NGO that works hand in hand with Malawi government through the Ministry of Health). CHAM provides 37% percent of total healthcare in Malawi, including 85% percent of the care in rural areas. CHAM functions as the umbrella healthcare organization for 161 health facilities of various sizes, ranging from outpatient centers to 230-bed hospitals.

These facilities include 13 health posts, 104 health centers, 18 community/rural hospitals, and 23 general hospitals. CHAM also oversees ten health training colleges. The Ministry of Health (MoH) pays the salary of all health workers, excluding those on the CHAM payroll and in the year under review, a total of Mwk34.7 billion salary grant was received from the MoH. In the year under review Village in Partnership constructed a Health Centre in Khanda Village Traditional Authority Nkagula, Zomba.

This was a village that had a huge problem of Malaria and suspected cases of scabies, diarrheal illnesses and children suffering from developmental/physical deficits due to birth injury (*Stephanie Graefe, CPNP-AC and Medical Trip Participant*). The newly built Khanda Health Centre will serve a population of at least 13,000 people and will reduce travel time for patients to get medical care. In total Zomba District has a total of 33 Health Centers.

Figure 14 is a picture of the completed health center (completed and handed over in 2023).



Figure 12: Khanda Health Center, constructed by Village in Partnership.

4.2.5. Early Childhood Development

Early Childhood Development (ECD) programs in Malawi, like in many other countries, aim to provide young children with a strong foundation for their future learning and well-being. These programs often include education, health, and nutrition services for children from birth to around 8 years old. ECD is very crucial for addressing issues like child development, literacy, and health outcomes.

Poor quality of Child Based Community Centre infrastructure (generally dilapidated or grass thatched structures with unburnt bricks and mud floors), untrained personnel (volunteer management committees and caregivers), lack of early learning and stimulation materials, low profile of ECD in the country and limited investment are the main challenges the ECD sector faces in Malawi. The government has put in a lot of efforts to improve the situation, however due to limitations in resources most of these challenges are still there.

In recent years, NGOs have put in several interventions to compliment government's efforts in improving the ECD program in Malawi. Partners in Action for Sustainability Development (PASD), a local NGO based in Zomba district was one of the NGOs that made significant contributions in the ECD programs (in the year under review). PASD collaborates with community members to offer quality free ECD education to children drawn from poor rural households which cannot afford paying for such education in private schools. These children are prepared holistically to thrive in the first classes of primary where they are enrolled upon reaching 6 years old.

In the year under review, the Organization has engaged a total of 43 caregivers in 15 CBCCs. 14 of which are on contract and receive a monthly salary, 8 are supported with monthly honorarium and 17 are volunteers. They also implement a school feeding program which is supported by Feed the Hungry Malawi which reaches out to 5,591 children from 84 CBCCs across Zomba district. The NGO has constructed two CBCCs and facilitated the connection piped water to two CBCCs.

Figure 13: A newly installed water tap at Magwira CBCC



Figure 14: Newly constructed Malakamu CBCC in Malakamu village, TA Mlumbé



4.2.6. Improved Livelihood for Vulnerable Groups

Malawi just like many countries, has vulnerable groups that face various social and economic challenges. Some of the vulnerable groups include; orphans and vulnerable children, people with disabilities, rural and elderly populations, women and girls, internally displaced persons etc. Such groups face several challenges amongst which is proper housing facilities.

Efforts such as housing assistance, land rights, and community development programs to improve housing conditions for these marginalized populations have been put in place. Habitat for Humanity Malawi, one of the NGOs that have for a long time helped in improving the living standards of Vulnerable groups through the provision of housing has in the year under review, managed to construct 51 houses for orphans and other families with vulnerable groups in Mulanje, Salima, and Lilongwe. 30 of these houses were for people with disabilities (the project was implemented in partnership with Malawi Council for the Handicapped), while 21 were for orphans and vulnerable groups.



