

NGO REGULATORY AUTHORITY

2025 NGO Sector Report

6th Edition





WATERAID MALAWI

WaterAid Malawi works to ensure everyone has access to clean water, decent sanitation, and good hygiene (WASH). Guided by our 2023–2028 strategy, we aim for universal WASH access, promote WASH in healthcare, and use advocacy and partnerships for impact. In the last five years, over 1.4 million people in several districts gained access to safe water, sanitation, and hygiene services. We focus on inclusive, climate-resilient solutions.



ACTIONAID MALAWI

ActionAid Malawi is a non-governmental organization working for social justice, gender equality, and poverty eradication since 1990. Guided by a human rights-based and feminist approach, ActionAid empowers marginalized groups like women, girls, and youth to claim their rights. Key focus areas include Women's Rights, Education, Youth empowerment, Climate and Economic Justice, and Humanitarian action. ActionAid Malawi seeks systems change for fair and just systems centered on care, wellbeing, and human rights through its strategy (2024-2028)



COMPASSION INTERNATIONAL MALAWI

Compassion International Malawi (CIMW) is a Christ-centered, child-focused, church-driven organization working to release children from poverty in Jesus' name. Since starting operations in Malawi in July 2021, CIMW partners with local churches to deliver holistic child development programs addressing spiritual, physical, economic, educational, and socio-emotional needs. With partnerships in 81 local churches across 12 districts, over 17,000 children/youth and their families have benefited from interventions in child protection, education, health, and more.

SELF HELP AFRICA (SHA)

In rural Malawi, access to clean energy is a barrier to growth. Since 2008, Self Help Africa (SHA) addresses this through market-based solutions. Through the EASE project, SHA installed solar mini-grids in Dedza District, powering over 500 people with renewable energy. SHA's social enterprise Kuyatsa promotes decentralized energy for rural enterprise and inclusive development. Kuyatsa plans to scale mini-grids, expand energy uses, and explore new revenue streams like carbon credits.



EVIDENCE ACTION IN MALAWI

Evidence Action is an international non-profit scaling evidence-based interventions to reduce poverty in Africa and Asia. In Malawi, Evidence Action implements two flagship programs approved by the Malawi Government: Safe Water Now (SWN) and Integrated Deworming and IFA supplementation. SWN increases access to safe water in rural areas to reduce waterborne diseases. The Integrated Deworming and IFA program targets parasitic worm infections and anemia among school-aged children and adolescent girls. These programs aim to strengthen health systems and improve well-being in Malawi.



TILITONSE FOUNDATION

Tilitonse Foundation is a Malawian non-profit strengthening democratic governance and inclusive development since 2016. The Foundation empowers citizens and civil society to engage in governance, promote accountability, and drive change. Guided by values of equity, justice, participation, and integrity, Tilitonse supports Non-State Actors through capacity development and partnerships to build a governance system responsive to all people's needs.





BANJA LA MTSOGOLO (BLM)

For over 35 years, Banja La Mtsogolo has been a trusted health partner in Malawi, championing reproductive healthcare and empowering individuals with choice and control over their health. Through a network of clinics, outreach teams, and public health facilities, BLM reaches vulnerable groups, including adolescents and marginalized communities. By providing high-quality care and breaking down stigma, BLM builds a stronger, healthier, and more equitable Malawi.



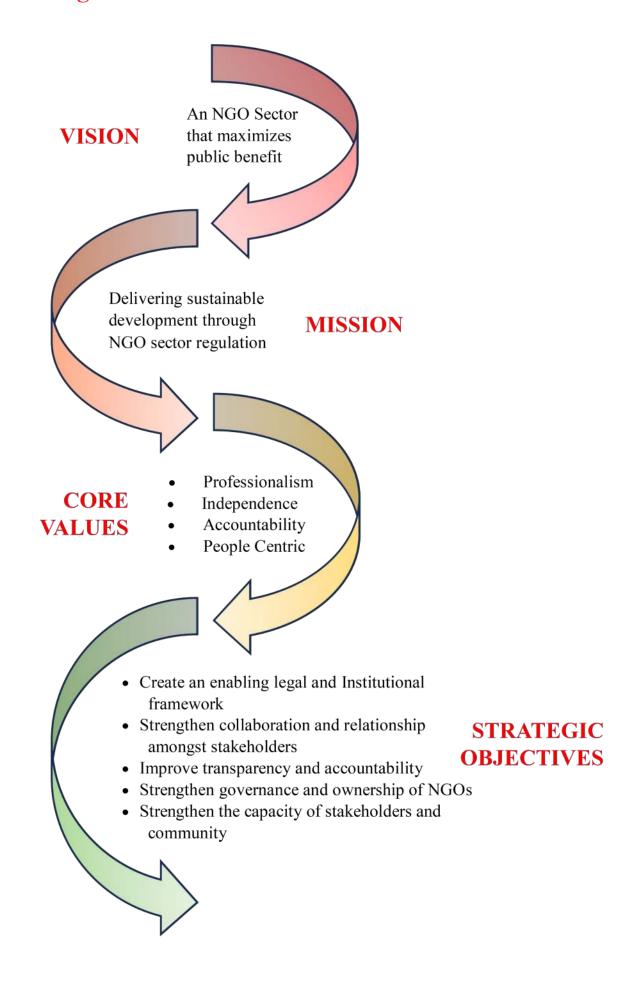
SHAPING OUR FUTURE FOUNDATION (SOFF)

Shaping Our Future Foundation (SOFF) is a nonprofit founded in 2020 by Malawi's First Lady, Madame Monica Chakwera. SOFF empowers girls and women in villages to access education, thrive economically, and reach their full potential. Through Scholarships, Economic Empowerment, and Sexual and Reproductive Health and Rights (SRHR) programs, SOFF has supported 3,000 scholarships, disbursed microgrants to empower communities, and connected girls with role models in STEM.



CATHOLIC RELIEF SERVICES (CRS)

Catholic Relief Services (CRS) is an international humanitarian organization working in over 100 countries. In Malawi since 1997, CRS partners with local organizations and the Church to deliver programs in agriculture, health, education, emergency response, and livelihoods. CRS focuses on empowering communities for sustainable development, promoting human dignity and resilience. Current priorities include supporting orphans and vulnerable children, health systems, natural resource management, and nutrition. CRS ensures safeguarding of rights and dignity of all people in its programs.





Foreword

On behalf of the Ministry of Gender, Community Development and Social Welfare, I am pleased to present the 2025 NGO Sector Report. This report is an important resource that captures the remarkable contributions of Non-Governmental Organizations (NGOs) to Malawi's socio-economic development while shedding light on the challenges they face in their operations.

The NGO sector in Malawi continues to grow in strength and influence, with a 26% annual increase in registrations and a 27% rise in funding between the years 2021 to 2024. This expansion reflects the sector's important role in complementing government efforts to deliver essential services in areas such as health, education, agriculture, social protection, and environmental management among others.

Despite this progress, the sector continues to grapple with challenges such as funding dependency, compliance gaps, and resource disparities. The establishment of the NGO Fund in 2024 marked an important step in addressing capacity gaps, strengthening coordination, and improving accountability. However, recent donor funding cuts have highlighted the need for greater resilience through domestic resource mobilization and diversified funding.

This report, therefore, provides a detailed analysis of the sector's performance and offers clear recommendations for building a more resilient, transparent, and accountable NGO community. As the Ministry of Gender, Community Development and Social Welfare, we take pride in the dedication and tireless service that NGOs continue to provide to Malawian communities, often in the most remote and challenging environments.

I wish to extend my deepest appreciation to all NGOs that submitted their reports and to the dedicated team at the Non-Governmental Organization Regulatory Authority (NGORA) for their exceptional work in compiling this document. The Ministry values the partnership between government, NGOs and development partners and reaffirms its commitment to creating an enabling environment where NGOs can thrive and contribute meaningfully to national development.

Together, let us work towards a stronger, more united NGO sector that leaves no one behind and continues to uplift the lives of all Malawians.

Nertha Semphere Mgala PhD,

Secretary for Gender, Community Development, and Social Welfare

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Preface

The Non-Governmental Organizations (NGO) Act mandates the NGO Regulatory Authority (NGORA) to register and regulate the operations of NGOs in Malawi. In fulfilling this mandate, NGORA consolidates and analyses data extracted from annual reports submitted by NGOs, and present the findings in the Annual NGO Sector Report. This report serves as an evidence-based assessment of the sector's role in complementing government-led development efforts, informing decision-making by government, development partners, and other stakeholders.

The 2025 NGO Sector Report responds to growing demand for accurate, comprehensive, and timely information on the scope, performance, and challenges of the NGO sector. It provides an objective analysis of the sector's contributions to Malawi's development, while highlighting areas that require policy and operational attention. Beyond showcasing achievements, the report critically examines structural issues such as donor dependency, uneven resource distribution, sectoral concentration, and varying levels of compliance with statutory obligations.

Annual report submissions have improved, rising from 52% to 61%. However, almost 40% of registered NGOs are still not meeting compliance requirements. This gap reduces the completeness of sector data and limits NGORA's ability to present a full picture of NGO contributions. The data also highlights ongoing funding inequalities, with a small group of NGOs receiving the majority of available resources, while many smaller organizations struggle to operate on very limited budgets. Furthermore, the sector's dependence on a narrow pool of donors leaves it vulnerable to external shocks, as shown by the operational disruptions following USAID's recent funding cuts.

The sector continues to expand, both in scale and scope. Between 2021 and 2024, annual NGO registrations grew by an average of 26%, and funding increased by 27% annually. Employment contributions are notable, with the number of Malawian employees tripling over the same period. While these trends are encouraging, sustained political will, technical support, and adequate resources will be essential to ensure the sector's growth translates into lasting impact.

I expect that the findings and recommendations in this report will inform evidence-based policy-making, strengthen strategic planning, and foster a more resilient and equitable NGO sector. I extend my appreciation to the Ministry of Gender, Community Development and Social Welfare, the NGORA Board of Directors, and NGORA's Management and Staff for their dedication in producing this report. Special thanks are also due to the NGOs that complied with reporting requirements, enabling us to present a more comprehensive picture of the sector's performance.

