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EXECUTIVE SUMMARY

This report sheds light on Malawi’s digital rights, emphasising progressive and regressive developments in 2023. Employing a comprehensive approach, the report utilises empirical and desk-research methods to evaluate quantitative and qualitative aspects of digital rights and inclusion. To consolidate essential developments on digital rights in Malawi for 2023, this report dissects three key digital spheres: the Universal Service Fund (USF), Data Protection and Cybersecurity, and Freedom of Expression. It contextualises these thematic areas and provides actionable government and civil society recommendations. The government should review the Data Protection Act of 2023, including the amendment of its sections 4, 8 (b)(vi)(vii), 26 and 42. Additionally, the government should expedite ratification of the African Union Convention on Cyber Security and Personal Data Protection (Malabo Convention) and review the Electronic Transactions and Cybersecurity Act of 2016 to remove broad and vague provisions and offenses, including sections 24(1) (e) and (f); and repealing defamation and sedition laws in the Penal Code to guarantee freedom of expression online and media freedoms.

The Malawi Parliament should also allocate funds to the Universal Service Fund (USF) in compliance with section 160(b) of the Communications Act. Crucially, the Malawi Regulatory Authority (MACRA) should consult with stakeholders regarding the five new bills, notably the Cybersecurity Bill, Cybercrimes and E-Evidence Bill, Start-Ups Bill, Review Electronic Transactions and E-Commerce Bill, and the review of the Communications Act. As watchdogs, the Civil Society Organisations (CSOs) should scrutinise the five new Bills being championed by MACRA to ensure alignment with acceptable international standards. CSOs should also raise public and stakeholder awareness of the Data Protection Act of 2023, advocate for Malawi’s ratification of the African Union Convention on Cyber Security and Personal Data Protection (Malabo Convention), and advocate for the review of the Electronic Transactions and Cybersecurity Act of 2016; Electronic Transactions and Cybersecurity Act of 2016; and repealing of defamation and sedition laws in the Penal Code through engagement with authorities, public awareness, and litigation. In addition, CSOs should step up advocacy efforts to decriminalise freedom of expression, including litigation, advocating for repealing repressive laws and monitoring USF operations to ensure transparency, accountability, and effectiveness.
Introduction

In Southern Africa, Malawi shares its borders with Mozambique, Zambia and Tanzania. The country's population is estimated at 20.41 million (2022), with an annual growth rate of 2.6%. 81.8% of the population lives in rural areas, while 18.2% lives in urban centres. Ranked as one of the poorest countries in the world, Malawi’s economy is heavily dependent on agriculture, which employs over 80% of the population, and it is vulnerable to external shocks, particularly climatic shocks.\(^{504}\) In 2021, the government launched the Malawi 2063 Vision, which aims to transform Malawi into a wealthy, self-reliant, industrialised, upper-middle-income country by focusing on agriculture, commercialisation, industrialisation, and urbanisation. To accelerate short and medium-term results, the first 10-year implementation plan (MIP-1) was rolled out to drive the implementation and realisation of the MW2063.

Despite notable strides in ICT, Malawi faces multifaceted challenges, including weak ICT infrastructure and digital exclusion.\(^{505}\) In 2023, internet penetration stood at 24.4%. According to DataReportal, as of January 2023, there were 5.04 million internet users, equivalent to 3.8% of the total population, and around 757,000 social media users aged 18 and above, representing 7.3% of the total population aged 18 and above.\(^{506}\) 34.8% of the social media users were women, while 65.2% were men.

Additionally, Kepios reports that internet users in Malawi increased by 126,000(+2.6%) between 2022 and 2023.\(^{507}\) Further, only 57.2% of Malawians own a mobile phone, and landline penetration is only around 1%. High digital illiteracy also remains a major setback in Malawi’s digital space, with a recent survey by the Malawi Communications Regulatory Authority (MACRA) establishing that 46% of Malawians say they don’t use the internet because they don’t know what it is, and 2.4% say they don’t use it because it is too expensive.

