



Republic of Malawi

COSOP completion review

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Abbreviations and acronyms

ASAP	Adaptation for Smallholder Agricultural Programme
ASWAp	Agriculture Sector-Wide Approach
ASWAP-SP	Agriculture Sector-Wide Approach Support Project
CA	Conservation Agriculture
CIAT	International Centre for Tropical Agriculture
CIP	International Potato Centre
CGIR	Consultative Group on International Agricultural Research
CIMMYT	International Maize and Wheat Improvement Centre
COSOP	Results Based - Country Strategic Opportunities Programme
CPM	Country Programme Manager
DCAFS	Donor Committee on Agriculture and Food Security
EPA	Extension Planning Areas
ERP	Economic Recovery Plan
FAO	The Food and Agriculture organization
GAPs	Good Agricultural Practices
GDP	Gross domestic product
GoM	Government of Malawi
KIT	Royal Tropical Institute of the Netherlands

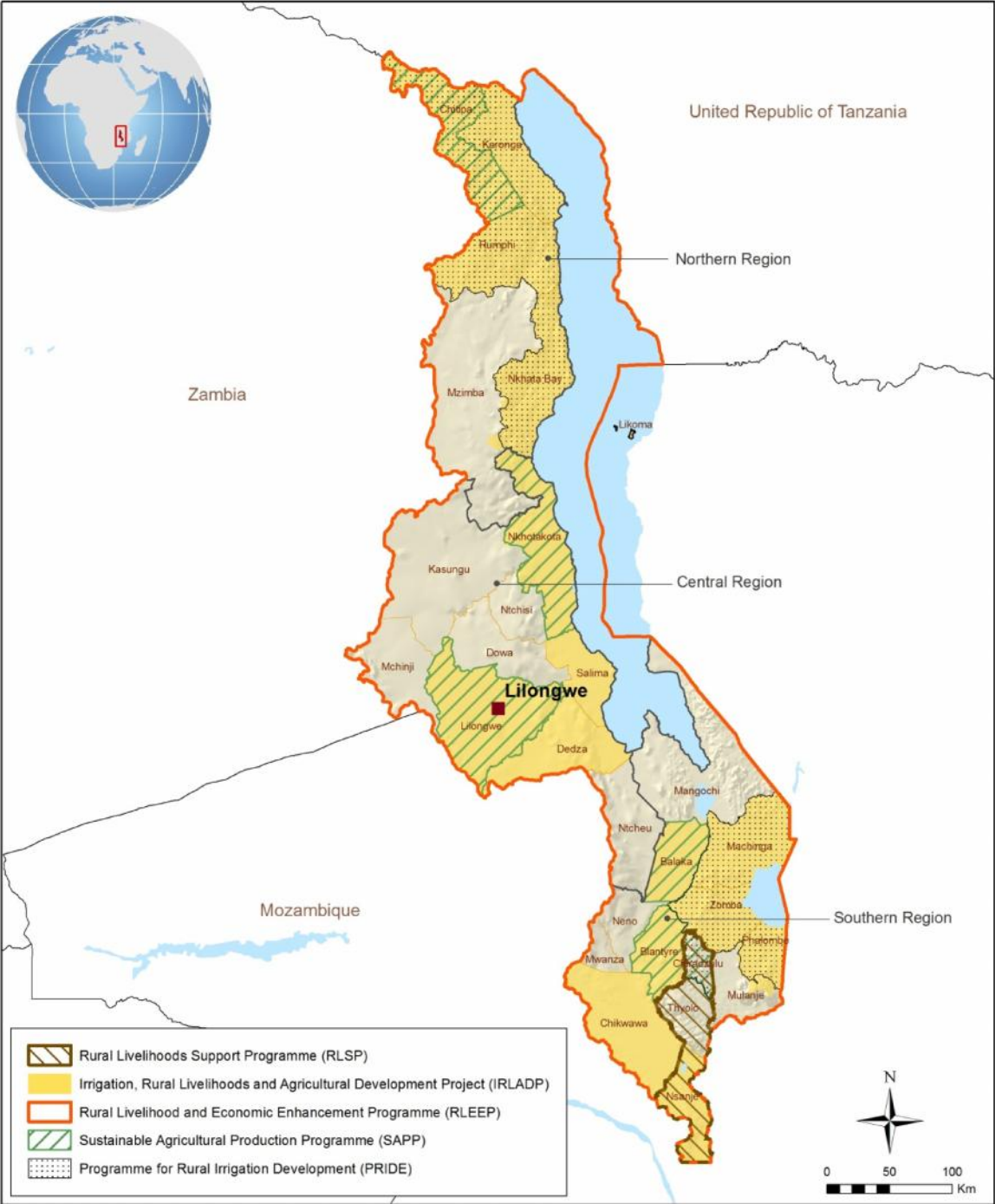
ICRISAT	International Crops Research Institute for the Semi-Arid-Tropics
ICIPE	International Centre of Insect Physiology and Ecology
IITA	International Institute of Tropical Agriculture
IFAD	International Fund or Agriculture Development
IMPIF	Irrigation Master Plan and Investment Framework
IRLADP	Irrigation, Rural Livelihoods and Agricultural Development Project
LUANAR	Lilongwe University of Agriculture & Natural Resources
MDGs	Millennium Development Goals
MDTF	Multi Donor trust Fund
M&E	Monitoring and Evaluation
MGDS	Malawi Growth and Development Poverty Reduction Strategy
MLGRD	Ministry of Local Government and Rural Development
MLHUD	Ministry of Lands and Housing was merged with Urban Development
MoAIWD	Ministry of Agriculture, Irrigation and Water Development
MoFEPD	Ministry of Finance, Economic Planning and Development
MoIT	Ministry of Industry and Trade
MOH	Ministry of Health
MTR	Mid-Term Review
NASFAM	National Smallholder Farmers' Association of Malawi
NES	National Export Strategy
NGO	Non-Government Organisations
OFID	OPEC Fund for International Development
OBM	Opportunity Bank of Malawi
PPF	Programme Preparatory Facility
PRIDE	Programme for Rural Irrigation Development
PS	Principal Secretary
PTA	Policy and Technical Advisory Division
RLEEP	Rural Livelihoods and Economic Enhancement Programme
RLSP	Rural Livelihoods Support Programme
SAPP	Sustainable Agricultural Production Programme
SFPDP	Smallholder Flood Plains Development Project
USAID	U.S. Agency for International Development
WB	The World Bank
WFP	World Food Programme

