



act:onaid Malawi
Annual Report
2019

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Acronyms

AAM	ActionAid Malawi
ADC	Area Development Committee
AEC	Area Executive Committee
AIDS	Acquired Immunodeficiency Syndrome
CBCC	Community Based Childcare Centres
CDSS	Community Day Secondary Schools
CISANET	Civil Society Agriculture Network
CRSA	Climate Resilient Smart Agriculture
CSO	Civil Society Organisations
CSP	Country Strategy Paper
COWFA	Coalition of Women Farmers
CDF	Constituency Development Fund
CPC	Civil Protection Committee
DDF	District Development Fund
DEC	District Executive Committee
DEM	District Education Manager
ECD	Early Childhood Development
EU	European Union
FFS	Farmers Field Schools
GAWE	Global Action Week on Education
GRBA	Gender Responsive Budget Analysis
HIV	Human Immunodeficiency Virus
IHART	International Humanitarian Action and Response Team
LRP	Local Rights Programme
LUANAR	Lilongwe University of Agriculture and Natural Resources
MISA	Media Institute of Southern Africa

NGO	Non-governmental Organisation
OSISA	Open Society Initiative for Southern Africa
PSAM	Public Service Accountability Monitoring
SDG	Sustainable Development Goals
SIG	School Improvement Grant
SMC	School Management Committee
SRHR	Sexual and Reproductive Health Rights
TA	Traditional Authority
TB	Tuberculosis
UN	United Nations
VATEW	Violence Against Targeted and Excluded Women
VCPC	Village Civil Protection Committee
VDC	Village Development Committee

Key Organisational Identities

Who we are: ActionAid Malawi is a local Organisation registered in 2007 under Companies Act as Company Limited by guarantee. AAM is an affiliate member of ActionAid Federation, established as a UK charity organization in 1972. AAM started working in Malawi in 1990. AAM is a Global Justice Organisation that aims at addressing the root causes of poverty and injustice, with particular focus on women, young women and girls.



Our vision

A nation without poverty and injustice in which every person enjoys their right to a life of dignity



Our mission

To work with poor and excluded people to eradicate poverty and injustice



Our values

Mutual Respect, Equity and Justice, Honesty and Transparency, Solidarity with the power, Courage of Conviction, Independency Humility



2019 Message from the Board Chairperson



Greetings from ActionAid Malawi. It actually feels like yesterday when ActionAid Malawi shared with you our 2018 milestones and lessons. Here we are again, with our 2019 publication in which you will be amazed at the inspiring stories of accomplishments and struggles by those we are primarily accountable to.

It is worth underscoring that the year 2019 hung in a number of political and economic uncertainties for Malawi. Fairly speaking, the year started on a good note, with the majority of smallholder farmers poised to have better harvests from their fields.

However, in the twilight of March, strong winds, also known as Cyclone Idai, hit the country, causing unimaginable catastrophe on the livelihood of the people, mainly in southern Malawi. The disaster brought torrential rains and severe flooding in

rural and urban areas, claiming 59 lives, injuring 677 and affecting more than 850,000 people in 15 districts of Malawi.

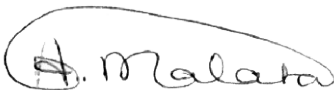
Phalombe, Chikwawa, and Nsanje recorded the highest numbers of affected people. The floods also destroyed infrastructure, farmlands, crops, road network, and disrupted provision of public social services such as education and health.

Thanks to the support from the Roger Federer Foundation and ActionAid's International Humanitarian Action and Response Team (IHART), we rose to some of the challenges faced by those worst affected, especially women, child-headed families, the disabled and the elderly.

ActionAid Malawi, among others, distributed relief and resilience support in Nsanje and Phalombe, our impact areas. The organisation also strengthened social support systems to ensure that vulnerable groups such as women and children in humanitarian settings were not subjected to further human rights violations.

But the Cyclone Idai was not the only major occurrence in 2019. The 2019 tripartite elections turned out to be yet another disaster that put lives of Malawians on a standstill. The protests and legal battle forced citizens to be on their toes as the pursuit for electoral justice stretched into 2020. The events, no doubt, affected implementation of some of our activities, especially physical engagements with decision makers.

In everything, we remain grateful to our supporters, donors, and partners for believing in us and supporting us throughout 2019. Kindly keep sticking with us on our way to ending poverty and injustice in Malawi.



Professor Address Malata
(Board Chairperson)

2019 Message from the Executive Director



It is with a great sense of gratitude and pride that I welcome you, our dear partner, to the 2019 annual report. As highlighted by the Board Chairperson above, the report is a culmination of all our 2019 interventions, in line with the Country Strategy Paper V: Action for Justice.

In the reporting year, ActionAid Malawi (AAM) continued to champion rights-based approaches in its program implementation by way of putting those living in poverty at the centre of our interventions. ActionAid Malawi always regards women, young women, girls and children as the most affected by poverty and inequality.

Spurred by the foregoing, AAM continued to champion programs in areas of education, health, agriculture, economic empowerment and emergency and livelihood.

Specifically, we worked with those living in poverty and grassroots partners in calling for adoption of the ILO Convention on Gender-Based Violence as one way of promoting the decent work agenda in the workplaces.

ActionAid Malawi spearheaded the right to education by working with relevant structures in constructing the school infrastructure and empowering learners and school committees in taking part in key decision-making processes at the school, especially on funds such as the school improvement grant and constituency development fund. It was a wonderful and fulfilling endeavour.

Following the devastating strike by the Cyclone Idai that affected most parts in the southern Malawi, AAM and women-led partners came in with relief and resilience support. The support was mainly in form of distributing food to the most affected, offering resilience support such as distribution of crop seeds and constructing houses for the labour constrained households. Through such interventions, lives were saved and rights restored.

Through the joint T/B and HIV/AIDs program, we ensured that affected people are supported and that their right to health is strengthened by working with various sub-recipients across the country.

Most importantly, AAM championed social accountability to ensure that duty bearers are held accountable for their use of public resources. But for the aforementioned to become true, AAM had to count on the support of donors, supporters, the Board, General Assembly members, staff, partners and everyone who rendered support to action for social justice. We just can't thank you enough.

Feedback on the annual report will be highly appreciated.



Assan Golowa Phiri

ActionAid Malawi Executive Director

Executive Summary



In 2019, interventions by NGOs including ActionAid Malawi (AAM) were largely affected by the post-election disputes. Malawi Electoral Commission (MEC)'s announcement of the presidential vote outcome received massive public outcry bordering on the fairness, validity and credibility of the results management process.

Dissatisfied with the outcome, presidential contenders, namely; Dr. Saulos Klaus Chilima and Dr. Lazarus Chakwera of UTM and Malawi Congress Party (MCP) respectively, embarked on a legal battle against MEC and the announced "winner", Democratic Progressive Party (DPP) Presidential candidate Professor Arthur Peter Mutharika. Outside the court, civil society, led by the Human Rights Defenders Coalition (HRDC), organized eight-month long protests against MEC chairperson, Justice Dr. Jane Ansah, calling her to step down for presiding over what they described as "a sham" of an election that was not in accordance with Malawian democratic and electoral laws.

The MEC chairperson's failure to resign-pending the conclusion of the constitutional court case-only worsened matters as the protests turned violent, leading to massive destruction of property and loss of life of a police officer and one protester in Karonga, northern Malawi.

