



**NGO BOARD
OF MALAWI**

**2020
NGO SECTOR
REPORT**

Foreword

The NGO Board of Malawi's mandate is to register and regulate all NGOs operating in the country. As such, the Board conducts technical and financial analysis of the sector's activities based on submitted reports from NGOs. The resultant analysis helps the Board to advise the Government accordingly on the role of NGO's towards Malawi's development.

While the country's development strategy (Malawi 2063) targets high quality life for the citizens, it is apparent that Government cannot sufficiently respond to the needs of all its citizens. As such the Government expects other players to contribute towards the realization of this vision. Being part of these critical players, every year NGOs spend a considerable amount of funds in the implementation of various economic and social projects across the country in complementing government's effort to create wealth and jobs for the citizenry. In this regard, NGOs have an important role to play in improving the livelihood of the people of Malawi.

Although NGOs are strategic in their approaches to the needs of the society, they face financial as well as programme sustainability problems. On the other hand, compliance with the NGO law has, to date, proven to be a challenge as the Board is yet to reach its target of 65%. The findings in this year's sector report have provided useful information and insights that the Board will use in enabling legal and regulatory framework for NGOs to ensure efficiency and effectiveness in the sector.

The NGO Board would like to thank all NGOs that submitted reports on time and further urge those that have delayed as well as those who are yet to report, to consider timely reporting as a requirement and a priority.

Taking this opportunity, I would like to express my utmost appreciation to the line Ministry as well as the NGO Board team who have played an active role in consolidating and analyzing the information used in this report.



Voice Mhone

CHIEF EXECUTIVE OFFICER

Acknowledgements

The NGO Board of Malawi is grateful to every individual who participated in the development and publication of the 2020 NGO Annual Report. Special thanks should go to the Board Chairperson, Board of Directors, the CEO, Director of Corporate Services, Former Director of Economic and Monitoring Services, Data Manager, Finance and Administration Manager, Documentation Officer, Registration Officer, Communications Officer, Data Officers and all the District Service Centre Officers.

To the NGOs that submitted reports as well as the information that made the writing of this report possible, we are profoundly grateful for the usual cooperation.

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Preface

In the last 10 years Malawi has witnessed a substantial growth in the number of organizations registered under the NGO Act (Cap. 5:05 of Laws of Malawi). The NGO sector recorded a significant growth after the country's multiparty elections in 1994 which opened up democratic space in Malawi. The NGO Board saw an increase of 108% in NGO registration from the year 2014 (359 registered NGOs) to 2019 (745 cumulatively registered NGOs).

NGOs are spread all over the country and vary from local to international. They implement diverse activities in different sectors such as health, education, agriculture, gender, human rights and the environment. They further employ various strategies including policy changes, advocacy, research as well as training when implementing their activities. In so doing they mobilize resources from different donors around the world to help improve the provision of basic services, especially in areas the Government struggles to reach. The sector also provides employment to thousands of Malawians of diverse professions; thus, it has proven to be a major player in complementing Government's development efforts.

Even though the sector is credited with all these positive outcomes, its expansion has sometimes resulted in abuse of not only resources but also the public who interact with these NGOs on a day-to-day basis. A negative image of the NGO sector can also negatively impact on how the nation as well as economy is perceived.

An analysis made from the 2020 Audited financial reports submitted by 228 out of the expected 620 NGOs to the NGO Board reviewed a total expenditure of MWK244 billion, compared to the MWK247 billion in the 2019 (from the 143 that submitted their audited financial reports). With an average income of MWK1.3 billion in the year in under review, an estimated annual income of MWK815 billion for the sector was calculated. Nevertheless, it is hard to have a clear picture of the sector's contribution to the economy due to low submission of annual reports by NGOs. The submission of inaccurate data also causes challenges in determining the sector's contribution to the country's development. With these challenges, it is therefore crucial that NGOs are monitored and their activities shared to promote transparency as well as accountability in the sector.

Definitions

1. NGO Board

The Non-Governmental Organization Board of Malawi established under Section 6 of the NGO Act (Cap. 5:05 of the Laws of Malawi).

2. Exempted NGO

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

3. NGO

Non-Governmental Organization constituted for public benefit purpose to which the provision of the NGO Act is applicable.

4. International NGO

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

5. Sectors

NGOs carry out various activities/projects towards the fulfilment of their objectives. Related activities are usually grouped based on their thematic relationship referred to as sectors.

6. Financial Year

A period of 12 months used by institutions in order to calculate their budgets, income and expenditures.

7. Advocacy

Advocacy NGOs primarily promote policies and/or actions addressing specific concerns, points of view, or interests. In the context of development, they work to influence the policies and practices of governments and development institutions.

8. Service Provision

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

9. Capacity Building

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

10. Public Benefit Purpose

Organizational purposes involving developmental and charitable purposes including but not limited to, educational, health, welfare, advocacy, cultural, civic, social, recreational, scientific, environmental, or other similar objects for

the benefit of the general public, a section thereof or members of the organization. Excluded are activities involving a church or religion, trade union, employer's organization or political party

11. ADC

Area Development Committee

Key Notes

The Year in Numbers

62

NGOs Registered

620

Active NGOs

537

NGOs with projects

37%

NGOs who submitted annual returns

MWK 815 Billion

Sector's estimated Income

MWK 176 Billion

Top 20 NGOs annual expenditure

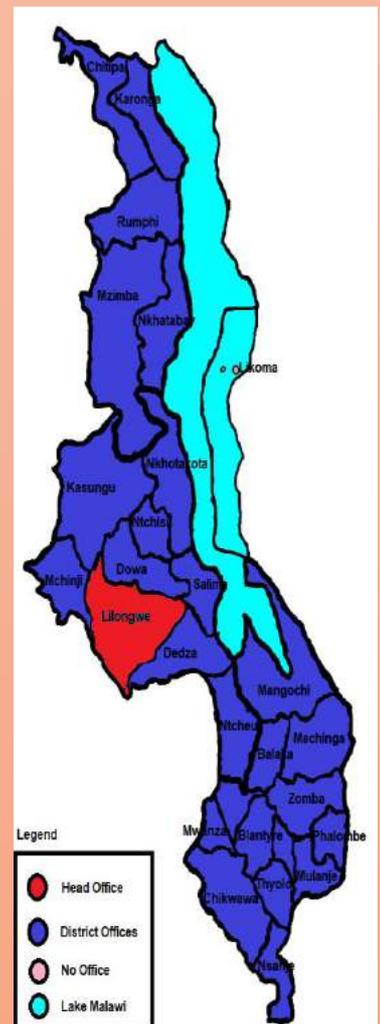
25,219

Employees in the sector

NGO Board's Key Achievements

- Developed a web-based data management information system (MyNGO)
- Developed the NGO Annual Sector Report
- Conducted NGO Mapping in 284 ADCs
- Issued maps depicting NGO distribution at district level
- Established 27 district offices

NGO Board's Offices



Chapter One: Background Information

1.1 Introduction

The NGO Board of Malawi (Herein referred to as the Board) is a statutory body established by an Act of Parliament (NGO Act). The Board was formed as a result of a need for a legal and administrative framework to guide all NGOs operating in Malawi with a broad mandate of registering and regulating them. With a vision of having an NGO sector that maximizes public interest as it strives to contribute towards sustainable development, the Board aims to achieve the following objectives as mandated by Section 3 of the NGO Act:

1. Promote the development of a strong independent NGO sector in Malawi and facilitate the formation of effective functioning NGOs for public benefit purposes;
2. Create a conducive environment for NGO development through Government provision of incentives;
3. Promote donor and public confidence in the NGO sector and encourage the development of an NGO code of conduct, incorporating principles of fiduciary integrity, public accountability, democratic decision-making, developmental synergy, non-discrimination and beneficiary enquiry;
4. Facilitate a constructive collaboration and partnership between NGOs and the Government in furtherance of public interest; and
5. Affirm the human rights enshrined in the Constitution of the Republic of Malawi.