Map of IFAD-funded operations in the country

Malawi

IFAD-funded projects ongoing and designed under COSOP 2010-2015

COSOP completion report



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The Republic of Malawi

COSOP completion review

I. Assessment of programme performance

1. Introduction. IFAD's Results Based - Country Strategic Opportunities Programme (COSOP) 2010-2015 defines the strategic partnership framework between the Government of the Republic of Malawi and IFAD. It was presented to IFAD Executive Board in December 2009 and is due to be renewed for 2016.
2. The COSOP Completion Review (CCR) was initiated in May 2015 and completed in 2016. It examines progress towards achieving COSOP 2010-2015 strategic objectives and related outcomes, as presented in its results framework. The original results framework included in the COSOP is reproduced in appendix 1. Appendix 2 shows the updated results framework, along with indicators for the progress achieved. The update is based on the 2013 COSOP mid-term review, and the reported achievement is based on fieldwork done in May 2015¹. IFAD's project and non-project activities form the basis for the achievements against the results framework, as shown in Figure 1.

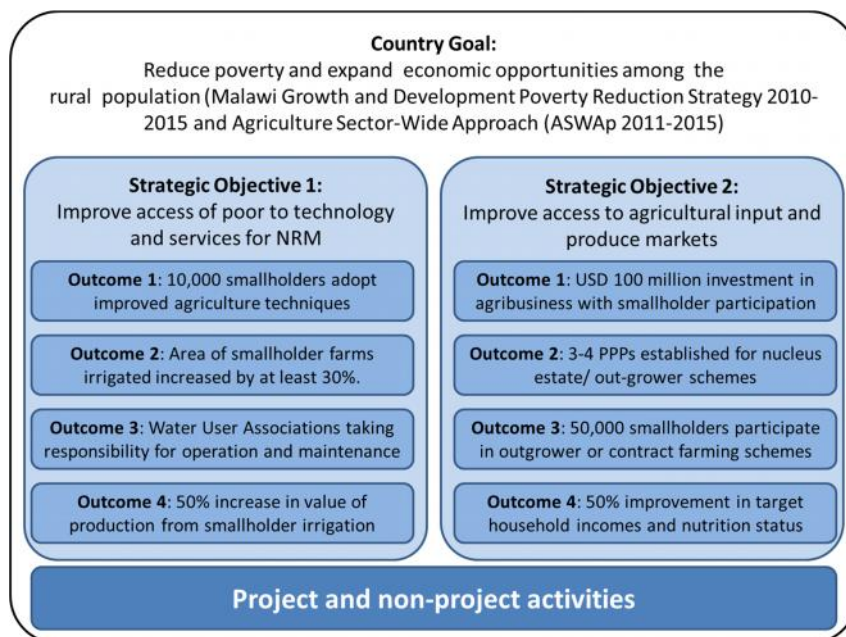


Figure 1: COSOP 2010-2015 results framework (summary)

3. The 2015 guidelines introduce a rating of the COSOP performance for the mid-term status, which constitutes performance scores in the COSOP Results Review (CRR) against standard criteria such as poverty impact, relevance and effectiveness. This has been a new requirement which the COSOP mid-term review for Malawi did not have in 2013. The ratings matrix in Appendix 4 therefore includes a self-assessment of the COSOP performance based on the 2015 field work, country programme issues sheet, performance ratings of individual projects and a self-assessment.

¹ IFAD, Malawi COSOP Mid Term Review report, first draft, 2013. This CCR builds on the FAO/IFAD cooperation programme conducted in Malawi, in May 2015.

4. COSOP development goals. The Malawi COSOP 2010-2015 is aligned to and contributes to Government's development goals. The country development ambitions have been summarised in the COSOP in a single goal: to reduce poverty and expand economic opportunities among the rural population. This is an amalgamation of goals derived from (i) the Malawi Growth and Development Poverty Reduction Strategy 2010-2015 (MGDS) and (ii) the Agriculture Sector-Wide Approach programme (ASWAp) for 2011-2015:
 - (a) Sustainable land management through adoption of improved agricultural land use (ASWAp);
 - (b) Protect and manage water resources to meet agricultural demand (MGDS).
 - (c) Sustainable water management by increasing the irrigated area for high value commodity production (ASWAp);
 - (d) Increase agricultural productivity, avoid food shortages, add value and increase food exports (MGDS);
 - (e) Food security: increase maize productivity and reduce post-harvest losses; diversify food production for improved nutrition; risk management to sustain national food availability (ASWAp);
 - (f) Commercial agriculture: promote agricultural exports; develop commercial agriculture and agro-processing for the domestic market (ASWAp);
 - (g) Promote growth and development of rural growth centres (MGDS);
 - (h) Prevent and manage nutrition disorders, HIV and AIDS (MGDS).
5. COSOP strategic objectives. Within the policy context provided by the country's higher development goals, the COSOP's results framework defined two strategic objectives to reduce poverty and expand economic opportunities among the rural population with the help of IFAD interventions:

SO 1 - Improve access of the poor to appropriate technology and services for sustainable natural resource management; and

SO 2 - Improve access to sustainable agricultural input and produce markets.
6. SO 1 aims to sustainably raise agricultural productivity through improved land and resource management, generation, dissemination of improved technologies, supporting small-medium scale irrigation systems, and promoting adaptation and mitigation strategies to strengthen farmers' resilience to climate-related risks.
7. SO 2 focusses on the development of agri-business enterprises through public-private partnerships, enhancement of rural financial services, value chain development, improvement of accessibility of agricultural inputs at fair prices, and reduction of post-harvest losses.
8. COSOP outcomes. For each strategic objective, indicators have been set for outcomes, as well as for output (milestones). However, in retrospect most outcome indicators have neither been quantified nor benchmarked which makes it difficult to assess the performance of the COSOP. Instead, the milestone indicators appear to have been formulated and quantified as outcomes, rather than as outputs. For the present CCR, the milestones indicators of the COSOP 2010-2015 results framework are therefore reviewed used as "outcome" indicators, as shown in Figure 1 (on page 1) and appendices 1 and 2.
9. Project Activities. The basis of the results framework is formed by project and non-project activities. The present section assesses the performance of the country project portfolio, whereas section II reviews the non-project activities associated with the country portfolio. Table 1 presents the main characteristics of the project portfolio under the 2010-2015 COSOP.