Innocentia Ottober, SC Board Chairperson NGO Regulatory Authority

Definitions

1. Capacity Building

This refers to interventions that improve effectiveness or enhance the ability to towards one's mission. Such efforts can include a broad range of approaches, e.g. financial support, training, and collaboration.

2. International NGO

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

3. NGO

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

4. Marginalized groups

People or communities who are excluded, disadvantaged, or have limited access to resources, opportunities, and decision-making because of factors such as poverty, disability, gender, age, ethnicity, or social status.

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, 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. Sector

The grouping of NGO interventions based on their thematic relationships.

8. Service Provision

NGO interventions in an effort to improve the quality of life by ensuring access to basic services like education, agriculture, 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 Immunodefiency 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 Governmentasl Organization Regulatory Authority
RBM	Reserve Bank of Malawi
US\$	United States dollars

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Executive Summary

The 2025 Non-Governmental Organization (NGO) Sector Report provides an evidence-based assessment of the growth, performance, and challenges of Malawi's NGO sector, drawing on the submissions from 578 registered organizations. The sector continues to demonstrate significant expansion, with an average annual registration growth of 26% and a 27% increase in funding between 2021 and 2024. NGOs remain pivotal in complementing government efforts in service delivery, advocacy, and development, particularly in health, education, agriculture, social protection, and environmental management. Employment contributions are notable, with the number of Malawian employees increasing from 9,710 in 2021 to 28,680 in 2025, alongside substantial volunteer engagement.

However, the sector faces persistent structural and operational challenges. Heavy reliance on a narrow pool of donors leaves NGOs vulnerable to external funding shocks, as seen with United States Agency for International Development (USAID)'s policy shift, which directly affected 25.2% of the NGOs especially in the health sector leading to program closures and staff reductions. Financial disparities remain stark, with the top 20 NGOs accounting for 51% of total sector income, while many smaller organizations operate with minimal resources. Compliance has improved to 61% in annual report submissions, yet nearly 40% of NGOs remain non-compliant, undermining transparency and accountability. Additionally, inactivity among some NGOs due to financial constraints raises concerns about sustainability and registry integrity.

Positive developments during the review period include the establishment of the NGO Fund to address capacity gaps, the development of the 2025 NGO Policy prioritizing governance, sustainability, and local resource mobilization, and the gazetting of new regulations to strengthen oversight and coordination. These measures reflect a shift towards greater institutional strengthening, improved monitoring, and better alignment with the national priorities including the Malawi 2063.

To consolidate gains and address vulnerabilities, the report recommends diversifying funding sources, strengthening capacity-building initiatives, improving data management systems, fostering collaboration to reduce duplication of efforts, expanding engagement in underrepresented sectors, and enhancing compliance support. If implemented effectively, these actions will improve the sector's resilience, equity, and impact, hence enabling NGOs to deliver more sustainable and inclusive development outcomes.

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Chapter One: Introduction



Background

The Non-Governmental Organizations Regulatory Authority (NGORA) is a statutory body established through an Act of Parliament under section 6 of the NGO Act (Cap. 5.05 of the Laws of Malawi). Its mandate is to register and regulate the operations of Non-Governmental Organizations (NGOs) in Malawi. The Act provides for the Authority to promote donor and public confidence in the NGO Sector.

As a non-profit sector that largely rely on donor support to implement development interventions, NGOs in Malawi face several challenges, including limited financial resources, technical capacity gaps, and inadequate human capital. Despite these challenges, the sector has made significant contributions to national development. NGOs have complemented government efforts by delivering essential services, engaging in policy advocacy, and promoting sustainable development, particularly in hard-to-reach areas. Their interventions have had notable impacts in sectors such as health, education, agriculture, social protection, and environmental management, among others.

Over the years, the NGO sector in Malawi has grown significantly in both scale and scope. Between the years 2021 and 2024, NGORA has recorded an average annual increase of 26% in NGO registrations. In the same period, funding to the sector grew by an estimated 27% annually. This growth demonstrates the sector's increasing relevance in advancing the national development agenda (Malawi 2063).

In accordance with the NGO Act, all registered NGOs are required to submit annual reports to NGORA. These reports are published to ensure public access and transparency regarding how resources mobilized in the name of Malawians are utilized. However, despite the availability of these individual reports, access to comprehensive and consolidated data remained limited. Many stakeholders found it difficult to assess the sector's overall contribution due to fragmented reporting formats and a lack of centralized analysis.

To address this gap, in 2021 NGORA introduced the Annual NGO Sector Report. This report consolidates key data and information drawn from the submitted annual reports to provide a sector-wide overview of NGO contributions to Malawi's development. The report highlights achievements, identifies challenges, and offers recommendations for improving coordination and effectiveness of programs and interventions in the NGO sector. The Sector Report serves as a key reference document for government, donors, NGOs, and the general public in making informed decisions based on credible and verifiable data.

The 2025 NGO Sector Report highlights key developments within the NGO sector, based on reports submitted to the Authority between October 2024 and June 2025. It focuses primarily on major NGO interventions implemented during the 2023 - 2024 financial year. Additionally, the report includes significant activities and interventions carried out by the Authority from July 2024 to June 2025.

Scope

The 2025 NGO Sector Report provides a comprehensive overview of the sector's growth, focusing on the increase in the number of registered NGOs and the funding they have received. The report analyses compliance trends with the NGO Act, covering key areas such as registration, reporting, and licensing processes. It further highlights the sector's financial performance, detailing income and expenditure patterns. Additionally, the report underscores the sector's contributions to job creation and the delivery of essential services to Malawian communities.

The information presented is drawn from 578 NGO submissions received during the review period. These submissions include:

- 1. Audited Financial Statements;
- 2. Annual Technical (Activity) Reports; and
- 3. Annual Return Forms.

This data provides a factual basis for assessing the NGO sector's performance, impact, and challenges over the period under review. It also informs policy recommendations aimed at strengthening the sector's accountability and sustainability.

Objectives

The NGO Sector Report aims to provide stakeholders with credible, high-quality, and reliable data to support informed decision-making. This aligns with the Authority's mandate under the NGO Act to ensure free public access to accurate information about the NGO sector. Specifically, the report seeks to:

- 1. Assess the growth and development of the NGO sector in terms of registration, funding, and activities;
- 2. Address the increasing demand for comprehensive and up-to-date NGO data from government bodies, development partners, researchers, and the public;
- 3. Evaluate the sector's key contributions to national development, including job creation, service delivery, and poverty reduction;
- 4. Identify major achievements and challenges faced by the sector during the reporting period to inform policy and strategic interventions; and
- 5. Enhance transparency and accountability by providing a detailed analysis of NGO compliance with legal and regulatory requirements.

By meeting these objectives, the report supports evidence-based planning, policy formulation, and effective coordination among sector stakeholders.

Methodology

The 2025 NGO Sector Report consolidates data collected from a total of 578 NGOs that submitted annual returns during the reporting period. Financial information, including income and expenditure figures, was obtained from the audited financial statements submitted by these organizations. Additional data on sectors of engagement were extracted from the NGOs' technical (activity) reports, while information on staff numbers, and employment was sourced from the annual return forms.

Key interventions and activities undertaken by the Authority were gathered from its activity reports. The data from these multiple sources were systematically reviewed, verified, and analyzed to ensure accuracy and completeness.

The report employs both quantitative and qualitative analysis methods. Quantitative data were used to track trends in funding, compliance, and sector growth, while qualitative data helped contextualize key achievements, the impact of the Authority's interventions, and challenges. This multi-source approach enables a comprehensive and reliable overview of the NGO sector's performance during the period under review.

Limitations

Due to time constraints, the Authority was unable to comprehensively collect detailed information on how the NGO sector's interventions directly align with and contribute to the Malawi 2063 (Mw2063) development agenda. Although efforts are underway to upgrade the Authority's Management Information System (MIS) to capture such data during report submissions, additional information on MW2063 alignment is currently requested separately from NGOs.

As a result, the 2025 NGO Sector Report offers a general overview of the sector's key contributions to national development rather than a detailed mapping of Mw2063 goals. Furthermore, only 578 NGOs submitted their reports during the period under review. While this represents a significant portion of the sector, it poses a risk of incomplete coverage, which may lead to gaps in profiling the full range of contributions and challenges within the NGO sector.

These limitations highlight the need for continued improvements in data collection processes and increased NGO compliance to ensure future reports provide a more comprehensive and detailed sector analysis aligned with national development priorities.

Chapter Two: Key Highlights

This chapter presents the key highlights and major interventions that occurred during the period under review, which have had a significant impact on NGO operations in Malawi. It includes the government's response to capacity gaps identified in the 2023 NGO Sector Report through the establishment of the NGO Fund in 2024, an assessment of the effects of USAID's policy changes on aid, the development of the 2025 NGO Policy and related strategic documents, as well as the gazetting of new NGO Regulations.

NGO Fund

The Government of Malawi established the NGO Fund in 2024 to address capacity gaps identified in the NGO Sector, as highlighted in the 2023 NGO Sector Report. These gaps included weaknesses in institutional systems, limited coordination between NGOs and Government Ministries, Departments, and Agencies (MDAs), and inadequate monitoring of NGO interventions. The Fund aims to strengthen the sector's effectiveness and sustainability by supporting initiatives under three main pillars:

- 1. Institutional Strengthening: Focuses on enhancing the internal systems and capacities of Local NGOs, umbrella bodies, and the NGO Regulatory Authority (NGORA).
- 2. Enhanced Coordination: Seeks to improve collaboration among NGOs, as well as between NGOs and Government MDAs, particularly in the planning and implementation of development interventions. This pillar targets umbrella bodies and relevant Government entities.
- 3. Enhanced Monitoring and Learning: Aims to strengthen monitoring of NGO projects and promote learning from best practices to improve service delivery. This pillar primarily targets Government MDAs, including local councils, and NGORA.