That notwithstanding, plus direct and indirect effects towards its work, AAM continued to make meaningful investments in the poverty eradication fight through continued implementation of the "Action for Social Justice" strategy. The implementation continued to focus on the organisation's priority areas around promotion of women, young women and girls' rights; emergencies, resilience and livelihood; civic participation and state accountability.

Women, young women and girls' rights: Women, young women and girls in Malawi continue to face widespread forms of violence both in public and private spaces. Women and girls are disadvantaged in terms of social power and influence, control of resources, control of their bodies and participation in public life—all as a result of socially determined gender roles and relations. Gender-based violence against women and girls therefore continued to occur in the context of these power imbalances in 2019.

Moved by such gender injustice, AAM continued to champion programs, projects and campaigns aimed at empowering women, young women and girls in the Local Rights Programmes (LRP's) as well as at a national level. A highlight of such initiatives was the implementation of the 50:50 campaign that sought to increase representation of women in decision-making positions. Through the campaign, which AAM implemented with Centre for Civil Society Strengthening (CCSS) in partnership with the Ministry of Gender, Children, Disability and Social Welfare, the number of female parliamentary representation rose to a record 45 from 32 in the 2014 polls. This represented a 22 percent rise. While 22 percent representation remains a far cry, AAM and partners hope to build onto this success to sustain a vigorous campaign aimed at empowering women, young women and girls in key decision-making positions including the political space.

Economic Context: By December 2019, the annual inflation rate in Malawi climbed to 11.5 percent. This was the highest inflation rate since May 2017, as prices continued to surge on the back of maize grain shortage. Maize shortage was largely caused by armyworms infestation and hoarding of maize by selected agro-based companies. This resultantly spelt doom for the country's economy whose life-blood remains agriculture.

This was worsened by the reported abuse and misuse of public resources. Malawi Government Accounts Audit for 2017/2018 revealed that ministries, departments and agencies (MDAs) failed to account for a whopping MK3.2 billion. (US\$4.3 million) In response, AAM and partners launched a second phase of social accountability project aimed at equipping parliamentarians, media, issue-based CSOs and the community with further skills in budget tracking. This is in addition to remarkable social accountability initiatives that our partners have been championing on the ground, especially ActionAid Malawi's impact LRPs.

In contribution towards safety net for the women and other vulnerable groups, AAM intensified implementation of initiatives such as village savings and loans (VS &L) as well as build the capacity of the youth in entrepreneurship skills such as tailoring. A total of 34,000 women and 12,000 men economically benefitted from VS&L in AAM impact districts while 2,215 youth benefitted through entrepreneurship skills supported by AAM.

Food Security and Livelihoods: Early 2019, Malawi experienced one of the worst tropical cyclones that formed in the Mozambican channel, bringing heavy rains and strong winds. Severe flooding negatively affected people's lives, livelihoods and socio-economic infrastructure. This pushed more people, especially in most affected Nsanje, Chikwawa and Phalombe into poverty. In total, an estimated 975,000 people were affected, with 86,976 displaced, 60 people dead and 672 people injured. Informed by assessments conducted by AAM partners and their allies, AAM mobilized the resources from IHART and the Roger Federer Foundation to alleviate the suffering of the worst affected. AAM reached out to over 6,000 affected households in Nsanje and Phalombe with relief as well as resilience support.

Education: At national level, the education sector continued to enjoy the lions' share of the national budget. In the 2018/2019 financial year, the sector was allocated 17.9 percent of the national budget and about 23 percent of the national budget in 2019/2020. AAM has been working with key institutions such as parliament and grassroots education structures to ensure that the resources in the sector are prudently utilized and respond to gender needs at the school level. Through its flagship 'Tax Justice' campaign, AAM continued to engage the Malawi government and parliament to further increase the resources towards the education sector by, among others, cutting down on harmful tax incentives being granted to multinational corporations in the country.

On Early Childhood Development (ECD) level, despite the disaster that affected most of ECD centres, there has been some progress in the delivery of ECD services in the country. There are more players including the World Bank coming on board to invest in ECD which guarantees the program's sustainability.

Health: Malawi still has one of the highest HIV prevalence rates in the world despite the impressive progress the country has made in controlling its HIV epidemic in recent years. Young people are particularly at risk, due to early sexual activity and marriage, with around a third of all new HIV infections in Malawi occurring among young people (ages 15-24). Despite this, around 60 percent of young people do not have enough knowledge of how to prevent HIV. Stigma remains a key barrier to progress, particularly among men who have sex with men and sex workers.

On the back of the foregoing, ActionAid Malawi and partners in 2019 continued championing the joint TB, HIV and Aids programme, by focusing on the four major modules, namely, Adolescent Girls and Young Women, Female Sex Workers, Men Having Sex with Men, and TB. Effective implementation of the programme led to attainment of milestones including recording a 315 percent achievement under the Female Sex Workers Module. This, plus other key achievements under other modules, significantly contributed to Malawi's road to 2020 UNAIDS, 90-90-90 target.

Numbers that speak our impact in 2019

Below are the figures that speak ActionAid Malawi's impact in 2019 along the organisation's program priority areas.

9,062	women, young women and girls empowered to challenge violence
9,130	women, young women accessing VAWG response comprehensive service
11,855	women and girls empowered to demand for economic justice
374	women and young people in leadership positions
9,030	women access and control of productive resources
9,559	women, young women and girls accessing SRHR services
134,042	smallholder farmers practicing agro-ecology
63,042	women resilient to climate change
37	women led CPCs during emergencies
127,000	children accessing ECD



Walipa Phiri, a smallholder farmer supported by ActionAid Malawi in Nkhatabay

Our major achievements under programme priority are;

Promoting and securing realization of women, young women and girls' rights:

Under this priority area, AAM championed interventions in line with four focus areas as outlined in the CSP V: Action for Social Justice. These focus areas include:

Addressing structural causes of violence against women, young women and girls and promoting effective response mechanisms for survivors of violence



Machinga GBV survivor, Margret Richard (left) got back her house (behind) from an abusive spouse after being assisted by Machinga Women Forum (whose director is standing to the right), with funding from ActionAid Malawi.

In the year, AAM empowered **9,062** women, young women and girls to challenge violence in their homes, communities and schools and other places where they populate. This was achieved through working with our partners in the LRPs in areas of capacity building trainings, awareness raising advocacy and litigation on GBV cases. Most significantly, AAM and partners also worked with service providers such as community victim support units, health, police and district social welfare offices in strengthening their capacity to enable them respond to violence against targeted and excluded women (VATEW).

Due to such interventions, communities are now challenging the culture of normalizing VATEW to reporting it, with at least five cases being reported every week. At end of 2019, AAM supported a total of 1,930 women, young women and girls to access VATEW services from various duty bearers, mainly police victims support units, community victim support units, magistrate courts, district social welfare office and health centres. Above all, there is now an increased engagement of women, men and duty bearers to address power imbalances that fuel violence against women.

Promoting women's economic justice



One of the young female employees campaigning for economic justice on the sidelines of the #SheTalks on the Decent Work Campaign in Lilongwe.

Cognizant of how the disproportionate unpaid care work burden is limiting women's participation in economic life, AAM and partners mobilized 11,855 women champion discussions with various duty bearers and stakeholders such as traditional leaders, religious leaders, Area Development Committee (ADCs), Village Development Committees (VDCs) and others on the link between unpaid care work and economic violence against women. Such discussions and engagements were conducted through mainstream media, trainings and community engagements.

