



## **Republic of Malawi**

### **COSOP completion review**

2016-2022

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## Abbreviations and acronyms

COSOP	Country Strategic Opportunities Programme
CPI	Consumer Price Index
CD	Country Director
CCR	COSOP Completion Review
CLPE	Country Level Policy Engagement
CRR	COSOP Results Review
DCAFS	Donor Committee on Agriculture and Food Security
DONUT	Donor Group on Nutrition
DPGSPD	Donor Group on Private Sector Development
ERASP	Enhancing the Resilience of Agro-ecological Systems Project
FARMSE	Financial Advancement for Rural Markets, Smallholders and Enterprise
FSP	Financial Service Provider
GDP	Gross Domestic Product
GAP	Good Agricultural Practice
IRDS	Integrated Rural Development Strategy
KMC	Knowledge management and communication
MGDS	Malawi Growth and Development Strategy
MICF	Malawi Innovation Challenge Fund
MLGRD	Ministry of Local Government and Rural Development
MOAIWD	Ministry of Agriculture, Irrigation and Water Development
MoFEPD	Ministry of Finance, Economic Planning, and Development
M&E	Monitoring and Evaluation
NAIP	National Agriculture Investment Plan
NRM	Natural Resource Management
NAP	National Agriculture Policy
PIU	Project Implementation Unit
PRIDE	Programme for Rural Irrigation Development
RLEEP	Rural Livelihoods and Economic Enhancement Programme
SAPP	Sustainable Agricultural Production Programme
SHF	Smallholder Farmer
SHH	Smallholder Household
SMEs	Small and Medium-Sized Enterprises
SO	Strategic Objective
SSTC	South-South and Triangular Cooperation Transforming Agriculture through Diversification and Entrepreneurship Project
TRADE	Project
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
WFP	World Food Programme
WUA	Water Users' Association



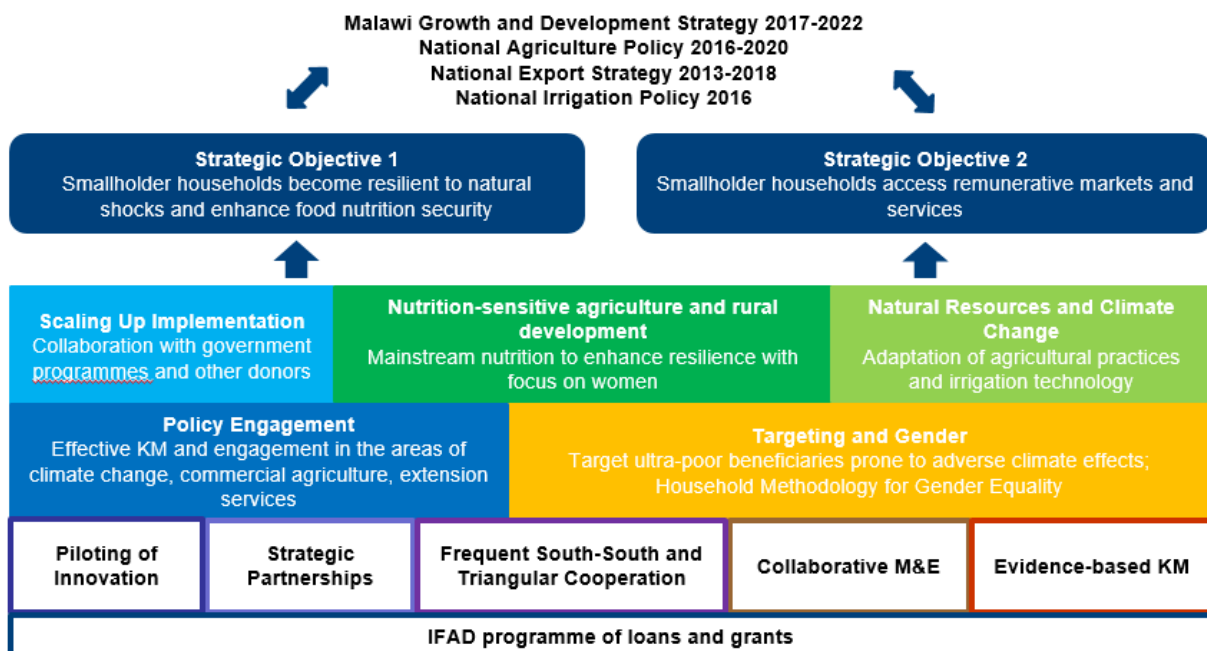
# Republic of Malawi

## COSOP completion review

### I. Introduction

1. Since 1981, IFAD has provided financing for 14 programmes to the Republic of Malawi, totalling US\$350.5 million lending. IFAD’s Performance-Based Allocations for Malawi have doubled over the evaluation period, from an annual allocation of US\$13.3 million in 2013 to US\$28 million in 2020. This has led to a significant increase in the size of the lending portfolio as well as in the size of individual programmes.
2. IFAD’s main partners in the Government of Malawi are the Ministry of Finance, Ministry of Economic Planning, Development and Public Sector Reforms (MEPD), Ministry of Agriculture (MoA) and the Ministry of the Local Government and Rural Development (MLGRD).
3. The current RB-COSOP for Malawi was prepared in 2015 and reviewed by the 119<sup>th</sup> Session of the Executive Board (EB) in December 2016. The RB-COSOP covers a period of six years (2016-2022). It has two Strategic Objectives, namely (i) SO1 - Smallholder households become resilient to natural shocks and enhance food and nutrition security; and (ii) SO2 -SHH access remunerative markets and services. The Theory of Change is presented below:

**Figure 1: RB-COSOP 2013-2018 Strategic Objectives and Modalities**



4. The RB-COSOP’s implementation has been carried out primarily through a programme of loans and grants. Six investment projects were designed and/or implemented during the current RB-COSOP period from 2016-2022, over three IFAD replenishment cycles. These include five currently active programmes, namely the Financial Access for Rural Markets, Smallholders and Enterprise Programme (FARMSE), the Programme for Rural Irrigation Development (PRIDE) and inter-linked Enhancing the Resilience of Agro-ecological Systems Project (ERASP), the Sustainable Agricultural Production Programme (SAPP), the Transforming Agriculture

through Diversification and Entrepreneurship Programme (TRADE)<sup>1</sup>, and one closed programme, namely the Rural Livelihoods and Economic Enhancement Programme (RLEEP). ERASP and PRIDE are implemented as one joint programme by the same PMU.

- The COSOP 2016-2022 lending portfolio is summarized in Figure 2 below.

**Figure 2: IFAD's lending portfolio in Malawi under COSOP 2016-22**

	Implem partner	Total investment (US\$ million)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<i>IFAD replen. cycles</i>				<i>IFAD 10</i>			<i>IFAD 11</i>			<i>IFAD 12</i>				
<b>RB-COSOP</b>			<b>2016-2022</b>											
RLEEP (2009-17)	MLGRD	29.2												
SAPP (2012-23)	MOAIWD	71.7									C			
PRIDE (2017-24)	MOAIWD	94.5									C			
ERASP (2017-23)	MOAIWD <sup>2</sup>										C			
FARMSE (2018-25)	MOF	57.7							M				C	
TRADE	MLGRD	125.4						S						C
<b>Lending Portfolio 2016-22</b>														

\*Note: S – actual start, M – Mid-term Review, C – Completion; The completed projects in gray and the on-going projects in blue. *Source:* Elaborated from ORMS data

- The **Rural Livelihoods and Economic Enhancement Programme (RLEEP)** is the only closed operation covered by the RB-COSOP period, as it became effective in 2009 and closed in 2018. It was an agricultural investment programme with a focus on strengthening commodity value chains, and enhancing the regulatory and institutional environment to make it more conducive to rural commercial development. Its goal was to sustainably improve the incomes of economically active poor rural households engaged in the production, processing and marketing of selected agricultural commodities by advancing their integration in the emerging commercial sector. Its programme development objective (PDO) was to strengthen value chains and improve linkages of farmers to value chains by establishing more efficient production, transport, storage, processing and marketing systems for target commodities, thereby expanding local economic activity and employment. The programme developed and implemented sectoral action plans with constraints identified and facilitated the development of networks of stakeholders with capacity to analyse value chains and facilitate their development. RLEEP developed a strong foundation from which TRADE interventions can be intensified. The programme was effective from October 2009 to 31 December 2017, had an overall cost of US\$29.2 million (of which US\$16.7 million was IFAD funding), and reached a total of 37,625 households, far exceeding the targeted 24,000<sup>3</sup>.
- The **Sustainable Agricultural Production Programme (SAPP)** became effective on 24 January 2012 and will be completed on 31 March 2023, following a recent 2-year extension. Under the overarching goal to contribute to poverty reduction and improved food security among the rural population, SAPP's development objective is to achieve a viable and sustainable smallholder agricultural sector employing Good Agriculture Practices (GAPs). The main thrust of the programme is the enhancement of agricultural productivity based on simple and affordable GAPs, which will help to bridge the large gap between actual and potential crop yields. The programme's total cost amounts to US\$71.7 million of which US\$11.74 million is cofinancing. To date, the programme has reached 203,687 households representing 78 per cent of the end target.