Figure 15: Houses constructed by Habitat for Humanities for orphans and vulnerable groups in Lilongwe and Mulanje

The organization also constructed houses for people who were affected by the 2022 tropical storm in Mulanje district. In the area where these houses were built, almost all the houses are not disaster resilient hence the huge devastation by cyclone Ana. On the other hand, this is an area also hardly hit by HIV/AIDS which has led to an increase in orphaned children.



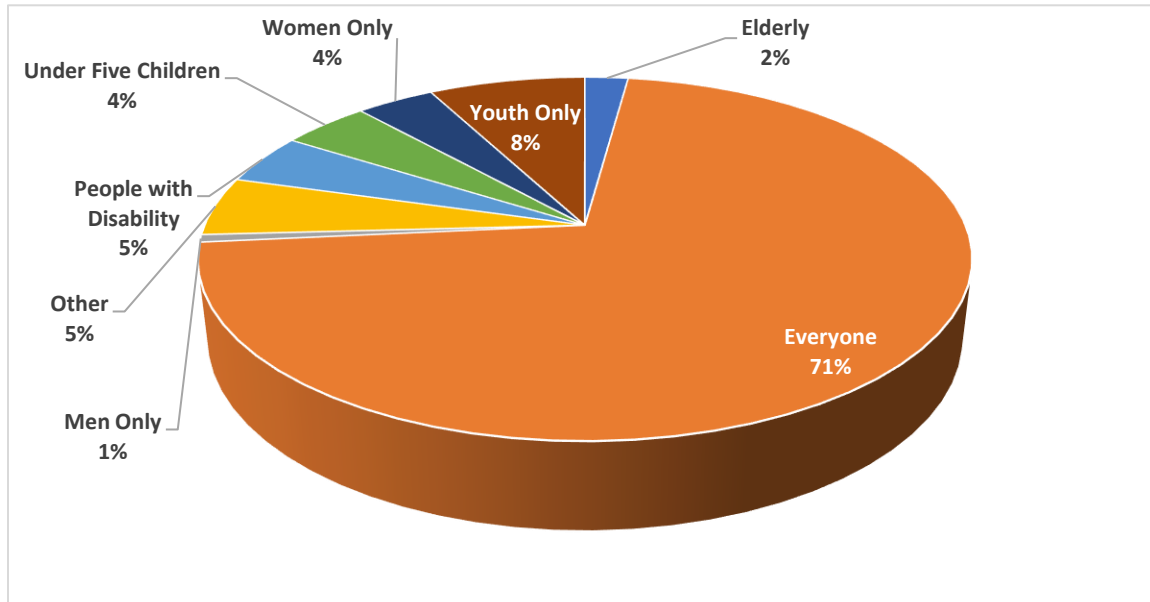
Figure 16: One of the beneficiaries to the who used to live in a dilapidated house, now has a stable house built by Habitat for Humanities

4.3. Targeted Groups

The target groups for interventions by NGOs are determined by the NGO's mission and objectives. Many NGOs work with multiple targeted groups or have a cross-cutting approach and thereby address the needs of different populations.

Effective NGO programs are tailored to the specific needs of the target groups fostering positive change and sustainable development. Based on the annual reports, it was noted that most NGOs (71%) did not target specific groups, whilst men were the least (1%) target group. Figure 7 summarizes the targeted groups by the NGO sector.

Figure 17: Summary of targeted groups by the NGO sector



4.4. Utilization of funds

Effective funds utilization is a fundamental aspect of NGO management. To maintain a strong commitment to transparency and accountability, NGOs strive to ensure that the funds they receive are used to make a positive impact in line with their mission and the needs of communities they serve. Apart from service delivery, NGOs play a key role in improving the lives of individual Malawians through the provision of job opportunities. This section discusses the NGO sector's contributions towards employment.