Table 1: COSOP 2010 – 2015 project activities

Name	Main area of intervention	Total costs	Lead donor	IFAD US\$ million)*	Duration	Status

Rural Livelihoods Support Programme (RLSP)	Integrated development	16.6	IFAD	14.8	2004 – 2013	Completed
Irrigation, Rural Livelihoods and Agricultural Development Project (IRLADP)	Irrigation	52.1	WB	8.0	2006 – 2014	Completed
Sustainable Agricultural Production Programme (SAPP)	Agriculture	51.7	IFAD	46.3	2012 - 2021	Ongoing
Rural Livelihoods and Economic Enhancement Programme (RLEEP)	Value chain development	29.2	IFAD	16.7	2009 – 2017	Ongoing
Programme for Rural Irrigation Development (PRIDE)	Irrigation	84.0	IFAD	60.1 ^a	2016-	Approved
Enhancing the Resilience of Agro-Ecological Systems (ERASP)	Natural resource management	10.1	GEF	7.1	2016-	Approved

^a including US\$ 7 million co-funding from ASAP

10. Portfolio outcomes. The contribution of the portfolio to the COSOP outcomes is summarised below. As outlined previously, the COSOP milestones have been used for the assessment. The achievements of those projects that started before 2010 or incurred after were excluded through a simple weighting approach.
11. Improved agricultural techniques (SO 1). IRLADP invested in extension staff and radio as means of information dissemination for enhancing adoption of technologies. IRLADP showed the highest outreach among IFAD funded for this indicator by far (Table 2: Improved agricultural techniques adopted (SO 1, outcome 1)). RLEEP showed substantial progress by focussing on improvements in potato and peanut production SAPP has not (yet) produced outputs until the time of this assessment, due to a very late start-up. In fact, only after re-arrangements in the programme management, SAPP has commenced concrete implementation activities in 2015 only.

Table 2: Improved agricultural techniques adopted (SO 1, outcome 1)

Target	Achievement during COSOP 2010 - 2015				Total
# smallholders	RLSP	IRLADP	SAPP	RLEEP	
10,000	1,055	32,283	n.a.	11,250	44,586

12. Area irrigated. The introduction of irrigation under IRLADP had substantial outcomes for smallholders by adding one or more irrigated plots to their farm. An assessment of the outcome 2 can be done only with a caveat as no baseline was established (see Table 1 Table 3) to judge whether the expected target of 30 per cent in irrigated land was achieved. However, IRLADP was the sole project in the portfolio that contributed to this specific COSOP outcome. It over-achieved its project targets by more than 100 per cent as to the area irrigated².

Table 3: Area irrigated (SO 1, outcome 2)

Target	Achievement during COSOP 2010 - 2015				Total
Irrigated area	RLSP	IRLADP	SAPP	RLEEP	
30 % above baseline	n.a.	2,882	n.a.	n.a.	2,882

13. Water User Associations (WUA). Similar to above, no baseline was set forth in the COSOP results framework (see Table 4). As per above, IRLADP met its project level target in terms of setting-up new WUAs. The project set up WUAs in small irrigation schemes, and reinstated existing WUAs. It is important to note that monitoring reports confirm the functionality of the WUAs, since this is a rather

² GoM, Irrigation, rural livelihoods and agricultural development project, Implementation Completion Report, draft, march 2015

output-related and does refer to the outcome of a functional WUA in terms of e.g. irrigation efficiencies achieved or constructed command area actually irrigated.

Table 4: WUAs established (SO 1, outcome 3)

Target	Achievement during COSOP 2010 - 2015				Total
	RLSP	IRLADP	SAPP	RLEEP	
# WUA	n.a.	28	n.a.	n.a.	28

14. In addition to supporting WUAs, RLSP, SAPP and RLEEP intervened in other types of rural organisations. RLSP developed structures for village-based planning and linked those to the newly merging structure for decentralised governance. Moreover, it promoted Village Credit and Savings Groups. SAPP established farmer field schools and links these to extension services. RLEEP linked farmer groups and enterprises to the private sector and supported product platforms for groundnuts and tubers. Experience elsewhere has shown that combining technical innovations and with support to local organisation renders impact, but unfortunately no indicator was selected and monitored to prove this point.
15. Increased value of production. The COSOP defined the indicator solely for irrigated agriculture while leaving aside the important role of rainfed agriculture in the portfolio. A major concern is also that the indicator referred to value of production, while projects report on productivity. In maize cultivation, productivity increased by 166 per cent (RLSP), while IRLADP reported, overall an increase in crop intensity of up to 160 per cent through irrigation, leading to double yields in maize and rice yields. In RLEEP, the productivity of potatoes and groundnuts cultivations grew by more than 50 per cent. The above results suggest that all projects achieved an increase in value of smallholder agricultural production.