In line with Section 18 of the NGO Act, the Board in 2020 introduced the NGO Sector Report which analyzed and shared with stakeholders, information which was submitted by NGOs in the year 2019 through their annual reports. Based on the positive response from stakeholders towards the 2019 NGO Sector Report, the Board reviewed reports that were submitted by NGOs in the year 2020 and conducted a survey (dubbed "2020 NGO Mapping") in 27 districts through its District Service Centre Officers. The Board has therefore developed the 2020 NGO Sector Report which summarises key issues worth noting by stakeholders within the sector.

1.2 Scope

The 2020 Annual Sector Report details information on the NGO sector, including growth in funding, expenditure, sustainability as well as project implementation and distribution in the year under review. The information contained in the report was obtained from annual reports submitted by NGOs (from 1st July 2020 to 31st June, 2021) as well as the 2020 NGO Mapping Survey. The major sources of data used in producing this report were:

- Annual Audited Financial Reports
- Annual Return Forms
- Annual Technical Reports

1.3 Objective

The overall objective of the 2020 report is to provide credible statistics and information to relevant stakeholders pertaining to the operations of NGOs in the country. The analysis of the annual reports submitted as well as data collected during the survey aimed at meeting various objectives, including to:

1. Validate the NGO sector's growth
2. Address the demand for NGO information as well as improve the access to this information
3. Assess project implementation as well as distribution by the sector
4. Assess the sustainability of the NGO sector in the country

1.4 Report Rationale

The Board collects data on NGOs operating in the country through annual reports. The Board is mandated by the NGO Act (s.18) to provide the public free access to the submitted Annual Returns, and has been providing this service over the years through the Public Documentation Centre (PDC). Unfortunately, due to low compliance by NGOs in submitting reports and long distances to the PDC; access to the information has been a challenge. The sector report is therefore a tool that will be used to validate the information that registered NGOs submitted through annual returns as well as provide data from unregistered NGOs whose information was obtained during the mapping survey.

1.5 Expected Results

The production of the 2020 NGO Sector Report anticipated the following key outputs:

1. Ease public access to NGO information;
2. Improve compliance rate as well as the quality of data submitted by NGOs and;

3. Improve public confidence and goodwill towards the NGO Sector.

1.6 Limitations

The report covers information from 228 NGOs that complied (submitted at least annual return forms and the Annual audited financial report) in the year 2020. This is against the 620 NGOs whose reports were due for submission in the year under review. Late submission of annual returns has also delayed the production of the report.

Chapter Two: Sector Growth and Compliance

This chapter discusses the growth of the sector in the year in question. It will also show the cumulative registration trends of NGOs with the Board as well as the sector's compliance with the NGO law in the year 2020.

2.1 Sector Growth

On sector growth, the report focuses on the number of NGOs registered with the Board, non-functional as well as closed NGOs, the sectors income and expenditure as well as the number of people employed.

2.1.1 Registered NGOs in 2020

Since 2016, the number of NGOs registering with the Board per year has been declining. The Board conducted surveys to find the cause and it was observed that most NGOs cannot afford to pay registration fees due to financial constraints.

Figure 1 summarizes the trends of NGOs registration with the Board per year for the past 5 years.

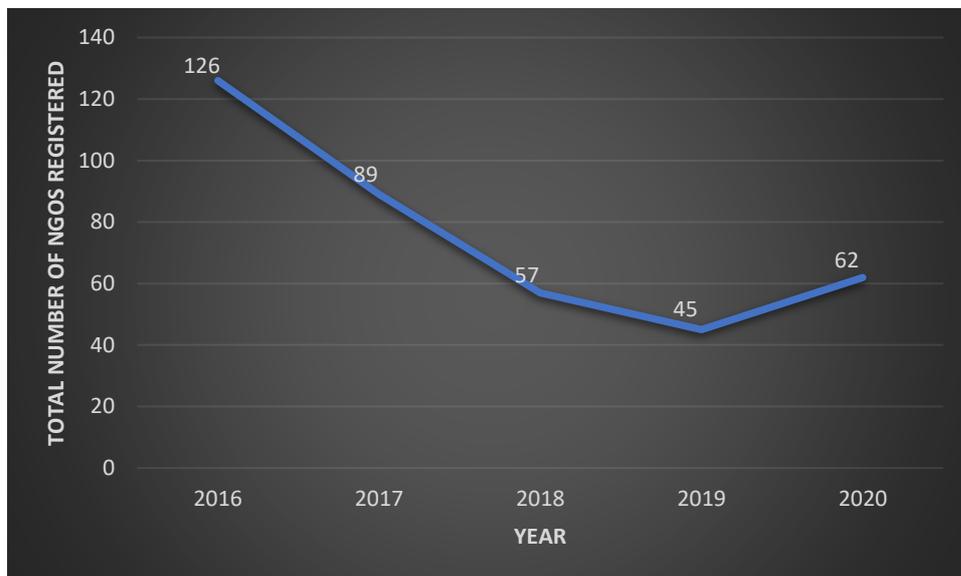


Figure 1: Registration trends since 2016

The chart above clearly shows that 2016 had the highest number of NGO registration with the Board, but the numbers started decreasing from 2017, 18 to 2019. It should be noted, however, that in 2020 the number increased by 38%.



Figure 2: 2020 Registration by Organization Type

In 2020, a total of 62 NGOs registered with the Board as shown in figure 2. Out of these, 54 were local NGOs and 8 were international NGOs.

Cumulatively, there has been a constant increase of 10 % in the number of registered NGOs in the country. Figure 3 summarizes the cumulative registration figures for the past 5 years;



Figure 3: Cumulative NGO Registration since 2016-17 Financial Year

2.1.2 Exempted NGOs

Section 5 of the NGO Act states that; Subject to provisions of Section 20 of the 2001 NGO Act, exempted NGOs are:

1. Informal and do not have a written constitution;
2. A category of organisations deemed not to fall within the sphere of the Act;
3. Established, administered or controlled by or on behalf of the Malawi Government or other governments;
4. Determined by the Board in its discretion to exempt from all or some of the requirements of the Act.

2.1.3 Non-Registered NGOs

As per the NGO Act 2001 (s.20), these are organizations that are operating in the country without being registered with the Board. In the NGO mapping conducted by the Board in the year under review, 181 NGOs were found operating in the districts without being registered.