4.4.1. NGO Sector Contribution towards Employment

A 2022 Report on Employment Statistics by the Ministry of Labor states that employment is a key driver for development as it constitutes a bridge between economic growth and poverty reduction. The NGO sector has for a long time significantly contributed to the improvement of Malawian's lives through creation of jobs.

While some positions may require specialized qualifications or experience, many NGOs value passion, commitment, and dedication to their mission as key attributes in employees, hence the engagement of volunteers in the NGO sector. Though this is the case, for the past years there has been a significant increase in the number of paid (Malawian) employees in the sector.

The year under review has indicated a continued decrease in the engagement of volunteers while the number of paid Malawian employees increased. In total, the sector reported to have employed 29,196 of which 21,273 are paid Malawians. It should be noted that number of paid Malawians has increased by 33% compared to

what was reported in 2022. Figure 7 summarizes the employment trend for the past 5 years based on the number of NGOs who submitted reports in each year.

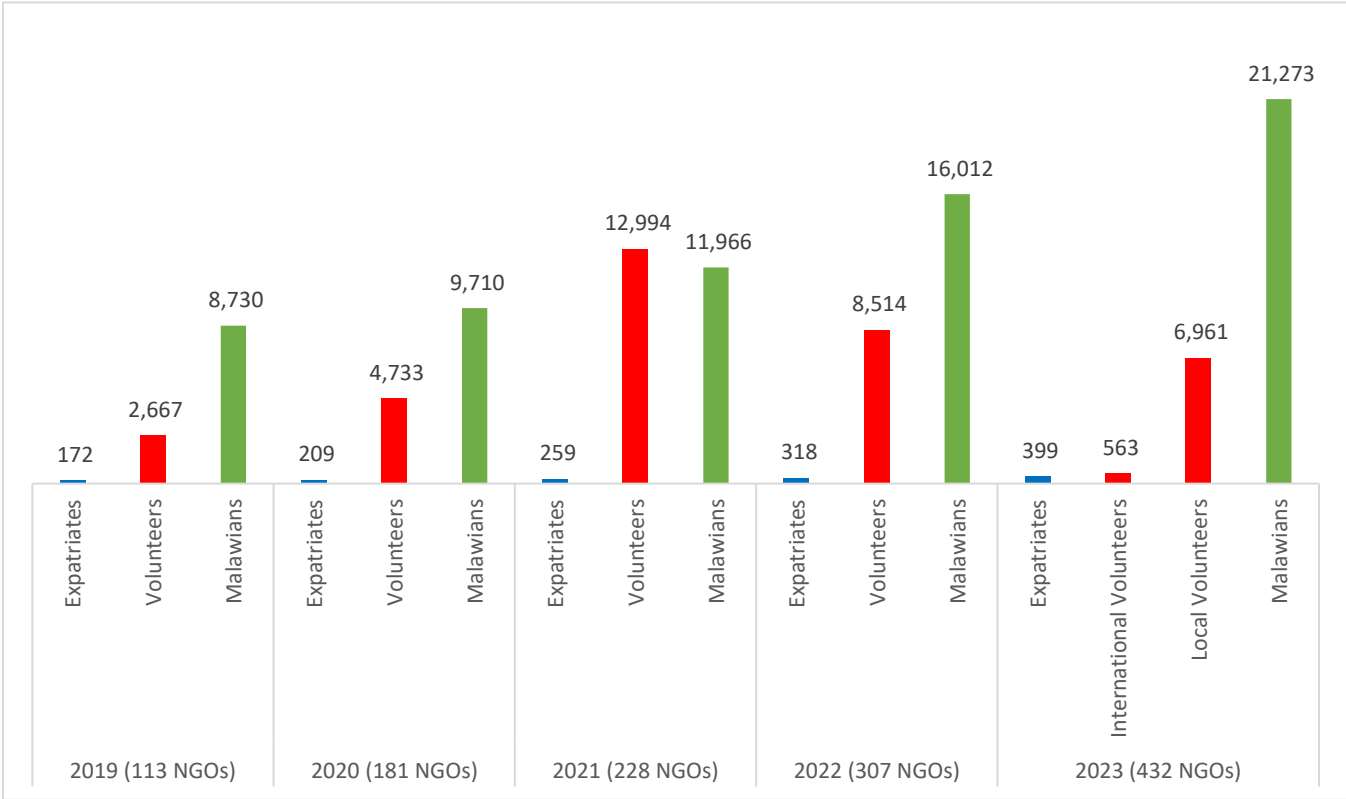


Figure 18: NGO Sector's employment trend for the past 5 years

Chapter Five

5.0 NGORA Operations

This chapter focuses on the operations of the regulator in the year under review. The key focus will be on the regulator's revenue, key achievements and challenges faced.

5.1 Revenue

Being a government entity, NGORA gets subventions from the government for its operations. Not only that, but the regulator also collects fees from NGOs that are under its registry and those that are just registering. The NGO law also provides for the regulator to get revenue in the form of grants however, the major sources of income for the Authority have been government subvention and NGO fees. Table 6 summarizes the authority's revenue since 2015/16 financial year.

Table 6: Summary of NGORA's revenue since the 2015-16 Financial Year

| NGORA's Sources of Revenue | | | | | |
|-----------------------------------|-------------|----------------|-----------------|---------------|---------------|
| Financial Year | NGO Fees | Government ORT | Government PSIP | Donors (UNDP) | Total |
| 2015-16 | 70,000,000 | 55,700,000 | | | 125,700,000 |