<sup>1</sup> As of October 2021

<sup>2</sup> Included in PRIDE

<sup>3</sup> RLEEP. Programme Completion Report.

8. The **Programme for Rural Irrigation Development (PRIDE)** entered into force on 20 December 2016, is due to be completed on 31 December 2024 and will be closed on 30 June 2025. Its total cost amounts to US\$94.5 million, of which US\$24 million is co-financing. The programme's goal is to enhance the resilience of rural communities to food insecurity, the effects of climate change and economic shocks. Its development objective is that smallholder farmer households (SFHs) increase their income and nutrition through sustainable agricultural production. The programme's two major outcomes are that smallholders: (i) operate climate-smart land and water management systems; and (ii) adopt environmentally and economically sustainable agricultural production systems on both rainfed and irrigated land. The programme has already reached 13,879 households representing about 71 per cent of the end target.
9. The **Financial Access for Rural Markets, Smallholders and Enterprise Programme (FARMSE)** became effective on 6 June 2018. The completion date is 30 June 2025 and financial closing on 31 December 2025. The FARMSE overall goal is to reduce poverty, improve livelihoods and enhance the resilience of rural households on a sustainable basis. The development objective is to increase access to a range of sustainable financial services by rural households and micro, small, and medium enterprises. The goal and objective are to be achieved through implementation of three components: (i) Ultra-poor graduation model development and testing at scale; (ii) Support to Financial Innovation and Outreach; and (iii) Strategic Partnerships, Knowledge Generation, and Policy. The total cost of the programme is US\$57.7 million including an IFAD contribution of US\$42 million and US\$15.7 million of co-financing from Malawi government and domestic private sector. As of February 2021 the FARMSE programme had reached 467,045 rural households (108 per cent of the appraisal end target).
10. The **Transforming Agriculture through Diversification and Entrepreneurship Programme (TRADE)** entered into force on 28 July 2020 and is scheduled to be completed in September 2026. The estimated programme cost is US\$125.4 million of which US\$55 million is co-financing. Its goal is to improve sustainable livelihoods of rural people in Malawi. The development objective is "Increased value chain commercialisation and resilience of rural poor and smallholder producers". This will be achieved through a holistic approach to addressing the agriculture commercialisation challenge, while building on RLEEP and informed by the 2019 Corporate Level Evaluation (CLE) on IFAD's Engagement in Pro-poor Value Chain Development. TRADE will seek to: i) increase production and productivity by smallholder farmers; ii) functionally upgrade smallholder farmers and the rural poor to undertake new functions such as processing, storage, packaging to capture more value; iii) improve horizontal linkages by strengthening the capacities of cooperatives to provide market access functions to smallholder farmers; and iv) improve vertical linkages between stakeholders at different functional levels of the commodity chain, including private sector. TRADE will also support rural entrepreneurs, focusing on youths and women to develop and sustain their agribusiness enterprise opportunities and ensuring that commodities are nutrition sensitive. As of May 2022, TRADE's implementation has fully started with all key technical and support staff positions of the PMU filled. The delay in the kick-off of TRADE was mainly caused by delays in the recruitment of the four key PMU staff (National Programme Coordinator, Finance Management Specialist, Procurement Specialist and M&E Specialist) due to the salary cap that has been in place since 2018 for government programmes in Malawi. To support the National Coordinator in the recruitment process, the Ministry of Local Government and IFAD agreed to second the other three staff to TRADE PMU while also providing some temporary cushion to the other members that are joining TRADE Programme at different positions and will also be affected by the Government salary cap.

**Figure 3: IFAD's lending portfolio in Malawi under COSOP 2016-22 latest available ratings<sup>4</sup>**

	Effectiveness and developmental focus	Sustainability and scaling-up	Project Management	Financial management and execution	Relevance	Likelihood of Achieving Development Objectives	Overall Implementation Performance
RLEEP (2009-17) <sup>5</sup>	4	4	4	4	4	NA	NA
SAPP (2012-23)	5	5	5	5	5	4.54	4.67
PRIDE (2017-24)	4	4	4	4	4	4.15	3.83
FARMSE (2018-25)	4	4	5	4	5	4.35	4.42
TRADE	NA	NA	NA	NA	NA	NA	NA
<b>Average</b>	4.25	4.25	4.50	4.25	4.50	4.35	4.30

11. Total IFAD lending during the RB-COSOP period was equivalent to US\$121.7 million with total financing by all domestic and international partners estimated at US\$197 million and project specific. Thus, the co-financing that IFAD was able to attract is of 1:1.62.
12. In September 2019, the RB-COSOP underwent a COSOP Results Review (CRR). Some of the suggestions and findings of the CRR have been reflected in the approach of this completion review.
13. This COSOP Completion Review (CCR) aims to provide a thorough self-assessment of the achievement of the COSOP's strategic objectives and IFAD's performance in achieving them both in terms of relevance and effectiveness, incorporating views and suggestions of IFAD's implementing partners and other key stakeholders.
14. While the preliminary consultation of the CCR were held in September 2021, in parallel with the Country Strategy and Programme consultations, the document was updated in early 2022, within six months from COSOP completion, in accordance with IFAD's Operational Procedures and Guidelines for Country Strategies.
15. The CCR reflects the feedback received from the Government of Malawi, staff of the different Programme Management Units (PMUs), and implementing agencies and partners. The CCR also builds on a desk review of supervision reports, mid-term reviews and project completion reports. The team conducting the current review also benefited from the Country Strategy and Programme Evaluation (CSPE) approach paper, developed by the Independent Office of Evaluation (IOE) in view of the September 2021 CSPE.
16. Held virtually, the CCR consultations involved all Malawi's Programme Management Units (PMUs) and representatives of the Ministries of Agriculture and Finance. The mission team interacted with beneficiaries of the IFAD Country Programme, as well as several implementing entities and partners, including the two RBAs, namely FAO and the World Food Program (WFP), World Bank (WB), GIZ, the European Union (EU) delegation, Oxfam, Nyama World, Heifer International, FIN COOP, all organised in close consultation with the DCAFS secretariat. The outcome of these discussions paved the way towards the formulation of the new COSOP in 2022.
17. Indeed, among the conclusions of the CRR, is for IFAD to prepare a new COSOP in 2022, to align with the most recent government policies. This will provide a venue for the Country Team to also update the analysis of the country context following the COVID-19 pandemic and the evolving Ukraine crisis. To remain relevant, it is mission critical that IFAD continues to adopt a clear approach to tackle chronic food

<sup>4</sup> Reviewed 27 April 2022

<sup>5</sup> IOE ratings reflected, as per PPE

[https://www.ifad.org/documents/38714182/39732453/RLEEP\\_PPE+Malawi\\_FINAL\\_cover.pdf/d3af121e-1e3f-44c8-b7bc-b55913fa3b4a](https://www.ifad.org/documents/38714182/39732453/RLEEP_PPE+Malawi_FINAL_cover.pdf/d3af121e-1e3f-44c8-b7bc-b55913fa3b4a)



insecurity and malnutrition through sustainable production systems aiming at increasing productivity, promoting crop diversification as well as farmers' entrance into remunerative markets. It is also imperative to **explicitly add youth as a core target group of future IFAD interventions**.

18. The achievement of the COSOP targets is evaluated against the established indicators in the COSOP's Results Management Framework (RMF), updated at CRR stage. Key reference documents also included: (i) the Project Completion Report (PCR) for RLEEP, (ii) annual supervision and mid-term reports of ongoing projects, (iii) the COSOP Results Review, and (iv) the 2021 CSPE approach paper.
19. The results of the desk review and data collection was a joint effort including the PMUs and IFAD. Findings from this review are presented in the following sections of the report, namely: (i) Relevance, (ii) Effectiveness; (iii) Policy Engagement; (iv) Knowledge Management and Communication and SSTC; (v) Strategic Partnerships; and (vi) Lessons Learned and Recommendations. The ongoing pandemic situation due to COVID-19 restricted the possibility of international travel thus not allowing for in-person engagement with a wider range of stakeholders and beneficiaries.
20. This CCR will serve as both learning and accountability tools for the country team, as it represents the starting point in the formulation process of the new RB-COSOP (2023-2029).