During the reporting period, 27 Local NGOs were shortlisted for support under the Institutional Strengthening pillar, while 28 Local Councils were considered for support under the Enhanced Coordination and Enhanced Monitoring and Learning pillars. A due diligence assessment was conducted on all shortlisted Local NGOs, and out of these, only 25 met the minimum requirements. The remaining two NGOs were unavailable for the assessment. Beneficiary organizations received funding aligned with their proposed interventions, which included:

- 1. Development of internal policies;
- 2. Establishment of Management Information Systems; and
- 3. Local Council and NGO engagement meetings.
- 4. NGO project monitoring activities.

Notably, the NGO–Local Council engagement meetings, funded through the NGO Fund, have provided a structured platform for stakeholders to jointly plan, coordinate, and assess progress on activities being implemented. This has strengthened local-level development planning and improved alignment of interventions with district priorities and District Development Plans (DDPs).

By the end of the review period, the following progress and disbursements were recorded:

- 1. Mk 150,214,436 was disbursed to 25 organizations (23 local NGOs and 2 regional networks).
- 2. Mk 52,000,000 was disbursed to 28 District Councils through the NGORA district offices.
- 3. After three months, the average expenditure (burn rate) by NGOs stood at 45.3%, representing Mk 68,094,318 spent.

The Fund has demonstrated potential to enhance institutional capacity, promote coordinated action, and improve monitoring of development work in Malawi. However, continued technical support and close follow-up will be necessary to ensure that funded activities translate into measurable, sustainable results.

Impact of US Government Policy Changes on Aid

During the period under review, Malawi began to experience a significant reduction in donor support, a development that will affect not only the operations of government ministries, departments, and agencies (MDAs) but also the NGO sector. This follows the announcement by the United States Government of a shift in its foreign aid policy, including a cut in development assistance to several developing countries through the United States Agency for International Development (USAID).

Given that USAID has historically been one of Malawi's largest bilateral donors supporting critical sectors such as health, education, agriculture, and governance, this policy shift has resulted in disruptions to ongoing development initiatives, particularly in the NGO sector, where USAID funding has been a major source of operational and programmatic support.

In response, the NGO Regulatory Authority conducted an impact assessment to better understand the implications of the aid cut. The survey, carried out between March and May 2025, focused on the project status, geographic coverage, funding sources, and the operational impacts of the funding reduction. Key findings are as follows:

- 1. Survey Scope: 250 active NGOs registered under the NGO Act were targeted. Of these, 151 organizations responded, representing a 60% response rate.
- 2. Extent of Impact: 38 out of the 151 respondents (25.2%) reported direct negative effects from the USAID aid freeze and amongst those affected, the following were noted:
- 3. Sectoral Breakdown:
 - a. The health sector was the most severely affected, with 77.14% of impacted NGOs reporting disruptions to HIV/AIDS, malaria, maternal and child health, and other disease-related programs.
 - a. Program closures: 58.3% of affected NGOs reported having to close specific programs entirely.
 - a. Staff reductions: 50% of affected NGOs reduced staff numbers, with 18.2% reporting workforce cuts of over 60%.
 - a. Funding dependency: For 75% of the affected organizations, USAID was the primary donor.
- 4. Organizational Outlook: Despite the challenges, 50% of affected NGOs indicated they were "very confident" about their ability to continue operations over the next 12 months, suggesting that some have alternative funding strategies or contingency measures in place.

The findings highlight the high level of dependency on a single donor in certain sectors, particularly health, and underscore the vulnerability of Malawi's NGO ecosystem to external policy shifts. The results also signal the need for strategic donor diversification, stronger domestic resource mobilization, and the development of contingency planning frameworks to ensure program continuity in the face of external funding shocks.

The 2025 NGO Policy

During the period under review, the 2019 NGO Policy and the NGORA Corporate Strategy both reached the end of their five-year implementation cycle. These two documents provided the overarching strategic direction for the NGO sector in Malawi.

An assessment of their implementation revealed that most efforts during the period were concentrated on strengthening the legal framework governing NGO operations and improving compliance with the NGO Act. While significant progress was made in these two areas, minimal progress was achieved in delivering on targets under the other policy priority areas.

In developing the successor NGO Policy, priority was given to carrying forward unachieved targets from the 2019 framework. This process was highly consultative, involving key stakeholders from across the sector, including government MDAs, umbrella NGO bodies, international NGOs, and local NGOs. The outcome of this engagement was a draft policy that sets out eight key priority areas:

- 1. Regulation and Governance: Strengthening the legal and institutional framework to promote effective registration, oversight, and governance of NGOs.
- 2. Coordination, Partnership, and Networking: Enhancing collaboration among NGOs, government, the private sector, and development partners to improve service delivery and avoid duplication of efforts.
- 3. Transparency and Accountability: Promoting ethical conduct, sound financial management, and accountability to beneficiaries, donors, and the public.
- 4. Impact and Sustainability of NGO Programs: Ensuring that NGO interventions deliver measurable and lasting results aligned to the national development priorities such as Malawi 2063 and the Sustainable Development Goals (SDGs).
- 5. Resource Mobilization: Encouraging diversification of funding sources, with a particular focus on mobilizing local resources to reduce dependency on external aid.
- 6. Capacity Development: Strengthening the skills, systems, and structures of NGOs, especially local organizations, to improve operational efficiency and program effectiveness.
- 7. Research and Innovation: Promoting evidence-based programming, adoption of innovative approaches, and use of technology to enhance NGO impact.
- 8. Cross-Cutting Issues: Integrating gender equality, youth empowerment, climate change adaptation, disability inclusion, and HIV/AIDS responses across all NGO activities.

The policy's development comes at a critical juncture for the NGO sector, as it transitions from heavy reliance on donor funding towards more self-reliant and sustainable operational models. The inclusion of priority areas on local resource mobilization and capacity development reflects a deliberate shift towards empowering local NGOs to be financially sustainable and resilient in the face of funding volatility.

Once approved by Cabinet, the 2025 NGO policy is expected to guide the sector in strengthening its contribution to Malawi's socio-economic development, improve coordination with the government and other stakeholders, and enhance public trust in the work of NGOs in the country.

NGO Regulations

Following the 2022 amendment of the NGO Act, stakeholders expressed concerns about provisions such as mandatory NGO registration, the regulation of international NGOs, the role of the coordinating body, and the investigative powers of the regulator. To address these concerns and ensure effective implementation of the amended Act, the Government, through the Ministry of Gender, Community Development and Social Welfare (MoGCDSW), developed four new regulations and amended two existing ones as follows:

- 1. Operations of International NGOs Regulations (new)
- 2. Coordination Regulations (new)
- 3. Complaints Handling Regulations (new)
- 4. Registration Regulations (new)
- 5. Fees and Finances Regulations (amended)
- 6. Reporting Regulations (amended)

During the reporting period, the Ministry of Justice finalized and gazetted four regulations as indicated below:

- 1. Operations of International NGOs Regulations (new);
- 2. Coordination Regulations (new);
- 3. Reporting Regulations (amended); and
- 4. Fees and Finances Regulations (amended) currently under review by the Parliamentary Committee on Legal Affairs.

MoGCDSW is working with the Ministry of Justice to expedite the gazette of the remaining two regulations and is following up with the Parliamentary Committee on Legal Affairs to finalize the Fees and Finances Regulations.

The regulatory changes are expected to have both compliance and operational implications for NGOs. The Operations of International NGOs Regulations will establish clearer requirements for foreign NGOs, including mandatory partnership in project implementation with local actors including local NGOs which will enhance project sustainability and capacity enhancement of local players. The Coordination Regulations will strengthen the oversight role of the coordinating body, potentially increase administrative reporting obligations but also improve collaboration and reduce duplication of efforts in the sector. The Reporting Regulations introduce stricter timelines and standardized formats for annual and project-specific reports, which may enhance transparency but will require NGOs to strengthen their internal monitoring, evaluation, and data management systems.

The Fees and Finances Regulations, once approved, will align operational license validity with an NGO's financial year, reducing mid-year administrative disruptions and improving synchronization of compliance processes. However, they may also introduce new fee structures that could affect the financial planning of smaller NGOs with limited resources. The yet-to-be-gazetted Complaints Handling and Registration Regulations are likely to formalize procedures for addressing grievances and streamline registration, which could increase accountability and predictability in regulatory processes.

Overall, while these regulations aim to enhance sector governance, transparency and alignment with national development goals, they will require NGOs both local and international to invest in stronger compliance frameworks, operational planning, and stakeholder engagement strategies to maintain effectiveness under the new regulatory environment.

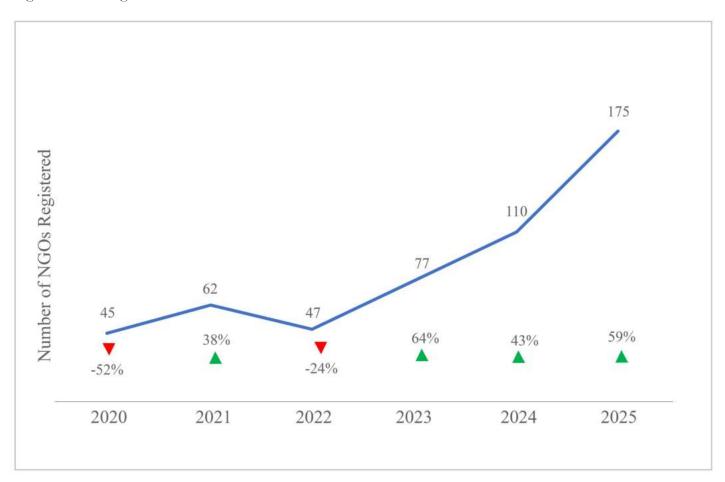
Chapter Three: NGO Compliance

In recent years, Malawi has experienced a steady increase in NGO compliance in areas such as registration, report submission, and annual license renewal. The NGO Act and its subsidiary legislation require all organizations intending to operate as NGOs to register with the NGO Regulatory Authority, submit annual returns after the close of their financial year, and obtain an annual license to operate legally. While compliance levels have improved, the trend warrants closer examination to understand whether this progress reflects genuine sector-wide adherence to legal obligations or is concentrated among a few consistently compliant organizations. This section critically reviews key patterns, gaps, and emerging challenges in NGO compliance with the NGO Act and its subsidiary legislation.