2.1.3.1 Common Causes for Not Registering with the Board

In the year in question, the Board asked the 181 unregistered NGOs to give reasons for their failure to register. A majority (52%) mentioned financial constraints as the main reason, while 9% reported not being conversant with the registration process.

2.1.3.4 Active NGOs

Active NGOs are those in the Board's registry, that have a valid annual license and active projects at community level. A total of 817 NGOs were in the Board's registry, but 22 were confirmed closed in the 2018 financial report.

In the 2020 financial year, the Board requested all NGOs that have not renewed their licenses in the past 3 consecutive years to provide reasons for their failure. The activity showed that 21 NGOs had been closed while 11 could not be traced either by phone, email or physically.

The 2020 NGO mapping (which had a response rate of 88%) revealed that amongst the registered NGOs, only 537 had active projects. Figure 5 below, summarizes the status levels.

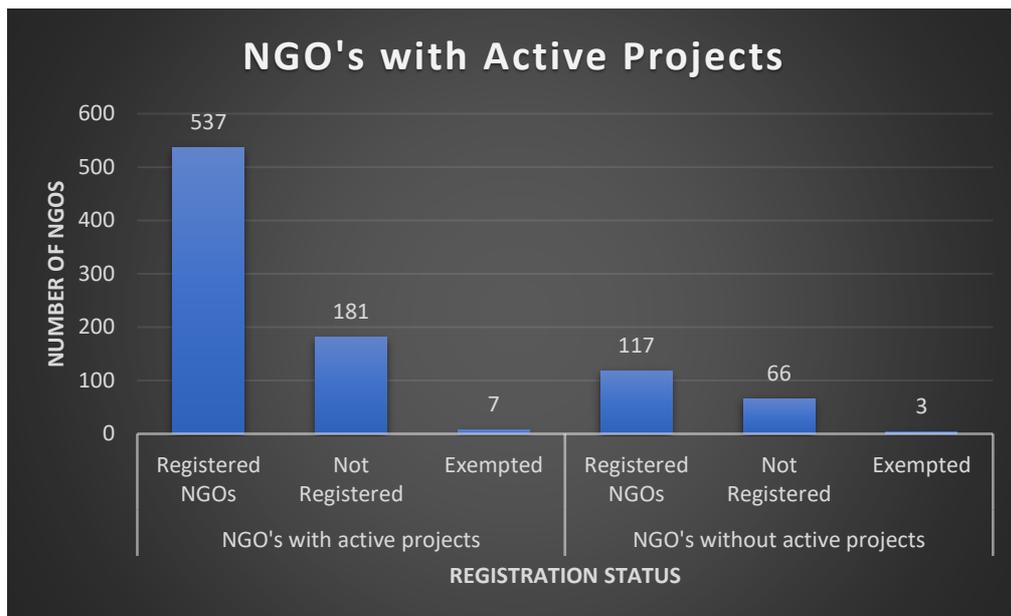


Figure 4: NGOs with active projects by registration status

2.2 Sector Compliance

As per the confirmed number of closed organizations (43), new registrants (62), and those reported to have been dormant (47) as well as the 45 NGOs registered in 2019, the Board expected at least 620 NGOs to submit their annual returns in 2020.

2.2.1 Types of Reports

The NGO Act (s.22) mandates all registered NGOs to file with the Board on an annual basis as part of its registry accessible to the public under Section 18 the following documents:

1. Annual audited financial statement
2. Annual report outlining the activities undertaken by the NGO in that year and such other information (Annual Technical Report)
3. Annual return reflecting details of its trustees, directors, office bearers, auditors and such other information as may be prescribed; and the organizations source of funding (The annual return form)

Upon filing these documents with, NGOs are required to pay license renewal fee as per the category based on annual income. Once all the documents have been submitted and a license has been renewed, the organization is deemed fully compliant.

2.2.2 Compliance Level

Out of the expected 620 NGOs, 274 NGOs representing 44 percent submitted at least one of the required reports. 228 NGOs representing 37% fully complied. A similar analysis was done to assess compliance level by NGO type. 82% of international NGOs that submitted their annual returns fully complied with the NGO law while 77% of local NGOs submitted all the required reports. Figure 6 below summarizes the compliance statistics;

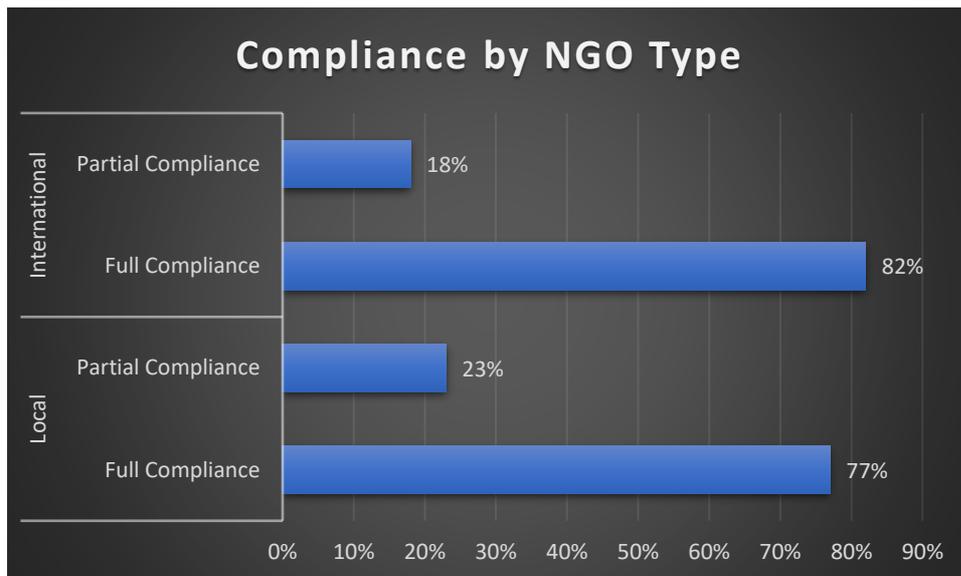


Figure 5: Compliance distribution by NGO type

Figure 7 summarizes NGO full compliance status for the past 5 years against the target goal of 65%;