## II. Relevance

21. **IFAD performance: Rating 4/6.** The RB-COSOP 2016-2022 is rated as being relevant to the priorities of the country. The main causes of poverty and food and nutrition insecurity among the rural population in Malawi continue to lie in its vulnerability to external shocks. The predominant rainfed agriculture is prone to natural shocks such as drought and flooding, which destroy livelihoods for years, pushing people into destitution and hunger. Natural resources, including arable land, have degraded through overuse and poor management such as uncontrollable deforestation. Smallholders are price takers and face difficulties in adjusting to changing market demands and prices. In addition to the above, the COVID-19 pandemic and most recently the Ukraine crisis have accentuated Malawi's chronic fiscal and debt vulnerabilities.
22. The Strategic Objectives (SOs) of the IFAD Country Programme have remained highly relevant to and consistent with Government strategies for rural poverty reduction and its strategic priorities for the agriculture sector. IFAD investments have demonstrated a high level of adaptability to changing country circumstances and remained aligned to relevant sectoral policies and other development partners' interventions. The services offered by the projects are still appropriate in the context of the socio-politico-economic conditions prevailing at completion.
23. The country development areas in which, according to the RB-COSOP 2016-2022 and its strategic objectives, IFAD has a comparative advantage remain relevant. The goal of the Malawi 2063 Vision (MW2063) is to transform the country into an inclusively wealthy and self-reliant industrialised upper-middle-income country. The agriculture sector's goal is for productivity and commercialization to produce and supply raw materials for industrial processing and healthy and nutritious food. Commercial agriculture is therefore a key pillar of the new MW2063, but its achievement requires approaches that facilitate the transition from self-sufficiency in food production towards a market-based approach.
24. The Strategic Objectives (SOs) of the RB-COSOP 2016-2022 remain also aligned with the objectives of the Government of Malawi as spelled out in the key national strategies and plans, including: the Malawi Growth and Development Strategy III

(MGDS III) (2017-2022)<sup>6</sup> whose first priority areas are agriculture and climate change; the Agriculture Sector Food and Nutrition Strategy (ASFNS)<sup>7</sup> (2020-2024), whose first SO is to ensure stable availability of food from all the six food groups through sustainable and diversified production; the National Agriculture Policy (NAP)<sup>8</sup> (2016-2021), which focussed on achieving farmer-led agricultural transformation and commercialization entailing treating farming as a business; and the related National Agriculture Investment Plan (NAIP) (2018-2023), a framework that operationalizes the NAP and guides all investments in agriculture, through the support of an established Executive Management Committee. The RB-COSOP also contributed to inclusive and resilient growth, which is one of the main pillars of the Malawi UNDAF (2019-2023); to the National Irrigation Policy (2016); to the strategy for the National Agriculture Extension and Advisory Services, National Multi-Sector Nutrition Policy (2018-2022) which identified high dependence on subsistence farming, over-reliance on rain-fed agriculture, poverty, limited crop diversity, and a lack of disaster-risk management infrastructure and systems as the main challenges to address.

25. The SOs remain relevant also in terms of alignment with the main focus areas of the recent/current operations, namely: climate-proof infrastructure, including irrigation and catchment management (ERASP, PRIDE), climate-smart agriculture (ERASP, PRIDE, SAPP, TRADE), rural financial services (FARMSE, SAPP), value chains and MSME development (PRIDE, RLEEP, TRADE), government policy targeting (PRIDE, RLEEP, SAPP, FARMSE) and nutrition-sensitive agriculture (PRIDE, SAPP).

### III. Effectiveness

26. **The performance of the portfolio during the current COSOP period is rated as moderately satisfactory (4).**
27. **Outreach and coverage.** The targets as per original Results Framework (Annex 1) proved to be rather cautious in terms of outreach and had to be up-scaled at CRR. Indeed, at the time of the CRR, the progress towards the targets of the RB-COSOP Results Framework stood at an exceptional average of 552 per cent. The overall exceptional performance of the IFAD Country Programme, possibly due to a conservative approach adopted at COSOP design stage, made it necessary to increase targets for the majority of indicators. The new targets were determined by adding 50 per cent of the expected achievements of each of the active programmes in the next three years to the current status of the respective indicators. This methodology resulted in the following new (increased) targets under SO1: 83,200 hectares of agricultural land improved through soil and water conservation measures (excluding irrigation); 96,300 smallholder households (SHHs) adopting one or more recommended good agricultural practices; 763,900 smallholder farmers (SHFs) (at least 30 per cent female) reporting an over 20 per cent production increase from improved practices; 3,700 groups in NRM formed and strengthened; 174,500 SHFs trained in good agricultural practices. Under SO2: 23,000 SHHs associated into newly formed and trained producer groups; 9 commodity platforms active and operationally self-sufficient; 16,500 smallholder households (SHH) associated in newly formed and trained saving and credit groups; 42,000 SHFs trained in post-production, processing and marketing; 108,600 SHFs trained in business and entrepreneurship (above orientation level); 8 commodity platforms initiated and strengthened; 8 financial institutions participating in the IFAD Country Programme.
28. Two indicators were modified to ensure complementarity with the relevant programme's existent M&E systems. First, the indicator "15,400 SHHs associated

<sup>6</sup> During the RB-COSOP period, the Malawi Growth and Development Strategy III (MGDS III) 2017-2022 followed the Second Malawi Growth and Development Strategy II (2011-2016). The MGDSIII is the overarching medium-term strategy for attaining long-term development, whose core objective is building a productive, competitive and resilient Malawi.

<sup>7</sup> <https://drive.google.com/file/d/1CCYTMigwSSKotQRL07Q16fU-Fzb5Pwg2/view>

<sup>8</sup> [https://cisanelmalawi.org/wp-content/uploads/2020/11/NAP\\_Final\\_Signed.pdf](https://cisanelmalawi.org/wp-content/uploads/2020/11/NAP_Final_Signed.pdf)

into newly formed and trained groups for managing infrastructure” was changed for “10 newly formed and trained groups for managing infrastructure” established to facilitate the monitoring by PRIDE. Second, the indicator “annual smallholder loan portfolio enabled by the projects surpassing US\$1.0 million” was modified into “25,000 SHFs in rural areas accessing financial services” to facilitate monitoring by FARMSE.

29. The indicator on new or adapted good agricultural and financial practices was reduced from 55 to 20, while the focus on the dissemination of such practices to beneficiaries was introduced.
30. Finally, the indicators addressing irrigation remained unchanged.
31. The Revised RB-COSOP Results Framework (Annex 2) outlines progress made towards the outcome and milestone indicators, and is fully aligned with the logframes of the programmes covered by the RB-COSOP. This decision making tool is well-informed, and, at one year from COSOP completion, at sufficient depth to deliver an assessment of the COSOP achievements and impact, and to identify critical areas for consideration in the new COSOP design.
32. **Under the reviewed outcome indicators of SO1**, the majority of the outcome indicators of SO1 (4 out of 5) were met and surpassed by the programmes. The targets addressing improvement to agricultural land, the adoption of GAPs and increases in SHFs’ production were met and surpassed the intended value. However, there has been no progress since the CRR regarding the long-term land tenure security for 15,400 SHFs on irrigated land due to the delayed implementation of PRIDE, mainly due to delays in the recruitment processes<sup>9</sup>.
33. The revised milestone indicators addressing the formation of NRM groups and trainings in GAPs has not been met partially due to the reduction in 2020-2021 of all programme activities requiring gatherings because of COVID-19.
34. Irrigation schemes and their management were not yet implemented by PRIDE with no progress made towards the relevant indicators.
35. On the contrary, the dissemination of 20 GAPs is now fully on track. While SAPP had been able to contribute to the target before CRR, other projects started measuring this indicator only after the CRR.
36. **All outcome/output indicators of SO2 were met and surpassed by the programmes**, while, as for milestone indicators, those addressing the formation of producer and saving and loan groups (SLGs) have not been fully met, being related to activities requiring social gatherings. FARMSE alone has formed and strengthened about 16,900 SLGs reaching out to 429,000 beneficiaries. The implementation towards the formation of commodity platforms is on track with FARMSE having added 4 additional commodity platforms towards this target<sup>10</sup>.
37. The 2016-2022 RB-COSOP originally aimed to reach about 600,000 poor rural people. As of 31 October 2021, it has reached a total of 3,237,156, i.e. 539 per cent of the initial target.
38. Measuring the RB-COSOP results was a relatively smooth exercise thanks to the throughout exercise carried out at CCR for harmonising the COSOP results framework with the existing programmes’ M&E systems. All ongoing projects have key performance indicators at outcome and impact level in their log-frames. Baseline surveys were conducted in all ongoing projects except TRADE.

