

A. Sector Analysis

1. Current situation and major challenges of the sector:

In Malawi, there is a growing national demand for water resources and concern on its availability due to increasing national population growth and dwindling water sources, particularly during the dry season. Regarding to the information from National Statistics Office (NSO) 2018, the population increased by 35% between 2008 and 2018 representing an intercensal growth rate of 2.9% per annum.

The Fifth Integrated Household Survey (IHHS) Report of 2020 considers a household to have access to improved drinking water source if it is piped into the dwelling, piped into the yard or plot, collected from a communal standpipe, a protected well in a yard or plot, protected public well, borehole, tanker truck or bowser and bottled water.

According to USAID Malawi (2021)¹ about 80% of the population has access to an improved source of drinking water. This poses doubt on Malawi's chances of achieving Sustainable Development Goal 6, which focuses on ensuring clean and stable water supply for all people by 2030. Currently, Malawi is facing serious problems in developing water resources that can match the rapid water demand in urban and peri-urban areas due to rapid population growth. The Department of Water Supply and Sanitation (DWSS) under the Ministry of Water and Sanitation 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 Malawi 2063 (MW2063) targets and SDGs on water supply. The purpose of the department is to facilitate provision of potable water services to rural communities and supervise the technical services of Water Boards for urban water supply in line with the National Water Policy, 2005.

According to Water, Sanitation and Hygiene (WASH) sector Joint Review Meeting Report (2019) the water supply sub-sector faces daunting challenges in meeting its objectives. Key among them are: (a) poor revenue collection efficiency for the water boards due to huge government unpaid bills. (b) increase in non-functionality rate of rural Water Supply Systems. The occurrence of the Cyclone Idai which hit some parts of the country, and damaged most of rural water supply infrastructure worsened the situation. (c) inadequate allocation of finances to the water department by the GoM. (d) limited capacity in the water supply sub-sector at the ministry and in the districts with a vacancy rate of 62.2%. (e) deforestation and environmental degradation of catchment areas for water supply which render the quantity of water insufficient and quality of water bad. (f) high levels of non-revenue water for water utility companies which are estimated to be around 35%. (g) vandalism of water supply facilities and water monitoring equipment and (i) inadequate coverage due to increasing water demand as a result of population growth especially in urban areas and in peri-urban areas.

Recently, the sector has also been affected by Tropical Cyclone ANA and Gombe which caused heavy flooding in the southern part of the country. A situation analysis reports by Department of Disaster Management Affairs released in February and March 2022, indicates that collectively 405

¹ * ¹ [Water, Sanitation, and Hygiene | Malawi | U.S. Agency for International Development \(usaid.gov\)](https://www.usaid.gov/malawi/water-sanitation-and-hygiene)

boreholes, 206 water taps, 14 gravity fed water schemes and 6,631 latrines were damaged by the cyclone.

2. Sector policy, strategic plan, priority areas:

a) Malawi Vision 2063 (MW2063)

MW2063 which was launched in January 2021, is a long-term development blue-print for Malawi succeeding the Vision 2020. It emphasizes on an inclusively wealthy and self-reliant Malawi where all constituencies across the country shall have the minimum level of socio- economic amenities aimed at promoting good quality life for all that include availability of clean-piped water through Enabler 5 “Human Capital Development”. MW2063 is operationalized by the first 10-year implementation Plan (MIP-1) is for the period 2021 to 2030. The MIP-1 has identified priority areas under the key pillars which will set Malawi on a path to actualize MW2063. MIP-1 aims to reach 100 percent coverage of water supply by 2030.

b) Malawi Water Resource Bill (2012)

The Water sector is also guided by a Water Resources Act, 2012 that mainly focuses on the management, conservation, use and control of water resources. The Act 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.

d) The National Water Policy (2005) and National Sanitation Policy (2006)

Currently the Ministry is reviewing these policies with support from African Development Bank (AfDB).

e) The Water Works Act (1995)

There are plans to review this Act through the Lilongwe Water Supply and Sanitation Project under Lilongwe Water Board being supported by the World Bank.

