

A. Sector Analysis

1. Current situation and major challenges of the sector:

In Malawi, there is a growing national demand on water resources and concern on its availability due to national population growth and dwindling water sources, particularly during the dry season hence there is need for better management of the water resources. The government has placed a high priority on irrigation and water resources management in order to ensure food and water security at household level through among other things enhancing water-harvesting technologies, promoting catchment protection and management including disaster risk reduction measures.

Overall, 88.3% of the national population has access to improved water source. A household is considered to have access to improved drinking water source if it's piped into the dwelling, piped into the yard or plot, collected from a communal standpipe, a protected well in yard or plot, protected public well, borehole, tanker truck or bowser and bottled water, according to the Fifth Integrated Household Survey (IHSS) 2020 Report. This is a higher access as compared to 85% in 2018/2019 financial year which was lower than in 2017-18, the decline was attributed to damage caused by floods and drought which casted some doubt if Malawi is to achieve the SDG's. Currently water resources development accompanying rapid water demand in urban and peri-urban areas due to rapid population growth is a serious problem in Malawi. A total Malawian population increased by 35% between 2008 and 2018 representing an intercensal growth rate of 2.9% per annum and for Lilongwe city, it is 3.8% and Blantyre city 2.0% according to National Statistics Office (NSO), 2018.

Water Sector was under the Ministry of Agriculture Irrigation and Water Development before the change of regime, it is now under the Ministry of Forestry and Natural Resources Management. The Department of Water Supply and Sanitation (DWSS) has the overall responsibility to provide potable water to the people of Malawi. The DWSS has its objective as to increase availability and accessibility of potable water for socio- economic growth and development and spearhead efforts aiming at achieving the MGDS III targets and SDGs on water supply and sanitation. The purpose of the department is to facilitate provision of potable water and improved on-site water - related sanitation services to rural communities and supervise the technical services of Water Boards for urban water supply in line with the National Water Policy.

According to Water, Sanitation and Hygiene (WASH) sector Joint Review Meeting Report (2019) the sector faces daunting challenges in meeting its objectives, and key among them are: (a) poor revenue collection efficiency for the water boards due to huge government unpaid bills. (b) there is an increase in non-functionality rate of rural Water Supply Systems due to the occurrence of the Cyclone Idai which damaged most of rural water supply infrastructures. (c) inadequate allocation of finances to the water department by the GoM; (d) limited capacity in the water and sanitation sector at the Ministry and in the districts with a vacancy rate of 62.2%, there are few local NGOs active in WASH sector; (e) deforestation and environmental degradation of catchment areas for water supply which is rendering quantity of water insufficient and quality of water bad, dwindling water sources; (f) high levels of non-revenue water for water utility companies which are estimated to be around 35% due to ageing infrastructures; (g) vandalism of water supply facilities and water monitoring equipment (h) inadequate evidence based formative research to support policy formulation, and (i) inadequate coverage due to increasing water demand as a result of population growth especially in urban areas and in peri-urban areas.

2. Sector policy, strategic plan, priority areas:

a) Malawi Growth and Development Strategy III (MGDS III) (2017-2022): The MGDS III emphasized on the increased access to water resources and the enhancement of integrated water resources management at all levels. This is in support of the Sustainable Development Goal 6, which clearly acknowledges that we can only build a sustainable future if we manage our water and sanitation resources well.

b) Malawi Water Resource Bill, 2012: The Water sector is also guided by a Water Resources Bill, 2012 that mainly focuses on the management, conservation, use and control of water resources. The bill controls the acquisition and regulation of right to use water and for matters connected to water use.

c) Malawi Water Sector Investment Plan (MWSIP) (2016-2030): The MWSI provides an Asset Plan and associated Funding Plan for the water and sanitation sector. The aim is to maximize the benefits of expanding access to improved water and sanitation services to the country, while being financeable.

Currently the Ministry is reviewing the National Water Policy and National Sanitation Policy with support from African Development Bank (AfDB). There are also plans to review Water Works Act (1995) through the Lilongwe Water Supply and Sanitation Project under Lilongwe Water Board, being supported by World Bank.