Table 5: Increased value of production from irrigation (SO 1, outcome 4)

Target	Achievement during COSOP 2010 - 2015				Total
	RLSP	IRLADP	SAPP	RLEEP	
Value increase (%)					
50	see text	50	see text	see text	

16. Improved access to agricultural input and produce markets (SO 2). The results under SO 2 have been mostly generated by RLEEP, to some extent by IRLADP and RLSP:
17. Outcome 1 target was at least US\$100 million of investment in agribusiness with smallholder participation. This target appears to be too ambitious and difficult to measure. It can be reported, however, that RLEEP investments in smallholder agriculture generated: (i) 1,240 new households accessed financial services, mainly through newly formed Village Saving and Loans Associations (VSLA) ; and (ii) commercial enterprises provided 140 tons of certified groundnut seed and 55 tons of fertiliser to new smallholder potato producers. Access to rural finance has also been worked on by RLSP, especially through the mobilisation of Village Development Councils (VDC) and Saving and Credit Cooperatives (SACCO). Some 1,300 men and 42,400 women could access credits.
18. Outcome 2 target was to establish 3-4 PPPs for nucleus estate/out-grower schemes. By the end of 2015, RLEEP helped establish four PPP for groundnuts.
19. Outcome 3 target was that at least 50,000 smallholders participating in out-grower or contract schemes. This target seems to be overambitious and not commensurate with the project pipeline. As at report writing, RLEEP assisted 3,000 farmers (48 per cent female) participate in a groundnuts out-grower scheme.
20. Outcome 4 refers to 50 per cent improvements in Household incomes and nutrition status:

- (a) RLSP – The average proportion of households with own-produced food lasting for more than six months has doubled from the 2006 baseline level to about 58 per cent. Furthermore, the prevalence of stunted and underweight children has declined from 79 per cent to 46 per cent and from 43 per cent to 36 per cent, respectively;
 - (b) IRLADP - All 302,000 households served by the project attained food security and the percentage of poor households in the project area has declined from 87.6 per cent (baseline) to 69.2 per cent at project completion. The real net income of the farmers has increased by 43 per cent.
21. The conclusion on the portfolio performance against its outcomes is twofold:
- (a) Available evidence suggests that RLSP, IRLADP and RLEEP have contributed to reduced poverty and expanded economic opportunities for smallholder farmers.
 - (b) It is regrettable that SAPP could not provide any progress at the time of this assessment due to its delayed implementation.
22. Rural poverty impact. The overall rural poverty impact of the project portfolio was moderately satisfactory. All but one project made strong contributions to reduce rural poverty, but the delayed implementation of SAPP led to lowering the score. It appeared that the role of rural institutions was not well reflected in the COSOP design. While the numbers of village associations and WUAs are reported, the development path from building institutions to its impact on rural poverty should be documented.
23. Relevance. The relevance of the country programme was satisfactory, given the consistency, coherence and complementarity of the programme to national agriculture and rural development policies. Moreover, the COSOP was well focused on the rural poor and reflects IFAD's comparative advantage.
24. Effectiveness. The extent to which the COSOP strategic objectives were achieved by project activities was moderately satisfactory. The access of the poor to rural services, irrigation facilities and input and output markets improved and led to expanded economic opportunities and finally reduced poverty rates. The rating is affected by two concerns: the access to good agricultural practices was improved in IRLADP and RLEEP, but SAPP did not generate any results and access to rural finance remained a bottleneck for many smallholders, despite the important work on Village Credit and Savings groups. The main impediment cited by RLSP was the lacking rural finance service network through which the banks could link with farmers.
25. Efficiency. The conversion of resources and inputs into results was moderately unsatisfactory, largely owing to inefficiencies in project management. A costly lesson has been learned by SAPP, i.e. Government capacity to manage and implement large programmes is limited, and though cooperation with and alignment to government services is essential, the temporary outsourcing of coordination and management tasks is important to avoid overburdening the government system. Moreover, Government's rural services need to be complemented by private service providers, when a large coverage or specialised service are required.
26. Sustainability. The robustness of the COSOP outcomes is rated moderately satisfactory owing largely to the establishment of local institutions that take responsibility for sustaining the outcomes: community associations in RLSP, village credit and savings groups in RLSP and RLEEP, farmer business schools, learning alliances and farmer cooperatives in RLEEP, farmer schools in SAPP and water users associations in IRLADP. The uncertain long-term outlook of these institutions is precluding a higher rating at this stage. VSLAs depend on continued coaching while MFIs do not have yet the right outreach modality. Partnerships of local institutions with regional and national private and government services are presently erratic (i.e. project-based) rather than consistently embedded in local governance or market

arrangements. An example is the establishment of WUAs which enhanced the access of smallholders to irrigated land. WUAs cannot not provide sufficient guarantee that secure access will persist in the future. In this example, involvement of and partnerships with the traditional authorities were a missing element to foster sustainability.

27. Gender equality and targeting. The gender approach in the portfolio is rated satisfactory. RLSP focussed strongly on women's participation in training groups and village associations. This paid off, inter as seen in the number of women benefiting from loans that exceeded the number of male beneficiaries. In IRLADP the household methodology was applied. It promotes household members to define their vision and strategies and how they aim to implement these in order to improve their livelihoods. Based on this, joint decision by men and women on social and economic assets are being promoted.
28. The Household methodology was introduced through a regional study tour and dedicated training sessions; and has been employed successfully. A guideline has been developed, which subsequently is applied by SAPP by training government extension agents on its use. The household methodology proved successful in creating a better gender balance within households, also in involving youth. Moreover, it provided a setting for discussing HIV/AIDS related issues.
29. RLEEP has expanded the focus on women. RLEEP developed a Gender and Youth participation strategy that stipulates inclusion of particular activities that target women and youth along with attention to target group participation in all activities. As at April 2016, women account for 42 per cent of RLEEP beneficiaries, against an appraisal target of 30 per cent.
30. Innovation and scaling-up. Results under innovation and scaling up were satisfactory. A division of labour has developed between the grant funded projects (see appendix III), which are exploring innovations, and the loan funded projects, which apply established practices and lessons at a greater scale. The grant funded and ICRISAT led project (I-R-973) examined ways to reduce post-harvest losses, which led to the formulation of good agricultural practices (GAP) to be delivered through SAPP. Two grant funded projects with UN HABITAT (I-R-1325 and 1450) worked on land tenure issues and brought up insights in and capacity for addressing land tenure concerns in irrigation development, which in turns have benefited the design of PRIDE.
31. The alignment to government policies and initiatives has provided an excellent scope for scaling-up. Research and extension services introduced new GAPs which are supported by SAPP. It facilitates a larger promotion of GAPs beyond the specific project intervention area to become part of the recommended practices nation-wide. IRLADP pre-feasibility studies are building blocks for the national irrigation master plan and investment framework (IMPIF), and the involvement of WUAs has become a standard practice in irrigation development. Value chain development takes place through commodity platforms, which –initiated by RLEEP – continue playing their role at regional and national level.
32. Natural resource management and adaption to climate change. The achievements with respect to climate resilience and sustainable resource management were moderately satisfactory. An important achievement was the development of irrigated agriculture (IRLADP and forthcoming PRIDE), for a country traditionally dependent on rainfed agriculture. The promotion of sustainable and resilient practices on the rainfed land has been less impressive thus far. PRIDE will allocate part of its resources to the sustainable management of rainfed lands, and includes further promotion of good agricultural practices in irrigated lands and adjacent rain-fed areas. The GEF funded ERASP aims to address sustainable land management in catchments where PRIDE irrigation schemes are planned. It is