| 2016-17 | 72,000,000 | 20,000,000 | | 72,000,000 | 162,000,000 |
| 2017-18 | 183,000,000 | 80,000,000 | | | 263,000,000 |
| 2018-19 | 213,000,000 | 150,000,000 | | | 363,000,000 |
| 2019-20 | 205,000,000 | 612,000,000 | 500,000 | | 1,317,000,000 |
| 2020-21 | 192,000,000 | 612,500,000 | | | 808,929,000 |
| 2021-22 | 212,600,000 | 498,375,000 | | | 710,975,000 |
| 2022-23 | 291,905,000 | 628,258,750 | | | 920,163,750 |

Looking at the revenue as per table 6, NGORA highly depends on government subventions as compared to its own generated income which pose a threat to the sustainability of the institution considering the economic situation the country is in. Though there have been slight increases in the collection of fees, there is still needed

to find more ways of generating more income for the institution to properly deliver its mandate.

5.2 Key Achievements

This section focusses on some of the key achievements of the regulator. It should be noted that during the year under review, the focus was the development of regulations to operationalize amended NGO law.

5.2.1 Development of Draft Regulations

The Authority concentrated most of its resources and efforts on the development of regulations.

In the period under review, four regulations were drafted and submitted to the ministry as listed below;

- a. **Registration Regulation** - Section 23 of the NGO (Amendment) Act stipulates that no organization shall operate in the country without registration. The objective is to provide guidance on how NGOs are supposed to register with the NGO Regulatory Authority;
- b. **Coordination Regulation** - Section 24 of the NGO Act states that the Minister shall designate CONGOMA as an NGO Coordinating body. The regulation therefore aims to outline the role of CONGOMA in coordinating the NGO Sector;
- c. **Operations of INGOs** – Section 37 of the Amended NGO Act stipulates that the Minister shall make provisions for the operations of international NGOs. The aim of the regulation is to provide guidance on how International NGOs shall operate in Malawi in relation to partnerships with Local NGOs;
- d. **Complaints Handling** – Section 20 (i) of the NGO Amendment Act gives NGORA the mandate to register and resolve through mediation or conciliation, disputes between NGOs or between NGOs and other persons. The objective of the regulation is to provide procedures on receipt and resolve the complaints.