3. Donor activities and commitments:

In order to achieve Sustainable Development Goal 6 for universal water, development partners, NGO's in collaboration with the Ministry are implementing various interventions. Here are some of the notable projects implemented by some of the development partners in the water sector;

- **African Development Bank (AfDB)**: AfDB is implementing Mzimba Integrated Urban Water and Sanitation Project. The project started in April 2017 and ended December, 2020. The project aims to provide sustainable access to safe and portable water in Mzimba Township. The project is implemented with financing to a tune of US\$22.85 million of which US\$5 million is a grant, US\$14.85 million is a loan, and the GoM has contributed US\$3 million.
- **World Bank**: There is another project being implemented in WASH sector; the Lilongwe Water and Sanitation Project that is funded by the World Bank through the International Development Agency (IDA). It is a 2-year project with funding amounting to US\$100 million. About 75% of the funding is a loan while the 25% is a grant. The project was supposed to be implemented from 2018 to 2020 and it is continuing in 2021. The project anticipates increasing access to improved water services and safely managed sanitation services in Lilongwe city.
- **European Investment Bank (EIB)**: EIB is also implementing a project with Lilongwe Water Board known as 'Lilongwe Water Supply Resources Efficiency Programme', with a cost amounting to Euro 24 million (about US\$27 million). It is a 5 years project that started in 2014 and was supposed to finish in 2019 but extended to 2021. The project has two main components i.e. rehabilitation and raising of Kamuzu Dam 1 by 7 metres and installation of water transport mains for about 17.5 km. The project anticipates increasing storage capacity and strengthen climate resilience.

- **Exim Bank of India:** Exim Bank supported Likhubula Water Supply project for Blantyre Water Board to a tune of MK17.6 billion (approximately US\$23.5 million). This project commenced in November 2018 and through this project, the board expected to produce an additional 20 million litres of water per day for its customer. The project was officially completed in October, 2019.
- Other active partners in the sector are UNICEF, European Union, Water for People, Water Aid, United Purpose, World Vision, WESNET, USAID, FAO and Engineers without Borders.
- **COVID-19 Response:** Donors came in to assist the government of Malawi in the fight against COVID-19. In response to the pandemic World Bank gave out US\$2.5 million which was shared equally among the five water boards in the country. USAID through ONSE project released US\$31,285 to help in WASH activities. UNICEF also supported WASH activities in schools with an amount of US\$740,000. MSF Belgium supported the sector with a junk of US\$504,000 while Plan International gave out US\$350,000. There are also other donors who supported WASH activities through different CSOs like United Purpose. Charity Water, World Vision, Water Aid, Water for People and many. JICA through the Project for strengthening the capacity on Non-Revenue Water Reduction for Lilongwe Water Board (LiSCaP) supported Lilongwe Water Board with chemicals and equipment amounting to US\$700,000.

4. Budget situation:

The water sector has received MK88.3 billion (approximately US\$117.8 million) budget allocation in the 2020/2021 fiscal year for both Recurrent and Development. Total Recurrent budget is paged at MK 1.8 Billion (approximately US\$2.4 million) with the development part allocated MK86.6 billion (approximately US\$115.5 million). The government of Malawi will contribute 5% to the development budget with donors supporting MK82.5 billion (approximately US\$110 million)

There has been a big increase of approximately 47% in the budget allocation from 2019/2020 financial year where only MK47 billion was allocated to the sector. (Ministry of Finance and Economic Planning, 2020). This has been the case due to different development projects taking place in the sector, for instance Lilongwe Water and Sanitation project, Nkhata Bay Town Water Supply and sanitation and Malawi NRW Water Efficiency Project.

5. Dialogue structure of the sector:

In the water sector Donor Partners (DP) have mostly led the dialogue; there are different deliberation groups that the sector uses which include Donor's meetings, Technical Working Group (TWG), Sector Working Group (SWG) and Joint Sector Review (JSR) meetings. Currently, UNICEF is the donor lead coordinator for the Donors grouping, a position which is rotated annually among DPs. Due to COVID-19 pandemic in 2020 meeting were only visual through zoom. SWG meetings have been erratic for instance in 2018, the group only met once while in 2019 its first meeting was held in October, 2019 though the arrangement is that the group should have quarterly meetings.

B. JICA's Position

1) History of JICA's cooperation:

JICA has been assisting Water Sector in the areas as shown below.

TYPE	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20
Water resources management						Water Resources Advisor (TC)						Water Resources Advisor (TC)					
							Preparation of National Water Master Plan (TC)										
Urban Water Supply											Volunteer from Yokohama Water Works Bureau to BWB (TC)						
															Non-Revenue Water Project (GA)		
																Non-Revenue Water Project (TC) (2019-2023)	
Rural water supply	Construction and rehabilitation of boreholes (GA) (1987-2013)																
								Enhancement of operations and maintenance for rural water supply (TC)									
									Water supply systems in market centres (GA)								

TC – Technical Cooperation GA – Grant Aid

2) Major outcomes:

- Project for **construction and rehabilitation of boreholes** (Grant Aid: 1987 to 2013): Assisted the Government of Malawi in reduction of water problems through the construction and rehabilitation of boreholes and provision of drilling equipment and accessories.
- Project for **enhancement of operations and maintenance for rural water supply** (Technical Cooperation: 2011 to 2015): the project assisted in combating non-functionality of boreholes as the communities will be empowered with operations and maintenance of water facilities after rolling out trainings for the formulated manuals. The manuals have been distributed national wide and the Ministry is emphasizing on the use of these manual by all stakeholders.