expected that these investments will generate positive impacts under this criteria during next COSOP cycle.

II. IFAD's performance

33. Programme management: The COSOP is managed in-country by the Country Programme Management Team (CPMT) that comprises IFAD's Country Programme Manager, all Project Managers and representatives from the ministries of Finance, Economic Planning and Development, Local Government and Rural Development, Agriculture Water Development and Irrigation. Support is rendered by a Rome-based CPMT as well, comprising the CPM and the subject matter specialists of the Technical Advisory, Environment and Climate Change and the Eastern and Southern Africa Divisions. Currently, the IFAD Country Programme Manager is based at IFAD headquarters, whereas, for a brief period of time, the Malawi country programme was managed by the CPM based in Lusaka, Zambia. Key issues with respect to programme management noted are:
- (a) The COSOP foresaw yearly an in-country portfolio review at which all Project Directors meet to discuss progress and plan future IFAD implementation support. Only two such reviews took place: the first formal review of the COSOP's performance was in 2011 after the first year of its effectiveness, and at the mid-term review in 2013. Some stakeholders, interviewed in early 2015, suggested that policy engagement by IFAD has been limited while in terms of implementation, IFAD was fully engaged.
 - (b) The MTR of the COSOP prompted a realignment of the country programme to ASWAp implementation modalities, with the management of the SAPP being placed inside MoAIWD. This alignment did not work as expected as SAPP remained inactive for about three years as allocated staff were not fully dedicated to the project and reporting lines within the ministry were not adjusted to suit the needs of the programme.
 - (c) Project supervision and implementation support missions. Effective from the end of 2009, IFAD supervised all projects, with the exception of IRLADP, for which the World Bank was the supervising institution. The quality of supervision has improved in recent years with a more direct participation by the CPMs, project directors and staff from IFAD funded projects in Zambia, and strong involvement of staff from IFAD's technical advisory service (PTA) and Finance Operations Division (FOD).
 - (d) Day-to-day implementation support. Long delays in responding were reported, particularly for granting no objection of tender documents. This improved due to better quality of documentation submitted to IFAD HQ following a refresher training of project staff.
 - (e) Pipeline Development. Four projects were identified in the COSOP 2010 – 2015 pipeline. Two (RLEEP and SAPP) have been brought under implementation, while the proposed irrigation project (PRIDE) – following Government's prioritisation – was approved by the IFAD Executive Board in December 2015. A rural finance project has been proposed to be included in the new COSOP. It aims to address the aforementioned challenges of access by identifying the innovative modalities for outreach and address regulatory constraints.
34. Overall, there is a general consensus that country programme management and harmonisation would have benefitted from the establishment of an IFAD country office with a resident IFAD country programme manager.
35. Policy engagement. IFAD's performance with respect to policy dialogue is rated moderately unsatisfactory. It is positive to see the alignment of the results framework and the project portfolio to Government policies. However, only few contributions of COSOP were made to policy engagement:

- (a) Positive aspect: The strategic objectives of the COSOP are closely aligned to Government's key development pillars (poverty alleviation and improved food security) as contained in several policy documents.
 - (b) Positive aspect: The implementation of RLSP coincided with and supported the roll-out of Government's 1998-99 decentralization policy. Despite the inherent complexity, the project firmly supported and operationalised the policy by engaging successfully with districts and local institutions, e.g. setting up the Village Development Committees and decentralised local planning.
 - (c) Negative aspect: The COSOP identified key policy issues, such as the enabling environment to attract private investment; enhancing collaboration between the public and the private sectors; rural microfinance policy and regulatory framework to mobilise savings from the public; and strengthened coordination and M&E arrangements under the ASWAp umbrella. However, little involvement in terms of policy engagement has been noted other than the formulation and mid-term review of the COSOP itself. The COSOP and project logframes did not include policy topics; nor were budgeted suitable partners (e.g. World Bank) identified for specific policy engagement.
 - (d) Negative aspect: The Donor Committee on Agriculture and Food Security (DCAFS), of which IFAD is a member, provides an opportunity for increased coordination between the government of Malawi and its development partners on policy. IFAD's participation in the monthly DCAFS meetings has been erratic due to its limited in-country presence. Hence, even development partners could not count on IFAD as a partner in policy related activities.
 - (e) Negative aspect: Project success relies on the development of an enabling environment, and policy development forms a key step towards improving the enabling environment. RLEEP succeeded only very recently in the promulgation of standards for potato production suggested by the commodity platform for roots/tubers set-up. Areas where policy engagement could be intensified include the identification of ways to enhance the security of land access, especially under irrigated conditions, based on the experience of IRLADP in land allocation. These opportunities were not seized by the COSOP.
36. Knowledge management. This aspect of the country programme is rated moderately unsatisfactory as the sharing of lessons and results beyond individual projects remains a challenge. Additional emphasis should be drawn to a country-programme knowledge management approach, including dedicated resources, from all active projects.
37. Knowledge management does take place within the individual projects and all implementation teams have received training in knowledge management by IFADAFRICA. RLEEP developed a website to facilitate dissemination on value chain development and other relevant aspects; and produced a booklet containing 16 case studies. SAPP recently formulated a Knowledge Management and Learning Strategy. IRLADP and RLSP have both generated a wealth of lessons learned, which are documented in completion reports. Each project conducts annual review workshops with stakeholders to review implementation experience and draw-up lessons. However, documentation and dissemination to scale-up inter alia the adoption of technology and good agriculture practices among beneficiaries have been limited.
38. Partnership building. The degree of engagement in partnerships is moderately satisfactory. Positive examples at project-level include the intensive local coordination under RLSP, the cooperation between the department of land resources and the irrigation section for IRLADP and the engagement with national value chain partners initiated by RLEEP. The involvement of regional and international centres of specialised knowledge through the portfolio of grants projects has been positive and contributed to innovations in the programme.
39. A seemingly obvious platform for partnership arrangement is the ASWAp, whereby donor investments into agriculture are coordinated by the ASWAp secretariat within