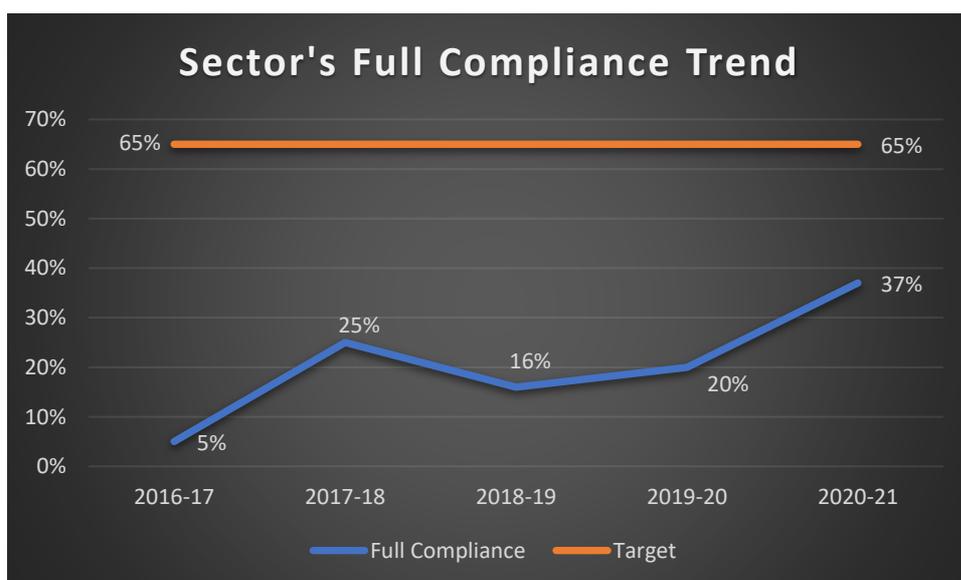


Figure 6: NGO compliance levels for the past 5 years

Chapter Three: NGO Funding and Contribution to National Development

The NGO sector carries out charitable activities and complements Government's efforts towards service delivery, improving communities and promoting citizen participation. As such the sector spends billions of kwachas annually on projects and creates employment for thousands of people.

This chapter highlights NGOs' income and expenditure as well as the sector's contribution towards the development of the country in the year in question.

3.1 Income and Expenditure

In 2019, a total of 143 out of the expected 506 NGOs submitted their audited financial statement and an analysis of these reviewed an annual income and expenditure of MWK248 and MWK247 billion respectively. The year in question, saw a total of 228 out of the expected 620 NGOs submit their audited financial statements. An analysis of these reports revealed a total annual income and expenditure of MWK248 billion and MWK244 billion respectively, which indicates no financial growth in the sector. The NGO with the highest income received MWK26 billion and had a total expenditure of MWK27 billion, while the one with the lowest income received MWK3 million and a total expenditure of MWK3 billion as well. With an average income of MWK1.3 billion from the 228 NGOs that had submitted their audited financial income, an estimated MWK815 billion could have been obtained if all the NGOs had submitted their audited financial reports.

3.1.1 NGOs with the Highest Funding

A comparative analysis was performed to show the income and expenditure of highly funded NGOs between the years 2019 and 2020 (see table 1). The analysis showed that amongst the top 20 NGOs, the one with the most funding was World Vision Malawi whilst Church Action in Relief and Development was the least funded. The analysis further indicated that the annual income of the top 20 most funded NGOs in the year amounted to MWK176 billion compared to MWK184 billion in 2019.

Note: The comparative analysis was done for only the NGOs that provided annual income and expenditure for both 2019 and 2020 financial years.

Table 1: Leading NGOs by Annual Funding

Name of NGO	Income Percentage Change	2020 Annual Income	2020 Annual Expenditure	2019 Annual Income	2019 Annual Expenditure
World Vision International	↓ 25%	26,318,098,660.00	27,139,685,172.00	35,349,751,052.00	34,741,197,920.00
Elizabeth Glaser Pediatric Foundation	↑ 46%	20,087,051,250.00	20,087,051,250.00	13,800,000,000.00	13,800,000,000.00
Plan International Inc. Malawi	↑ 81%	13,730,318,000.00	13,137,988,000.00	7,574,853,000.00	13,466,390,000.00
Baylor College of Medicine	↓ 13%	11,747,394,100.00	11,747,394,100.00	13,442,487,643.00	13,442,487,643.00
ActionAid	↑ 3%	11,695,162,000.00	11,906,188,000.00	11,316,985,000.00	11,762,644,000.00
Save the Children Malawi	↓ 26%	11,348,983,084.00	11,277,902,936.00	15,371,236,036.00	15,535,036,692.00
Partners in Hope	↑ 371%	10,390,887,021.00	10,282,897,984.00	2,207,505,413.00	1,934,671,495.00
PSI Malawi	↓ 29%	10,256,058,611.00	9,027,625,484.00	14,371,568,141.00	10,378,873,062.00
JHPIEGO	↑ 7%	8,553,313,000.00	8,553,313,000.00	7,970,222,000.00	7,970,222,000.00
United Purpose	↑ 41%	8,022,204,000.00	8,327,104,000.00	5,686,548,000.00	7,899,138,000.00
Banja La Mtsogolo	↓ 9%	6,741,387,000.00	6,683,706,000.00	7,438,187,000.00	7,648,858,000.00
Care International	↑ 2%	6,267,473,244.00	6,210,443,040.00	6,127,043,308.00	5,841,866,224.00
Concern Worldwide	↓ 4%	5,603,173,583.00	5,837,912,573.00	5,863,125,905.00	5,931,049,797.00

Camfed Malawi	 24%	3,546,315,000.00	3,737,122,000.00	4,687,793,000.00	4,949,239,000.00
Self Help Africa	 3%	3,278,283,165.00	3,013,816,830.00	3,179,121,583.00	3,029,734,547.00
The Hunger project	 52%	3,116,421,502.00	2,999,866,542.00	2,055,693,477.00	1,694,051,504.00
Welthungerhilfe	 4%	2,799,768,386.00	2,694,317,023.00	2,694,317,203.00	3,006,734,309.00
Islamic Relief Malawi	 11%	2,736,569,418.00	2,734,488,235.00	3,087,028,363.00	2,883,575,742.00
YONECO	 9%	2,765,140,336.00	2,654,982,510.00	2,544,736,894.00	2,353,426,100.00
Churches Action in Relief and Development	 15%	2,676,440,000.00	2,641,567,000.00	2,333,392,000.00	2,267,157,000.00

 Increase in funding
 Decrease in funding

Despite table 1 clearly indicating World Vision Malawi as having the highest income followed by Elizabeth Glaser Pediatric Foundation, a comparison of the years 2019 and 2020 indicates that World Vision Malawi's funding decreased by 25% while that of Elizabeth Glaser Pediatric Foundation increased by 46%.

Other NGOs that suffered major decreases in funding were Save the Children International (26%), PSI (29%) and CAMFED (24%). While Partners in Hope and the Hunger Project received a 371% and 52% increase respectively.

The Board also did a comparative analysis of NGOs that received the least funding in the year in question as per table 2. It was observed that 65% of NGOs in this category received increased donor funding with Foundation for Rural Development (140%), NKhadze Alive Youth Organization (131%), African Institute Corporate Citizenship (115%) and Action Ministries Trust (102%) being the highest recipients while Rhoda Foundation for Development Initiative (81%), Community Action Development Organisation (69%) and Centre for Community Organization and Development (64%) suffered the highest cuts.