NGO Registration

Since the amendment of the NGO Act in 2022 and the development of its subsidiary legislation, Malawi has experienced a steady rise in NGO registrations. Annual figures have grown from fewer than fifty new registrations in 2022 to more than one hundred in 2024. Between July 2024 and June 2025, NGORA registered 175 NGOs, compared to 110 during the same period in the previous year representing a 59% year-on-year increase. As at 30th June 2025, the total number of registered NGOs stood at 1,224. Figure 1, provides statistical trends of NGO registration since 2020.

Figure 1: NGO Registration Trends since 2020



While this growth reflects keen interest in formalizing NGO operations and possibly improved confidence in the regulatory framework, it also places greater demands on the oversight, monitoring, and enforcement functions of NGORA. The trend underscores the need to strengthen the legal and institutional framework to ensure that increased registration translates into genuine compliance with governance, accountability, and transparency standards. Without reinforcing legal provisions and operational capacity, there is a risk that rapid sector expansion could outpace the regulator's ability to safeguard quality and integrity in NGO operations.

NGO Registration Type

The NGO Act establishes two registration categories: International NGOs and Local NGOs. NGOs incorporated under foreign laws are classified as International, while those established within Malawi are registered as Local. During the reporting period, 163 NGOs were registered as Local and 12 as International. Cumulatively, the tally of Local to International NGOs stands at 997 to 227, respectively. While the higher number of Local registrations may indicate growing domestic civic engagement and local capacity to implement development initiatives, it also raises questions about the extent to which these organizations acquire the resources, governance structures, and operational capacity to meet compliance requirements.

At the same time, the lower number of International NGO registrations may reflect a shifting development landscape, possibly influenced by localization policies or funding trends that affect foreign-based entities. These patterns warrant further monitoring to understand their implications for the sector's diversity, resource flows, and alignment with national development priorities.

NGOs Without Activities

Each year, the Authority conducts follow-ups to determine the operational status of all registered NGOs, with a focus on identifying the nature and scope of their activities. This process enables the Authority to assess compliance levels, particularly in relation to the submission of mandatory activity reports as stipulated under the NGO Act. In the year under review, 65 NGOs reported having undertaken no activities, with the majority citing financial constraints as the primary reason.

While lack of funding is a recurring challenge within the NGO sector, prolonged inactivity raises concerns about organizational sustainability, the efficient use of registration privileges, and the potential erosion of donor and public trust. The continued presence of inactive NGOs in the registry also complicates the Authority's oversight functions and may distort sectoral performance data. These findings highlight the need for stronger monitoring mechanisms, targeted capacity-building support, and a review of policy measures to address prolonged inactivity among registered NGOs.

Closed NGOs

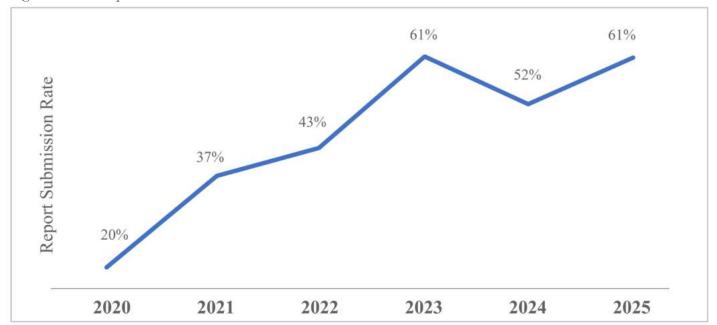
The NGO Act requires all NGOs, whether Local or International, that intend to cease operations in Malawi need to formally notify the Authority and submit the necessary documentation. During the reporting period, three NGOs reported closure, all citing funding challenges, with two specifically attributing their closure to USAID aid policy shift. As of 30 June 2025, the Authority's registry recorded a total of 24 NGOs confirmed as closed. In line with the Authority's procedures, records of closed NGOs are retained in the registry for two years before being permanently removed.

Submission of Annual Reports

The NGO Act requires all NGOs to submit their annual returns within six months after the end of their financial year. For newly registered NGOs, the Authority grants a one-year implementation period before they are required to submit their first set of reports, which must be filed within six months after the implementation period ends. As of 30 June 2025, the Authority had 1,224 registered NGOs and of these, 183 had registered between 2024 and 2025 and were still within their implementation period. Additionally, 65 NGOs reported having no activities during the review period, while 23 confirmed closures.

This meant the Authority expected to receive the three mandatory reports from 953 NGOs. Reports were received from 578 NGOs, representing a submission rate of 61%. This reflects an improvement compared to the same period in the previous year, when only 52% of expected NGOs submitted reports. Figure 2 illustrates the reporting trends from 2020 to 2025.

Figure 2: NGO Report Submission Trend Since 2020



While the upward trend is encouraging, the current compliance rate indicates that almost four in every ten NGOs are not meeting statutory reporting requirements. This persistent gap poses challenges to transparency, accountability, and the effective regulation of the NGO sector. The data suggests a need for targeted interventions to address non-compliance, including strengthened enforcement mechanisms, capacity-building initiatives for NGOs with limited administrative resources, and clearer communication of reporting obligations.

Annual Licensing

In accordance with the NGO Act and the Fees and Finances Regulations 4(2), all registered NGOs are required to hold a valid annual license as evidence of their compliance and accountability status. In the 2025 calendar year, 614 NGOs renewed their licenses, compared to 567 in the previous year. This represents an increase of 8.3%. Efforts to Improve Compliance

In line with the requirements of the NGO Act, all organizations intending to operate as NGOs in Malawi must register with the NGO Regulatory Authority (NGORA). Once registered, NGOs are required to submit annual reports at the end of their financial year to account for resources received on behalf of Malawians, and to maintain a valid operational license.

Despite these legal obligations, a notable proportion of NGOs remain non-compliant. This non-compliance undermines transparency, weakens accountability, and poses risks to the credibility of the sector. To address this, NGORA has undertaken several targeted interventions aimed at improving adherence to the law.

The Authority has engaged key service providers to NGOs, including the Malawi Revenue Authority (MRA), the Department of Immigration Services (DoIS), commercial banks, and all district councils through the Ministry of Local Government, Unity, and Culture, to require the presentation of a valid operational license before providing any services to NGOs. This approach ensures that compliance with licensing requirements becomes a prerequisite for accessing critical operational services.

Additionally, NGORA has strengthened enforcement by publishing the names of non-compliant NGOs in national newspapers and on its official media platforms. This measure serves both as a transparency tool and as a reputational deterrent, incentivizing organizations to regularize their status.

These combined measures are intended not only to enforce compliance but also to foster a culture of accountability within the sector. However, sustained monitoring, timely follow-up, and capacity-building support for NGOs will be essential to ensure that these efforts translate into long-term compliance and sector-wide credibility.

Chapter Four: NGO Sector's Income

NGOs in Malawi have reported multiple sources of income, reflecting the sector's diverse funding landscape. These income streams are central to determining the sector's sustainability and operational effectiveness. While funding sources vary, donor contributions have consistently accounted for the largest share of NGO income, underscoring the sector's continued reliance on external support.

An analysis of recent funding trends reveals a steady increase in total sector income, suggesting potential for financial growth and sustainability. However, the heavy dependence on donor funding also presents structural risks, particularly in the face of shifting global aid priorities and potential funding volatility.

This chapter examines the sector's income and expenditure patterns, and provides a comparative financial performance analysis of the top and bottom 20 NGOs. The aim is to highlight not only the sector's overall financial trajectory but also disparities in resource mobilization and utilization that may influence long-term resilience.

Income and Expenditure

In practice, NGO funding is primarily directed toward program implementation, with some countries, such as Rwanda enacting legislation to ensure that a significant share of NGO resources directly benefits the public. NGORA collects both income and expenditure data from NGOs. However, not all organizations provide disaggregated expenditure details. As a result, this report presents aggregate expenditure figures as reported in the NGOs' audited financial statements.

To strengthen financial monitoring and transparency, NGORA is in the process of upgrading its management information system to enable detailed categorization of annual expenditures. This enhancement will facilitate more accurate tracking of spending patterns and improve the assessment of resource allocation efficiency.

For the reporting period, NGOs collectively recorded total income of Mk1.109 trillion, out of which, Mk93 billion was from NGO Partnership. In order to avoid double-counting concerns on the received funds, the funds received from NGO partnership were excluded from the analysis, leaving the total income and expenditures at Mk1.017 trillion and Mk972 billion respectively. Additionally, some NGOs reported receiving gifts in kind valued at Mk40 billion, further contributing to the sector's resource base.

Figure 3 illustrates income and expenditure trends from 2020 to the present, providing a basis for assessing the sector's financial trajectory.

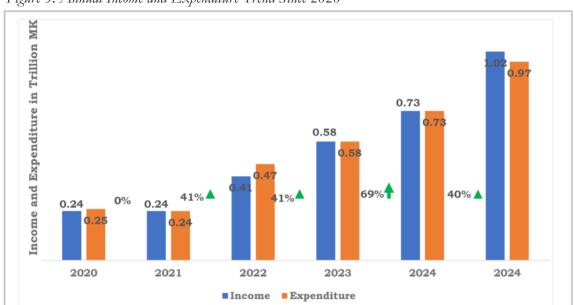


Figure 3: Annual Income and Expenditure Trend Since 2020

Highest and Least Funded NGOs

An analysis of reported expenditures reveals a significant disparity between the highest- and least-funded NGOs in the sector. In the reporting period, the top 20 highest-funded NGOs collectively received Mk587 billion, representing approximately 53% of the sector's total income. This marks a 38% increase from the Mk424 billion reported in 2024, indicating that the largest NGOs continue to consolidate a substantial share of available resources. In contrast, the bottom 20 least-funded NGOs reported total income of only Mk9.5 million, accounting for less than 0.001% of the sector's total income. This stark imbalance underscores the uneven distribution of resources within the NGO sector, with potential implications for equity in service delivery, the diversity of programming, and the resilience of smaller organizations.