However, in recent years, Malawi has made significant policy and structural reforms in ICT. In 2021, the government rolled out an ambitious five-year Digital Economy Strategy (2021-2026), which sets new targets for different aspects of the digital economy. Among others, on network access, the government intends to expand internet access from 14.6% to 80% of the population and broadband coverage to 95% by 2026. It also seeks to review internet taxes by, among others, cutting out the 10% excise duty on purchasing data and SMS tariffs and scrapping the 3.5% revenue tax for telecom providers, which are significant drivers of high costs of internet and mobile services in Malawi.

In 2023, Malawi achieved notable milestones, including enacting the long-awaited Data Protection Act of 2023, appointing information officers in compliance with the Access to Information Act, and establishing an independent Universal Service Fund (USF) Board. Additionally, the country is drafting five new digital laws, notably the Cybersecurity Bill, Cybercrimes and E-Evidence Bill, Start-Ups Bill, Review Electronic Transactions and E-Commerce Bill, and the review of the Communications Act. Bills are scheduled for enactment in 2024.\(^{508}\)

Malawi also introduced a National Child Online Protection Strategy aimed at safeguarding children from cyber threats.\(^{509}\) MACRA launched various digital interventions, including the Muuni Fund, a research and innovation fund collaborating with 35 district councils to support 105 new startups in the field of information and communication technology (ICT).\(^{510}\) However, Malawi’s restrictive use of criminal defamation laws to curb online freedom of expression remains a significant challenge to digital rights.

\(^{505}\) https://datareportal.com/reports/digital-2023-malawi
\(^{506}\) As above.
\(^{507}\) As above
\(^{508}\) Interview with key informant (15 January 2024)
\(^{509}\) MACRA ‘Child Online Protection in Malawi’ 23 March 2023 (accessed 20 January 2024)
\(^{510}\) https://www.mwcert.mw/child-online-protection-strategy-consultation-workshops/

As above
Country Analysis

Universal Service Fund (USF)

The Universal Service Fund (USF) plays an important role in narrowing the digital divide, guided by three core principles: the availability, affordability, and accessibility of telecommunication services. These principles underscore the responsibility of telecommunications regulators and government Ministries at the state level to ensure universal access to telecommunications services at affordable rates. While USF models vary across countries, their common objective is to deploy communication infrastructure and promote the adoption of ICT services in rural and underserved areas, even when not economically viable. This reflects a commitment to connecting everyone, regardless of the associated costs. Principle 37(2) of the African Commission on Human and Peoples Rights Declaration on Freedom of Expression and Access to Information (African Commission Declaration) emphasises the necessity of universal, equitable, affordable, and meaningful internet access to realise various human rights. In line with these principles, the 32nd Session of the Human Rights Council (2016) affirmed that rights enjoyed offline should also be protected online, necessitating the availability, affordability, and accessibility of telecommunication services.511

In Malawi, the USF, established under section 157 of the Communications Act of 2016 (Communications Act), aims to promote universal access and services in underserved areas. Section 158 outlines the purposes of the USF, including offering subsidies on a competitive basis, providing financial incentives and assistance, covering administrative expenses, and conducting research related to universal access512. This aligns with MACRA’s statutory obligation to ensure every citizen in Malawi has access to reliable and affordable communication services.513

The Communications Act prioritises areas managed by the USF, including access to telecommunications networks, the Internet, public payphones, directory services, emergency services, essential postal services, basic financial services, and broadcasting services. As of 2023, USF supported 16 projects worth around $3.2 million, increasing access to broadband, information, and computer gadgets. Some of the projects include Connect a School; Community Networks (Yathu Yathu Data); Radio Access Network (Rural Telephony); Connect a Teachers Training College; Grants for Local Digital Content Production; Sign Language Project; PWD; E-Health Project; and E-commerce project. Other USF projects were Connect a Post Office; National Addressing System Project; Last Mile; Virtual Postal App; Curriculum Review; SMEs Digital Skills Training; and Digital Ambassadors.514