Through such sustained engagement and discussions, women are now rising to demand redistribution of unpaid care work in their homes and communities despite the prevailing cultural norms etched in the oppressive patriarchy. Of significance to note is the increased adoption of the concept by the district council structures where AAM and partners are working. Of the 11, 855 women, 10, 555 continue to enjoy economic benefits through VS&L associations facilitated by AAM and partners in the LRPs.

Through VS&L most women are now breadwinners of the families through construction of houses and meeting academic costs of their children. In most of the LRPs, community development officers are working with VS&L to ensure that they are transformed into cooperatives for further impact.



"Through unpaid care work campaign by ActionAid Malawi partner, Neno Women Forum, my husband and I agreed that I should be indulging in some income generating activity to advance our well-being. I therefore joined the VS&L group in our area early January, 2019. The group started on a low note but now things are getting better. In November, 2019, I earned K150, 000 from the VS&L which helped me open a grocery shop. By next year, we plan to renovate the house using proceeds from the VS&L and grocery shop," Mercy Adams, VSL Member, in Neno.

Furthermore, to ensure that women take full control of productive resources, AAM and partners mobilized 9,030 women to engage in advocacy towards ensuring that women take charge of productive assets such as land. The mobilisation and advocacy campaigns led to women getting sensitized on new Land Act with much emphasis on joint registration and ownership of land. Furthermore, more traditional leaders in patriarchal societies are taking lead in deliberating allocating land to women.

At national level, AAM through the Malawi Irish Consortium of Gender-based Violence (MICGBV) in which it chaired, championed the 16 Days of Activism Campaign conducting live radio discussions, social media campaign and hosted a high-level national event on Gender-Based Violence which was commemorated under the theme: "Ending Violence in the World of Work". The agreed localised theme was "Generational Equality Stands against Rape and Sexual Harassment". Through this theme, AAM used the campaign to highlight the gender-based violence in the world of work and call for collective action in fighting the vice.

Story of Change:

Fighting GBV through economic empowerment

When Patricia Likupe got married ten years ago, it felt like she had gone into prison. She became a punchbag of her husband, who always accused her of not contributing anything to the family.

"It was tough. Food was inadequate and we had no source of income apart from farming which never gave us expected yields," recalls Likupe, 33, of Kanagwani Village in T/A Dambe, Neno District.



Patricia Likupe turning on the television set which she bought using proceeds from VS&L

Likupe says the turning point for their miserable life was when she joined Phekeso Village Savings and Loan (VS&L) in 2010 at the facilitation of Neno Women Forum, a partner under ActionAid Malawi. Since becoming a member of VS&L, Likupe's family life has changed for the better.

"After noticing that VS&L started improving the welfare of the family, my husband started getting more loving and supportive. He now even helps me with money for the weekly shares. Life is now bearable." Says Likupe who, over time, has bought five motor-cycles from the VS&L.

According to her, the motor-cycles have become important income-generating means for the family with a combined return of K50, 000 per week.

In 2019 alone, Likuphe got K900, 000 from VS&L and plans to renovate the house

"I want to buy a min-bus by next year," says the mother of three, while switching on the TV which she bought from VS&L proceeds.

On an international level, AAM and allies joined the push for the adoption on an ILO Convention on ending GBV in the work of work. The campaign is aligned to ActionAid global campaign on Women's Labour, Decent Work and Public Services. The push was through building critical support, contributing towards its adoption by June 2019. To achieve this, AAM and allies initiated a massive petition-signing drive that served as a vehicle for education and an instrument for lobbying. A massive petition-signing drive was therefore initiated in all LRP to gather 5,000 signatures in Malawi. This was also an effective strategy for raising awareness on the contents of the upcoming instrument.



Promoting the participation of women, young women and girls in leadership and decision-making positions to influence state accountability on gender equality

Spurred by the desire to politically promote women and young women in key decision-making positions in political cycles, AAM and partners spearheaded the 50:50 campaign in the run-up to the 2019 tripartite elections, to record breaking frontiers. The organisation, through 50:50 campaign, implemented with the CCSS in partnership with the Malawi Government, contributed to the increased number of women in political positions.

A total of 45 women parliamentarians from the previous 32 and 69 local councilors from 58, were elected, representing 40.6 percent and 19 percent increase, respectively. Furthermore, the project initiated an entrepreneurship program for women in politics in response to 2019 tripartite elections outcomes and experiences. The outcomes exposed unequal access to resources between men and women as a major contributing factor for women's underrepresentation in decision-making processes and bodies at all levels. Moreover, through the campaign mounted by AAM partners in the LRP, a total of 374 women and young women were elected in various positions in governance structures such as ADC and VDC.



Some of the female parliamentary aspirants during the launch of the 50:50 campaign ahead of the 2019 tripartite elections in Lilongwe, Malawi.

Promoting women, young women and girls to control their bodies inwardly and outwardly

Ensuring universal access to sexual and reproductive health services is essential for achieving many, if not, all development goals, especially those related to education, maternal health, HIV/AIDS and gender equality. Despite this, young women and girls in Malawi continue to experience barriers to realize their sexual and reproductive health rights due to challenges in delivery of sexual and reproductive health care supplies and information, as well as lack of autonomy in

sexual and reproductive decision making. This is sustained by state formal rules and patriarchal social norms and practices that put pressure on women and girls to conform to their traditional reproductive roles, including having no control over their bodies and sexuality.

In response to this, AAM through its grassroots partners, in 2019, conducted awareness on Sexual and Reproductive Health Rights (SRHR) targeting adolescents, community leaders, service providers, young women and activists. A total of **11,573** youth including adolescent girls and young women were reached with SRHR services. Worth underscoring is the fact that many youth understand their rights and responsibilities as regards to accessing of SRHR services and engaged duty bearers to challenge traditional practices, religious and social norms that deny women, young women and girls SRHR.

Build resilience of people living in poverty while strengthening women-led secure livelihoods, preparedness, and emergency response



Smallholder farmers in Chiradzulu celebrating the coming in of KULIMA-BETTER project

Unsustainable farming practices, inaccessibility to productive resources - land inclusive and due to misuse of the commons that includes wanton cutting down of trees, unsustainable use of land and water sources continue to subject

smallholder farmers, especially women to abject poverty. In light of the foregoing, AAM, in 2019, continued to provide support to women and other vulnerable groups on climate resilience and sustainable agriculture (CRSA) and provide relief and resilience support to those affected by natural disasters, such as the Cyclone Idai that hit southern Malawi in March, 2019. Below are the ways AAM's work impacted on people's lives in 2019.

Food and nutrition sovereignty, agro-ecology and natural resource rights and defense of the commons (natural resources for common good)

Through building the capacity and support agency of women and their collectives, to promote and implement agroecology, a total of **134,042** smallholder farmers are now making organic manure to improve soil fertility in their crop fields. Furthermore, most smallholder farmers have been mobilized into farmer groups where they do irrigation farming as one way of maximizing food security. This has resulted into improved food and nutritional security in LRPs such as Nsanje and improved community based natural resources management and promotion of agro-ecology technologies and use of low energy stoves.