While the concentration of funding among the largest NGOs may reflect donor confidence, operational capacity, and established track records, it also raises concerns about the long-term sustainability of smaller NGOs that operate with limited resources. These disparities may affect the sector's ability to achieve a broad-based impact, particularly in underserved areas where smaller organizations often play a critical role.

Tables 1 and 2 provide a detailed breakdown of income and expenditure patterns for both the top and bottom 20 NGOs, offering insights into the scale of resource inequality within the sector. Addressing these funding gaps will require targeted capacity-building, diversified resource mobilization strategies, and enhanced donor engagement with smaller NGOs.

Table 1: Income and Expenditures for top 20 NGOs

	Income %		2023-24 Annual		2022-23 Annual
Name of NGO	Change	2023-24 Annual Income	Expenditure	2022-23 Annual Income	Expenditure
World Vision International					
Malawi (WVM)	51% ▲	95,434,163,890.86	95,780,209,862.50	63,400,824,381.28	65,052,773,492.00
Give Directly Limited	69% ▲	61,761,131,000.00	61,761,131,000.00	36,547,754,000.00	36,547,754,000.00
Christian Health		46,888,673,000.00	46,850,687,000.00	38,937,216,000.00	38,921,186,000.00
Association in Malawi					
(CHAM)	20% ▲				
CARE Malawi	7% ▲	33,891,154,814.00	33,976,995,838.00	31,706,436,925.80	31,856,740,515.60
Catholic Relief Services		32,490,576,262.97	19,928,704,697.64		
One Acre Fund	106% ▲	32,345,385,000.00	37,592,593,000.00	15,683,802,000.00	15,882,727,000.00
Save the Children					
International (SCI)	-5% ▼	29,537,272,302.00	29,004,126,071.00	30,960,274,982.00	31,334,265,819.00
CAMFED Malawi	110% ▲	28,692,606,186.00	26,005,820,242.00	13,649,775,794.00	11,995,927,668.00
Development Aid People		28,064,868,000.00	26,356,315,000.00	17,332,322,000.00	13,188,427,000.00
to People (DAPP)	62% ▲				
Baylor College of Medicin	29% ▲	26,756,687,828.00	26,756,687,828.00	20,761,185,861.00	20,761,185,861.00
Family Health Services		26,362,489,042.00	26,362,489,042.00	12,487,221,043.00	12,487,221,043.00
(FHS)	111% 🔺				
Scottish international					
Relief Malawi/Mary's					
Meals Malawi (MMM)	24% ▲	20,512,571,000.00	21,273,850,000.00	16,564,383,000.00	17,349,361,000.00
Lighthouse Trust (LHT)	11% ▲	19,547,086,493.00	19,826,772,136.00	17,622,178,292.00	17,622,178,292.00
Project HOPE Namibia-					
MA (PHN-MA)		19,360,982,381.87	19,306,505,600.99		
Amref Health Africa -		18,043,133,000.00	16,868,221,000.00	13,094,871,000.00	13,090,232,000.00
Malawi (AMREF)	38% ▲				
Partners in					
Health/Abwenzi Pa Za					
Umoyo	-3% ▼	17,069,067,049.71	16,342,192,262.40	17,622,178,292.00	17,622,178,292.00
Plan International INC.					
Malawi	19% ▲	15,360,044,000.00	15,194,881,000.00	12,901,268,000.00	13,091,516,000.00
Banja la Mtsogolo (BLM)	40% ▲	11,988,163,000.00	12,137,292,000.00	8,564,931,000.00	8,528,224,000.00
Feed The Children Inc.	8% ▲	11,559,980,482.28	11,605,539,409.96	10,657,100,331.00	19,207,634,570.00
Imagine World-Wide					
Limited	91% ▲	11,484,795,000.00	10,269,688,000.00	6,009,679,000.00	5,296,569,000.00
Grand Total	53% ▲	587,150,829,732.69	573,200,700,990.49	384,503,401,902.08	389,836,101,553

As shown in Table 1, the highest-funded NGO in the reporting period was World Vision International (WVI) Malawi, with an annual income exceeding Mk95 billion. This represents a substantial 51% increase in funding compared to the previous financial year, reflecting the organization's strong donor base, extensive program portfolio, and operational capacity to implement large-scale interventions. Overall, the top 20 NGOs in 2025 recorded a combined income growth of 53% compared to the previous year.

Table 2: Income and Expenditures for the bottom 20 NGOs

Name of NGO	Income % Change	2023-24 Annual Income (MWK)	2023-24 Annual Expenditure (MWK)	2022-23 Annual Income (MWK)	2022-23 Annual Expenditure (MWK)
Women Alliance Organization (WAO)		1,000,000.00	1,000,000.00		2,000,000.00
CHESTER THETE FOUNDATION (CTF)		967,500.00	967,500.00		1,935,000.00
SKILLS AND DEVELOPMENT INITIATIVE (SDI)		840,000.00	840,000.00		1,680,000.00
Ministries Network International (MNI)		837,236.47	390,733.42		1,227,969.89
Better World for Orphans and Widows (BWOW)		835,000.00	824,000.00		1,659,000.00
Youth Empowerment & Education Support Foundation (YEES)		815,000.00	750,000.00		1,565,000.00
ASNEP GLOBAL (ASG)		700,000.00	700,000.00		1,400,000.00
AZITONA DEVELOPMENT SERVICES (ADES)		600,000.00	60,000.00		660,000.00
Native Youth Animators for Development (NYADE)		554,000.00	554,000.00		1,108,000.00
Imagine Afrika (IA)		508,152.00	504,582.00		1,012,734.00
Ifumbo Youth Organization (IYOSO)		480,000.00	480,000.00		960,000.00
Voice of Nkhatabians (VONB)		450,000.00	390,000.00		840,000.00
Creative Youth Organization (CYO)		196,220.48	180,044.10		376,264.58
Malawi Alcohol Policy Alliance (MAPA)		150,000.00	150,000.00		300,000.00
Asian Business Community (ABC)		100,000.00	100,000.00		200,000.00
Forum for Peace and Justice (FJP)		100,000.00	100,000.00		200,000.00
Global Hope Mobilisation (GLOHOMO)		100,000.00	100,000.00		200,000.00
Human Development Services (HDS)		100,000.00	100,000.00		200,000.00
International Foundation for Electoral Systems (IFES)		100,000.00	100,000.00		200,000.00
Lifecare Foundation Malawi (LCFM)		100,000.00	100,000.00		200,000.00
		9,533,108.95	8,390,859.52		17,923,968.47

Foreign Exchange (Forex)

The NGO sector remains one of the significant contributors to Malawi's foreign exchange inflows, as the majority of its funding originates from external sources, including bilateral and multilateral agencies, international NGOs, and other donors. These inflows not only support the implementation of development programs but also play an important role in stabilizing the country's foreign currency reserves. This, in turn, facilitates the procurement of essential goods and services such as medicines, fuel, fertilizer, and other critical imports that sustain both humanitarian and economic activities in the country.

Despite its importance, the tracking and utilization of foreign exchange from the NGO sector has been challenging due to fragmented coordination between regulatory bodies. This gap limits the ability to fully account for the economic impact of the sector's forex contributions. Recognizing this, NGORA has initiated measures to strengthen its collaboration with the Reserve Bank of Malawi (RBM), including the development of a Memorandum of Understanding (MoU) scheduled for finalization within the current fiscal year. Once operational, this framework is expected to improve the monitoring and reporting of forex inflows to ensure their alignment with national economic priorities.

In addition, the Government has gazetted the Exchange Control (Holding Foreign Currency Denominated Accounts and Mandatory Conversion of Foreign Currency Receipts) Regulations, 2024. The regulations require both international and local NGOs to convert foreign currency receipts into Malawi Kwacha, thereby enhancing the availability of foreign exchange within the domestic market. While this measure aims to strengthen the country's forex position, it may also pose liquidity and operational planning challenges for NGOs that incur substantial costs in foreign currency, such as importing goods or paying international service providers.

During the reporting period, the NGO sector reported receiving over Mk747 billion of its total Mk1.02 trillion income in foreign currency. Of this, approximately Mk592 billion was denominated in US dollars, Mk31 billion in British pounds, and Mk35 billion in euros, with the remainder received in other currencies. This concentration in a few major currencies highlights the sector's exposure to exchange rate fluctuations, which can significantly affect project budgets and implementation timelines. Strengthening forex risk management within the sector will therefore be essential to maximize the development impact of these resources.

Chapter Five: Utilization of Funds and Sectors of Operation

Since the early 1990s, the NGO sector has played an increasingly important role in Malawi's national development agenda. The combined presence of international and local NGOs operating across all regions of the country has complemented government efforts in addressing critical development challenges, particularly in underserved and hard-to-reach areas. Through interventions in health, education, agriculture, social protection, and environmental management. These have led to poverty alleviation, community empowerment, sustainable development, and job creation. The NGOs have filled service delivery gaps and expanded the reach of essential programs in rural areas. Beyond service delivery, NGOs have contributed to policy advocacy, innovation, and capacity building, often introducing approaches and technologies that are later integrated into government systems. However, the sector's impact is closely linked to how funds are allocated and utilized within different sectors of operation. Patterns of expenditure can reveal priorities, strengths, and potential imbalances such as overconcentration of resources in certain thematic areas at the expense of equally pressing but less visible needs.

This chapter examines the distribution of NGO operations across sectors. It also considers the efficiency and equity of resource use, highlighting both the sector's contributions and the structural challenges that could affect its ability to deliver sustainable and inclusive development outcomes.

Utilization of Funds

NGOs play a central role in channeling financial resources toward Malawi's development priorities. An analysis of fund utilization shows that NGOs continue to invest in critical sectors that directly impact the well-being of communities contributing to the attainment of Malawi 2063. Together, these funding patterns highlight the strategic role of NGOs in filling gaps, complementing government efforts, and addressing the most pressing needs of Malawians. This section profiles the expenditure of NGO funds per sector and highlights a selection of key interventions done by NGOs in different sectors and how they have improved the lives of their targeted populations.