the MOAIWD. Besides SAPP being managed under the ASWAp, the country programme has not used the ASWAp as a venue for partnerships for policy engagement or co-financing.

40. South-South and Triangular Cooperation, grants and reimbursable technical assistance. In order to stimulate peer learning, Zambia and Malawi country programmes collaborated by exchanging project directors and other PMU staff for supervision missions.
41. Several activities undertaken in conjunction with COSOP 2010 – 2015 were supported by small grants. These are listed in appendix III. As mentioned earlier, these activities played an innovative role for the country programme. Establishing coherence between grant activities and the lending portfolio required much managerial effort, as the grants tend to come with objectives and reporting requirements of their own, and do not easily align to the COSOP results framework.
42. IFAD and borrower performance are rated moderately satisfactory. At the end of the 5-year COSOP period, results have been produced that contributed to reduced poverty and enhanced economic opportunities and that closely align to government policies and institutions. These results have been achieved in a challenging setting: external factors (high inflation, economic slow-down, 2015 weather extremes) puts achievements at risk, while programme implementation has been affected by currency depreciation, a dip in government budget following the cash-gate scandal, and slow implementation of projects under ASWAp. IFAD's performance is affected by moderately unsatisfactory knowledge management, whereas the Government of Malawi and IFAD have – despite a constructive relationship – not been able to establish a fruitful policy engagement.

III. Lessons learned and recommendations

43. Building on above, a set of lessons has been drawn up to inform the preparation of a new COSOP:
Project activities
44. Lesson 1: Complementarity - The mix of services in the present portfolio is relevant. The project portfolio contains proven and potential ingredients to reduce poverty and enhance economic opportunities for the rural population, and has shown to contribute to higher level objectives: new technology (GAPs and irrigation) for agricultural production; value chains for commercialisation of smallholder farming; development of local organisations for sustainable management and provision of financial services to enhance adoption rates of proven technologies.
45. Lesson 2: Rural finance requires a dedicated approach. The rate of adoption of good agricultural practices and rate of marketing by smallholders are subject to access to rural financial services. Since a breakthrough in terms of a large scale improvement of access to financial services by smallholders has not been achieved yet, a focussed and innovative approach to rural finance will be required. It should also encompass addressing aforementioned shortcomings such as policy engagement, access to different products/services and linkages to market based approaches.
46. Lesson 3: Resilience to climate change requires more attention. It appears that the projected climate change scenario (pro-longed periods of drought combined with erratic periods of intensive rainfall) has become a reality. Malawi's largely rainfed smallholder agriculture is very vulnerable to these changes. The promotion of good agricultural practices should include climate smart options, such as the use of weather forecasts. Investment in irrigation, catchment management, index insurance schemes would provide a range of options to render smallholders more resilient to climate change.

47. Lesson 4: Good Agricultural Practices can be employed more effectively. A transformation of the predominantly rainfed smallholder agriculture in Malawi requires effective promotion of new practices. Firstly, the mix of available good agricultural practices needs to be complemented with climate smart practices, inter alia for irrigated agriculture, post-harvest techniques and nutrition related aspects. Secondly, the delivery of GAPs needs to be optimised. The latter point requires the utilisation of government extension services and of non-government including private service providers, where it can add value. Extension services should continue benefiting from innovative extension methods, such as farmer field schools and lead farmers.
48. Lesson 5: The value chain approach constitutes a driver for smallholder agriculture. Whereas the Government's FISP enhances smallholder production through targeted input supply, very few smallholders could profitably sell a surplus to agricultural commodity markets. The value chain development activities implemented under RLEEP and IRLADP have focussed on issues beyond production level, by encouraging producers to plan ahead and identify target markets for their produce as well as to seek supporting services and make investments as appropriate. In addition, RLEEP intervenes at the top-end of the value chain by enabling private sector and other service providers to improve product supply by farmers to markets. As this clearly leads to better economic opportunities for smallholders, the value chain approach remains a valuable addition to the country programme.
49. Lesson 6: Gender and Targeting approaches enhanced ownership and impact. In IRLADP, the Household Methodology Approach helped households to take joint decisions on crops, revenues, and household resources. The household methodology is inclusive and addresses gender equality, while respecting household diversity. Economically active households can be assisted in boosting commercial farming. The vulnerable and poor, often affected by AIDS/HIV, need stabilisation of their livelihoods through e.g. inputs for assets, labour-saving crop production and promotion of nutrition.