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<sup>9</sup> This is further expanded in the Risks section below.

<sup>10</sup> As reflected in the COSOP results framework (Outcome Indicators SO2: SHHs access remunerative markets and services)

**Figure 4: IFAD's lending portfolio in Malawi under COSOP 2016-22 latest available ratings**

Project	Households targeted	Households reached	% HH reached	HH members reached	% women reached
RLEEP (2007-17)	24,000	37,625	157%	180,500	
SAPP (2011-23)	260,750	203,687	78%	1,018,435	48%
PRIDE (2016-23)	19,500	16,022	82.2%	80,110	53.8%
ERASP (2017-23)	32,100	10,781	33.6%	53,905	48.1%
FARMSE (2017-25)	432,774	949,138	219%	1,904,206	65.5%
TRADE (2019-23)	127,000	0	0	0	0
<b>Total</b>	<b>896,124</b>			<b>3,237,156</b>	

39. **Nutrition.** The CRR recommended enhancing the mainstreaming of nutrition across the IFAD Country Programme. Following the CRR, extensive nutrition-sensitive activities prioritizing nutritionally rich foods, dietary diversity, and food fortification as the means to overcome malnutrition and micronutrient deficiencies have been carried out by the Country Programme, especially by SAPP, which reached out during 2020 to 29,185 households for targeted support to improve their nutrition and introduced 1,200 improved cooking stoves. Nutrition activities implemented to date include: (a) nutrition trainings and cooking demonstrations, promotion of food and nutritional crops diversification (e.g. groundnuts, cowpeas, soybeans); (b) promotion of nutrient rich crop varieties (e.g. orange fleshed sweet potatoes); (c) promotion of small livestock and goats pass-on packages; and (d) promotion of access to improved crop varieties of beans, groundnuts, soybeans for increased production, consumption and marketing. Both PRIDE and SAPP included a strategy on mainstreaming nutrition in their respective Project Design Reports.
40. Under its Ultra-Poor Graduation component, FARMSE reached out to a total of 20,539 households in 2020 with training in nutrition and WASH, especially with the promotion of backyard gardening across all ultra poor households targeted by the programme. The target for the indicator *Number of persons/households provided with targeted support to improve nutrition* (1.1.8) is 15,000 persons/households. However, this end target will be revised upwards due to the good performance of the programme as well as to the planned additional financing.
41. The increased livestock production, thanks to the pass-on packages, and the adoption of nutrient rich crops, made more qualitative food available and affordable for SAPP communities contributing to the improvement of their nutrition security as result of this dietary diversity.
42. **Gender.** Household methodology was introduced in all active programmes and fully mainstreamed in SAPP with reported positive results, as reflected also by the 2019 Gender Award granted by IFAD. While improvements in economic status, nutrition and access to services by women are documented, an extra effort could be made in documenting transformational changes.
43. **Youth.** Through the active programmes, the focus on youth of the RB-COSOP 2016-2022 has increased during the course of the COSOP timeframe. For all programmes, youth have access to all services offered, including leadership positions in group governance bodies such as youth SLGs and business groups under FARMSE's subcomponent of Community Based Financial Organisations. The programmes report increased social capital, knowledge and skills, though there is a challenge in reaching youth-only groups, due to the limited number of these groups. The new COSOP should take advantage of the progress made since CRR to capitalise on lessons and scale up successful implementation models. Additional youth targeted activities to be considered are the promotion of off-farm work, training, financial services and agro-

processing and services, with the aim to reduce youth unemployment, poor skills and low literacy rates.

44. **Climate.** The RB-COSOP 2016-2022 has made important contributions to climate change adaptation (CCA) through the active programmes (e.g. crop diversification, introduction of resilient crops, fuel-efficient stoves, irrigation). SAPP has promoted climate resilient practices including sustainable land management (minimum tillage, crop rotation, and agroforestry), livelihood diversification and improved cooking stoves. Promotion of rocket stoves reduces wood harvesting and reduces CO<sup>2</sup> emission. PRIDE and ERASP are providing climate information services and building capacities on farmers and their organizations to fight climate change. Projects promote the use of organic fertilizer and non-organic fertilizers. Supervision missions saw noticeable improvements in land, forestry and water resource management, with a reduction in sediment yield being observed, although not quantitatively measured. The cumulative climate-related results of SAPP, PRIDE and ERASP projects for the period under review are as follows: 117,093 households reporting adoption of environmentally sustainable technologies and practices; 47,800 hectares of land brought under climate-resilient practices; 31,937 households provided with climate-information services; 1,067 households using cooking stoves; 167 groups supported to sustainably manage natural resources and climate-related risks. The combined efforts may ultimately reduce pressure on the resource base depending on the maintenance and scaling up of the mechanism of support.
45. **People with Disabilities (PWD).** PWD are included in the beneficiary groups that are implementing various interventions, including accessing Village Challenge Funds (grants to support promotion of agri-business groups). People with disabilities are also included in various decision-making positions. For instance, in Lilongwe District, Mitundu EPA, the chairperson of Dzunga cooperative Mr Pofela Dzoole aged 35 is disabled. The cooperative is involved in agri-business and benefited from SAPP through the Village Challenge Fund (VCF). SAPP also employed a disabled person, Ms Muchaneta Mukiwa as a Justification Assistant (JA) for Chiradzulu District. Malawi is also included as target country for the IFAD-funded Sparking Disability Inclusive Rural Transformation (SPARK).
46. **Risks potentially impacting IFAD performance.** The main risks identified in the RB-COSOP 2016-2022 relate to: economic downturn; financial governance issues; and effects of climate variability.
47. The risk of **climate variability** has materialized. Indeed, given the Malawian economy's heavy reliance on agriculture, its exposure to climate-induced shocks has remained high. In addition, due to the limited fiscal space, natural disasters have significant potential to disrupt the economy and to undermine fiscal plans. The impact of cyclone Idai resulted in an economic downturn, put further pressure on an already constrained budget, thus making fiscal consolidation efforts even more challenging. It is fundamental for the country to achieve higher levels of economic diversification and greater fiscal restraint to mitigate climate-shock related risks.
48. **Fiscal space.** The incoming Government has inherited a weak fiscal position and growing domestic debt. High levels of expenditure and recurrent overruns, combined with revenue shortfalls and realized fiscal risks, have resulted in repeated high deficits, financed by high-cost domestic commercial debt. The FY21 budget projects a further widening of the deficit, from 9.4 to 12.7 per cent of GDP.
49. Malawi currently is at moderate risk of **external debt distress** with limited room to absorb shocks, and at high risk of overall debt distress. Most of the country's external debt is concessional, with 81 per cent held by multilaterals (as of end-2019). Malawi is, however, at high risk of overall debt distress due to high levels of domestic debt incurred at high interest rates. The stock of public debt increased from 59.4 per cent to an estimated 66.4 per cent of GDP between 2019 and 2020, while debt servicing costs increased to 35 per cent of revenue and grants in FY20.