Income and Expenditures per Sector

NGOs in Malawi are permitted to operate across multiple sectors, enabling them to implement interventions that address diverse development needs at the same time. While this flexibility is valuable, it presents challenges for the Authority in conducting sector-specific analyses of financial resource allocation.

The cross-cutting nature of multi-sectoral interventions makes it difficult to track and assess the flow of funds within individual sectors. Consequently, multi-sectoral NGOs many of which are large and well-established are often excluded from sector-specific financial analyses. This exclusion creates gaps in understanding overall resource distribution, limiting the ability to accurately assess sectoral impact and utilization of resources. Figure 4, profiles the resources distribution per sector.

Sector	Income (Mwk)	Percentage Allocation
Multi-sectrol	590,568,973,110.91	57.60%
Health	226,616,623,961.90	22.10%
Vulnerability, Disaster and Risk Management	68,416,453,162.72	6.67%
Education, Research and Development	57,457,739,358.33	5.60%
Agriculture	21,331,478,355.55	2.08%
Water, Sanitation and Irrigation	15,924,049,640.83	1.55%
Gender, Youth Development	13,904,955,598.87	1.36%
Economic Governance	11,393,343,828.00	1.11%
Tourism, Wildlife and Culture	7,058,770,224.30	0.69%
Democratic Governance	3,868,698,595.59	0.38%
Integrated Rural Development and Decentralization	3,348,945,153.00	0.33%
Environment, Lands and Natural Resources	2,725,599,157.00	0.27%
Information, Communication and Technology	1,350,443,419.00	0.13%
Energy and Mining	896,121,024.00	0.09%
Transport, Infrastructure, and Public Works	501,742,959.00	0.05%

As per figure 4, in the year under review, NGO resources were unevenly distributed across sectors, with the majority channeled towards multi-sectoral interventions, which accounted for 57.6% of total income (Mk 590.6 billion). Health received the second largest share at 22.1% (Mk 226.6 billion), followed by Vulnerability, Disaster and Risk Management at 6.7% and Education, Research and Development at 5.6%.

Agriculture, Water and Sanitation, and Gender and Youth Development received relatively smaller allocations, ranging between 1–2%. Other sectors, including Economic Governance, Tourism and Culture, Democratic Governance, Rural Development, Environment, ICT, Energy, and Transport, collectively accounted for less than 5% of total funding, with Transport, Infrastructure and Public Works receiving the least share at just 0.05%. This distribution highlights the concentration of NGO funding in broad, cross-cutting programs and essential services, while specialized sectors remain underfunded.

Service Delivery

NGOs have played a critical role in delivering services in areas where government capacity has been limited, positioning themselves as key partners in complementing national development efforts. This section highlights the major interventions implemented by NGOs in selected sectors, with a focus on improving the livelihoods and well-being of communities across the country.

Health Sector



Health Centre and staff houses under construction by Future Vision Ministries. Pic from FVM website.

The health sector continues to receive the largest share of resources, with support directed toward interventions in HIV and AIDS, maternal and child health, and disease prevention. NGOs have played a significant role by providing essential services such as constructing hospitals, managing health training colleges, and advocating for improved health outcomes.

In the year under review, Future Vision Ministries (FVM) initiated the construction of a Health Care Facility in Sunuzi Area, Group Village Headman Taulo, T/A Ngwelero, Zomba. The facility is expected to serve more

than 30,000 people. Currently, community members travel 10 to 17 kilometers to access health care, a situation that worsens during the rainy season when roads to Ngwelero Health Center become impassable. These challenges have contributed to maternal and other preventable deaths in the area.

To address this, FVM began construction of a comprehensive facility that will include an Outpatient Department (OPD), Maternity Wing, washrooms, kitchen, laundry, mortuary, and staff housing. The project was initially budgeted at MK1.5 billion, with MK450 million (30 percent) already disbursed. The facility is expected to become operational by December 2025. The pictures below indicate the progress made so far in the construction of the Health Center and staff houses.



Partners In Health (PIH) Malawi, through the Abwenzi Pa Za Umoyo (APZU) initiative, implements the Medical Education Program aimed at coordinating and enhancing continuous professional development (CPD) activities. Previously, training initiatives were conducted at departmental levels, but the new program consolidates these efforts to provide structured support for Ministry of Health (MoH) staff, clinical students, and other health professionals in Neno.

Since its inception, the program has supported 26 MoH staff members in upgrading their qualifications, ranging from diplomas to master's degrees. It has also facilitated clinical attachments for 46 medical students and implemented a two-year fellowship program for 10 newly qualified nurse-midwives (NQNM). These interventions aim to strengthen health service delivery by building a skilled and well-trained workforce.

The program operates under PIH's 5S model, which emphasizes strengthening systems through training and mentorship. By investing in human resource development, PIH Malawi ensures sustained improvements in healthcare delivery and professional growth within the sector.

Education Sector

The education sector continues to receive substantial support from NGOs, reflecting their commitment to ensuring that all Malawians have access to quality learning opportunities. Key interventions include the construction and rehabilitation of classrooms, provision of teaching and learning materials, and support for teacher training to improve instructional quality.

NGOs have also implemented programs that promote equitable access to education for vulnerable groups, including girls, children with disabilities, and learners in hard-to-reach areas. School feeding initiatives, scholarship programs, and community awareness campaigns have further contributed to improved enrolment, retention, and completion rates.

Beyond basic education, NGOs are supporting skills development through vocational training and early childhood development programs, helping to prepare young Malawians for both academic progression and future employment opportunities.



School brocks constructed by World Vision Malawi.

World Vision has embarked on a transformative effort to enhance the learning environment at Mwanga Primary School in Phalombe by constructing a new classroom block and modern toilets, addressing critical infrastructure challenges that have long hindered the quality of education.

For years, students at Mwanga Primary School struggled with overcrowded classrooms, insufficient learning materials, and a lack of basic amenities like desks and adequate sanitation facilities. The new classroom block, furnished with desks for every student, marks a significant improvement in the school's capacity to provide a conducive learning environment.

As unemployment continues to be a pressing issue among youths in Malawi, technical colleges and Vocational training centers are becoming a hub where entrepreneurs are nurtured. World Vision Malawi through Livelihood and Resilience technical program has invested in the youths through the construction of Matenje Vocational Youth Centre in the Area of Traditional Authority Chulu in Kasungu district.

In early 2022, Malawi Children's Village (MCV), launched an expedited Technical Skills Development Project aimed at equipping vulnerable individuals within the MCV catchment area with employable skills. The initiative targets undereducated and economically disadvantaged groups, providing them with opportunities to secure reliable sources of income.





A vocation skills training center constructed by World Vision Malawi at Matenje, Kasungu District.





A skills vacation center constructed by Malawi Children's Village

The program offers three-month training courses in various trades, including masonry, tourism, woodworking, sewing, and other vocational skills.

By the end of 2023, the project had trained 120 students, achieving an impressive job placement rate of 87 percent. This demonstrates the program's effectiveness in addressing unemployment and improving livelihoods within the community.

Water Sanitation and Hygiene (WASH) Sector

Access to clean water, adequate sanitation, and proper hygiene remains a major challenge in Malawi, with significant implications for public health and development. According to WaterAid, one in three people, about 5.6 million, lack access to safe water. Poor water and sanitation conditions contribute to the deaths of more than 3,100 children under five each year from diarrhea-related illnesses.

Over 9.6 million people, more than half of the population, do not have access to decent toilets, while 73% of healthcare facilities operate without basic sanitation. Schools face similar challenges, with only 25% having improved sanitation services. These gaps contribute to high rates of malnutrition, with 42% of children experiencing stunted growth. NGOs play a critical role in addressing these challenges through WASH interventions that promote health, dignity, and sustainable development.

In line with the Sustainable Development Goal 6 and the Malawi National Sanitation Policy (2008), the New Apostolic Church Relief Organization (NACRO) implemented a WASH Project in Traditional Authority Kaduya, Phalombe District, aimed at improving access to safe water, sanitation and hygiene practices. With funding of Mk 327 million from NAK-karitativ and the German Government, the project installed solar-powered water pumping





Water tanks and one of the water points constructed by NACRO, T/A Kaduya, Phalombe

systems, constructed improved sanitation facilities in schools, and training community-based WASH committees. The project's goal was to provide 12 water points, build 18 toilet blocks with handwashing facilities, and establish up to 24 Village Savings and Loans (VSL) groups to sustain hygiene practices.





Water system contructed by World Vision Malawi in partnership with Water for People

World Vision Malawi, in partnership with Water for People, implemented a \$10 million WASH project in Chiradzulu District to achieve universal access to safe water, supporting Malawi 2063 and SDG (6). The initiative installed 19 water systems with 610 taps, reaching over 26,000 people, drilled 177 boreholes, and rehabilitated 104.

Vulnerability, Disaster, and Risk Management

The 2023/2024 El Niño-induced dry spells compounded the ongoing impacts of previous disasters, leaving millions of Malawians facing severe food insecurity. According to the Malawi Vulnerability Assessment Committee (MVAC) mid-2024 report, 5.7 million people required urgent support until the 2025 harvest season. Households across disaster-prone districts such as Phalombe, Chiradzulu, Nsanje, and Mchinji experienced widespread crop failure, loss of livelihoods, and extreme vulnerability, with female- and child-headed households, the elderly, disabled, and ultra-poor being disproportionately affected. Many families resorted to negative coping strategies, including reducing meals or selling critical assets, highlighting the urgent need for humanitarian intervention.

In response, ActionAid Malawi, in partnership with local organizations and district councils, launched a Multi-Purpose Cash Transfer Program in October 2024, mobilizing MK210 million to support 2,100 vulnerable households. The program aimed to provide immediate relief while fostering sustainable livelihoods. Beneficiaries invested cash support in small businesses, agricultural inputs, and household needs, enabling them to meet basic needs and reduce reliance on harmful coping strategies. The initiative demonstrates the critical role of NGOs in addressing food insecurity, building resilience, and supporting long-term recovery for disaster-affected communities in Malawi.



