

German Financial Cooperation with Malawi

Secondary Centres Development programmes (SCDP)

Malawi is undergoing increasing urbanisation. Due to shortage of finance and personnel, rapid urban growth poses municipal authorities with serious problems. Many are unable to render the necessary urban services or provide the framework for employment and adequate housing. This exacerbates impoverishment and the resultant social and political conflicts. Already today, many town dwellers live in informal traditional residential areas (squatter settlements) with only rudimentary infrastructure facilities. To avert the serious adverse developments and the high social and financial costs entailed in progressive urbanisation, this process needs to be steered with suitable measures. This is the intervention point of the Secondary Centres Development Programme (SCDP).

SCDP was carried out over 20 years in various phases (altogether 7 phases with interruptions from 1985 until June 2007). The objective was to enable medium-sized towns to perform their function as urban centres more efficiently by developing infrastructure. Besides steering urban development, the programme was intended to make a contribution to improving the finances of the towns and reducing urban poverty in Malawi. This is why the clusters of measures provided on the one hand for income-generating initiatives in economic infrastructure, such as the extension of markets, the construction of bus stations and development of commercial districts, and on the other for building social infrastructure, including the improvement of living conditions in the squatter settlements. Beyond the building measures proper, the municipal authorities and user groups in the programme towns were trained to improve their management capabilities in financial administration, building supervision, urban planning, facility management, drafting and implementing new regulations and in carrying out measures to raise awareness.

The programme thus made a contribution to steering the urbanisation process and to preventing or at least mitigating the adverse impacts of random developments and improving the conditions of life for the inhabitants.

SCDP funding totalled about EUR 24 million.

Altogether, nine towns with an aggregate population of about 344,000 have benefited from the programme:¹

¹ The numbers of inhabitants per town for 2005 are estimates, not official figures. They have been extrapolated from the 1998 Census.

Balaka (Phase VI)	19,000 inhabitants
Dedza (Phase VII)	16,000 inhabitants
Karonga (Phase III)	34,000 inhabitants
Kasungu (Phase I, IV/V)	43,000 inhabitants
Liwonde (Phase VI)	22,000 inhabitants
Luchenza (Phase II)	12,000 inhabitants
Mangochi (Phase IV/V, VI)	40,000 inhabitants
Mzuzu (Phase I, IV/V)	128,000 inhabitants
Salima (Phase IV/V, VI)	30,000 inhabitants
Total (Phase I - VII)	344,000 inhabitants

Typical measures conducted under SCDP were:

- Extension and improvement of markets, bus stations, administrative buildings, slaughterhouses and commercial districts
- Improving the conditions of life in the squatter settlements by registering real estate, constructing weather-proof service thoroughfares and drinking water supply facilities; providing infrastructure for development areas
- Consultancy services to support municipal authorities in the programme towns (particularly building project planning and execution, management, financial accountancy, facility management and operation, urban planning)

Example - Phase VI:

In Phase VI altogether 104 buildings were built or thoroughly renovated in Balaka, Liwonde and Salima and 956 vendor stands and 166 shops and restaurants were built in 3 markets along with a bus station measuring an area of about 35,000 m². In addition, 16.5 km of roads and 21 km of drainage canals were built in commercial and residential districts. A sports stadium was erected in Balaka and a slaughterhouse in Liwonde. The municipal authority building and the civic hall were enlarged in Salima. The towns were also supported with consultancy services in project implementation and in urban management. Phase VI was completed on schedule at the end of 2004 after a term of 2 1/2 years. Phase funding totalled about EUR 4.9 million.

The programme has had an enormous impact on the progress of decentralisation in Malawi, on the willingness of the population to take on responsibility in the municipal community and on the physical fabric of the towns. The programme measures have tangibly changed the appearance of the towns and given them a powerful develop-

ment impetus. The new economic and social facilities are all put to adequate use and provide a variety of additional public services. Private investors have located and promoted employment. Banks have opened branch offices in the towns. All this has enabled them to withstand the heavy demographic pressure and reduced corresponding pressure on the two Malawi cities, Lilongwe and Blantyre.

During its overall term, SCDP's design and implementing expertise were continually developed and the programme has acquired a reputation well beyond the borders of Malawi. In 2006, a delegation from Eritrea visited the country to learn from its experience and carry out a similar programme at home.

SCDP expired with the completion of the measures in Dedza in June of this year. Measures to support the towns will, however, be continued in the programme now in preparation, the Local Development Fund. This will set up a uniform financial facility for development expenditure by local self-governing authorities and amalgamate the present array of financing mechanisms.