Table 2: NGOs with the least amount of funding in the year

NGO Name	Income Percentage Change	2020 Annual Income	2020 Annual Expenditure	2019 Annual Income	2019 Annual Expenditure
Centre for Community and Development (CCODE)	↓ 64%	138,437,437.00	206,681,474.00	395,163,301.00	343,509,144.00
Malawi Business Coalition Against HIV/AIDS	↑ 8%	116,959,100.00	109,412,572.00	108,118,317.00	122,460,396.00
Nkhadze Alive Youth Organization	↑ 131%	105,759,249.00	95,655,615.00	45,881,057.00	40,990,622.00
AID International	↑ 17%	96,924,000.00	104,256,864.00	82,957,942.00	87,359,715.00
Pamoza Foundation	↑ 58%	93,109,784.00	88,210,917.00	58,911,731.00	67,821,232.00
Network for Youth Development	↑ 53%	84,465,434.00	82,017,693.00	55,249,927.00	54,855,176.00
African Institute of Corporate Citizenship (AICC)	↑ 115%	74,429,118.00	66,576,073.00	34,598,522.00	33,832,008.00
Kids' World Outreach Society	↑ 33%	65,600,371.00	608,865,111.00	49,466,352.00	58,036,142.00
Future Planning for the Child	↓ 11%	51,394,626.00	52,707,726.00	57,441,932.00	61,762,681.00
Fatima Centre	↓ 9%	50,703,003.00	49,889,106.00	55,875,777.00	50,499,572.00
Action Ministries Trust	↑ 102%	39,207,158.00	40,925,960.00	19,381,898.00	17,499,637.00
Eva Demaya Centre	↓ 37%	38,910,980.00	38,765,465.00	61,566,385.00	61,442,961.00
Community Action Development Organization	↓ 69%	37,426,165.00	69,756,156.00	118,968,349.00	84,805,506.00

McKallies Home of Children and Hope	↑ 22%	35,407,007.00	35,407,007.00	29,104,993.00	29,104,993.00
Democracy Works	↑ 53%	31,887,692.00	31,340,456.00	20,866,564.00	20,497,758.00
Rivers of Goodness	↑ 85%	27,122,187.00	22,134,050.00	14,700,000.00	15,119,303.00
SUE RYDER Foundation in Malawi	↑ 55%	26,273,199.00	24,182,470.00	16,895,164.00	22,986,582.00
Water Witness International	↓ 35%	15,319,374.00	15,319,374.00	23,662,237.00	23,662,237.00
Rhoda Foundation for Development Initiatives	↓ 81%	3,426,551.00	2,967,490.00	18,535,544.00	17,089,043.00
Foundation for Rural Development	↑ 140%	3,208,240.47	2,878,240.47	1,334,242.00	1,337,592.00

 Increase in funding
 Decrease in funding

3.1.2 Sources of Funding

The 228 NGOs that reported their annual income on either the annual return form or submitted an audited financial report, saw a slight increase in the income from the donor community in the year under review.

Amongst the donors who provided financial support, USAID was the highest at MWK29 billion followed by funds from Canada at MWK23 billion and the EU at MWK22 billion. The reported funds amounted to MWK248 billion.

3.2 The Sector's Contribution to National Development

This section focuses on the sector's efforts to improve the development of the country in the year in question. An analysis of the alignment of projects with District Development Plans, NGO sector operations, income and expenditures of leading sector players, employment and usage of funds received was done.

3.2.1 Project Alignment with the District Development Plan

The Board through its District Service Centre officers conducted an NGO mapping exercise that aimed at establishing a district database for all NGOs with active projects. Among other things, the exercise assessed the alignment of NGO projects with District Development Plans. The activity revealed that the majority (59% of the 537 NGOs with active projects) had not aligned their projects with the District Development Plans. Figure 9 summarises the proportion of the alignment of the projects with the District Development Plan.

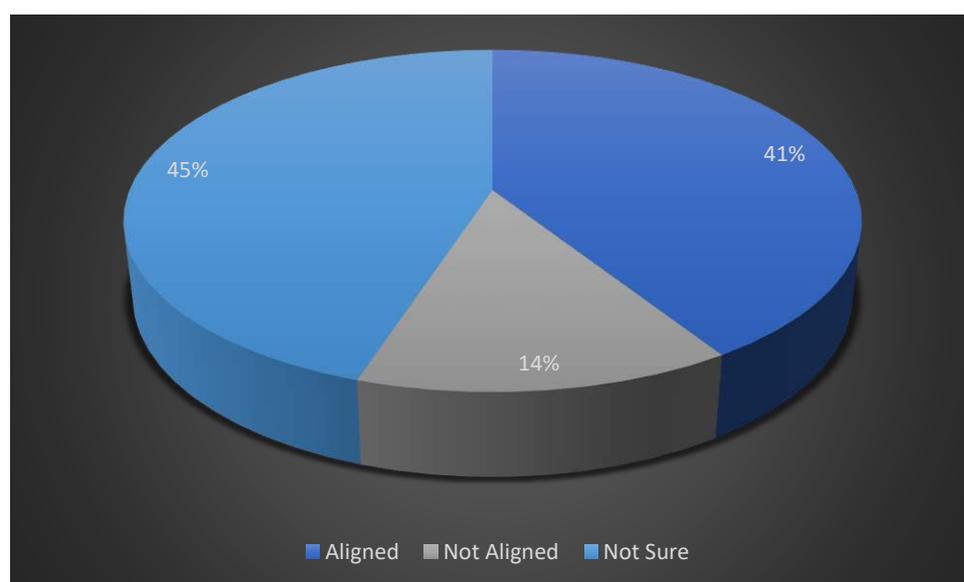


Figure 7: Project Alignment to the District Development Plans

3.2.2 Alignment to NGO Operating Sectors

As per Government recommendation, NGOs need to align their projects to 16 sector working groups which were introduced in 2008 in order to spearhead and strengthen the implementation of the Malawi Growth and Development Strategy (MGDS). It should be noted that the Board does not in any way influence the alignment of NGO work with a particular sector neither does it limit the number of sectors to which NGOs can align their activities. As such, the analysis mainly focused on the 3 major sectors to which NGOs mostly align their projects namely Health, Education and Agriculture. Figure 8 summarises the NGO sector preference for the year in question.

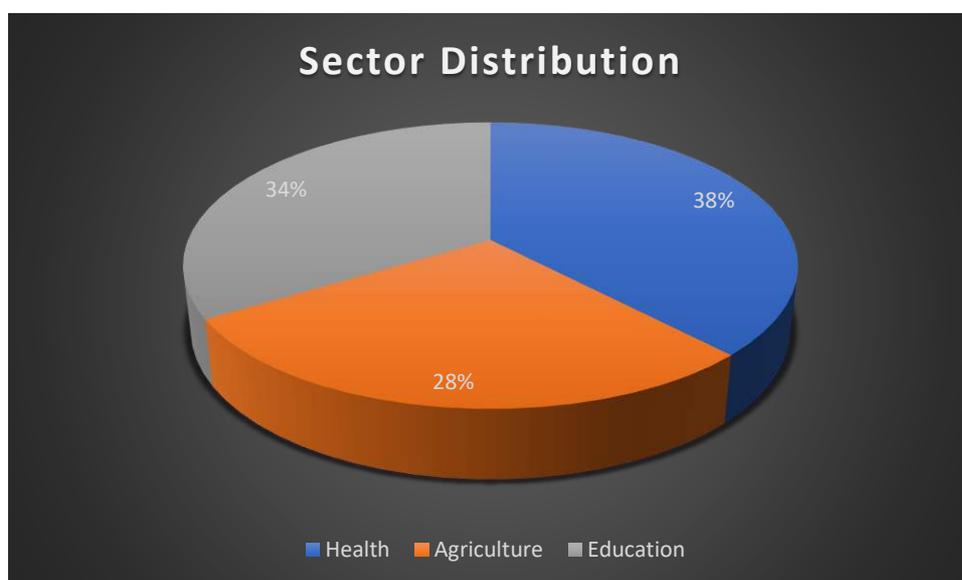


Figure 8 2019 Preferred Sector Distribution

As it has been the case in the past, the health sector had the majority (38%) of NGO operations aligned to it followed by the education then the agricultural sector.