Edna Ng'ambani of Kaliyati Village in Phalombe was severely affected by Tropical Cyclone Freddy, which destroyed her crops and livestock, leaving her and her two sons destitute. Through ActionAid Malawi's Multi-Purpose Cash Transfer Program, launched in October 2024, Edna received K100,000, which she invested in a grocery business. This support has provided her with a sustainable livelihood, enabling her to meet her family's needs and work toward self-reliance despite her visual impairment.

Ellen Belo from Nsanje District, previously relying on physically demanding and low-income activities such as selling firewood to survive, received K100,000 through ActionAid Malawi's cash transfer program in October 2024. She used part of the support to purchase essential food supplies and invested the remainder in a small-scale vegetable business, providing her family with a sustainable source of income and improved food security, reducing the need for harmful coping strategies.

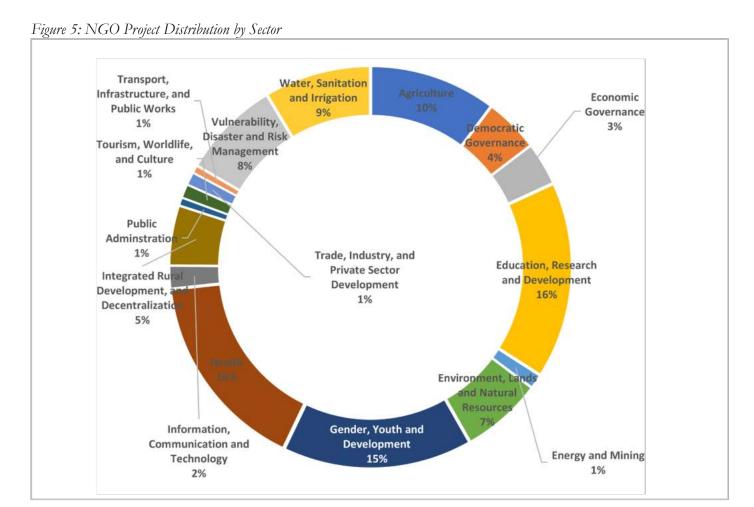


Sectors of Operation

Many NGOs work across several sectors, while others focus on specialized areas within broader themes. Their role extends beyond delivering services to include policy advocacy, research, community mobilization, and capacity building. They also form strategic partnerships with governments, other NGOs, the private sector, and international organizations. These collaborations are vital for addressing complex local and global challenges that require coordinated, multisectoral approaches.

This diversity of roles enables NGOs to address interconnected issues such as Health, Agriculture, Education, Gender, and many others in a sustainable way. Their flexibility, expertise, and strong presence at the community level allow them to innovate, respond quickly to crises, and serve marginalized groups. The subsequent sections outline the main sectors where NGOs operated in the year under review, highlighting their contributions to national priorities, and how they complement government and private sector efforts.

Reports indicate that the Health and Education sectors each accounted for the largest share of NGO activities, representing 16% of reported projects. This reflects the sector's continued prioritization of essential services that directly impact human capital development and long-term national productivity. Gender, Youth, and Development initiatives followed closely at 15%, underscoring the growing recognition of inclusive development as a driver of social and economic progress contributing to issues of mind-set change which promotes integrity. In contrast, sectors such as Trade, Transport, Tourism, and Public Administration registered the lowest levels of NGO engagement, each accounting for only 1% of reported projects hence lowly contributing towards effective governance systems and institution in the country. This disparity suggests that while NGOs play a critical role in social sectors, their contribution to economic infrastructure and governance-related areas remains limited, potentially leaving strategic gaps in areas vital for sustainable economic transformation and the achievement of Malawi 2063. This information is detailed in Figure 5.



Spatial Distribution of NGOs

The distribution of NGOs across districts reveals significant variation in project implementation during the year under review. Lilongwe recorded the highest concentration, with 387 NGOs reporting active projects, reflecting its role as both the capital city and a hub for service delivery. This was followed by Blantyre (257 NGOs), Mzimba (183), and Zomba (176), which serve as major regional centers with relatively strong institutional presence.

Moderate levels of NGO activity were observed in districts such as Mangochi (170), Dowa (150), Thyolo (146), Chikwawa (146), and Mulanje (146), showing strong engagement in both lakeshore and agricultural zones. Districts like Karonga (112), Nkhotakota (112), Rumphi (93), and Ntcheu (98) recorded lower but still notable levels of activity, pointing to steady though less concentrated interventions.

At the lower end, Mwanza (73), Neno (80), and Likoma (44) registered the fewest NGOs, highlighting potential gaps in service delivery and coverage in smaller or more remote districts. Figure 6, highlights the spatial distribution of NGOs at district level.

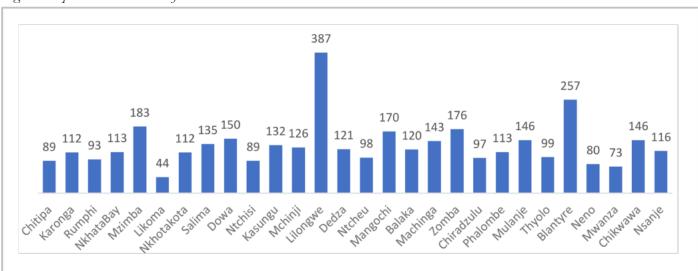


Figure 6: Spatial Distribution of NGOs at District level

Overall, the data suggests that NGO presence is heavily concentrated in urban and regional hubs, while outlying districts attract comparatively fewer interventions. This uneven distribution underscores the need for strategies that promote more balanced geographic coverage to ensure that underserved districts are not left behind in accessing development support.

Distribution of NGO Projects by District and Sector

The distribution of NGO projects across districts and sectors demonstrates uneven coverage, with some sectors heavily concentrated in particular regions while others remain underrepresented.

Agriculture accounts for a high number of projects in several districts, reflecting its central role in livelihoods and food security. Key concentration areas include Lilongwe (68 projects), Chikwawa (26), Nsanje (16), and Mzimba (39), with notable coverage in disaster-prone districts such as Chikwawa and Nsanje.

Health projects are similarly widespread, underscoring the sector's importance in service delivery. The highest numbers are recorded in Lilongwe (145), Mzimba (57), and Zomba (56), showing a balance between urban service hubs and rural outreach.

Education, Research, and Development is another leading sector, with major investments in Lilongwe (115), Mzimba (42), and Zomba (49). This reflects a strong emphasis on human capital development.

Gender, Youth, and Development initiatives are particularly concentrated in Lilongwe (103) and Zomba (41), highlighting a mix of advocacy efforts and community-based programs.

By contrast, sectors such as Public Administration, Tourism, Trade, and Transport Infrastructure register the lowest coverage, often with single-digit projects in most districts. For example, Likoma, Mwanza, and Ntcheu each record fewer than five projects in multiple low-priority sectors, pointing to gaps in governance strengthening, cultural promotion, and infrastructure development.

Vulnerability, Disaster, and Risk Management projects display strong geographic imbalances, with Lilongwe (56) and Rumphi (8) standing out, likely due to donor focus on flood- and disaster-prone areas.

Water, Sanitation, and Irrigation projects are more evenly spread, though high concentrations appear in Lilongwe (54), Zomba (27), and Blantyre (36), reflecting efforts to address water access challenges in both urban and rural areas.

Overall, while NGOs are making significant contributions in priority areas such as agriculture, health, and education, critical gaps remain in governance, infrastructure, and cultural development. Addressing these disparities will require a more balanced allocation of interventions to ensure equitable and sustainable development across all districts.

Table 3 provides a detailed breakdown of the spatial distribution of NGO projects by district and sector.

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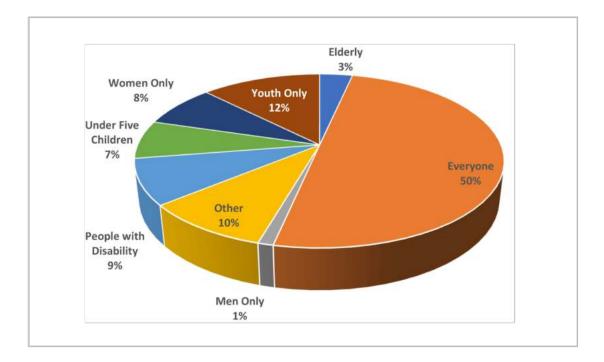
Targeted Groups

NGOs determine their target populations based on their mandates, strategic objectives, and relevant cross-cutting issues. This approach results in engagement with diverse populations across sectors such as health, education, agriculture, and social welfare. As a result, NGOs are positioned to address the needs of various population segments, including vulnerable groups, women, the elderly, and children.

However, analysis of targeting patterns over recent years indicates limited shifts in focus. A significant proportion of NGOs continue to report targeting "everyone" in their interventions (53% in 2023 compared to 50% in the current reporting period). While such broad targeting may reflect inclusive intentions, it raises questions about the strategic alignment of interventions with the specific needs of defined beneficiary groups.

Overly general targeting can dilute the effectiveness of programs, make impact measurement difficult, and risk spreading resources too thin to achieve meaningful change. Notably, only 1% of NGOs reported targeting men exclusively, suggesting that certain demographic segments remain underrepresented in focused interventions. Figure 7 illustrates the distribution of targeted groups within the NGO sector.

Figure 7: Preferred Target Groups



Contribution Towards Employment

Between 2021 and 2025, the NGO sector in Malawi recorded a steady increase in the total number of personnel engaged, both in paid positions and voluntary roles. This trend aligns with the sector's role in contributing to economic empowerment through direct and indirect job creation. Based on the received reports, the following key observations have been noted:

Growth in Overall Employment

The number of Malawian employees in the NGO sector grew markedly from 9,710 in 2021 to 28,680 in 2025, representing almost a threefold increase over the five-year period. This rise aligns with the expansion in the number of reporting NGOs, which increased from 181 in 2021 to 578 in 2025. The data suggests that the sector's growth has created more employment opportunities for Malawians, reinforcing the role of NGOs as significant contributors to job creation in the country.