Through the KULIMA-BETTER project implemented in Nkhatabay and Chiradzulu districts, the 450 Farmer Field Schools (FFS) established in the two districts have become effective platforms for knowledge sharing on climate resilient agriculture practices. The FFS groups have been supported to setup demonstrations, comparative and validation studies on various practices and technologies, and champion small-scale irrigation technologies.

Story of Change:

BETTER agriculture transforms Walipa's fortunes

Walipa Phiri, 42 of Chipolopolo Village, Traditional Authority Fuka Mapili, in Nkhatabay District wishes KULIMA-BETTER project came as far back as ten years ago. She says since joining Chikulunkhulimbikila FFS in 2018, her farming life started promising good fortunes.

KULIMA-BETTER, an acronym for Kutukula Ulimi m' Malawi and Better Extension Training Transforming Economic Returns, is a European Union-funded project implemented by ActionAid Malawi in Nkhatabay and Chiradzulu districts.

The five-year project is implemented in a consortium of five non-governmental organisations led by Self Help Africa. Seeking to attain resilience; food, nutrition and income security for smallholder farmers, the project is being implemented using the FFS, a unique approach of bringing the agriculture extension services closer to smallholder farmers.

"Being a smallholder farmer, the project came at the right time for me. Throughout my farming life, I have had challenges in realizing better yields. For instance, despite practicing winter maize farming every season, the harvest has not been as expected. I would only manage to harvest six 50 kilograms bags of maize from this half a hectare piece of land. However, on the same piece of land, I managed to harvest 15 bags of maize this season," she says, attributing the improved harvest to modern agricultural practices and technology she acquired from the project through the FFS.

Thanks to the project, Phiri now plants one maize seed per planting station using the 25cm by 75cm measurement, which was departure from her past practices of planting four to five seeds per planting station.



Walipa Phiri appreciating her maize which she harvested during winter cropping

Apart from maize, Phiri is also growing vegetables such as tomatoes, Chinese cabbage and lettuce using the same practices. She says the vegetables are enabling her family to have a nutritious diet and sell the surplus to increase their household income.

"With KULIMA-BETTER project, hunger has become a thing of the past. My focus now is to make money through farming so that I can build a modern house," says a mother of four.

Build capacity and support agency of women and their collectives, to promote and implement agroecology including their engagement with markets for resilient livelihood



RFF representative, Martha Khonje (right) making a symbolic donation to ActionAid Malawi through its acting Executive Director, Taiwo Ajose

Apart from supporting smallholder farmers on agro-ecology, AAM also empowered smallholder farmers in earning income from their agricultural activities through equipping them with skills in value addition to their crops. Furthermore, through the KULIMA-BETTER program, farmers have been exposed to markets through organizing district agriculture fair in liaison with the district councils.

With support from IHART and Roger Federer Foundation, AAM, through its women-led community partners, reached out to 3,000 households under the Disaster Response and Recovery Interventions in Nsanje and Phalombe LRPs, following the Cyclone Idai disaster that hit the country in March 2019. The support was in form of relief items, VS&L, goat-pass-on and business management capacity. Furthermore, a total of 4,000 children in the affected CBCCs, 10,000 learners in the affected primary schools were supported with school feeding and learning materials, respectively.



Technical and livelihood Skills Capacity Building of youth living in disaster prone areas

The AAM Emergency and Resilience Theme supported **2019 National Youth Climate Change Conference** - in line with its theme of integrating youth in climate change and emergencies led by youth. Conducted under the theme: "Enhancing Youth Leadership and Movement in Tackling Climate Change in Malawi," the three day conference drew youth, mainly drawn from schools and disaster prone communities to deliberate on climate change related issues, policies and laws which culminated into the development of a position paper for action by various duty bearers including the Government and international community. Furthermore, AAM supported the youth, especially the Activista Youth Network to raise awareness on climate justice and call for action from government and the international community.



Through Activista Youth Network, ActionAid Malawi implemented various interventions including press briefings to campaign for Climate Justice



A cross section of participants during the 2019 National Youth Climate Conference in Lilongwe, Malawi.

On a national level, AAM mobilized twenty Coalition of Women Farmers (COWFA) members to attend **Farmers Conference (MAFAAS-Malawi Forum for Agricultural Advisory Services)** that took place at Malawi Institute of Management. Held under the theme: "Acting on Farmers' Voices for Agricultural Transformation", the conference focused on the need for government to prioritise

and support smallholder access to agriculture public extension and promotion of agroecology practices through agriculture public extension services, limited access to land and gender sensitive access to markets by smallholder women farmers, promotion of agriculture research and value addition.



A COWFA member from Ntchisi LRP making a presentation to delegates during the 2019 MAFAAS

Enhancing civic participation and state accountability for the redistribution of resources and delivery of quality gender-responsive public services

In line with its CSP V, AAM continued to work with people living in poverty, peoples' organisations social movements and activist groups to increase civic participation in decision making that shapes delivery of public services. AAM's work ensured democratic and accountable state and governance institutions wherever the organisation works and increased accountability from multi-national corporations. AAM also advocated for public investment in and accountability for delivering quality, gender responsive public services, especially public education, health, and agriculture.

In 2019, AAM impacted on the lives on the people under the program priority three in the following ways:

Under the child sponsorship, AAM and partners constructed school blocks and handed them over to government to improve access to education for the vulnerable learners, especially girls. In Neno LRP, AAM completed the construction of Dambe Community Day Secondary School.

The school, scheduled to be open in 2020 cademic year, is expected to improve access to secondary education for the 15 surrounding schools in the T/A Dambe. Furthermore, AAM handed over a new two class-roomed school block at Kasuza Junior Primary School at T/A Dambe in Mchinji district. The school has offered safe learning environment to 120 pupils at the school with a commitment by government to work with the communities in ensuring that Kasuza becomes a full primary school.



“The construction of this school block will help us learn under a safe environment, especially during the rainy seasons. We thank ActionAid Malawi for the support and call upon government to ensure that this school becomes a full primary school so that we don’t walk long distances access to education in senior classes,” Chiletso Chunga, standard five learner at Kasuza Primary School.



Through Promoting Rights in Schools (PRS) campaign, Chiradzulu, Machinga and Khosolo LRPs and partners have contributed to significant reduction of discrimination and violence in about 74 Primary Schools by almost 95 percent due to increased knowledge and awareness of the rights.

The PRS campaign was reinforced by the girls' conference which equipped the girls with knowledge in self-confidence and assertiveness. These activities have helped learners to remain in school, reduce violence that learners face in homes school and on their way to school. There has also been active engagement of parents, school structures in supporting the environment where learners access their education.

Increased capacity building in accountability and illicit financial flows and tax justice and their linkage to sustainable development goals has led to an active citizenry among women and the youth in the LRPs. This has resulted into an ever-growing demand for transparency and accountability on social protection programmes, including development projects initiated by the government. Community members can now question and demand how locally generated funds especially through markets are collected, accounted for and disparities that exists between markets.

In Mchinji, for instance, the LRP supported the Citizen Centre Advocacy Committee to conduct a study at Nthema and Mikundi Trading Centre to establish the amount of revenue generated in the markets from citizens against utilization by the government through councils. The suspicious disparities uncovered by study was used as an advocacy tool to force the councils into promising to drill three boreholes at Nthema, Chilowa and Kalulu and construction of a toilet at Nthema Trading Centre.