Malawi’s USF operates with a robust governance structure led by MACRA, which establishes a Universal Service Fund Committee (USFC). The USFC oversees the management of the USF, reviewing and approving annual plans and budgets.515 Section 160 outlines diverse funding sources for the USF, including operators’ levies, parliamentary appropriations, grants, subsidies,

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512 Section 158 of the Communications Act
513 Section 6 of the Communications Act
514 Interview with Zadziko Mankhambo, Director of Broadcasting at Malawi Communications Regulatory Authority (15 January 2024)
515 Section 163 of Communications Act
auctions, public access projects, and funds from MACRA. According to MACRA, the total annual revenue for USF as of 2023 was $6.5 million. Despite this legal and policy framework, a critical analysis reveals operational gaps. The delayed launch of the USF until 2022 resulted in a six-year accumulation of $6.2 million in revenue. This inefficiency is detrimental to a tech-underdeveloped country with low ICT penetration, including 14.6% internet penetration, 76.2% country-wide mobile network, 43.2% mobile phone ownership, and a significant digital divide. Additionally, transparency and accountability concerns arise from MACRA’s failure to comply with section 194(c) of the Communications Act regarding the publication of fund details and reporting to Parliament.

Parliament’s failure to appropriate funds to the USF further compounds the challenges. Section 160(b) mandates Parliament to appropriate funds to the USF. However, Parliament has never appropriated funds to USF since its inception. According to MACRA, other challenges facing USF include lengthy public procurement procedures affecting the timely utilisation of funds, increased demand for USF projects against limited budgetary allocation, and rigid USF management structure. Further, while USF seeks to bridge the digital divide, the government has maintained prohibitive taxes on ICT services, including 17.5% value-added tax (VAT) on mobile phones, 16.5% on internet services and 10% excise duty on messages and internet data transfers. These exorbitant taxes are shovelled to consumers, further prohibiting access. Addressing these operational gaps is crucial to realising the USF’s mission of facilitating ICT services and bridging the digital divide in Malawi.

Data Protection and Cyber Security

Data Protection:

The year 2023 marked a significant milestone for Malawi’s data protection and cybersecurity landscape. On December 7, 2023, the Malawi National Assembly passed the eagerly anticipated Personal Data Protection Bill of 2023 into law. The new legislation aims to establish a comprehensive legal framework for regulating the processing and transfer of personal data, aligning with internationally accepted data protection principles.

Notably, the law designates the Malawi Communications Regulatory Authority as the Data Protection Authority responsible for overseeing the implementation of the Bill. It outlines key principles governing the processing of personal data, establishes a robust framework for the rights of data subjects, and defines the duties of data controllers and processors concerning personal data processing.

Furthermore, the law addresses cross-border transfer of personal data, regulates data controllers and processors of significant importance, establishes mechanisms for enforcing data subject rights, and grants the Authority the power to issue compliance orders to those contravening the Act. According to a key informant from MACRA, the new law will “build trust and confidence – the fact that individuals will have confidence that the organisation will not abuse their personal information will build trust and confidence between the parties and this will facilitate e-commerce and other digital transactions”.

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516 USF Strategic Plan
517 Interview with Zadziko Mankhambo, Director of Broadcasting at Malawi Communications Regulatory Authority (15 January 2024)
518 Interview with Zadziko Mankhambo, Director of Broadcasting at Malawi Communications Regulatory Authority (15 January 2024)
519 MISA Malawi, ‘MISA Malawi welcomes passing of Data Protection Bill’ 8 December 2023
520 Interview with Zadziko Mankhambo, Director of Broadcasting at Malawi Communications Regulatory Authority (15 January 2024)
In response to this development, MISA Malawi commended the data protection law, emphasising its potential to “promote responsible handling of personal data by government agencies, private institutions, and individuals”. MISA expressed hope that the law would safeguard Malawians and the general public from cyber threats, cybercrimes, and unwarranted surveillance.