50. **Inflationary pressures** could re-emerge. Food prices will continue to be vulnerable to weather shocks. As global oil and gas prices pick up, they will exert upward pressure on fuel and transport costs, as well as energy and fertilizer prices. In addition, an increased exchange rate could contribute to imported inflation. The Ukraine crisis will have an impact on the short-and-medium term outlook. The country needs to boost its export capabilities to tap into regional markets and diversify its revenue base to build economic resilience.
51. **Climate variability.** Malawi is considered one of the countries in the world that is most vulnerable to climate-related events. Modelling indicates that the country will experience substantive medium- and long-term changes to temperature and rainfall patterns. Since Tropical Cyclone Idai in 2019, also following the COVID-19 pandemic, the IFAD programmes have become better prepared to better anticipate, prepare for, and respond to unforeseen events. Looking ahead, the CCR proposes to pre-position climate shock-response mechanisms within projects that can deploy funds rapidly. Over the longer term, the new COSOP should continue supporting Malawi to become climate resilient.
52. The **impact of the COVID-19 pandemic on Malawi's economy** is substantial: World Bank data show that growth projections for 2020 have been lowered from 4.8 per cent to 0.8 per cent. Key transmission channels have included a global recession, reduced demand, increased trade costs, and reductions in exports, remittances, tourism, and foreign investment. These effects have combined with a drop in domestic demand due to social distancing and other related policies. While strong harvests in the last two years have supported agriculture growth and mitigated the pandemic's impact on food security, non-agriculture incomes— notably in informal service sectors—are expected to be particularly hard-hit, increasing urban poverty.
53. **Hiring procedures.** A salary cap currently affecting Government programmes has in some instances slowed down the hiring process followed by the Government for the recruitment of PMU staff members due to the uncompetitive conditions of service offered to PMU staff, resulting in many candidates turning down job offers, or leaving posts shortly after having taken office in Government programmes. This resulted in several consequences on programmes, including the high turnover of district accounting staff for PRIDE, the missing renewal of staff contracts in FARMSE, and the slow recruitment of TRADE staff, resulting in further delays in the project start-up. The Government is aware that this is causing sensible delays in programme implementation and looking into the issue. The introduction of performance-based incentives is closely being considered.
54. Partially related to the above is the risk of having **low capacity at PMU level.** In the case of PRIDE this procurement planning, evaluation process, record keeping and are still weak, which is part of the reasons for its delay in implementation, along with the overambitious design, foreseeing insufficient time to create irrigation schemes from scratch.
55. Another risk that has emerged during the CRR period is the **Fall Armyworm (FAW) infestation** and management. This poses a significant threat to smallholders and the nation's food security as a whole. After the CRR period 2016-2019, damage from FAW in the country has been under control.
56. Weak **governance and institutions** contribute to putting the country's development performance at risk. The stability of recent years is characterised by a proliferation of policies addressing short-term popular needs (agriculture subsidies, market and price distortions), as opposed to measures to increase fiscal stability and spur transformation at productive level.
57. **Corruption** continues to be a risk even though the country's corruption perception ranking has improved in the first 3 years of the RB-COSOP period, from 122/168 in 2016 to 120/180 in 2019, it then worsened to 129/179 in 2020. The introduction of

the TOMPRO accounting system and involvement of external auditors has decreased the threats of financial mismanagement at project level. However, there are governance issues in all institutions as fraud and corruption are still prevalent. In addition, transparency remains an issue because entities are not fully complying with the requirements of procurement planning, record keeping or procurement reporting.

58. **Political turnover** still represents a risk for project implementation. The 2019 presidential elections results were contested, following which the Constitutional and Supreme Court rulings overturned the results and called for fresh elections. Presidential elections were held in Malawi in June 2020, resulting in the victory of Lazarus Chakwera of the Malawi Congress Party, who defeated Mutharika by a margin of 59 per cent to 40 per cent. Since then there has been relative stability in the country. In terms of programme management, this risk is partially mitigated by the launch of the National Planning Commission (2017), mandated to formulate the medium and long-term development plans of the country and coordinate their implementation.

#### **IV. Policy engagement**

##### **59. IFAD performance: Rating 4/6.**

60. **IFAD representation.** According to the RB-COSOP 2010-2015 completion report, the IFAD portfolio was well aligned with government policies. Nevertheless, especially in the first three year of the 2016-2022 COSOP implementation, its results were not systematically used to inform policymakers. Donor coordination and policy dialogue on agriculture in Malawi are undertaken through the Donor Committee on Agriculture and Food Security (DCAFS) and through the ASWAp. Both the RB-COSOP 2010-2015 completion report and, later, the 2019 CRR noted that IFAD's limited in-country presence had hampered its regular participation in DCAFS. Alternative arrangements were found and employed during the second half of the 2016-2022 COSOP cycle through the recruitment of one local consultant, who, among other tasks, was in charge of liaising with DCAFS and policy makers on a regular basis, with a view to transfer project-based knowledge. An agreement was also reached to establish a Country Office in Malawi in 2022, which would allow for an even stronger presence and coordination at the country level.
61. With regard to the **programmes' contribution to policy engagement**, FARMSE has worked closely with many stakeholders in the rural financial sector and generated policy engagement space through the review and development of the Malawi Financial Sector Development Strategy I and II (FSDS I and II). FARMSE plans to develop the Malawi Financial Inclusion Portal that will create space for further policy engagement on rural finance through the provision of information for policy and decision making in the broader financial sector.
62. SAPP was closely engaged at the policy level as it provided inputs to the review of the National Agricultural Policy (NAP) and the formulation of a successor NAP. SAPP also supported the Agricultural Sector Food and Nutrition Strategy, the Farmer Organisation Development Strategy and the fertilizer policy (including the development of fertilizer blends based on science), which was achieved in partnership with AGRA and other stakeholders in the fertilizer industry. SAPP also supported an adaptive research strategy that was approved but has not been launched yet.
63. Through PRIDE, IFAD aims at enhancing rural Malawian communities' resilience to food insecurity and adverse effects of climate change. Agricultural insurance is one way of achieving this. Therefore, IFAD supported Malawi in 2020 with a one off US\$1 million premium payment to African Risk Capacity (ARC) to enable Malawi purchase an insurance policy with the African Risk Capacity to enhance the resilience of rural communities to food insecurity and adverse effects of climate change in the northern

and southern regions of Malawi under an arrangement of reallocating some funding from PRIDE.

64. FARMSE has successfully started to work with a large number of partners: (i) Reserve Bank of Malawi (RBM) on financial regulatory and policy matters; (ii) EU, GIZ, Ministry of Finance on financial policy matters, the Department of Economic Planning and Development and the World Bank to understand issues of social cash transfers; (iii) the banking sector, including FDH, FINCA, FINCOOP and not for profit FSPs and NGOs including COMSIP, Heifer International, CARE, OXFAM and World Relief, to improve and scale up delivery of financial services to the rural poor.

## **V. Knowledge management and communication (KM) and SSTC**

65. **IFAD performance: Rating 5/6.** Knowledge management and communication (KMC), in conjunction strategic partnerships with key private sector players in country, played a strong role in IFAD engagement in policy dialogue in Malawi, scaling up and SSTC during the RB-COSOP 2016-2022 implementation period. Overall, the Malawi programmes all benefit from solid KMC systems targeting different audiences, in several local languages and ensuring a context specific, adaptable approach. Robust KM plans were elaborated and are being implemented by the programmes following the good practice offered by SAPP which, was then transferred to other PMUs in both Malawi and Zambia through a recently launched KM Community of Practice (CoP).
66. The **Community of Practice (CoP)** consists of a forum for IFAD-funded programmes in Malawi (and Zambia) to discuss programme implementation issues with their peers from other programmes. Using ICT solutions to capture the results of these discussions can contribute to building a repository for lessons and best practices of programmes and encourages frequent engagement. The objective of the CoP is to allow for informal technical exchanges on lessons and best practices in KM and M&E, as well as in programme implementation itself. The purpose of the CoP is to improve programme implementation in Malawi and Zambia through the sharing of useful lessons and best practices. Topics are chosen by the members of the CoP as the forum is entirely programme-driven. The activities of the CoP are quarterly remote meetings, scheduled at the demand of the programmes' KM and M&E officers. The meetings are used to discuss topics of immediate importance to programme implementation. Continuous communication among members is ensured through a WhatsApp group conversation and via email. An e-drive has been established to facilitate the sharing of internal working documents and relevant internal and/or external resources among KM and M&E officers in the CoP.
67. The **DATA.IFAD ESA results management dashboard** is another initiative covering the whole IFAD portfolio in Malawi. With a view to increase evidence-based decision-making and improve the quality of supervision-related activities, the Malawi Country Team adapted the Brazilian DATA.FIDA to the Malawi Portfolio. The system, which has been integrated in the first half of 2021, provides a space for the provision of live data that can be automatically uploaded by programmes through standardized formats that follow the IFAD templates for annual work plans and budgets (AWPBs) and logframes. Programmes are enabled to provide impact and financial data more frequently, thus enabling the prompt identification of implementation bottlenecks that can then be jointly addressed by the IFAD country team and programmes, thus improving programme management and performance.
68. The partnership with LAC allowed the IFAD Malawi country team to build on existing in-house experience in establishing such systems, thereby reducing the implementation time and resources needed for the initial investment for this pilot. The dashboard has strong potential to be scaled up within the East and Southern Africa division and IFAD at large as it is complementary to programmes' MIS



systems and IFAD's ORMS and can be adjusted to a specific portfolio context. A scaling up phase is thus envisaged and will depend on the ability of the dashboard to successfully address the data needs of stakeholders in Malawi.