3.2.3 Employment

Though the country faced a lot of financial challenges and most NGOs got reductions in annual funding due to the Covid-19 pandemic, the sector engaged 25,219 employees (both paid and volunteers) an increase of 72% over the 2019 financial year. There were 12,225 (48%) salaried employees and the rest 52% were volunteers.

3.2.3.1 Employment Trends

For the past three years, trends of employment in the sector have shown a constant increase. Figure 9 on the next page summarises the trend.

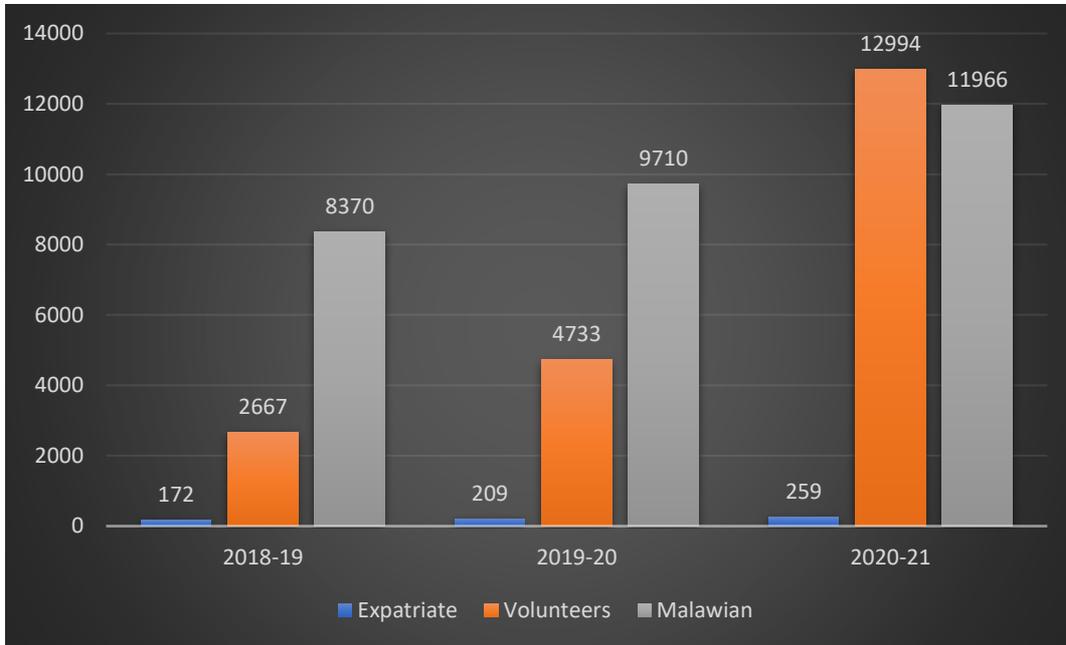


Figure 9: Employment trend in the sector for the past 3 years

In the year under review, local NGOs employed 84% of volunteers whilst international NGOs recruited 56% salaried employees. Public Affairs Committee was the local NGO with the highest number of volunteers (5,500). The analysis also revealed that 63% of expatriates were employed by international NGOs. See figure 10.

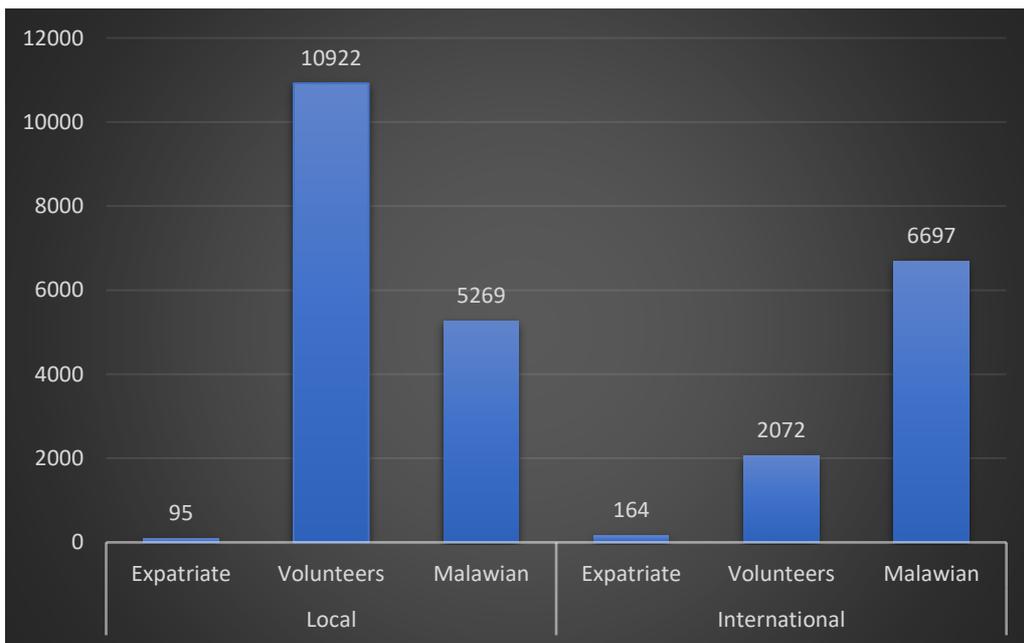


Figure 10: Staff capacity by NGO type

Chapter Four: Funds Usage on Projects

NGOs have reported implementing different development activities in service delivery and advocacy in the year under review. The Board conducted a pilot NGO project monitoring programme as a way of verifying contents of technical reports submitted by the NGOs.

The activity sampled 17 NGOs that focused on service delivery. These were NGOs who reported implementing projects in 12 districts (Ntchisi, Dowa, Salima, Ntcheu, Lilongwe, Mchinji, Balaka, Machinga, Mangochi, Zomba, Blantyre and Chikwawa). The projects that were monitored were aligned with different sectors and compared. At least 89% of NGOs had reported to have aligned their activities with the District Development Plan priority areas. This section summarizes what was reviewed during the monitoring activity.

4.1 Health

Baylor College of Medicine has reduced neonatal deaths at Area 25 Health Centre in Lilongwe whilst improving living standards of patients in the labour ward.

The organisation has worked at the Health Centre for over 5 years and has, among other things, improved infrastructural development and provided specialist health personnel, which has resulted in reduced referrals to the central hospital. In 2020, Baylor constructed a new nine-bed labour ward and a five-bed neonatal ward. The labour ward has been equipped with modern equipment that track the health of a baby in utero, hence; reducing the risk of miscarriages and stillbirths. Below are the pictures from the facility.