Implementation arrangements

50. Lesson 7: Project management needs to be placed in dedicated project coordination units. The alignment to government policies has been a strong point in the COSOP. Unfortunately the placement of project management within the lead ministry – as initially done for SAPP – has not worked well. In the first phase of the ASWAp, Government and MoAIWD failed to meet timelines of project start-up and implementation specified in the loan agreement. This led to a situation where an interim management unit had to be set-up to save the programme from suspension. As Government capacities are likely to remain overstretched in different policies and programmes, it suggests ongoing and new projects should set-up a fully dedicated management unit, under the oversight of the lead ministry. Government and DPs may reflect on supporting the set-up of a project implementation unit covering specialised projects across DPs and benefitting from an accumulated institutional knowledge.
51. Lesson 8: Technical improvements need to be paired with institutional development. During COSOP 2010-2015 new local organisations have been set up to provide ownership and management to (technical) innovations, such as WUAs for irrigation development and farmer field schools and producer groups for testing new agricultural practices. This has proven to be an effective manner to organise community participation. In terms of sustainability, more attention will be needed to enable these organisations to interact efficiently with the wider network of relevant organisations and services. Producer groups need to access government and private service providers for continued development of farm practices. WUAs need to engage with traditional authorities to secure land access by their members.

52. Lesson 9: High standards need to be set for monitoring and evaluation of project activities, outputs and outcomes. IRLADP involved beneficiaries in construction monitoring, leading to a better grip on construction processes and to beneficiary commitment to operation and maintenance. SAPP has collected substantial gender disaggregated data, ready for further analysis. Overall, the M&E within the projects needs to be strengthened, to better inform decision with respect to targeting (gender, wealth and age disaggregated) and to better articulate project outcomes to the results framework set in the COSOP.

COSOP management

53. Lesson 10: The link between the COSOP results framework and the project outcomes should be streamlined. The new COSOP should carefully define its outcome indicators so that they are compatible with project outcome indicators, in order avoid the problems encountered by the present assessment of the COSOP performance.
54. Lesson 11: Project design and supervision should facilitate flexible response by projects to unforeseen developments. During COSOP 2010-2015, the high volatility of the Malawi Kwacha exchange rate negatively affected implementation process. In the case of IRLADP, the currency depreciation increased costs for imports of equipment and technical assistance. Other externalities, such as weather extremes, could well affect project implementation. Programme implementation modalities need to include mitigation measures to such external shocks, such as a weather index insurance scheme.
55. Lesson 12: Knowledge management by projects needs to be complemented by knowledge management at country programme level. A positive example of doing so has been the use of grant funding for exploratory research activities, leading to the identification of new GAPS. Country programme level monitoring and knowledge management at programme level can, however, be further expanded upon. Doing so would include more regular portfolio and programme review with partners and use of programme resources to articulate project successes at policy level, and to other development partners.
56. Lesson 13: IFAD can and should contribute to policy engagement. The COSOP 2010- 2015 portfolio did well by being closely aligned to Government policies and structures, but IFAD can, given its experience, long track record in Malawi and the results it helped achieve, play a more prominent role in policy engagement, with the other development partners and with Government. The Government has reiterated that it would welcome an 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.

COSOP results management framework (at design)

Country Strategy Alignment	Key Results Goal: Reduce Poverty and Expand Economic Opportunities among the Rural Population			Institutional/Policy Objectives
MGDS and Draft ASWAp Targets	Strategic Objectives	Outcomes which COSOP Seeks to Influence a/	Milestones Showing Progress Towards SOs a/	Specific Policy/Institutional Ambitions
<p>Sustainable land management through adoption of improved agricultural land use (ASWAp).</p> <p>Protect and manage water resources to meet agricultural demand (MGDS).</p> <p>Sustainable water management by increasing the irrigated area for high value commodity production (ASWAp).</p>	<p>SO1: Improved access to appropriate technology and services for sustainable natural resource management (land and water) Sustainable management of land and water resources.</p>	<p>Improved productivity of rainfed and irrigated agriculture.</p> <p>Widespread adoption of conservation agriculture techniques.</p> <p>Reduced rate of land degradation and soil fertility decline.</p> <p>33% increase in the area under small and medium scale irrigation systems.</p> <p>Improved water use efficiency and crop production in existing and new irrigation schemes.</p> <p>Improvement in household incomes and nutrition status of participating smallholders.</p>	<p>At least 10,000 smallholders adopting improved agriculture techniques in programme areas.</p> <p>Area of smallholder farms irrigated using sustainable land and water management systems increased by at least 30%.</p> <p>No. of Water User Associations taking responsibility for operation and maintenance.</p> <p>50% increase in value of production from smallholder irrigation.</p>	<p>Clearly articulate and adequately resource MOAFS policy on conservation agriculture and link to national social and environmental policies.</p> <p>Address environmental issues associated with irrigation schemes.</p> <p>Strengthen market linkages for irrigation and other smallholder farmers.</p> <p>Alignment of MOAFS budget with ASWAp focal areas.</p>