- Project for **water supply systems in market canters** (Grant Aid: 2012 to 2016): Water is no longer a problem around the market centres where these water supply structures were constructed at Mkanda in Mchinji and Santhe in Kasungu District.
- Project for **preparation of National Water Resources Master Plan** (NWRMP) (Technical Cooperation: 2011 to 2014): assisted in Ministry officials in the preparation of National Water Resources Master Plan and distribution of the Master Plan, it was developed with advice from JICA's Water Resources Advisor.

3) Lessons learned:

During the implementation of the Project for **enhancement of operations and maintenance for rural water supply**, Water Points Committees (WPC) were established and trained in O&M. The principle of the strengthened practical O&M is that communities should be fully aware of the needs to undertake preventive maintenance to avoid a breakdown, and they need to have practical skills and knowledge in the maintenance as well as the necessary resources, means and tools to carry the maintenance. However, at the time of ex-post evaluation for the Enhancement of operation and maintenance for rural water supply project in 2019, the survey revealed that this is not happening due to a number of reasons. Some of the reasons mentioned included lack of commitment and laziness on the part of the community committee to mobilise maintenance funds, lack of trust by a community in the WPC that is given the responsibility to collect their water user tariffs and fund management. It is necessary to continue conducting refresher courses to instil ownership and financial management for O&M as one of the areas to be emphasized. Continuous follow-up and support to communities is a key to motivating and encouraging the water users.

4) Cooperation Assets:

JICA has constructed around 1,700 boreholes in rural areas across Malawi from the 1980s; this has significantly reduced water borne diseases among the communities hence health conditions have improved. Another asset is the water systems constructed at market centres of Mkanda in Mchinji and Santhe in Kasungu, which the communities are enjoying clean, and portable water without travelling long distances. In the fight against COVID-19 JICA procured HTH, PA System, hand sanitizers, hand washing soap, Re-Chlorination Equipment and Infrared thermometers for Lilongwe Water Board.

5) Comparative advantage of JICA:

JICA has worked in the water sector consistently for a long time. Through that, it has acquired a lot of experience and rich knowledge that can be used to assist the sector. JICA usually provide both grant and technical cooperation. This gives high results through synergistic effect between grant and technical cooperation. In addition, JICA has been dispatching short-term volunteers to Blantyre Water Board (BWB) and a long-term expert to Lilongwe Water Board (LWB) for strengthening capacity in cooperation with Yokohama Water Works Bureau (YWWB) since 2014. One of the JICA's advantage is the ability to utilize the knowledge of Japanese local governments (YWWB) which have a wealth of knowledge in water supply business operation.

6) TICAD process:

During the TICAD 7 in August 2019, recognizes the importance of the sustainable blue economy in harnessing the full economy potential of the oceans, seas, lakes, rivers and other water resources in accepting economic growth and placing people at the center of sustainable development. This acknowledged the need for climate smart approaches including effective and sustainable management and use of water resources.

In accordance to TICAD Process, JICA Malawi office is running a project with Lilongwe Water Board (LWB) to make sure that water resource is being safeguarded through reduction on non-revenue water. The project is called the **project for strengthening non-revenue water reduction in Lilongwe**, its main aim is to build capacity in LWB in reduction of non-revenue water which is one of the challenges the board is facing in executing its prime duty of providing portable water to the city of Lilongwe.

7) Possible areas of future cooperation:

Japan's Country Development Cooperation Policy for Malawi focuses on 'building a foundation for economic growth, taking into account climate change and urbanisation'. The policy supports stable water supply in the urban area through sustainable water resource management and efficient water use. There is increasing demand for urban water supply due to population increase in the cities and rapid urbanization, but in Lilongwe, the water supply is not catching up due to the shortage of water sources. Nevertheless, water is not utilized efficiently and the NRW rate is high in Lilongwe. Therefore, from the viewpoint of effective use of limited water resources, we consider that it is necessary to cooperate with NRW reduction. At the same time, we aim to improve the management of water utilities by improving the NRW rate and to improve the water service management and water supply services to the water utilities themselves. There is also a regional cooperation in Sub-Saharan Africa where LWB, EMBU of Kenya and WASAC of Rwanda are members. In addition to being able to grow together through peer learning, effective use of regional resources and maximization of cooperation results through networking can be expected.-In 2019, LWB hosted a workshop for the region cooperation and in 2020, it was supposed to take place in Kenya but failed due to COVID-19 pandemic.