The newly constructed labour ward extension





The installed modern neonatal equipment



A state-of-the-art patient bed with a baby monitoring machine

4.2 Water Sanitation and Irrigation

Nine of the 17 sampled NGOs had implemented WASH projects in the year under review. A majority (7) reported building VIP latrines and installing solar water pumps for both irrigation and domestic use. This has proven to be more efficient and easy to use compared to boreholes. The pictures on the next page summarises the developments made.

4.2.1 Construction of Latrines and Incinerators



MSH has constructed 10 such latrines in Dowa, Balaka, Karonga, Lilongwe and Nkhotakota



Water Aid Malawi built bathrooms, toilets and change rooms for patients and medical staff at Mzandu Health Centre in Ntchisi.



A maternity ward toilet and washrooms (L) and staff toilets constructed at Mang'amba Health Centre by AMREF International



VIP pit latrines that the New Apostolic Church Relief constructed in Mchinji



An incinerator (L) and placenta pit Management Science for Health built at Mponela Health Centre.



This incinerator and a placenta pit at Mzandu Health Centre in Ntchisi was constructed by Water Aid Malawi

The construction of the above infrastructure has improved the livelihood of not only the targeted beneficiaries, but also other people using the facilities. The new pit latrines at Mponela Health Centre have saved the facility from closure due to unsanitary conditions as there were non-functional toilets. The toilets have a life span of 15 years and have a disability friendly room.

4.2.2 Installation of Solar Water Systems



A solar water system installed by Water Aid at Mzandu Health Centre in Ntchisi



A solar water system installed by NACRO in N'duwa Village in Ntchisi. To the far right an old well the villagers used to draw water from



Eagles Relief and Development has installed a solar water pump at Chigere Chisoni Irrigation Scheme in Group Village Phimbi in Balaka



A solar water pump installed by Future4all in Ntcheu



AMREF International has installed a solar system at Mang'amba Health Centre in Machinga providing the facility with running water and electricity.

The solar water systems have changed people's lives in the areas visited. The systems which cost an average MWK55,000,000, supply running water to over four water points within a one-kilometer radius thereby reducing the distance to water sources in the implementation areas. The systems have also reduced the spread of waterborne diseases in areas like N'duwa Village in Ntchisi where they used to draw water from unprotected well (see *the old water source in pictures above*).

The water pump at Mzandu Health Centre has eased water problems prevalent since 2010. The pump has not only benefitted the targeted population (labour ward patients), but also the outpatient department and members of staff. The 10,000 litre water tanks supply running water to the facility, including to staff houses.

4.3 Education, Research and Development

The Board also visited 7 NGOs that implemented projects aimed at improving education in the country. Among other things, they have constructed classrooms, libraries, staff houses, and change rooms that have improved learning conditions in the schools. The following pictures show the developments made.



An early childhood care and development centre developed by the New Apostolic Church and Relief Organisation in T/A Kuntaja, Blantyre



A hall, classroom blocks and teachers' houses that Mehboob Memorial Centre constructed in Mangochi



A library constructed by Future4all at Dzoole Primary School in Ntcheu. To the left is Future4all projects coordinator with school librarians



Two semi-detached staff houses worth MK11,200,000 that Future4all built at Dzoole Primary School



Future4all built a community centre that has a library that offers early child development programmes and a play ground



Kindle Orphan Outreach has constructed a staff room and head teacher's office at M'bwezera Model Primary School in Salima



Kindle Nanjoka Vocation school in Salima. Bottom left a picture of one of the graduate students for the class of 2020



Malawi Humanitarian and Development Services has built four classrooms at Light of Hope Primary School in Mkukula ADC in Dowa



Two teachers houses constructed at Light of Hope Primary School in Dowa



A hostel that Action Aid Malawi constructed at Kasakula Secondary School in Ntchisi Malawi



Chiona Secondary School built by Warm Hearts Foundation in T/A Mponda, Mangochi



A change room for girls constructed by Educans, used during menstruation at Chigodi Primary School in Lilongwe



Mbatala CBO in Machinga renovated by Emmanuel International

Efforts by the sector to improve education standards in the country have been a success as projects implemented in the year under review have shown the following:

- Reduced girls absentism from schools (about 15% reduction due to the construction of girls change room at Chigodi primary School);
- Improved pass rates (from 75% – 96% at Dzoole Primary School in Ntcheu) as per this year's Primary School Leaving Certificate of Education mock results and;
- Extra learning hours (the construction of staff houses within the school campus allows teachers to teach more hours as they don't travel long distances to and from school).

The positive outcomes of these projects have also been met with various challenges. For instance, the hostel constructed by Action Aid in Ntchisi is yet to be used. The organisation's 2020 report indicated that a girl's hostel was constructed to promote girls' education. However, the school's head teacher said it is not secure to accommodate girls as it is outside the school fence.

The school has therefore opted to use it as a boys' hostel once they get funds for beds and other basic needs. The head teacher further pleaded with NGOs and the government to provide necessary equipment when handing over the completed projects, citing the hostel which is non-functional due to unavailability of beds, electricity and other basic needs.

The Board was yet to get feedback from the Action Aid office during the development of this report as the institution's officer in Ntchisi was not available during the monitoring visit and had not yet responded to a questionnaire sent for feedback.

4.4 Vulnerability, Disaster and Risk Management

Passion Centre for Children constructed 5 houses worth MWK2.7 million each at Mwambo ADC in Zomba. The beneficiaries were identified through the District Social Welfare's Office and the houses were constructed in 4 villages (Manakhu (2), Mtumanji (1), Kwindimbule (1) and Kakhomba (1)). Below is a picture of the constructed houses.



4.5 Developments not Available on the Ground

The monitoring activity showed the actual developments reported by the NGOs in their 2020 reports. This was, however, not the case in Chikwawa District where Farm Radio Trust reported to have facilitated the installation of an irrigation solar water pump (which was installed by Sustainable Development Initiative) at Group Village Head Biliati, T/A Lundu.

Upon arrival at the site, the NGO Board team together with the Farm Radio Trust team were surprised to be informed that the pump was removed in November 2018. The reasons are not known but it was reported that the order came from T/A Lundu. It was clear that although Farm Radio Trust was facilitating the project, they had no idea what was happening on the ground. Their officer, who was available during the visit, said they are only responsible for connecting other NGOs to areas in need. He said this was the reason they had no idea what was going on at the site but he did not explain why the project was included in their 2020 report, since it was done years prior.



NGO Board, Farm Radio Trust officials and community leaders inspecting the site where the pump and water tanks were removed in 2018

4.6 Challenges in Project Implementation

An analysis of the challenges faced by both communities and NGOs before, during and after implementation of projects was also done. This section discusses some of the major challenges reported by both the communities and the NGOs.

4.6.1 Challenges faced by the Communities

The communities reported the following challenges in the implementation of projects:

1. NGOs not informing the ADC and the community about incoming projects as well as project details, making it hard for the community to monitor the progress;

2. NGOs implementing projects without consulting the people on their needs and;
3. Hard to reach areas still remain underdeveloped as most NGOs prefer accessible areas.