69. Other **ICT4D solutions** have been implemented by the IFAD-supported programmes in Malawi, some of which have a definite focus on knowledge management. In order to face the disruptions and limitation caused by the COVID-19 pandemic, the Malawi programme embraced an increasing number of digital tools as channels including e-extension platforms for the delivery and exchange of information to and between programme beneficiaries through basic mobile phones, promoted by FARMSE; a digital learning tool for household training and GAPs dissemination promoted by SAPP; dissemination of good financial practices, such as the FDH Ufulu digital account, an easy-to-open account offering absolute convenience to the rural community promoted by FARMSE. Some of these solutions also helped to address challenges related to the scarcity of extension staff, Agricultural Extension Development Officers (AEDOs) and Agricultural Extension Development Coordinators (AEDCs), in addition to ensuring business continuity during the COVID-19 crisis. The above good practices were systematised in a series of KM notes and disseminated internally through a tracking system led by PMI, and a learning and sharing event involving PMU staff and other IFAD country teams within PMD, thus allowing for inter/intra regional share of best practices.
70. These solutions are fully aligned with the "Malawi Digital Government Strategy" aiming to digitize administration to provide more convenient and accessible public services, improve internal efficiency and promote collaboration, while also accelerating social justice by ensuring that e-service delivery through digital applications can be accessed remotely.

## **VI. Strategic partnerships**

71. **IFAD performance: Rating 4/6.** IFAD has a comparative advantage in transforming smallholder agriculture by linking improved service delivery to community organizations. Its approach in Malawi is to: (i) work with and strengthen district-level government services; and (ii) deliver those services via community organizations to smallholder farmers. This combines technological innovations in smallholder farming with social innovations in the relationships between smallholders and agricultural services.
72. **Private sector engagement.** On **marketing partnerships** between farmers' organisations and buyers, SAPP successfully linked farmers' organisations and signed agreements on marketing with Red Cross, ICRISAT, MUSECO and RUMARK. SAPP also organised a series of buyer and seller meetings to discuss the effective delivery of the marketing process and to respond to farmer's demands on various marketing issues such as pricing of farmer's commodities.
73. FARMSE has successfully started to work with a large number of partners: (i) Reserve Bank of Malawi (RBM) on policy matters; (ii) EU, GIZ, Ministry of Finance, Department of Economic Planning and Development, and the World Bank to understand issues of social cash transfer; (iii) financial service providers including FDH, FINCA, FINCOOP and not for profit FSPs and NGOs, including COMSIP, Heifer International, CARE, OXFAM and World Relief, to improve delivery of financial services to the rural poor.
74. As reported in the previous paragraph, FARMSE has worked closely with many stakeholders in the rural financial sector. These include three commercial banks, FDH Bank, NBS Bank, Standard Bank to increase outreach of financial access innovations such as banking agency and digital banking to rural areas; four micro finance institutions to scale up outreach for entrepreneurship training and access to savings, loans, and insurance to rural areas to support off-farm and on-farm enterprise activities; six NGOs to support scaling and strengthening of village savings and loan

groups and so far has reached out to 16,935 SLGs translating to 329,700 households. The SLGs have been instrumental in developing the culture of savings and loans among the rural populations.

75. The PRIDE-supported Malawi Innovation Challenge Fund (MICF) is a multi-donor supported fund to which PRIDE is part of through supporting the irrigation window for private actors interested in irrigation development. After an active 2019 when seven projects promoting water- and solar-powered pumps and green water schemes were initiated, there has been little progress since Q2 of 2020, largely due to the impact of COVID-19 on imports. Therefore, with less than one year to go in the 3-year MICF programme, there has only been moderate progress.
76. Overall collaboration at policy and implementation level is therefore satisfactory.
77. Programmes are learning from other initiatives in the country, accessing relevant information and practices (e.g. PRIDE accessing WB information on tenure, and TRADE learning from FAO on value chain skills development). Collaboration is in place with African Development Bank on selection of irrigation sites.
78. In terms of examples of policy uptake: the HHM Methodology is currently used in Local Government programmes and by NGOs. The recruitment of schools leavers/ rural extension staff has been retained by the Government of Malawi. The double row planting in legumes was adopted for national extension strategy.

## VII. Lessons learned and recommendations

79. A review of IFAD-supported projects in Malawi between 2016 and end 2021 provides valuable project-specific lessons. The review reveals that the portfolio was highly relevant to the needs of the rural poor and had a good impact on household income and assets, food security and agricultural productivity and led to a number of scalable innovative solutions.
80. The main lessons learned and the recommendations thereof are elaborated below.
  - (a) **The link between the COSOP results framework and the project logframes should be further streamlined.** The new COSOP should define its outcome indicators in alignment with the aggregation of project outcome indicators, and be regularly updated to record the results achieved by the country programme in a consistent fashion. To this effect, country and project teams need to engage in annual reviews to ensure consistency of targets with programmes progress.
  - (b) **M&E systems at project level need to be harmonised to align with COSOP results framework and inform centralised reporting system.** In some cases it was not possible to track relevant indicators for programmes, nor indicate the outreach for specific target groups (young women, for instance) since the youth data is not sex-disaggregated. Outreach data are often not available for vulnerable groups such as persons with disabilities, chronic debilitating diseases and ultra-poor. It is recommended that IFAD establish a series of standard criteria for project logframes, based on the COSOP Results Framework for future operations, in order to ensure an M&E system, which is consistent throughout the country programme. This will be made possible through the new DATA.IFAD ESA system, a centralised M&E dashboard integrating COSOP indicators.
  - (c) **Successful ICT4D solutions should be further documented and expanded.** Promote and disseminate digitally enabled service providers who are able to connect clients to new ways of improving the productivity and resilience of their farms.
  - (d) **Rural finance should be granted a strengthened and more structured approach.** Since a breakthrough in terms of a large-scale improvement of

access to financial services by smallholders has not been achieved yet, a strengthened approach to rural finance is required. It should also encompass addressing aforementioned shortcomings such as policy engagement, access to different products/services and linkages to market based approaches. FARMSE has made significant progress in supporting access to finance through a two-track approach including graduation and microfinance. The solutions identified and promoted to date seem to have a promising outreach and should be closely monitored and scaled up to other programmes if they prove to be sustainable and effective.

- (e) **It is imperative to explicitly add youth in the new COSOP SOs and as a core target group of future IFAD interventions.** This will ensure that the new country strategy is aligned with the youth-centric vision of Malawi's most recent policies, including the Malawi 2063 Vision<sup>11</sup>.
- (f) **Partnership arrangements should be agreed at design.** This will limit the risk of having to accept service providers' conditions applied by implementing agencies.
- (g) **Multifaceted private sector partnerships should be identified and formalised early in the implementation phase.** Future projects should adopt a market-led approach to improve the connectivity between irrigation farmers and the end-users of their produce. They should also facilitate the establishment of linkages between local MSMEs and smallholder farmers for the provision of innovative solutions for increased programme sustainability, and focus on increasing the capacity of the private sector to sustainably procure farm produce from smallholder farmers.
- (h) **IFAD can strengthen its contribution to Country Level Policy Engagement (CLPE).** The 2016-2022 COSOP and related portfolio did well by being closely aligned to Government policies and structures, but IFAD can play a more prominent role in policy engagement, with the other development partners and with Government. On several occasions, the Government has reiterated that it would welcome a more stable IFAD country presence to actively take part in the various donor coordination mechanisms in order to further development of policies and approaches that benefit smallholder farmers. The recent changes and the appointment of local consultants was very beneficial for IFAD's visibility and policy engagement. IFAD's plan to open a fully-fledged country office in Malawi was very well received by Government and other development partners. For better tracking of CLPE result, the new COSOP could set specific CLPE objectives, to be reflected by ad-hoc indicators in the RMF.

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<sup>11</sup> <https://malawi.un.org/sites/default/files/2021-01/MW2063-%20Malawi%20Vision%202063%20Document.pdf>