Tax justice for gender-responsive public services



School learners and their models calling for Tax Justice Campaign during International Day of Girl Child in Lilongwe, 2019

The campaign for accountability and transparency was buoyed by the "Tax Justice for Gender Responsive Public Service," project in Lilongwe Peri-Urban, Chitipa, Ntchisi, Neno and at a national level.

AAM believes Malawi could make remarkable strides in key sectors such as education if the country mobilized enough domestic resources to finance its core services.

In order to influence increased domestic resource mobilisation, AAM and partners such as Civil Society Education Coalition CSEC continued to support parliament in areas of national budgetary analysis activity called "Gender Responsive Budget

Analysis (GRBA)" to ensure that the Education Ministry gets adequate budgetary allocation to improve access and quality of learning for children, including children with disabilities. The analysis came up with strong recommendations on the need to adequately finance infrastructure development and teacher recruitment to improve quality of teaching and learning materials, as well as ensuring that DDF and CDF are largely used to improve quality of education.

Furthermore, AAM and partners took advantage of key international events such as the International Youth Day, International Day of the Girl Child, and International Human Rights Day to highlight the need to invest in education through increased domestic revenue generation. Through activities such as press briefings, social media and open awareness campaigns, momentum on the campaign has increased.

AAM and partners further continued to build the capacity of school structures such as the Learners Councils, Girls Clubs, School Management Committees, Mother Groups and the general community in areas of Tax Justice and Budget Tracking. This has resulted into effective utilization of packages such as School Improvement Grants, CDF and DDF to construct more school blocks, procure learning materials as well as offer school bursary to needy students, especially girls in the project's impact areas.

In Neno LRP, for instance, the budget tracking exercise by the school committee schools to assess the utilisation of SIG pushed office of District Education Manager to expedite the distribution of School Improvement Grants (SIG) to three schools.

Story of Change:

“Tax Justice project saved my future”

Mercy Kawonga feels that, without the 'Tax Justice for Gender Responsive Public Service' project, her future would be up in smoke.

Weighed down by a poor family background, Mercy, aged 10, almost dropped out of school due to lack of school uniform.

"The school wanted every learner to be in school uniform and I was one of the learners who were targeted for expulsion from school for not wearing school uniform," says Mercy, a Grade Five learner at Kapelemera Primary School at Nthalire, Chitipa District.

Luck, however, smiled Mercy's way with the introduction of the Tax Justice project in the district in 2018. Through the project, primary school learners were trained to take part in the decision-making process at the school, with particular focus on packages such as School Improvement Grants (SIG).

SIG guidelines stipulate that 10 percent of the grant be used for Governance of the school; 50 percent be used for Access and Equity and 40 percent for Quality. It is under Access and Equity window where children from vulnerable groups are assisted with school learning materials.

Taking advantage of the Access and Equity provided for by the SIG, Kapelemera learners in conjunction with Mother Groups included Mercy and 21 other learners on the list of those in need of school uniforms to be procured under SIG during the 2018/2019 budget.

Following the procurement of the school uniform, Mercy feels her dream to become a nurse is now attainable.

"My performance in class has improved as I do not miss classes due to lack of school uniform. The Tax Justice project has saved my future due to its initiative of empowering learners to participate in decision making process of SIG at the school," says Mercy, who hails from Chiziwa Village.



Mercy Kaonga and others are no longer chased from school for lacking school uniform

Strengthening Social Accountability and oversight in health and agriculture

Apart from campaigning for improved service and governance in the education sector, AAM through the project entitled "Strengthening Social Accountability and oversight in health and agriculture" remarkably influenced the social accountability sector in health and agriculture sectors by, among others, enhancing the capacity of key structures such as parliamentarians, media and relevant community structures.

AAM in collaboration with Malawi National Assembly also supported PSAM Alumni Learning Platform for Malawi. Furthermore, AAM supported Parliament to conduct advocacy meetings with Parliamentary Service Commission, Parliament Secretariat and Ministry of Finance on establishment of Parliamentary Budget Office (PBO) to review the Parliament Strategic Plan and see how best to reflect the PBO.

Through the use of community radios, there has been robust engagement between duty bearers in Mchinji and Nsanje district and rights holders in the delivery of services in the health sector. Most remarkably, AAM and partners launched a second phase of the project, with strong commitment from the Speaker of National Assembly, Right Honourable Catherine Gotani Hara to ensure that there is robust oversight mechanisms in place on the public funds.



Speaker of Parliament, Right Honourable Catherine Gotani Hara, speaking during the launch of the second phase of the Social Accountability Project

"The objectives of partnership for social accountability model clearly align with the mandate of parliament that ultimately purports at strengthening democracy and good governance in Malawi through its key functions of legislation for the common good of the country, representing the interest and aspirations of the constituents for the promotion of democratic governance and achievement of sustainable development," Right Honourable Catherine Gotani Hara, Speaker of Malawi Parliament.

Provision of comprehensive Early Childhood Development programme



Excited learners during the launch of Zaonekera Model CBCC in Lilongwe

Provision of comprehensive Early Children Development (ECD) remains central to AAM intervention under the CSP V. In 2019, AAM completed the construction of an 80th model Community Based Childcare Centres (CBCC) at Zaonekera in Phalombe District. The program also supported upgrading of the 234 Satellite ECD centres through provision of construction materials. This led to an increased number of children accessing ECD by 2019, with a record total of 127,000 children in the 10 LRPs. A total of 9,510 aged 5 to 6 successfully attended a year-long transition class before enrolling into primary school. The achievement was further realized on the back of sustained community awareness campaigns on the importance of ECD, orientation of key duty bearers such as traditional leaders, provision of play materials, nutrition as well as motivation of caregivers through provision of revolving funds.



As government, we appreciate the support by ActionAid Malawi implementing a comprehensive Early Childhood Development Program in Malawi, thereby laying a foundation of a bright future. As a Ministry, we will build onto the ActionAid ECD program by constructing the ECD centres across the country, Cecilia Chazama, former Minister of Gender, Children, Disability and Social Welfare after cutting the ribbon marking the launch of Zaonekera CBCC.

The Joint TB/HIV Global Fund Programme

In 2019, AAM, being the Principal Recipient of the joint TB/HIV and Aids Global Fund program, continued to implement the interventions around TB, HIV and Aids through the sub-recipients and sub-sub recipients across the country. Notably, the implementations focused on four key modules, namely, Adolescent Girls and Young Women, Female Sex Workers, Men Having Sex with Men, and TB.

Under Adolescent Girls and Young Women, (AGYW) the program achieved 174% of the target on sexual and reproductive health, HIV and Life Skills package. The achievement was realized on account of improved reporting rates by SRS and as well as intensified review meetings.

Under the Female Sex Workers Module, the program achieved 315 percent, due to deliberate efforts to reach more new hotspots. Furthermore, the program achieved 127 percent in testing of female sex workers due to testing of newly identified hotspots, accelerated work-plan activities that directly contribute to the main indicators. A total of 235 percent was achieved under Men having Sex with Men (MSM). This was due to improved documentation by peer educators and peer navigators.

Under the TB module, the program managed to reach 82 percent of the target due to joint efforts by functional sputum collection points, house to house screening and new mobile van intervention.

Story of Change:

Making access to health a reality



Enelet Phiri speaking during one of the outreach activities in the outskirts of Lilongwe

Enelet is one of the girls from Malembe AGYW Club in Area 25 in Lilongwe that were trained to be peer educators under the AGYW Module. Apart from HIV information, they learnt about the importance and how they can access sexual and reproductive health services from their nearest health centres. As a peer educator, she replicates what she learnt by sharing the information with her peers.