4.6.2 Challenges faced by NGOs

Some of the challenges reported by the NGOs in the implementation of their activities were as follows:

1. The Covid-19 pandemic which slowed down most NGO operations;
2. Communities requesting payment for charity work
3. Lack of support from government especially after the project has been finalized and handed to the community.

Chapter Five: NGO Board's Operations

This chapter discusses the operations of the NGO Board in the year under review. It will highlight the Board's finances, major achievements and challenges.

5.1 NGO Board Revenue

The Board as the regulator of NGOs in the country has two major sources of revenue, namely the Government ORT (which channels its resources to the Board through the Ministry of Gender, Community Development and Social Welfare since 2016) and NGO fees which contribute 80% and 20% respectively. Table 3 summarizes the Board's revenue for the past six years.

Table 3: NGO Board's revenue trend since 2016

Source of Revenue					
Financial Year	NGO Fees	Government ORT	Government PSIP	Donors (UNDP)	Total
2015 – 2016	70,000,000	55,700,000			125,700,000
2016 – 2017	72,000,000	20,000,000		72,000,000	164,000,000
2017 – 2018	183,000,000	80,000,000			263,000,000
2018 – 2019	213,000,000	150,000,000			363,000,000
2019 – 2020	205,000,000	612,000,000	500,000,000		1,317,000,000
2020 – 2021	192,429,306	612,500,000			804,929,306
Total (MWK)	935,429,306	1,530,200,000	500,000,000	72,000,000	3,037,629,306

As seen from the table, from 2015 - 2019 the Board had been generating more revenue from NGO fees than Government ORT. This trend changed in 2019 when the Board revised the NGO fees. This has meant that the Government is now providing more to the Board and thus revenue collection from fees is not the main source of funding for the Board.

5.2 NGO Board's Achievements

The Board recorded a number of achievements in the year under review which have helped in strengthening the institution to be a better regulator to the sector. Below are some of the major achievements.

5.2.1 Launch of MyNGO.mw

The NGO Act (s.18) mandates the Board to provide the public with free access to the NGO database including the records and returns of NGOs logged in the Public Documentation Centre. Unfortunately, different stakeholders had to travel from all parts of the country to the NGO Board's secretariat just to access NGO information which proved to be an inconvenience. In 2020 the Board engaged a consultant to design and come up with an online data management information system dubbed MyNGO.mw which provides free access to information on all NGOs working in the country.

Apart from accessing NGO information, the NGOs will now also be able to register and submit their annual returns using the system hence migrating from paper-based information capturing system to digital.

The platform which was launched in June, 2021 currently has 241 NGOs that have been granted access to the system (these are NGOs that requested for an account and those that have been reporting for the past three consecutive years). Only four NGOs have successfully submitted their reports through the system out of the 228 that fully complied when the NGOs were given an option to submit reports either through email, by hand or the system.

5.2.2 Launch of the Annual NGO Sector Report

The first NGO sector report was launched in the year under review and was named 2019 NGO Sector Report. It captured NGO information for the period July, 2019 – June, 2020. Apart from sharing NGO information through MyNGO.mw as well as the Public Documentation Centre, the Board uses the Sector Report to summarize and share the information gathered with the public for easy access. The 2019 Report was uploaded on the Board's website and has been downloaded by the public at least 105 times. A few copies were also printed and shared with stakeholders who attended its launch.

5.2.3 Opening of District Offices

In January, 2020 the Board had only 6 district offices, as such it was still hard for stakeholders to easily access the Board's services. The Board through the Ministry of Labor, deployed government interns to all the remaining 21 districts (excluding Likoma) where it had no offices to provide easy access of the required services to the stakeholders. The district offices also collect and update NGO information for the Board to easily regulate the sector.

5.2.4 NGO Mapping at District Level

As mandated by the NGO Act (s.18), the Board conducted a survey where its District Service Centre Officers reached out to all the NGOs (registered and

non-registered) within their districts to create a district database of all NGOs with active projects.

The activity targeted 924 NGOs, out of which 731 had active projects. Out of these NGOs with active projects, 537 were registered with the Board and 181 were not registered. A full report was uploaded on the Board's website for the public's access.

Chapter Six: Conclusion and Recommendations

6.1 Conclusion and Recommendations

The analysis has revealed a number of issues from which different conclusions and recommendations can be drawn. This chapter summarizes some of the conclusions and proposed recommendations for consideration to improve the operations of the sector.

6.1.1 Summary of Report Findings

The following were some of the notable findings from the submitted reports:

1. Though the sector is growing in terms of both funding and numbers, the Board is still facing challenges in collecting annual returns which was at 37% (full compliance) as compared to the targeted 65%
2. The lack of commitment to submit annual reports by NGOs has contributed to the Board's failure to properly document and profile the sector's contribution to national development
3. The analysis has shown that from the 228 NGOs that provided their annual income and expenditure, the MWK248 billion income was a 0.7% increase on the MWK244 billion income for 2019 financial year
4. There has also been a constant increase in employment in the sector and the year under review had the highest increase rate of 72% compared to the 2019 (31%) increase.

6.1.2 Recommendations

Based on the findings, the Board made the following recommendations:

1. The Government should continue supporting and strengthening the capacity of the Board to effectively execute its mandate;
2. The government should provide various incentives to promote compliance in the sector including awarding NGOs who fully comply;
3. The Board should invest in physical monitoring of NGO work in order to verify reports;
4. The NGO sector should respect the law in order to ensure sanity;
5. The Board should maintain its district offices and open one in Likoma for easy provision of services as well as regulation of the sector and;

6. Government should develop and enforce regulations to facilitate registrations, reporting, partnership and collaboration within the sector.

6.1.3 Conclusion

The overall objective of this report was to validate information obtained from NGOs through submitted annual reports as per the NGO regulations. The analysis showed that in the financial year 2020 only 37% of the 620 NGOs with active projects had fully complied with the law and about 21 NGOs confirmed that they are closed and 11 could not be traced through the contacts they provided as well as their physical addresses. Cumulatively, a total of 43 NGOs have closed since 2019. Though with such a number of closed NGOs, the year in question has seen a total of 62 newly registered NGOs the highest since 2017.

An analysis of the funds raised by the NGOs in the year under review has shown no much change in the financial growth of the sector compared to the 2019 financial year though individual NGOs have experienced significant changes in their annual income. Despite various financial challenges, the year has seen a great increase in employment by the sector with 12, 225 cumulative employees representing a 72% increase as compared to the 2019 financial year.

The report has also revealed that though there is an increase in compliance level, the Board still faces challenges to get annual returns, especially audited financial statements (37%). The inability by some NGOs to engage auditing services is one of the reasons most NGOs fail to comply with the law.

Going forward there is need to properly sensitize stakeholders to make use of the MyNGO.mw platform in order to improve compliance levels as well as have quality and updated information that will help in making informed decisions.

Reference

1. Non-Governmental Organisation Act (2001)
2. Non-Governmental Organisations Policy (2018)
3. 2019 NGO Sector Report (Malawi)
4. Annual NGO Sector Report 2018/19 (Kenya)
5. 2009 Report on National Validation Survey of NGOs

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