## COSOP results management framework (at design)

<b>Country strategy alignment</b> <i>What is the country seeking to achieve?</i>	<b>Key results for RB-COSOP (Jul 2016- Jun 2019)</b> <i>How is IFAD going to contribute?</i>		<b>Indicative lending and non-lending activities for the next 3 years</b>
	<b>Strategic objectives</b>	<b>Outcome indicators</b> <i>gender, wealth and age disaggregated</i>	<b>Milestone indicators</b> <i>gender, wealth and age disaggregated</i>
<p><b>Malawi Growth and Development Poverty Reduction Strategy 2013 – 2016 (MGDS II):</b> Sustainable economic growth; social development; disaster risk management; infrastructure development; governance; gender and capacity development.</p> <p><b>National Agriculture Policy (2016-2020)</b> Sustainable agricultural production; sustainable irrigation development; agriculture market development, agro-processing and value addition; food and nutrition security; agricultural risk management; youth and women empowerment in agriculture; institutional development, coordination and capacity development.</p> <p><b>National Export Strategy (2013-2018)</b></p>	<p><b>SO1:</b> Smallholder households become resilient to natural shocks</p>	<ul style="list-style-type: none"> <li>▪ 15,400 smallholder households with long-term tenure security for at least 0.1 ha of newly irrigated land;</li> <li>▪ 9,350 hectares of agricultural land improved through soil and water conservation measures (excluding irrigation);</li> <li>▪ 35,200 smallholder households adopting one or more recommended good agricultural practices</li> <li>▪ 23,500 smallholder farmers (at least 30% female) reporting an over 20% production increase from improved practices</li> <li>▪ 14,000 smallholder households reporting decreased incidence of hunger, measured by the number of meals per day</li> </ul>	<p><b>A) Lending/investment activities:</b></p> <ul style="list-style-type: none"> <li>▪ RLEEP (Oct 2009 – Dec 2017)</li> <li>▪ SAPP (Jan 2012 – Mar 2021)</li> <li>▪ PRIDE (Jul 2016 – 2023)</li> <li>▪ ERASP (2016 – 2023)</li> <li>▪ FARMSE (2019– 2025)</li> <li>▪ VC project (tbd) (2020-2026)</li> </ul> <p><b>B) Non-lending/non-project activities:</b></p> <ul style="list-style-type: none"> <li>▪ Policy dialogue</li> <li>▪ Knowledge management</li> <li>▪ Partnership building</li> <li>▪ South-south and triangular cooperation, grants and reimbursable technical assistance</li> </ul>

<b>Country strategy alignment</b> <i>What is the country seeking to achieve?</i>	<b>Key results for RB-COSOP (Jul 2016- Jun 2019)</b> <i>How is IFAD going to contribute?</i>		<b>Indicative lending and non-lending activities for the next 3 years</b>
	<b>Strategic objectives</b>	<b>Outcome indicators</b> <i>gender, wealth and age disaggregated</i>	<b>Milestone indicators</b> <i>gender, wealth and age disaggregated</i>
<ul style="list-style-type: none"> <li>▪ support export-oriented clusters and diversify country's export, especially through promotion of oil-seeds and sugar cane products, as well as agro-processing of dairy, maize, wheat, horticulture and pulses;</li> <li>▪ develop a conducive environment for youth, women, farmers and SMEs;</li> <li>▪ invest in supportive economic institutions and organizations to build the productive base of the economy, and</li> <li>▪ significantly strengthen skills, competencies and knowledge.</li> </ul>	<p><b>SO2:</b> Smallholder households access remunerative markets and services</p>	<ul style="list-style-type: none"> <li>▪ 5,500 smallholder households associated into newly formed and trained producer groups</li> <li>▪ eight commodity platforms active and operationally self-sufficient</li> <li>▪ 8,250 smallholder households associated in newly formed and trained saving and credit groups</li> <li>▪ annual smallholder loan portfolio enabled by the projects surpassing USD 1.0 million</li> </ul>	<ul style="list-style-type: none"> <li>▪ 23,000 smallholder farmers trained in post-production, processing and marketing</li> <li>▪ 16,500 smallholder farmers trained in business and entrepreneurship (above orientation level)</li> <li>▪ 3 commodity platforms initiated and strengthened</li> <li>▪ 5 financial institutions participating in the project portfolio</li> </ul>

## COSOP results management framework (reviewed at CRR)

<b>Country strategy alignment</b> <i>What is the country seeking to achieve?</i>	<b>Key results for RB-COSOP (Jul 2016- Jun 2019)</b> <i>How is IFAD going to contribute?</i>		<b>Indicative lending and non-lending activities for the next 3 years</b>
	<b>Strategic objectives</b>	<b>Outcome indicators</b> <i>gender, wealth and age disaggregated</i>	<b>Milestone indicators</b> <i>gender, wealth and age disaggregated</i>
<p><b>Malawi Growth and Development Strategy 2017-2022 (MGDS III):</b> Agriculture and climate change, education and skills development, transport and ICT, health and population Management</p> <p><b>National Agriculture Policy (2016-2020)</b> Sustainable agricultural production; sustainable irrigation development; agriculture market development, agro-processing and value addition; food and nutrition security; agricultural risk management; youth and women empowerment in agriculture; institutional development, coordination and capacity development</p>	<p><b>SO1:</b> Smallholder households become resilient to natural shocks</p>	<ul style="list-style-type: none"> <li>▪ 15,400 smallholder households with long-term land tenure security for at least 0.1 ha of newly irrigated land;</li> <li>▪ <u>83,200</u> hectares of agricultural land improved through soil and water conservation measures (excluding irrigation);</li> <li>▪ <u>96,300</u> smallholder households adopting one or more recommended good agricultural practices</li> <li>▪ <u>763,900</u> smallholder farmers (at least 30% female) reporting an over 20% production increase from improved practices</li> <li>▪ 14,000 smallholder households reporting decreased incidence of hunger, measured by the number of meals per day</li> </ul>	<ul style="list-style-type: none"> <li>▪ 4,400 ha of land under irrigation schemes constructed or rehabilitated</li> <li>▪ <u>10 newly formed and trained groups for managing infrastructure established</u></li> <li>▪ <u>3,700</u> groups in NRM formed and strengthened</li> <li>▪ <u>174,500</u> smallholder farmers trained in good agricultural practices</li> <li>▪ <u>20</u> new or adapted good agricultural and financial practices</li> </ul> <p><b>A) Lending/investment activities:</b></p> <ul style="list-style-type: none"> <li>▪ RLEEP (Oct 2009 – Dec 2017)</li> <li>▪ SAPP (Jan 2012 – Mar 2023)</li> <li>▪ PRIDE (Jul 2016 – 2023)</li> <li>▪ ERASP (2016 – 2023)</li> <li>▪ FARMSE (2019– 2025)</li> <li>▪ TRADE (2020-2026)</li> </ul> <p><b>C) Non-lending/non-project activities:</b></p> <ul style="list-style-type: none"> <li>▪ Policy dialogue</li> <li>▪ Knowledge management</li> <li>▪ Partnership building</li> <li>▪ South-south and triangular cooperation, grants and reimbursable technical assistance</li> </ul>

<b>Country strategy alignment</b> <i>What is the country seeking to achieve?</i>	<b>Key results for RB-COSOP (Jul 2016- Jun 2019)</b> <i>How is IFAD going to contribute?</i>		<b>Indicative lending and non-lending activities for the next 3 years</b>
	<b>Strategic objectives</b>	<b>Outcome indicators</b> <i>gender, wealth and age disaggregated</i>	<b>Milestone indicators</b> <i>gender, wealth and age disaggregated</i>
<ul style="list-style-type: none"> <li>▪ support export-oriented clusters and diversify country's export, especially through promotion of oil-seeds and sugar cane products, as well as agro-processing of dairy, maize, wheat, horticulture and pulses;</li> <li>▪ develop a conducive environment for youth, women, farmers and SMEs;</li> <li>▪ invest in supportive economic institutions and organizations to build the productive base of the economy, and</li> <li>▪ significantly strengthen skills, competencies and knowledge.</li> </ul>	<p><b>SO2:</b> Smallholder households access remunerative markets and services</p>	<ul style="list-style-type: none"> <li>▪ <u>23,000</u> smallholder households associated into newly formed and trained producer groups</li> <li>▪ <u>9</u> commodity platforms active and operationally self-sufficient</li> <li>▪ <u>16,500</u> smallholder households associated in newly formed and trained saving and credit groups</li> <li>▪ <u>25,000 smallholder farmers in rural areas accessing financial services</u></li> </ul>	<ul style="list-style-type: none"> <li>▪ <u>42,000</u> smallholder farmers trained in post-production, processing and marketing</li> <li>▪ <u>108,600</u> smallholder farmers trained in business and entrepreneurship (above orientation level)</li> <li>▪ <u>8</u> commodity platforms initiated and Strengthened</li> <li>▪ 5 financial institutions participating in the project portfolio</li> </ul>