However, the new law is not without flaws. Firstly, section 4 designates MACRA as the Data Protection Authority (DPA), potentially compromising the financial, decision-making, and institutional independence of the DPA. The Ministry of Information and Digitalisation assured Members of Parliament that this arrangement is temporary until the DPA becomes self-sustaining. According to MACRA, to allay the fears, the regulator intends to put structural and functional arrangements that will ensure the financial, decision, and institutional independence of the DPA. MACRA seeks to set up an autonomous unit within MACRA that will carry out the functions of the DPA.

Additionally, section 8 (b)(vi)(vii) allows the lawful processing of personal data for “public interest” or “legitimate interests,” terms that are vague and undefined. This could grant data controllers and processors excessive discretion in determining the lawful processing of individuals’ personal data.

Concerns also arise regarding the processing of sensitive personal data. The Act allows for the processing of sensitive personal data under specific circumstances, including “archiving for public interest, research, or statistical purposes” or if the data subject intentionally made the data public. Such provisions may provide data controllers and processors with unwarranted discretion in processing sensitive personal data.

Moreover, section 26 includes broad exemptions allowing data controllers and processors to disregard data subject rights for “national security,” national economic or financial interests, social security, and regulatory functions. These exemptions could grant excessive discretion to determine when rights may be disregarded.

Fears also exist regarding the suspension or cancellation of a data controller or processor’s registration of significant importance. Section 42 grants MACRA the authority to suspend or cancel the registration of a data controller or processor “of significant importance” based on vague and broad grounds, including not complying “with any provision” of the Act or any term or condition imposed on the registration; or if “there is any other reasonable ground to suspend or cancel the registration”. These broad provisions would potentially lead to undue restrictions. Notably, the Act lacks a clear procedure for suspension and cancellation, failing to mandate MACRA to notify affected entities. However, section 42(2) provides that the “Authority shall not suspend or cancel the registration of a data controller of significant importance or data processor of significant importance under subsection 42(1) unless the data controller of significant importance or data processor of significant importance has been given an opportunity to show cause why the registration should not be suspended or cancelled.”

521 MISA Malawi, ‘MISA Malawi welcomes passing of Data Protection Bill’ 8 December 2023
523 MISA Malawi, ‘MISA Malawi welcomes passing of Data Protection Bill’ 8 December 2023
524 Interview with Zadziko Mankhambo, Director of Broadcasting at Malawi Communications Regulatory Authority (15 January 2024)
525 Section 16(g) of the Data Protection Act
526 Section 16(g) of the Data Protection Act
527 Section 42(1) of the Data Protection Act of 2023
Cyber-Security:

In November 2023, MACRA introduced the Cybercrimes Bill, 2023, aiming to address offenses related to computer systems and ICTs. The proposed legislation encompasses provisions for criminalising these offenses, establishing procedures for the investigation, preservation, collection, and use of electronic evidence, allowing admission of electronic evidence in criminal matters, and fostering international cooperation in combating computer and cybercrimes.\(^{528}\)

The Bill also outlines a range of offenses, including unauthorised access, unlawful interception of data, unlawful interference with a computer system, unauthorised interference with a computer program or data, misuse of devices and access codes, child pornography, cyber grooming, cyber harassment, cyberstalking, unlawful acts in respect of software or hardware, unlawful use of software and hardware, cyber terrorism, and the dissemination of racist or xenophobic material.\(^{529}\)

However, this study uncovered a lack of consultations with key stakeholders, including ICT players, civil society, and the public, during the development of the Bill by MACRA.\(^{530}\) Consequently, the Bill lacks stakeholder input, contradicting the democratic principle of citizen participation in processes that directly impact them. According to MACRA, the regulator circulated the draft Bill “to all stakeholders in the communications sector (licensees, General Public and other relevant Government MDAs) for their comments. “We called for comments through direct emails to our licensees, newspapers, MACRA official website and Facebook page”\(^{531}\). MACRA has plans to hold physical meetings with stakeholders in January 2024.\(^{532}\) The lack of proactive engagement in this legislative process by civil society organisations compounded the problem. There is a clear need for MACRA to initiate public consultations on the Bill before presenting it to Parliament in February 2024. Simultaneously, the civil society in Malawi should remain vigilant in scrutinising the Bill to ensure it aligns with acceptable international standards.