All four regulations were developed after a thorough consultative process with all relevant sector players and have been submitted to the Ministry of Gender, Community Development and Social Welfare for further processes. The Authority also amended two regulations (Reporting and Fees Regulations) were included in the submission to the Ministry although they were not part of the consultative process.

5.2.2 Sector Compliance with the NGO law

5.2.2.1 NGO Registration

The NGO law gives the Authority the mandate to register all NGOs operating in Malawi. Through data collected at District Executive Committee (DEC) Meetings in 2021, 72 non-registered organizations had introduced projects across the country. This brought the total of non-registered NGOs to 190.

With such a high number of non-registered NGOs operating illegally, the Ministry of Local Government issued a directive to all local councils not to allow non-registered NGOs to operate in the districts. The directive further instructed councils to ensure that all NGOs with new projects sign an MOU with them before implementation.

In the year under review, the Authority managed to register a total of 77 NGOs from the 190 non-registered, representing 41%. The Authority is hopeful that the number will increase in the coming year due to the directive from the Ministry of Local Government to the local councils.

5.2.2.3 Reports Submission

As a requirement by law, all registered NGOs submit reports (audited financial report, annual technical report and an annual return form) to the regulator 6 months after the end of their financial year. Over the years, submission of these reports has been a challenge with the lowest submission recorded at 5% in 2016.

NGORA implemented several strategies to improve the compliance rate, and the year under review has recorded the highest compliance rate of 61%. The reports were submitted by 432 out of the expected 706 active NGOs. With the new law in place and the regulations under review, the Authority expects an increase in the submission of reports which will help in the profiling of the sectors' contributions to the development of the country.

5.2.2.3 Off-Budget Data

In the year under review, the Authority also collected projections for the 2023/24 off-budget resources. A total of 22 NGOs of the targeted 50 submitted the data with a total budget projection of MK208 billion. Other information collected included the following;

1. Sources of funding;
2. Partnerships;
3. Sectors engaged in and;
4. Alignment to MW2063.

The Authority will continue collecting this projection as it has proven to be useful in the allocation of government resources and can help in reducing duplication of efforts.

5.2.2.4 Revenue Collection

The mandatory use of the online system to submit reports helped in the increase of NGO fees collection by 37%. This was the case as the system requires the submission of reports to be done together with proof of payment for the annual license to be produced. Of the projected MK210 million the regulator collected a total of MK292 million.

5.3 Key Challenges

The Authority faced several challenges over the year that need to be addressed and the notable ones were:

1. Inadequate funding continues to negatively affect the implementation of activities. For instance, monitoring of NGO work at grass root level which highly depends on ADC leaders who need proper orientation was not done;
2. Unavailability of service vehicles at district level which also hinder the monitoring of NGO work at district level; and
3. Lack of district office spaces continues to affect the provision of services to stakeholders at the district level.

Chapter Six

6.0 Conclusions and Recommendations

The efforts outlined in this report indicate the crucial role the NGO sector plays in complimenting Government's efforts in the development of the country. This chapter summarizes the key findings of the 2023 NGO Sector reports and also provides key recommendations based on the findings.

6.1 Summary of Key Findings

The following were some of the key highlights of the analysis for the consolidated reports received in 2023;

1. The number of registered NGOs increased by 64%. However, 199 active NGOs were yet to register by the time the report was developed;
2. The NGO sector's accountability has increased to 61% from 43% last year;
3. The sector's annual income has increased by 47% to Mwk589 billion with the highest NGO receiving a total of Mwk53 billion;
4. The sector brought into the country forex amounting to Mwk473 billion;
5. Health continues to be the dominant sector in NGO interventions and was also reported to have the highest allocation in expenditure (Mwk182 billion);
6. Men (1%) were reported to be the least targeted group amongst NGOs interventions while a majority 71% reported to have targeted everyone with their interventions;
7. The number of paid Malawians employed by the NGO sector has increased by 33% from the 16,012 reported in 2022 while that of volunteers keeps decreasing; and
8. NGORA continues to face financial challenges which are also affecting the execution of its interventions to fulfil its mandate.

