

COUNTRY STRATEGIC PLAN REVISION

Malawi country strategic plan, revision 03

Gender and age marker code: 3

	Current	Change	Revised
Duration	<i>January 2019 – December 2023</i>	<i>No change</i>	<i>January 2019 – December 2023</i>
Beneficiaries	4 851 715	No change	4 851 715
Total cost (USD)	629 742 324	4 744 831	634 487 155
Transfer	541 055 289	4 000 195	545 055 484
Implementation	23 276 607	469 894	23 746 501
Direct support costs	27 161 590	0	27 161 590
Subtotal	591 493 487	4 470 089	595 963 576
Indirect support costs	38 248 838	274 742	38 523 579

1. RATIONALE

1. The purpose of this budget revision is to (i) add a new activity (Activity 9) under existing strategic outcome 5 (SO 5) for health supply chain systems strengthening; (ii) adjust the budget for capacity strengthening activities for food systems (Activity 6); and (iii) to include on-demand corridor management in the formulation of Activity 8.
2. Since the 2014 Ebola outbreak in western Africa, coupled with the more recent COVID-19 pandemic, WFP has drawn on its logistics expertise to provide crucial supply chain services to tackle these health crises, in collaboration with the government and health care partners. In 2021, WFP introduced new projects for health supply chain systems strengthening.¹ Based on lessons learned, WFP proposes to increase its support to the government's health supply chains with pandemic preparedness tools and with proven, suitable, and sustainable supply chain methodologies.
3. Furthermore, in 2021, WFP carried out studies on Malawi's food systems to align the programme with evolving national policies and to enhance support to the government. The studies highlighted the systemic challenges faced by the national food agencies and developed concepts to promote sustainable food systems and mobilise donor support for proposed activities.
4. Corridor management is not currently captured in the existing CSP. Inclusion of the provision for on-demand corridor management and internal services provided to countries within the region requires an amendment to the narrative under SO 6 (Activity 8).

¹ Including a five-year health systems supply chain strengthening project funded by a Takeda, a Japanese pharmaceutical company.

2. CHANGES

Strategic orientation

5. There is no change in the strategic orientation of the CSP.

Strategic outcomes

6. Activity 9 will be introduced under SO5: “Support national and sub-national systems strengthening activities to address systemic challenges, reduce the impact of shocks and improve local resilience of the health supply chain systems in Malawi.”
7. WFP has aligned its health supply chain resilience and capacity strengthening initiatives to the Ministry of Health’s Master Supply Chain Transformation Plan (2021-2026) and signed a Memorandum of Understanding (MoU) with the Malawi Ministry of Health in March 2022 which aims to further strengthen national health supply chain systems. The project will adopt a two-pronged approach and ensure long-term impact by collaborating with the government and key health stakeholders e.g., the WHO, UNICEF, UNFPA to identify needs and define solutions to:
 - Bolster government health supply chains with pandemic preparedness tools.
 - Support the government health supply chains with proven, suitable, and transferable supply chain methodologies from WFP’s experience.
8. This budget revision will also adjust the SO 5 budget to reflect the new requirements for the expansion of capacity strengthening activities for food systems under Activity 6. The government, in collaboration with key stakeholders, launched its national pathways for food systems transformation for the 2030 Agenda, which highlights the need for improved infrastructure capacity, strengthened market linkages and increased private-public partnerships as key areas to achieve food systems transformation. The National Food Reserves Agency (NFRA) and the Agricultural Development and Marketing Corporation (ADMARC) have requested WFP’s support to identify and address key gaps in the supply chain and developed plans including nationwide silo/warehouse assessments, supply chain training and the use of modern technology to improve the efficiency of the national supply chain and food systems.
9. Activity 8 will be reworded to reflect on-demand corridor management supply chain service provision as follows: “**Provide corridor management supply chain services** and on-demand services to humanitarian and other relevant partners to ensure effective emergency assistance in addition to routine programming.”
10. With ongoing efforts to enhance WFP Malawi’s role as a regional sourcing hub for food, there is the need to expand the scope of on-demand services to capture corridor management and internal service provision, currently not included in the CSP. In the past two years alone, over 32,000 mt of various food commodities have been sourced from Malawian suppliers and dispatched to eight countries in the region. In line with the local and regional food procurement strategy, Malawi has significant capacity to serve the region with processed nutritious food items and other food commodities. Malawi also has the required logistics capacity to ensure timely deliveries across the region.