## COSOP results management framework: progress since COSOP results review

### SO1: SHHs become resilient to natural shocks - Outcome Indicators

Indicator & Target	RLEEP*	FARMSE*	PRIDE*	ERASP*	SAPP*	TRADE**	Current Status	Progress	Comments
15,400 smallholder households with long-term tenure security for at least 0.1 ha of newly irrigated land	N/A	N/A	0	N/A	N/A	0	0	0%	<b>PRIDE</b> measures indicator in Output 1.1., targeting 17,500 SHHs. Disaggregation of this output into irrigated and rain-fed land as well as addition of ha will be introduced to logframe. Progress on this indicator is not on track due to delay in the setting of the irrigation systems
83,200 hectares of agricultural land improved through soil and water conservation measures (excluding irrigation)	N/A	N/A	802	2,169.5	508,515	0	511,486.5	645%	Indicator was increased from 9,350 to 83,200 at the CRR as initial target was surpassed by SAPP alone. <b>PRIDE/ERASP</b> contributed further to indicator (Output 1.2/3). <b>TRADE</b> could also measure indicator but needs to update its log-frame to comply.
96,300 smallholder households adopting one or more recommended good agricultural practices	0	N/A	7,944	2,577	191,641	0	202,162	210%	Indicator was increased from 35,200 to 96,300 at CRR. <b>RLEEP</b> did not measure despite potential to do so under Outcome 1&2. <b>PRIDE/ERASP</b> contribute to indicator, targeting a combined 33,600 SHHs (Outcome 2/Output 2). <b>TRADE</b> will make contributions under Outcome 3 of log-frame.
763,900 smallholder farmers (at least 30% female) reporting an over 20% production increase from improved practices	37,625	N/A	2,757	8,852	712,090	0	761,324	99.5%	Indicator was increased from 23,500 to 763,900 at CRR. <b>RLEEP</b> and <b>SAPP</b> measured increase in production without a 20% threshold. <b>PRIDE/ERASP</b> contributed to indicator, targeting a combined 42,680 SHFs (Outcome 2/Development Objective). <b>TRADE</b> could contribute by rephrasing log-frame in Outcome 2.
14,000 smallholder households reporting decreased incidence of hunger, measured by the number of meals per day	8,279	NA	0	0	42,774	0	51,053	365%	<b>Every programme</b> includes food security indicators, but only <b>RLEEP</b> and <b>PRIDE</b> (targeting 17,000 SHHs) use a matching methodology. <b>SAPP</b> and <b>ERASP</b> measure food security through period of hungry season. <b>FARMSE</b> does not make reference to specific methodology. <b>TRADE</b> could contribute by rephrasing preliminary log-frame.

### SO1: SHHs become resilient to natural shocks - Milestone Indicators

4,400 ha of land under irrigation schemes constructed or rehabilitated	N/A	N/A	0	N/A	N/A	NA	0	0%	Only <b>PRIDE</b> will measure indicator in Output 1.2, targeting 5,200ha.
<del>15,400 smallholder households associated</del> 10 newly formed and trained groups for managing infrastructure) 10 newly formed and trained groups for managing infrastructure established	N/A	N/A	9	N/A	N/A	NA	9	90%	Indicator was rephrased from “15,400 smallholder households associated to newly formed and trained groups for managing infrastructure” at CRR, to allow for easier monitoring. Only <b>PRIDE</b> contributed to indicator in Output 1.1, measuring the number of WUAs, targeting 15, and reaching 9 at the time of the



<b>3,700 groups in NRM formed and strengthened</b>	N/A	N/A	167	63	1,231	<b>1,461</b>	<b>39.5%</b>	CCR. 12,473 smallholder households were reached at the time of the CCR. Indicator was increased from 28 to 3,700 at CRR. <b>PRIDE/ERASP</b> measure indicator in Output 1.3/1.2, targeting a combined 210 groups. <b>TRADE</b> will continue contributing under Output 3.1, targeting 5,000 groups. <b>SAPP's</b> successful implementation of model villages results in surpassing alone the initial COSOP target at the time of the CRR. The increased indicator is not on track also due to the reduction/suspension of activities requiring social gatherings during the 2020-2021 COVID-19 crisis.
<u>174,500</u> smallholder farmers trained in good agricultural/financial practices	37,625	20,539	7,944	2,577	203,687	<b>272,372</b>	<b>156%</b>	Indicator was increased from 39,000 to 174,500 at CRR, and has surpassed target by 50%, also due to the different communication channels introduced by SAPP to deliver the training despite COVID-19 restrictions. <b>TRADE</b> will make contribution under Output 2.1.
<u>20</u> new or adapted good agricultural and financial practices	0	4	15	0	12	<b>31</b>	<b>155%</b>	Indicator was decreased from 55 to 20 at CRR, and financial practices were included. <b>SAPP</b> contributed to indicator in Output 1.1. <b>RLEEP</b> has not captured data although MoAIWD received training (Output 2.1). <b>FARMSE</b> does not measure GAPs but good financial practices (Output 3.2.2.1, targeting 5). <b>PRIDE</b> contributed to indicator in Output 2.1 / 2.3. <b>TRADE</b> could make contribution in the following months prior to COSOP completion.
<b>SO2: SHHs access remunerative markets and services - Outcome Indicators</b>								
<u>23,000</u> smallholder households associated into newly formed and trained producer groups	2,146	N/A	0	N/A	26,497	<b>28,643</b>	<b>124.5%</b>	Indicator was increased from 5,500 to 23,000 at CRR. <b>RLEEP</b> and <b>SAPP</b> contributed to surpass the target at CRR. <b>PRIDE</b> is not measuring indicator despite this being an objective in Sub-Component 2.2. <b>TRADE</b> will contribute in Component 1.2 but needs to add indicator to log-frame.
<u>9</u> commodity platforms active and operationally self-sufficient	6	4	0	N/A	N/A	<b>10</b>	<b>111%</b>	Indicator was increased from 8 to 9 at CRR. <b>RLEEP</b> contributed in Output 1.2. <b>FARMSE</b> measures indicator in Output 3.2.1.1, targeting 5 multi-stakeholder platforms, of which he has reached 4. <b>PRIDE</b> is not measuring indicator despite this objective to conduct activities in Component 2.2.
<u>16,500</u> smallholder households associated in newly formed and trained saving and credit groups	9,424	122,981	N/A	N/A	N/A	<b>132,405</b>	<b>802%</b>	Indicator was increased from 8,250 to 16,500 at CRR. <b>RLEEP</b> contributed in Outcome 3 to surpass the initial target. <b>FARMSE</b> contributes to indicator in Output 2.1.1, targeting 5,000 groups.
<u>25,000</u> smallholder farmers in rural areas accessing financial services	N/A	381,379	N/A	N/A	N/A	<b>381,379</b>	<b>1525%</b>	Only <b>FARMSE</b> was able to measure this indicator.

## SO2: SHHs access remunerative markets and services - Milestone Indicators

42,000 smallholder farmers trained in post-production, processing and marketing	28,099	N/A	N/A	N/A	N/A	28,099	67%	Indicator was increased from 23,000 to 42,000 at CRR as <b>RLEEP</b> contributed to surpassing initial indicator in Output 2.2. <b>TRADE</b> could contribute further in Component 2.2. Indicator is not on track also due to the reduction/suspension of activities requiring social gatherings during the 2020-2021 COVID-19 crisis.
108,600 smallholder farmers trained in business and entrepreneurship (above orientation level)	20,794	N/A	4,022	N/A	46,436	71,252	66%	Indicator was increased from 16,500 to 108,600 at CRR. <b>RLEEP</b> and <b>SAPP</b> contributed to surpassing initial target. <b>PRIDE</b> has further contributed in Output 2.2, having reached 4,022 out of the foreseen 17,500 SHFs. <b>TRADE</b> will contribute in Output 1.2, targeting 93,000 SHFs. Indicator is not on track also due to the reduction/suspension of activities requiring social gatherings during the 2020-2021 COVID-19 crisis.
8 commodity platforms initiated and strengthened	6	N/A	4	N/A	N/A	10	125%	Indicator was increased from 3 to 8 at CRR. <b>RLEEP</b> contributed to surpass initial target in Output 1.2. <b>TRADE</b> could contribute in Component 2.1 but will have to include an additional indicator in log-frame.
5 financial institutions participating in the project portfolio	0	8	N/A	N/A	N/A	8	160%	<b>FARMSE</b> is contributing to surpass target. <b>FARMSE</b> is targeting 8 FSPs in Output 2.2.2 which were met. <b>RLEEP</b> did not capture indicator despite involvement of FSPs with VSLGs in Outcome 3.

\*RLEEP, FARMSE, PRIDE, ERASP and SAPP results are taken into consideration for the whole project period due to data availability, including data pre-dating the current COSOP of 2016-2022.

\*\*TRADE M&E tools such as the log-frame were still preliminary at the time of the CCR.

**Ratings matrix (in line with IOE evaluation methodology)**

<i>Evaluation of country programme</i>	<i>Rating (1-6 scale)</i>
- Relevance	4
- Effectiveness	4
- Policy engagement	4
- Knowledge management	5
- Strategic partnerships	4
<b>Overall country programme achievements</b>	<b>4.2 (1-6 scale)</b>

## **Comments from government**

This CCR benefitted from comments and observations made by the PMUs of the four active programmes. The report was shared with government for endorsement and findings were further discussed and elaborated with the Government of Malawi during the CCR virtual consultations and on occasion of the COSOP (2023-2029) design mission held in February 2022.