3. Donor activities and commitments:

In order to achieve SDG6, development partners, NGO’s in collaboration with the Ministry are implementing various water related interventions. Some of the notable projects include:

- **The African Development Bank (AfDB)** is implementing a US\$ 30.4 million Nkhata Bay Town Water supply and Sanitation project under Northern Region Water Board (NRWB) from 2018 to 2022. AfDB has contributed a grant of US\$ 15 million, while the Opec Fund International Development contributed a loan of US\$ 12 million and the Government of Malawi is contributing US\$ 3.4 million. The project involves the development of water infrastructure, improvement of sanitation and hygiene, institutional capacity building and project management. The overall objective of the project is to increase access to clean water and improve sanitation in Nkhata-Bay Town and surrounding areas.
- **The World Bank** through the International Development Agency (IDA) is implementing a 2-year Lilongwe Water and Sanitation project at a cost of US\$ 100 million. 75% of the amount

is a loan while 25% is a grant. The project is running from 2018 to 2022. The project aims at increasing access to improved water services and safely managed sanitation services in Lilongwe city.

- **The European Investment Bank** is implementing a ‘Lilongwe Water Supply Resources Efficiency Programme’ with the Lilongwe Water Board, whose cost is estimated at Euro 24 million (approximately US\$ 27 million). The project has two main components namely (a) rehabilitation and raising of Kamuzu 1 Dam by 7 metres and (b) extension and improvement of water supply and sanitation services to unserved areas as well as improvement in management of information system. The project aims at increasing water storage capacity and strengthening climate resilience. The second component of the project on water distribution, network rehabilitation, expansion and non-revenue water reduction in Lilongwe city running from March 2018 to 2023.
- **Exim Bank of India** is supporting Blantyre Water Board through a loan of US\$ 112 million. The project has two components; one of them is to install solar power generation plant, which will be producing 29 megawatts power. On the other hand, the project is to support the construction of new pumping intake on the Shire River.
- 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.

4. Budget situation:

In the 2022/2023 national budget, the government has allocated MK 151.5 billion (approximately US\$ 185.4 million²) to the Ministry of Water and Sanitation where; MK 2.1 billion (approximately US\$ 2.57 million) for total Recurrent Transactions and MK 149.5 billion (approximately US\$ 183.0 million) for development. The water supply sub-sector is heavily dependent on external support and most of the developmental projects are in a form of loans, of this developmental budget the government is footing MK 11.9 billion (approximately US\$ 14.6 million).

5. Dialogue structure of the sector:

In the water sector Development Partners (DP) have mostly led the dialogue with government. 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 and 2021 meetings were only virtual through zoom and Teams. SWG meetings have been erratic for instance in 2018, the group only met once while in 2019 its first meeting was held in October though the arrangement is that the group should have quarterly meetings. Following the launch of MW2063 and MIP-1, pillar and enabler coordination groups have been formed. “Human Capital Development” is amongst them and will foster dialogue of various stakeholders in the sector.

6. JICA’s Position

1) History of JICA’s cooperation:

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

【Water Resource Management】

- Expert in Water Resource Advisor (2009 Apr - 2011 May)

² Note: 1\$=MK817.00 (as of 1st April 2022, Standard bank Malawi)

- Expert Water Resource Advisor (Phase2) (2016 Jan - 2019 Jan)
- (Study) The Project for National Water Resources Master Plan (2012 Mar - 2014 Sep)
- 【Urban Water Supply】
- Japan Overseas Corporation Volunteers from Yokohama Water Works Bureau to BWB (FY2014 - FY2019)
- (GA) - The Project for the Improvement of Equipment for Non-revenue Water Reduction in Lilongwe (2018 Mar signed)
- (TC)³- The Project for Strengthening the Capacity of Non-revenue Water Reduction for Lilongwe Water Board (2019 Jun - 2024 Dec)