Expatriate employment also increased, from 209 in 2021 to 431 in 2025. While this growth was more moderate, it indicates a steady demand for specialized skills and expertise not readily available in the local labor market. The presence of expatriates is likely tied to technical or managerial functions that require international experience or sector-specific competencies, complementing the growing local workforce and also contributing to transfer of the specialized skills to the locals.

Changes in Volunteer Engagement

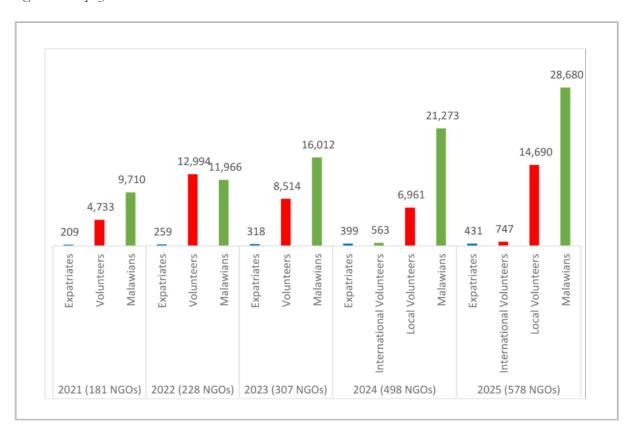
Volunteer numbers showed notable fluctuations over the years. In 2021, there were 4,733 volunteers, rising sharply to 12,994 in 2022 before declining to 8,514 in 2023. From 2024 onwards, the data was disaggregated into international and local volunteer categories, providing a clearer view of participation trends.

Local volunteer numbers increased significantly from 6,961 in 2024 to 14,690 in 2025, indicating a strong rise in community engagement and domestic participation in NGO activities. International volunteers also grew during the same period, from 563 to 747, reflecting sustained interest from global partners in supporting development efforts in Malawi.

Workforce Composition

Malawians have consistently constituted the largest share of the NGO workforce, accounting for over 90 percent in most years. The proportion of expatriates has remained small but stable, suggesting their deployment is targeted to specific roles that require specialized expertise rather than representing a broad reliance on foreign personnel. Figure 8 provides the detailed employment trends since 2021.

Figure 8: Employment Trend Since 2021



While the figures reflect strong growth in employment, much of this increase correlates with the rise in the number of NGOs rather than clear evidence of sector-wide improvements in job creation efficiency. Without data on job duration, contract type, and wage levels, it is difficult to assess the sustainability or quality of employment and sustainability.

The notable fluctuations in volunteer engagement particularly the sharp drop between 2022 and 2023 raise questions about the consistency of community involvement and whether such changes are due to shifts in project funding, program focus, or reporting practices.

Additionally, the moderate growth in expatriate staff may highlight ongoing skills gaps within the local workforce, underscoring the need for targeted capacity-building initiatives. However, over-reliance on volunteers, especially for essential service delivery, could signal structural challenges in securing sustainable funding for paid positions. With all these issues in mind, there is need for a more robust employment impact analysis which would review data on contract lengths, wage levels, skill categories, and post-engagement outcomes to determine the sector's long-term contribution to decent work and economic resilience.

Chapter Six: Key Findings and Recommendations

The 2025 NGO Sector Report highlights steady growth in NGO numbers, funding, and contributions to Malawi's socio-economic development. Between 2021 and 2024, the sector expanded significantly in scale and reach. However, persistent structural challenges such as funding dependence, uneven resource distribution, and compliance gaps continue to affect overall effectiveness. These findings draw on data from 578 registered NGOs and are intended to guide targeted interventions for strengthening the sector.

Key Issues Identified

Sector Growth

- Annual NGO registrations increased by an average of 26% between 2021 and 2024.
- Sector funding rose by approximately 27% annually during the same period.

Capacity and Resource Constraints

- Many NGOs face limited financial resources, technical skill shortages, and human capital gaps.
- 65 NGOs reported complete inactivity in the reporting period, citing a lack of funds.

Donor Dependency and Funding Vulnerability

- 25.2% of NGOs were directly affected by USAID funding cuts, with the health sector most impacted.
- Program closures and staff reductions were common among affected organizations.

NGO Fund Implementation

• The Government's NGO Fund supported institutional strengthening, coordination, and monitoring, but long-term sustainability will require continuous funding and technical support.

Compliance Trends

- Annual report submission improved to 61% (from 52% in the previous year).
- Nearly 40% of NGOs remain non-compliant with statutory reporting requirements.

Funding Disparities

The top 20 NGOs received 51% of total sector income, while the bottom 20 NGOs reported MK9.5 million combined.

Employment Contributions

- Malawian employees increased from 9,710 in 2021 to 28,680 in 2025.
- Local volunteer numbers grew substantially, while international volunteer participation also rose.

Sectoral Concentration

- Health and education dominate NGO activities.
- Trade, transport, and public administration sectors remain underrepresented.

Key Recommendations

Diversify Funding Sources

 Reduce reliance on single donors by mobilizing local resources, expanding private sector partnerships, and exploring social enterprise models.

Targeted Capacity Building

 Implement tailored training programs for smaller NGOs to improve compliance, financial management, and project delivery and monitoring.

Strengthen Data Management

• Upgrade NGORA's management information system to capture complete and timely data on NGO programs and interventions, finances, and outcomes.

Support Inactive NGOs

• Establish recovery programs combining financial assistance with training in resource mobilization and project design for non-operational NGOs.

Assess and Track Impact

• Introduce regular evaluations of NGO contributions to Malawi 2063 to improve alignment between activities and national development priorities.

Promote Cross-Sector Engagement

• Encourage NGOs to expand into underrepresented sectors to balance development efforts and address gaps in infrastructure and economic growth.

Enhance Compliance Support

 Provide practical training and tools to improve governance, reporting, and accountability, especially for smaller and newly established NGOs.

Foster Strategic Partnerships

• Strengthen coordination between NGOs, government, and development partners to maximize coverage, reduce duplication, and improve service delivery in underserved areas.

Conclusion

The 2025 NGO Sector Report underscores the dual reality of Malawi's NGO landscape: a sector experiencing remarkable growth in scale, funding, and employment, yet facing persistent structural vulnerabilities that threaten its long-term effectiveness and sustainability. With an average annual growth rate of 26% in registrations and a 27% increase in funding between 2021 and 2024, NGOs have expanded their reach and deepened their role in delivering essential services, advancing advocacy, and complementing government efforts in key areas such as health, education, agriculture, social protection, gender equality, and environmental management. This growth has also translated into notable contributions to job creation, with the number of Malawian employees nearly tripling in five years and volunteer engagement, particularly at the local level rising significantly.

However, the report also reveals enduring challenges that require strategic and coordinated responses. The sector remains heavily reliant on a narrow pool of external donors, leaving it exposed to external policy shifts, as evidenced by the substantial disruptions following USAID funding cuts. Resource distribution remains highly unequal, with the top 20 NGOs commanding over half of total sector income while smaller organizations struggle with minimal funding. Such disparities risk concentrating development outcomes in well-funded entities and marginalizing the contributions of grassroots organizations that are often best placed to reach underserved communities.

Compliance has improved, with reporting rates increasing from 52% to 61%, yet nearly four in ten NGOs remain non-compliant, undermining sector accountability and transparency. The existence of inactive and closed NGOs may be due to financial constraints raising concerns about operational sustainability, registry integrity, and donor confidence. Sectoral analysis further shows a concentration of NGO activities in health and education, leaving critical areas such as trade, transport, and public administration underrepresented, despite their importance to Malawi 2063's economic transformation goals.

Positive developments, such as the establishment of the NGO Fund, the development of the 2025 NGO Policy, and the gazette of new regulations, signal a commitment to strengthening governance, capacity, and coordination. Yet these initiatives will only be effective if accompanied by sustained technical support, capacity-building for smaller NGOs, and targeted efforts to address compliance and funding inequalities and monitoring of the various NGO programs and interventions.

Moving forward, the sector's resilience will depend on its ability to diversify funding sources, invest in data-driven planning and monitoring, and strategically broaden its focus to include underrepresented sectors that are vital for inclusive, sustainable development. The role of NGORA in fostering regulatory compliance, promoting transparency, and enabling an enabling environment will be critical. If these challenges are addressed with urgency and coherence, Malawi's NGO sector can consolidate its gains, reduce structural vulnerabilities, and maximize its contribution to the national development agenda and the aspirations of Malawi 2063.



HELP A CHILD ORGANIZATION

Help a Child is a Christian international relief and development organization working in countries like India, Kenya, Malawi, and more. In Malawi since 2017, they focus on integrated child-centered community development through areas like Early Childhood Development, Child Protection, and Economic Empowerment. In 2024, they reached over 14,000 beneficiaries, with most being children. They're scaling up efforts in ECD, food security, and climate resilience.



OPEN ARMS INFANT HOME (OAIH)

Open Arms Infant Home supports vulnerable children (0-5 years) through a Community Based Care (CBC) model in 7 districts in Southern Malawi. Since 1995 (30 years in 2025), OAIH shifted from residential care to CBC, focusing on holistic support for children in safe family settings. They work at child, family, and community levels, with goals to support 100 children and graduate 50 families from poverty in the next few years.



DESIGN OUTREACH

Design Outreach (DO) is a humanitarian non-profit Christian organization operating in 15 countries with its headquarters in the USA and a regional office in Malawi. DO's core objective is WASH appropriate technology innovation for the rural communities. Since 2010, the focus has been on: LifePump (LP), LifeLatrines (LL), MaxLife Afridev upgrade and the LifeTaps.



MOTHERS 2 MOTHERS MALAWI

mothers2mothers (m2m) has been operational in Malawi since 2008, addressing the health needs of women, children, and families. Initially focused on preventing vertical (mother-to-child) transmission of HIV, we have steadily evolved our service range. Today, in close partnership with the Ministry of Health (MoH), our integrated health services encompass HIV prevention, care, and treatment; reproductive, maternal, newborn, and child health (RMNCH); early childhood development (ECD); and specialised services for adolescent girls and young women (AGYW).