According to Enelet, the coming in of the AGYW program has helped many girls to open up and gain the courage to access sexual and reproductive health services.

"Most of us used to be shy to access things like condoms because we thought the doctors and those who might see us would be questioning our character. But now we know our rights and the benefit of accessing those services," she said.

As a peer educator, Enelet said she ensures she has condoms in stalk all the time as she distributes to her peers. She collects the condoms from Area 25 Health Centre. She also escorts her peers that feel shy to meet the doctor on their own to access medical assistance on sexual or reproductive health services.

"We were linked to our Health Centre and we know which room provides those services. So, it is easy for us now to access the SRH service we want than before," she added.



An AGYW group in Ntchis discussing how to respond to HIVAIDS related stigma in the district

Organisational Achievements

Enhancement of Programme Quality, and Effectiveness (PQE)

To enhance and integrate programme and projects monitoring and evaluation systems, the PQE unit organised review meetings for program and project teams to relook the project indicators and integrate them into AAM programme M&E framework. The meeting helped orient staff on reporting and monitoring. The PQE also conducted a field visit to monitor some of the project achievements and activities that were carried out. The exercise provided an overview of the impact of interventions; highlighting areas of success and the major areas that required improvement.

Furthermore, the unit consolidated reports from Programmes and projects activities, outputs and achievements developed them into an annual report for submission to the Board and as well as contributing to 2018 AA Federation annual report.

Championing Business Development, Grant Management and Communication

In 2019 the Unit was involved in a number of interventions to mobilise resources and ensure financial sustainability of the organisation. The Unit has continued to develop concepts and proposals from various donors in order to identify programme and project opportunities and it is the vision of the Unit to seek longer term projects which will enhance the economic sustainability of the organisation.

The Contract Management System (CMS) change management plan has been adopted by Management, with planned training expected to be delivered in February 2020. A CMS Country Team has been set up comprising Head of Fundraising, Governance Specialist and Project Accountant, who have received Super User Training In Contract Management System.

The Unit continued with the collection of child Messages, transferring of links in LRPs which are phasing out and preparing for 900 new links to enable collection of child profiles before end of year in December 2019. The Unit has continued to promote fun and creativity during child message collection and the participation of non-sponsored children. The Unit has strengthened integration through participation of Child Sponsorship Staff in program meetings and planning sessions.

The Unit re-invigorated its communications to ensure visibility and documentation of impact of the programme work through national and community media. Social Media has been used to promote visibility and engagement.



Tiwonge Simkonda, Head of Business Development, Grants Management and Communications explaining the importance of the Contract Management System.

Strengthening Human Resource, Administration and Organisational Development

In the year 2019 the Human Resource, Organization Development and Administration (HROD-A) Unit carried out critical activities to ensure that the organization remains a progressive institution.

Following the approval of Country Strategy Paper V (CSP V) in 2018; the unit championed key strategic change processes. The unit facilitated the structure redesign process for AAM. The main aims of the structure redesign process was to develop and implement a structure that could over time strategically and efficiently deliver on the goals of the new (2018-2023) CSP V; to develop a new organogram that is fit for purpose, that embraces innovation, dynamism and de-bureaucratization and to evaluate, analyze and grade jobs in line with new structure.

Through this process, a new structure was delivered and approved by the Board. The key feature of change in the new structure was the introduction of Cluster Offices in the South, Central and Northern part of Malawi, to manage and monitor implementation of AAM Programmes and projects at grassroot level.

Fourteen staff members were made redundant because of the structure redesign process. The process could be classified as successful as no litigation was recorded after the process was finalized.

In 2019, the Unit facilitated the recruitment of key Country Leadership position, the Executive Director (ED) and Head of Programmes and Policy (HOPP) recruitments. All the recruitments were successful and the new ED and HOPP reported for work in April 2019 and September 2019, respectively.

In December 2019, the Unit facilitated a retreat for all staff to start a process of rebuilding an effective team that will effectively and efficiently contribute to the fulfillment of Action Aid Malawi's Vision, Mission and Values.



The Unit commenced the process of computerizing its HR processes to be able to support the program effectively and efficiently. The HRIS project is to be rolled out to all staff in 2020.

The year 2019 was branded a "year with complex change processes", successfully managed and facilitated by the HROD-A Unit

Enhancing Internal Governance

In 2019, the Board of Directors and General Assembly (GA) continued to play their oversight role on the operations of ActionAid Malawi. Through valuable contributions to Board and Committee meetings, they challenged and brought

independent judgement on issues of program and financial performance and risk management. Prior to each Board meeting, the Committees met to discuss and deliberate on strategic issues affecting ActionAid Malawi.

The key milestone that got accomplished in 2019 was the election of five GA members, replacing those whose terms had expired. The new GA members include; Mrs Natasha Mbalure, Mr Fred Mwafulirwa, Mrs Ulemu Jumbe, Mrs Ofwa Alide and Mrs Rhoda Bakuwa. Elections were also held for one Board Director to replace Mr Frank Zambezi who retired following end of term.

Following appointments, the Board and General Assembly went through an induction process. This included field visits to enable them to build up an understanding of ActionAid Malawi, its strategy and operations. Throughout the year updates on developments on program progress, governance and accounting are provided to all Directors.

In 2019, there were four meetings including two extra ordinary board meetings. At these meetings, the Board considered quarterly and half-year reports. Progress against our strategy '*Action for Social Justice*' was monitored by the Executive Director and discussed at each Board meeting.

During the year, General Assembly members visited Global Fund and Early Childhood Development projects. Director Nampota visited Phalombe where she met with the Chief Executive Officer of Roger Federer Foundation. Board members had an interactive meeting with the ActionAid International Secretary General and Head of Africa 1.

The Board provided strategic support to the Executive Director and the Management. The Board Chairperson held meetings with senior government officials and other stake holders. The Finance and Resource Mobilization and Audit and Risk Management Committees met with the External Auditors.

As a Company Limited by Guarantee, ActionAid complied with the requirement to file 2019 returns at the Registrars Office. In addition, the 2019 compliance requirements for Non-Governmental Organizations in Malawi and Council for Non-Governmental Organizations of Malawi were fulfilled.