6.2 Recommendations

Based on the discussed findings, it was noted that there is a need for the following to be done;

1. Continue engaging the LGAs to ensure that all non-registered NGOs are registered before they start implementing their programs;
2. Come up with new efforts that will improve NGO compliance for the report to show a true reflection of what is being achieved by the NGO sector;

3. Engage the Reserve Bank of Malawi (RBM) to assist on the best ways of assessing the impact of the forex being brought into the country by the sector;
4. Engage both NGOs and MDAs to ensure equal distribution of activities and resources in all sectors;
5. Fast-track the changes in the annual return form to properly profile the sources of income and expenditure of the NGO projects and NGO Annual Work Plans and Budgets (AWP&B); and
6. Find means to increase NGORA's own generated income for the sustainability of the institution and its interventions.
7. Proper assessment of the duplication of efforts by NGOs themselves and with the Government needs to be conducted.

6.3 Way Forward

Based on the discussed limitation in section 1.4, NGORA has lined up a number of interventions that will help improve the development of the report and compliance in general as follows;

1. Continued engagement on compliance issues with NGOs;
2. Develop a capacity building program;
3. Do a Geo-Mapping activity that would help improve the spatial distribution of NGO work;
4. Encourage the signing of district standard MoUs that will help improve planning of NGO work with district councils and alignment to MW2063; and
5. Strengthen partnership between NGOs and the government.

6.4 Conclusion

The overall objective of the 2023 NGO Sector Report was to promote donor and public confidence in the NGO sector through the profiling of the sector's contributions to the attainment of national development goals. The analysis indicated a 61% compliance rate which represents an 18% increase compared to 2022. The reports also shows that 77 NGOs registered in the year under review which is 64% higher compared to 2022.

The analysis noted that in pursuit of complimenting the government's development agenda, the sector spent a total of Mwk580 billion which was over 23% of what was spent in 2022. The report also revealed funds diverted to the sector from development partners through government MDAs as well as an increase in funds received through NGO partnerships.

The report has indicated a continued increase in the number of Malawian paid employees being engaged by the NGO sector while the number of volunteers is reducing.

Due to the increased compliance rate, some key contributions have been noted for example out of the Mwk589 billion income in the year under review, at least Mwk473 billion was received in foreign currency with over Mwk200 billion received in US \$. Though this was the case the regulator still faced challenges in

profiling the sources of income for some of the NGOs due to delays in the amendments of its data collection tools.

With the new law in place, the Regulator plans to develop regulations and guidelines to operationalize the law which will complement other interventions, and this will improve the sector's compliance and accountability. Further to this, it will also ensure that the resources that are brought into the country through the NGO sector benefits the citizenry.

NGO ANNUAL RETURN FORM YEAR 2023

NON-GOVERNMENTAL ORGANISATIONS ACT, CAP 5.05 OF LAWS OF MALAWI

THIS FORM SHOULD BE FILLED COVERING YOUR AUDITED FINANCIAL YEAR TOGETHER WITH THE FOLLOWING 2023 REPORTS:

- Audited financial statements
- Annual Technical reports

Organization Details:

| |
|--|
| NAME..... |
| ABBREVIATION..... |
| BOARD REGISTRATION NUMBER..... |
| CHARITIES NUMBER (For International) |
| POSTAL ADDRESS |
| |
| |
| PHYSICAL ADDRESS |
| TELEPHONE NUMBERS |
| OFFICIAL EMAIL ADDRESS..... |

Directors/Trustee Details (for International include Directors on Affidavits):

| Full Names | Phone | Email | Occupation | Nationality | Position | Timeframe |
|------------|-------|-------|------------|-------------|----------|-----------|
| | | | | | | |