Besides legislative interventions to counter cybercrimes, MACRA reported several interventions, including awareness on safe and responsible internet use and collaborating with 30 community radio stations to broadcast jingles on mobile money fraud prevention. The regulator has also formed a multi-stakeholder task force to fight mobile money fraud comprising MACRA, Reserve Bank of Malawi, National Registration Bureau, Malawi Police Service, Malawi Prisons Service, Financial Intelligence Authority, GiveDirect, Bankers Association of Malawi, as well as Airtel and TNM mobile companies. In addition, MACRA also seeks to introduce the Central Equipment Identity Register, a system that will blacklist phone handsets engaged in criminal activities such as mobile money fraud and those that are stolen. Other interventions by MACRA include conducting school outreach programs to empower school-going children to safely use the Internet as well as providing “training on cybersecurity and cybercrimes to law enforcement authorities, judges, and lawyers”\(^{533}\).

Despite some significant progress in developing a domestic legal framework on data protection and cybersecurity, Malawi has not adopted the African Union (AU) Convention on Cyber Security and Personal Data Protection (also known as Malabo Convention), a legal framework for addressing cybercrime and data protection on the continent.
Freedom of Expression

According to Freedom House’s “Freedom on the Net 2023,” Malawi witnessed an improvement in individuals’ freedom for online activities in 2023 as its score jumped from 56 to 100.\textsuperscript{534} Despite the detention of two individuals for their online activity during the year, neither case resulted in a prosecution or conviction.\textsuperscript{535}

Additionally, an attempt by MACRA, the country’s telecommunications regulator, to purchase a new software system to replace the Consolidated ICT Regulatory Management System (CIRMS) remained blocked by Malawi’s Anti-Corruption Bureau (ACB) due to suspected procurement irregularities.\textsuperscript{536} The ACB restriction order reads, “Whereas the Anti-Corruption Bureau has instituted an investigation in respect of a suspected offence under the Corrupt Practices Act, take notice that you shall not without my written consent, proceed dealing with procurement processes towards the award of the contract about the procurement of Revenue Assurance Module by MACRA".\textsuperscript{537}

MACRA clarified that it was not upgrading CIRMS but replacing its revenue assurance module with a new Revenue Assurance System (RAS) system. MACRA justified this decision by stating its role in ensuring optimal revenue returns for Communication Service Providers (CSPs) licensed to use regulated resources. However, this isn’t the first time MACRA has been suspected of surveillance attempts. In 2018, the CIRMS system, locally known as the “spy machine,” raised concerns about monitoring mobile phone companies and potential data access without judicial oversight,\textsuperscript{538} infringing on the right to privacy protected under the constitution.\textsuperscript{539}

Despite the improved record, internet users in Malawi continued to face penalties for online speech, especially when their expression targeted powerful individuals or institutions. In a specific case, journalist Dorica Mtenje of the online publication Maravi Post was arrested and detained for 12 hours in February 2023 over a story she did not write or publish.\textsuperscript{540} Her mobile phone was confiscated, and she was charged with defamation under section 200 of the Penal Code, and “offensive communication” under section 87 of the Electronic Transactions and Cyber Security Act.\textsuperscript{541}

Similarly, in January 2023, Gracian Lungu, a former civil servant, was arrested for criticising the National Intelligence Bureau in a Facebook post following a complaint from the Bureau’s Director, Dokiso Ngwira.\textsuperscript{542}

This pattern of criminalisation of online speech and climate of intimidation may prompt a degree of self-censorship, especially among media practitioners and social media users. Moreover, section 36 of the Malawi Constitution guarantees freedom of the press. In addition, principle 20(1) of the