Our supporters and donors in Action for Social Justice

Name of supporter/ donors	Programme/Project Name
Italy	Khosolo, Dedza, Phalombe, Nsanje LRP
UK	Rumphi and Chitipa
Spain	Ntchisi, Neno and Machinga
Global Fund	Joint TB, HIV and Aid Global Fund Program
Roger Federer Foundation	Comprehensive Early Childhood Development Program
European Union	KULIMA-BETTER Program
NORAD	Tax Justice for Gender-Responsive Public Services Project
SDC	Partnership for Social Accountability project
International Humanitarian Action and Relief Team IHART (Project)	Emergency Response

Board Members



**Professor
Address Malata**
Board Chairperson
Expertise; Fundraising



**Professor
Dorothy Nampota**
Vice Chairperson
Expertise; Management



Rodgers Kamphinda
Treasurer
Expertise; Finance



**Noris Mangulama
Chirwa**
Member
Expertise; Human Rights



Mandala Mambulasa
Member
Expertise; Legal



Chipiliro Kansilanga
Member
Expertise;
Communications



Myness Mkandawire
Member
Expertise; Education



Gerald Pute
Member
Expertise; Audit



Felistas Chikusilo
Member
Expertise; Audit



Mary Msemwa
Member
Expertise; Social and
Gender Activist



Grace Mkupe
Member
Expertise; Management

Members of the General Assembly



Murphy Kajumi
Member
Expertise; Programmes
Policy



Harrison Kalua
Member
Expertise; Management



Maganizo Mazeze
Convener
Expertise; Media



Ellen Matupi
Member
Expertise; Rights Holder



Tionge Gondwe
Member
Expertise; Rights Holder



Catherine Chiwaya
Member
Expertise; Rights Holder



**Madalitso Chaphera
Ngwira**
Member
Expertise; Human Rights



Saiti Chikwapulo
Member
Expertise; Human Rights



Mthonzeni Kachitsa
Member
Expertise;
Strategic Management



Betty Chinyamunyu
Member
Expertise; Policy Analysis



Frank Godfrey Msiska
Member
Expertise; Agriculturalist



Bethel Chihana
Member
Expertise; Accountant



Syned Mthatiwa
Member
Expertise; Academia



Oliver Mkandawire
Member
Expertise; Rights Holder



Ms. Lilian Chirambo
Member
Expertise; Academia



Ms. Charity Kapalamula
Member
Expertise; Rights Holder



Mr Lackson Kalua
Member
Expertise; Rights Holder



Mrs Getrude Chimbalanga
Member
Expertise; Rights Holder



Ms Beatrice Makawa
Member
Expertise; Rights Holder



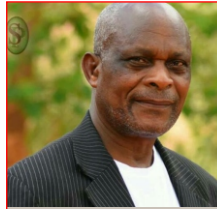
Mrs Rose Muyaya
Member
Expertise; Rights Holder



Mrs Lilian Kumwenda
Member
Expertise; Rights Holder



Senior Chief Kachere
Member
Expertise; Rights Holder



Alex Mzungu
Member
Expertise; Rights Holder



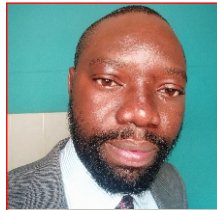
Mr Patrick Siwinda
Member
Expertise; Human Rights



Natasha Mbalule
Member
Expertise;
Legal Advocacy



Rhoda Bakuwa
Member
Expertise;
Human Resource



Fred Mwafulirwa
Member
Expertise; Social Economic
Entrepreneurship



Ofwa Alide
Member
Expertise; Governance



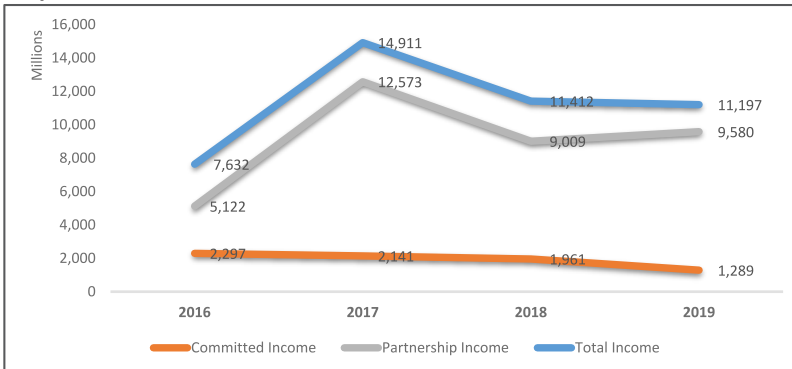
Ulemu Jembe
Member
Expertise; Finance

Summary of Financial Performance

Income

For the year 2019, ActionAid Malawi (AAM) raised a total of MK11,197 billion representing a drop of 2% from 2018 income of MK11.412 billion. Committed Income continued to drop due to gradual withdrawal of Spain as a Funding Affiliate. Compared to 2018, Committed Income declined by 34%. In 2018 Committed Income declined by 8%. Partnership Income performed well during the year under review with an increase of 6% from that recorded in 2018. AAM is preparing for a full withdrawal of Spain in 2020 and a conclusion of the Global Fund Project after six years of successful implementation. The Global Fund Project contributed approximately 70% to the total Partnership Income. Graph 1 below illustrates income movement since 2016.

Graph 1: Income Movement 2016-2019



Expenditure

Expenditure for the year under review was MK11.762 billion, 104% of income received leading to a deficit of MK445 million. 75% of the total expenditure went directly into community input, 17% was spent on staff costs and benefits, 3% on office costs and services, 3% on travel and 2% depreciation. In terms of statutory classification, 92% of the total costs were programme costs, 4% were staff costs while fundraising, governance and Global Secretariat were 1% each. An improvement of 3% was registered in terms of overall expenditure compared to 2018. This was driven by the Global Fund and the Early Childhood Development projects. The restructure of 2018 resulted in a 7% decline in staff costs as the staff complement was reduced from about 120 to just about 100. Most other costs remained unchanged.

The extract of approved financial statements are presented in the pages that follow.

Extracts of 2019 Audited Financial Statements and Auditor's Report to the Board of Directors



AUDITOR'S REPORT

For the year ended 31 December 2019

Incorporation and registered office:

ActionAid Malawi is a company limited by guarantee incorporated in Malawi under the Companies Act, 2013 of Malawi. It is engaged in development advocacy and relief work across five themes of food security, education, women's right, governance and HIV and AIDS.

The address of its registered office is:

ActionAid Malawi,
P.O. Box 30735,
LILONGWE 3

Financial performance:

The results and state of affairs of the Company are set out in the accompanying statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in funds, statement of cash flows, significant accounting policies and notes.

Board of Directors:

The following Directors served office during the year:

Professor Address Malata	-	Chairperson	Full Year
Professor Dorothy Nampota	-	Vice Chairperson	Full Year
Mr. Rodgers Kamphinda	-	Treasurer	Full Year
Mr. Frank Zambezi	-	Director	Up to June 2019
Mrs. Noris Mangulama Chirwa	-	Director	Full Year
Ms. Chipiliro Kansilanga	-	Director	Full Year
Mr. Gerald Pute	-	Director	Full Year
Mr. Mandala Mambulasa	-	Director	Full Year
Mrs. Felistas Chikusilo	-	Director	Full Year
Mrs Myness Mkandawire	-	Director	Full Year
Mrs. Mary Nsemwa	-	Director	Full Year
Mrs. Grace Mkupu	-	Director	From June 2019
Mr. Assan Golowa	-	Secretary	From April 2019

Bankers:

Standard Bank plc
National Bank plc

Legal Counsel:

Lloyds and Associates,
P.O. Box 2103,
LILONGWE

Independent auditor:

Grant Thornton
Anamwino House
P.O. Box 30453
LILONGWE 3

The Company's independent auditors, Grant Thornton, Chartered Accountants and Business Advisors, have indicated their willingness to continue in office as independent auditors of the Company's 31st December 2020 financial statements.

Chairperson

A. Malata

Date:

09/07/

2020

Board Treasurer

[Signature]

Date:

09/07/

2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

For the year ended 31 December 2019

The Directors and management are responsible for the preparation and fair presentation of the annual financial statements of ActionAid Malawi, comprising the statement of financial position as at 31 December 2019, and the statements of profit or loss and other comprehensive income, changes in reserves and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report, in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act, 2013 of Malawi.