Objectives of the Organization (Attach to this form if the list will not fit):

| |
|----|
| 1) |
|----|

Tick Sectors engaged in (These are Government approved Sectors):

| | | | |
|---|--------------------------|--|--------------------------|
| Agriculture | <input type="checkbox"/> | Education, Research and Development | <input type="checkbox"/> |
| Integrated Rural Development and Decentralization | <input type="checkbox"/> | Gender, Youth Development | <input type="checkbox"/> |
| Environment, Lands and Natural Resources | <input type="checkbox"/> | Transport, Infrastructure and Public Works | <input type="checkbox"/> |

| | | | |
|--|--|---|--|
| Tourism, Wildlife and Culture | | Information, Communication and Technology | |
| Water, Sanitation and Irrigation | | Energy and Mining | |
| Trade, Industry and Private Sector Development | | Economic Governance | |
| Vulnerability, Disaster and Risk Management | | Democratic Governance | |
| Health | | Public Administration | |

Location of Activities:

| Village Development Committee (VDC) | Area Development Committee (ADC) | District |
|-------------------------------------|----------------------------------|----------|
| | | |
| | | |
| | | |
| | | |

Source of Funding:

| No | Funder's/Donor's Name | Details of Contact Person | Amount During the year (Any Currency) |
|----|-----------------------|---------------------------|---------------------------------------|
| 1 | | | |
| 2 | | | |
| | | | |

Auditors Details:

| No | Name | Contacts Details: Address, Phone and Email |
|----|-------|--|
| 1 | | |
| | | |
| | | |
| | | |

Banks Details:

| No | Name | Contacts Details: Address, Phone and Email |
|----|-------|--|
| 1 | | |
| | | |
| | | |
| | | |

Executive Director/Country Director/ Country Representative Details:

| Name | Nationality | Highest Qualification | Email Contact | Phone Contact |
|-------|-------------|-----------------------|---------------|---------------|
| | | | | |

NGO Financial Year

| Start Date | End Date |
|------------|----------|
| | |
| | |

Tick Type of NGO Registration

| | | | |
|------------------------|--------------------------|------------------------------|--------------------------|
| Trustees Incorporation | <input type="checkbox"/> | Company Limited by Guarantee | <input type="checkbox"/> |
|------------------------|--------------------------|------------------------------|--------------------------|

Tick Target Groups

| | | | |
|------------|--------------------------|------------------------|--------------------------|
| Everyone | <input type="checkbox"/> | Under Five Children | <input type="checkbox"/> |
| Men Only | <input type="checkbox"/> | Elderly | <input type="checkbox"/> |
| Women Only | <input type="checkbox"/> | People with Disability | <input type="checkbox"/> |
| Youth Only | <input type="checkbox"/> | Other | <input type="checkbox"/> |

Staff Capacities:

| Staff | Numbers |
|------------|---------|
| Malawian | |
| Expatriate | |
| Intern | |
| Volunteers | |

While signing this return form, the Board Chairperson or Director on affidavit confirm and certify that the information given is true to the best of their knowledge. That untrue information would be subject to cancellation of the registration certificate.

NGOs operating in Malawi are subject to all the Laws of Malawi.

Signed By:

Name-----

(Board Chairperson/Director on affidavit)

Signature-----

Position -----

Date-----

Phone Nos. -----;

Email -----

Submission:

Submission be done together with the annual technical report and its audited financial statements to: registrar@ngora.mw Cc; ikachikopa@ngora.mw, bmphika@ngora.mw or submit to the address above by a registered mail. Submission will be filed with the NGO Regulatory Authority within six months after the end of 2023 financial year.

For Board Office Use:

| | Officers Initials and Date | Comments |
|---------------|----------------------------|----------|
| Received | | |
| Response sent | | |
| Approved | | |
| Filed | | |
| Notes: | | |

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Non-Governmental Organization Regulatory Authority (NGORA)
Registering and Regulating the Operations of NGOs in Malawi

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