\textsuperscript{534} Scores are based on a scale of 0 (least free) to 100 (most free). See the research methodology
\textsuperscript{536} J Chauluka ‘Anti-Corruption Bureau Holds off MACRA ICT Deal’ The Times Group, 2 August 2022 https://times.mw/anti-corruption-bureau-holds-off-macra-ict-deal/
\textsuperscript{539} The Constitution of the Republic of Malawi
\textsuperscript{540} CPJ ‘Malawi Police Detain, Charge Journalist Dorica Mtenje Over Story She Did Not Write’ 22 February 2023 https://cpj.org/2023/02/malawi-police-detain-charge-journalist-dorica-m (accessed 20 January 2024)
\textsuperscript{541} Committee to Protect Journalists ‘Malawi police detain, charge journalist Dorica Mtenje over story she did not write’ 22 February 2023 https://cpj.org/2023/02/malawi-police-detain-charge-journalist-dorica-tenje-over-story-she-did-not-write/ (accessed 20 January 2024)
\textsuperscript{542} M Mkandawire “Former Agriculture Spokesperson Arrested Over Facebook Post” Malawi24, 30 January 2023, https://maliwi24.com/2023/01/30/former-agriculture-spokesperson-arrested (accessed on 20 January 2024)
ACHPR Declaration calls on states to guarantee the safety of journalists and media practitioners, including freedom from intimidation.⁵⁴³ Further, principle 22(2) of the ACHPR Declaration provides that states must repeal laws that criminalise sedition, insult and publication of false news.

Conclusion & Recommendations

Conclusion

This report has spotlighted notable strides made by the Government of Malawi in advancing digital rights. Additionally, Malawi witnessed the enactment of the long-awaited Data Protection Act of 2023 and the rolling out of various USF-funded programs by MACRA to bridge the digital divide. The initiation of five new legislative bills by MACRA, namely the Cybersecurity Bill, Cybercrimes and E-Evidence Bill, Start-Ups Bill, Review Electronic Transactions and E-Commerce Bill, and the review of the Communications Act demonstrates the government’s interest in digital development. The promulgation of a National Child Online Protection Strategy was also a significant step towards safeguarding children from cyber threats.

The report, however, has highlighted notable challenges facing Malawi’s digital space, including the continued criminalisation of online speech, particularly directed at government critics and journalists. Other flaws arise from the newly enacted Data Protection Act of 2023, which contains problematic broad provisions that would undermine human rights. Low internet penetration, limited transparency in managing the Universal Service Fund, and limited public consultations in developing digital legislative bills were also marked as gaps. Given the gaps, opportunities, and recent developments in the digital space in Malawi, recommendations are made to key stakeholders below.

Recommendations

Government

» The government should stop targeting journalists through arbitrary arrests and seizure of digital tools as they conduct their mandate.

» The government should review the Data Protection Act of 2023, including amending sections 4, 8 (b)(vi)(vii) and 26 and Government should review the Data Protection Act of 2023 including amendment of sections 4, 8 (b)(vi)(vii), 26, 42.

» The government should expedite ratification of the African Union Convention on Cyber Security and Personal Data Protection (Malabo Convention).

» The government should repeal repressive provisions, particularly sections 87 and 91, of the Electronic Transactions and Cybersecurity Act of 2016 which are too broad and vague.

» The Malawi Parliament should allocate funds to the Universal Service Fund (USF) in compliance with section 160(b) of the Communications Act.

» MACRA should consult with stakeholders regarding the five new bills, notably the Cybersecurity Bill, Cybercrimes and E-Evidence Bill, Start-Ups Bill, Review Electronic Transactions and E-Commerce Bill, and the review of the Communications Act.
Civil Society

» CSOs should raise public and stakeholder awareness of the Data Protection Act 2023.

» CSOs should advocate for Malawi’s ratification of the African Union Convention on Cyber Security and Personal Data Protection (Malabo Convention)

» CSOs should advocate for the repeal of repressive provisions, particularly sections 87 and 91 of the Electronic Transactions and Cybersecurity Act of 2016, which are too broad and vague.

» CSO should advocate for repealing defamation and sedition laws in the Penal Code through engagement with authorities, public awareness, and litigation.

» CSOs should step up advocacy efforts on decriminalising freedom of expression, including litigation and advocating for repealing repressive laws.

» CSOs should monitor the USF operations to ensure transparency, accountability, and effectiveness.