【Rural Water Supply】

- (GA) -The Project for Groundwater Development in Mwanza and Neno (2011 Jan signed)
- (GA) -The Project for Selected Market Centers and Rural Water Supply in Mchinji and Kasungu District (2012 Aug signed)
- (TC)³- The Project for Enhancement of Operations and Maintenance for Rural Water Supply (2011 Jul - 2015 Jul)

2) Major outcomes:

- **Project for Construction and Rehabilitation of Boreholes** (GA: 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** (TC: 2011 Jul to 2015 Jul): the project assisted in combating non-functionality of boreholes. Through the project, the communities were capacitated on operations and maintenance of water facilities through trainings and production of maintenance manuals. The manuals have been distributed national wide and the Ministry is encouraging communities and stakeholders to use them.
- **Project for Selected Market Centers and Rural Water Supply in Mchinji and Kasungu** (GA: 2012 Aug signed): The project aimed at making available reticulated water available at Mkanda Trading Centre in Mchinji and Santhe Trading Centre in Kasungu.
- **Project for National Water Resources Master Plan (NWRMP)** (Study: 2012 Mar to 2014 Sep): assisted Ministry of Water officials in the preparation of National Water Resources Master Plan and distribution of the Master Plan.

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. Through this project, community members were trained on preventive and operational maintenance to avoid a breakdown. However, at the time of ex-post evaluation for the project in 2019, it was revealed that maintenance was still a problem due to a number of reasons. Some of the reasons include: (a) lack of commitment of and laziness on the part of the community committee to mobilise maintenance funds and (b) lack of trust by the community in the WPCs that have the responsibility to collect water user tariffs and to manage the funds. It is therefore

³ (Exp) Expert, (GA) Grant Aid Project, (Study) Technical Cooperation for Development Planning, Private Sector Partnership, Data Collection Survey, (TC) Technical Cooperation Project

necessary to continue conducting refresher courses to instil ownership and financial management skills in committee members and the community. Continuous follow-up and support to communities is a key factor 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 treatment systems constructed at market centres of Mkanda in Mchinji and Santhe in Kasungu, through which the communities are enjoying clean, and potable water without travelling long distances.

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 provides both grant and technical cooperation for sustainability of interventions. This gives positive results through synergy between grant aid and technical cooperation schemes.

In addition, through cooperation with Yokohama Water Works Bureau (YWWB), JICA has been dispatching short-term volunteers to Blantyre Water Board (BWB) and a long-term expert to Lilongwe Water Board (LWB). These have been working in capacity development programs. This cooperation started in 2014. Use of Japanese local governments like YWWB which have a lot of knowledge in water supply business operation to share knowledge is one of the JICA's advantage.

6) TICAD process: During the Tokyo International Conference for African Development (TICAD) 7 held in August 2019, member states present recognized the importance of the sustainable blue economy in harnessing the full economic potential of the oceans, seas, lakes, rivers and other water resources in accepting economic growth and placing people at the center of sustainable development. They acknowledged the need for climate smart approaches including effective and sustainable management and use of water resources.

In accordance to TICAD 7 resolutions, JICA Malawi office is running the **Project for Strengthening Non-Revenue Water Reduction in Lilongwe** with LWB. The main objective of the project is to make sure that water resources are safeguarded through reduction on non-revenue water. Its main aim is to build capacity for LWB staff in reducing non-revenue water.

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. In Lilongwe, the water supply is not catching up with demand due to the shortage of water sources. To make matters worse, water in the city is not being utilized efficiently due to high rate of NRW. Therefore, in order to effectively use the limited water resources available, we consider that it is necessary to strengthen NRW reduction efforts. At the same time, we should aim at improving the management of water utility companies by improving the NRW.

There is also a regional cooperation initiative 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. A follow up workshop took place in Kenya on 10th – 12 th May 2022.

In order to achieve the cooperation policy outcome in sustainable water resource management JICA is considering a new cooperation with BWB on rehabilitation of Mudi Water Treatment Plant (WTP).