11. Country office capacity: WFP already has some experience in the health supply chain, having provided logistics services (e.g., transport of supplies related COVID-19) for the Ministry of Health and other key health actors. WFP has thus recruited supply chain staff specifically for health supply chain Activity 9. These increases have been budgeted for through this revision.
12. Supply chain challenges: The COVID-19 pandemic and the recent crisis in Ukraine have increased the challenges in supply chains in Malawi, being a landlocked Country and heavily relying on imports, resulting in procurement delays and increased transport prices, which are expected to worsen. Therefore improved planning mechanisms are required in this respect.
13. In case of service provision: WFP will continue to provide on-demand logistics services to partners in addition to internal corridor service provision through the Global Commodity Management Facility (GCMF). WFP has the required expertise and staffing capacity to implement these activities and the necessary logistics contracts will be maintained and/or established based on operational requirements.
14. Monitoring and evaluation (M&E): WFP has a unit dedicated to monitoring, evaluation, and learning. The M&E Unit will appoint a focal point who will support setting up the logframe, as well as assisting with annual data collection exercises to monitor achievements against all indicators. This Unit will further provide technical support for monitoring and the identification of other data sources.
15. Proposed transition/handover strategy: WFP will continue to work closely with the government to ensure its commitment to leverage national capacity and to build national ownership. While strengthened capacities will allow for a gradual decrease of WFP's direct implementation, it is envisaged that technical support will be required beyond the duration of the CSP. It is foreseen that WFP will continue to function as a trusted knowledge partner for national institutions. It is also foreseen that WFP may continue to provide on-demand services as long as they add value and complement local commercial services available in country.
16. Risk Management: Inadequate funding will be mitigated by prioritizing the most critical activities and by regular engagement with the donors. Dedicated staff capacity may also be hampered due to the lack of resources and/or competing priorities in the case of emergencies; this risk will be mitigated by adjusting staffing levels to implementation needs at hand. Lastly, there is a risk of changing priorities and staff turnover for government and key stakeholders involved in the implementation of these activities. WFP will ensure close coordination with all key stakeholders throughout all stages of implementation and ensure hands-on briefings are provided to any new stakeholders/staff assigned to work with WFP.
17. Social and Environmental Safeguards: In 2020, WFP developed a set of principles, standards, and tools to increase environmental and social sustainability WFP operations and activities. Environmental sustainability shall be incorporated into standard business practices within the Supply Chain function and will focus on several aspects of the supply chain, including more efficient storage and waste management, sourcing locally, paper use reduction through digitization, temperature sensitive logistics, and the increased use of

sustainable energy in operations. Activities should also be considered to help Malawi adapt to climate change, which is currently exacerbating regional disasters.

Beneficiary analysis

18. There are no changes in planned beneficiary numbers.

Transfers

19. There are no changes in planned transfers.

3. COST BREAKDOWN

20. Summarize and justify the main changes in costs and reflect in table 4.

The main changes to the budget are related to Capacity Strengthening under SO5 and Service Delivery under SO6. There is also a slight increase in the Implementation Costs for all the three activities.

The increase in the budget will be used for staff costs for associated projects, procurement of equipment and supplies, contracted services, ICT equipment and travel. These are summarised in the table below.

TABLE 4: COST BREAKDOWN OF THE REVISION ONLY (USD)								
	Strategic Result 1 / SDG Target 2.1	Strategic Result 1 / SDG Target 2.1	Strategic Result 2 / SDG Target 2.2	Strategic Result 4 / SDG Target 2.4	Strategic Result 5 / SDG Target 17.9	Strategic Result 8 / SDG Target 17.16	Total	
Strategic outcome	01	02	03	04	05	06		
Focus area	Crisis Response	Resilience Building	Resilience Building	Resilience Building	Resilience Building	Crisis Response		
Transfer	0	0	0	0	3 802 418	197 777	4 000 195	
Implementation	0	0	0	0	434 518	35 376	469 894	
Direct support costs	<i>(no figures in the grey cells)</i>							0
Subtotal								4 470 089
Indirect support costs								274 742
TOTAL								4 744 831

TABLE 5: OVERALL CSP/ICSP/LEO COST BREAKDOWN, AFTER REVISION (USD)

	Strategic Result 1 / SDG Target 2.1	Strategic Result 1 / SDG Target 2.1	Strategic Result 2 / SDG Target 2.2	Strategic Result 4 / SDG Target 2.4	Strategic Result 5 / SDG Target 17.9	Strategic Result 8 / SDG Target 17.16	Total
Strategic outcome	01	02	03	04	05	06	
Focus area	Crisis Response	Resilience Building	Resilience Building	Resilience Building	Resilience Building	Crisis Response	
Transfer	168 267 687	82 488 090	6 629 988	273 920 084	4 783 838	8 965 797	545 055 484
Implementation	5 975 607	4 401 906	4 416 134	7 222 895	941 413	788 546	23 746 501
Direct support costs	8 221 971	4 139 564	527 926	13 505 298	287 237	479 594	27 161 590
Subtotal	182 465 265	91 029 560	11 574 048	294 648 277	6 012 488	10 233 938	595 963 576
Indirect support costs	11 860 242	5 916 921	752 313	19 152 138	390 812	451 153	38 523 579
TOTAL	194 325 507	96 946 481	12 326 361	313 800 415	6 403 300	10 685 091	634 487 155