The Act also requires the directors to ensure that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and ensure the financial statements comply with the Companies Act, 2013 of Malawi.

In preparing the financial statements, the directors accept responsibility for the following:

- Maintenance of proper accounting records;
- Selection of suitable accounting policies and applying them consistently;
- Making judgements and estimates that are reasonable and prudent;
- Compliance with applicable accounting standards when preparing financial statements, subject to any material departures being disclosed and explained in the financial statements; and
- Preparation of financial statements on a going concern basis unless it is inappropriate to presume the Company will continue in business.

The Directors are also responsible for such internal controls as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for maintaining adequate accounting records and an effective system of risk management.

The Directors have assessed the Company's ability to continue as a going concern and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

The Directors have made an assessment and they attest to the adequacy of accounting records and effectiveness of the systems of internal controls and effective risk management for the Company.

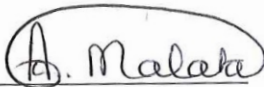
The auditor is responsible for reporting on whether the annual financial statements are fairly presented in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act, 2013 of Malawi.

Approval of financial statements

The financial statements of the Company, as indicated above, were approved by the Board of Directors on 09/07/2020 2020 and are signed on its behalf by.

By order of the Board.

Chairperson



Board Treasurer





20200038

INDEPENDENT AUDITOR'S REPORT TO THE REGISTERED MEMBERS OF ACTIONAID MALAWI

Opinion

We have audited the financial statements of ActionAid Malawi set out on pages 5 to 20 which comprise the statement of financial position as at 31 December 2019, and the statements of profit or loss and other comprehensive income, changes in funds and cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view, of the financial position of the ActionAid Malawi as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2013 of Malawi.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' (*Code for Ethics of Professional Accountants (IESBA Code)*) and we have fulfilled our ethical responsibilities in accordance with the IESBA code. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of the Company as at and for the year ended 31 December 2018 were audited by another auditor who expressed an unmodified audit opinion on those financial statements on 12th July 2019.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' Report and the Statement of Directors Responsibilities does not include the financial statements and our auditor's report there on.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the financial statements

The Directors are responsible for the preparation of these financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act, 2013 of Malawi and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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T +265 01 773 371

email: mw-information@mw.gt.com

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit



Grant Thornton



Joel Mwenelupembe
Chartered Accountant (Malawi)
Partner

Lilongwe, Malawi

Date: 16 July 2020

Resident Partners

L.M. Gama
H.B. Njirinda
B.J. Mwenelupembe
G. Tembo

Chartered Accountants and Business Advisors

Registered in Malawi. Company number BN 3832

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STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

In thousands of Malawi Kwacha

ASSETS			
	<u>Note</u>	<u>2019</u>	<u>2018</u>
Non-Current Assets			
Plant and equipment	5	456,642	447,185
Right of use assets	6	<u>176,184</u>	-
Total Non-Current Assets		<u>632,826</u>	<u>447,185</u>
Current Assets			
Amount due from implementing partners	7.1	688,852	1,188,039
Other receivables	8	321,149	243,303
Amount due from related parties	9.2	224,032	152,557
Cash and cash equivalents	10	<u>2,381,026</u>	<u>2,652,163</u>
Total Current Assets		<u>3,615,059</u>	<u>4,236,062</u>
Total Assets		<u>4,247,885</u>	<u>4,683,247</u>
RESERVES AND LIABILITIES			
Reserves			
General reserve		<u>1,651,781</u>	<u>2,071,291</u>
Non-Current Liabilities			
Lease liability	13	<u>125,915</u>	-
Current Liabilities			
Deferred income	11	1,436,795	1,655,401
Amounts due to related parties	9.3	161,163	276,544
Amounts due to implementing partners	7.2	264,014	105,104
Other payables	12	557,948	574,907
Lease liability	13	<u>50,269</u>	-
Total Current Liabilities		<u>2,470,189</u>	<u>2,611,956</u>
Total Reserves and Current Liabilities		<u>4,247,885</u>	<u>4,683,247</u>

These financial statements were approved by the Board of Directors on 09/07/2020 2020 and were signed on its behalf by:



Chairperson



Board Treasurer

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

As at 31 December 2019

In thousands of Malawi Kwacha

	<u>Note</u>	<u>2019</u>	<u>2018</u>
Income			
Committed income	14	1,408,554	1,960,772
Partnership income	15	9,383,095	9,009,260
Emergency Income	16	197,122	-
Other income	17	<u>328,214</u>	<u>441,648</u>
Total Income		<u>11,316,985</u>	<u>11,411,680</u>
Expenditure			
Programme expenditure	18	10,863,826	10,366,713
Support expenditure	19	501,875	427,137
Fundraising expenditure	20	153,007	146,228
Governance expenditure	21	135,103	197,966
ActionAid charges	22	<u>108,833</u>	<u>240,185</u>
Total Expenditure		<u>11,762,644</u>	<u>11,378,229</u>
(Deficit)/Surplus for the Year		<u>(445,659)</u>	<u>33,451</u>

STATEMENT OF CHANGES IN RESERVES

As at 31 December 2019

In thousands of Malawi Kwacha

	<u>General Reserves</u>
Balance as at 1 January 2019	2,071,291
IFRS 16 transition	<u>26,149</u>
Restated balance as at 1 January 2019	2,097,440
Deficit for the year	<u>(445,659)</u>
Balance as at 31 December 2019	<u>1,651,781</u>
Balance as at 1 January 2018	2,037,840
Surplus for the year	<u>33,451</u>
Balance as at 31 December 2018	<u>2,071,291</u>

STATEMENT OF CASH FLOWS

As at 31 December 2019

In thousands of Malawi Kwacha

	<u>Note</u>	<u>2019</u>	<u>2018</u>
Cash flow from operating activities			
(Deficit)/surplus for the year		(445,659)	33,451
Adjustments for:-			
Depreciation	5	<u>135,387</u>	<u>127,894</u>
Net cash (utilized in)/generated from operating activities before working capital changes		<u>(310,272)</u>	<u>161,345</u>
Movement in working capital			
Changes in amounts due from implementing partners		499,187	(669,532)
Changes in in other receivables		(77,847)	19,758
Changes in amount due from related parties		(71,475)	330,436
Changes in amount due to related parties		(115,380)	61,590
Changes in amounts due to implementing partners		158,910	(235,569)
Changes in other payables		(16,959)	55,306
Changes in lease liability		26,149	-
Changes in deferred income		<u>(218,606)</u>	<u>(2,543,009)</u>
Cash utilized in operations		<u>(126,293)</u>	<u>(2,819,675)</u>
Investing activities			
Purchase of plant and equipment	5	(147,611)	(170,788)
Disposal of fixed assets		<u>2,767</u>	-
Cash used in investing activities		<u>(144,844)</u>	<u>(170,788)</u>
Net decrease in cash and cash equivalents		<u>(271,137)</u>	<u>(2,990,463)</u>
Cash and cash equivalents at the beginning of the financial year		<u>2,652,163</u>	<u>5,642,626</u>
Cash and cash equivalents at the end of the financial year	10	<u>2,381,026</u>	<u>2,652,163</u>



Joyce Mphinj, a member of Phalombe Women Forum conducting Cyclone Idai impact assessment in Tradition Authority Nkhulambe



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