Country Strategy Alignment	Key Results			Institutional/Policy Objectives
Goal: Reduce Poverty and Expand Economic Opportunities among the Rural Population				
MGDS and Draft ASWAp Targets	Strategic Objectives	Outcomes which COSOP Seeks to Influence a/	Milestones Showing Progress Towards SOs a/	Specific Policy/Institutional Ambitions
<p>Increase agricultural productivity, avoid food shortages, add value and increase food exports (MGDS).</p> <p>Food Security: increase maize productivity and reduce post-harvest losses; diversify food production for improved nutrition; risk management to sustain national food availability (ASWAp).</p> <p>Commercial Agriculture: promote agricultural exports; develop commercial agriculture and agro-processing for the domestic market (ASWAp).</p>	<p>SO2: Improved Access to Sustainable agricultural input and produce markets Facilitate the transition from subsistence to small and medium scale commercial farming.</p>	<p>Number of households able to satisfy their food needs with surplus available for sale.</p> <p>Volume and value of non-tobacco agricultural exports.</p> <p>Increased share of Malawian produce in domestic regional and international food markets. Amount of value adding applied to agricultural raw materials.</p> <p>Number of rural households with access to financial services.</p> <p>Availability of commercial agricultural inputs in rural areas.</p>	<p>At least USD 100 million of investment in agribusiness with smallholder participation.</p> <p>3-4 PPPs established for nucleus estate/ out-grower schemes.</p> <p>At least 50,000 smallholders participating in out-grower or contract farming schemes.</p> <p>50% improvement in household incomes and nutrition status of participating smallholders.</p>	<p>Develop an enabling commercial environment which will attract the necessary private investment.</p> <p>Develop a collaborative approach between private and public sectors within the framework of PPPs.</p> <p>Formulate a comprehensive rural microfinance policy and regulatory framework. Alignment of MOAFS budget with ASWAp focal areas.</p> <p>Strengthen coordination and M&E arrangements across relevant ministries and donor organisations under the ASWAp umbrella.</p>
<p>Promote growth and development of rural growth centres (MGDS).</p>	<p>Rural growth centres will have an important role to play in agricultural commercialisation through the development of input supplies, marketing, agro-processing and provision of financial services.</p>			<p>Streamline and focus RLSP approach to develop a model for integrated rural development.</p>
<p>Prevent and manage nutrition disorders, HIV and AIDS (MGDS).</p>	<p>HIV/AIDS, gender, youth and nutritional issues will be mainstreamed across both SOs and in all programmes and projects included in the COSOP.</p>			<p>Contribute to refinement of GOM policies on nutrition, gender and HIV/AIDS.</p>

a/ All indicators to be gender disaggregated. Targets and indicators will be defined during project design.

COSOP results framework (updated) with progress³

Country Strategy Alignment	Key Results Goal: Reduce Poverty and Expand Economic Opportunities among the Rural Population				Institutional/Policy Objectives
MGDS and Draft ASWAp Targets	Strategic Objectives	Outcomes which COSOP Seeks to Influence a/	Milestones Showing Progress Towards SOs a/	Achievements	Specific Policy/Institutional Ambitions
<p>Sustainable land management through adoption of improved agricultural land use (ASWAp).</p> <p>Protect and manage water resources to meet agricultural demand (MGDS).</p> <p>Sustainable water management by increasing the irrigated area for high value commodity production (ASWAp).</p>	<p>SO1: Improved access to appropriate technology and services for sustainable natural resource management (land and water)</p> <p>Sustainable management of land and water resources.</p>	<p>Improved productivity of rainfed and irrigated agriculture.</p> <p>Widespread adoption of conservation agriculture techniques.</p> <p>Reduced rate of land degradation and soil fertility decline.</p> <p>33% increase in the area under small and medium scale irrigation systems.</p> <p>Improved water use efficiency and crop production in existing and new irrigation schemes.</p> <p>Improvement in household incomes and nutrition status of participating smallholders.</p>	<p>At least 10,000 smallholders adopting improved agriculture techniques in programme areas.</p> <p>Area of smallholder farms irrigated using sustainable land and water management systems increased by at least 30%.</p> <p>No. of Water User Associations taking responsibility for operation and maintenance.</p> <p>50% increase in value of production from smallholder irrigation.</p>	<p>44,588 Smallholders have improved productivity through adoption of new technologies/practices^{a,b,c}</p> <p>2,882 ha of land has been developed and rehabilitated for irrigation, benefiting 32,278 HHs.^b</p> <p>28 WUAs established for O&M of schemes.^b</p>	<p>Clearly articulate and adequately resource MOAFS policy on conservation agriculture and link to national social and environmental policies.</p> <p>Address environmental issues associated with irrigation schemes.</p> <p>Strengthen market linkages for irrigation and other smallholder farmers.</p> <p>Alignment of MOAFS budget with ASWAp focal areas.</p>

³ Achievements are reported from project logframes as at June 2015, in line with the most recent country programme issues sheet. Contribution of projects is discounted by project overlap with the COSOP (% = time overlap) and projects are referenced: a – RLSP (10%); b – IRLADP (50%); c – RLEEP (100%); d – SAPP (100%).

Country Strategy Alignment	Key Results Goal: Reduce Poverty and Expand Economic Opportunities among the Rural Population				Institutional/Policy Objectives
MGDS and Draft ASWAp Targets	Strategic Objectives	Outcomes which COSOP Seeks to Influence a/	Milestones' Progress towards SOs a/	Achievements	Specific Policy/Institutional Ambitions
<p>Increase agricultural productivity, avoid food shortages, add value and increase food exports (MGDS).</p> <p>Food Security: increase maize productivity and reduce post-harvest losses; diversify food production for improved nutrition; risk management to sustain national food availability (ASWAp).</p> <p>Commercial Agriculture: promote agricultural exports; develop commercial agriculture and agro-processing for the domestic market (ASWAp).</p>	<p>SO2: Improved Access to Sustainable agricultural input and produce markets Facilitate the transition from subsistence to small and medium scale commercial farming.</p>	<p>Number of households able to satisfy their food needs with surplus available for sale.</p> <p>Volume and value of non-tobacco agricultural exports.</p> <p>Increased share of Malawian produce in domestic regional and international food markets.</p> <p>Amount of value adding applied to agricultural raw materials.</p> <p>Number of rural households with access to financial services.</p> <p>Availability of commercial agricultural inputs in rural areas.</p>	<p>At least US\$100 million of investment in agribusiness with smallholder participation.</p> <p>3-4 PPPs established for nucleus estate/ out-grower schemes.</p> <p>At least 50,000 smallholders participating in out-grower or contract farming schemes.</p> <p>50% improvement in household incomes and nutrition status of participating smallholders.</p>	<p>US\$150,000 invested in smallholder farms.^b</p> <p>1 PPP established.^c (note: 3 more established later in 2015).</p> <p>3,000 smallholders participate in out-grower scheme (48% female).^c</p> <p>4,602 HHs have access to financial services.^{b,c}</p> <p>22% increase in net-income.</p> <p>5,417 smallholder farmers (53% females) linked to agro-dealers.^c</p>	<p>Develop an enabling commercial environment which will attract the necessary private investment.</p> <p>Develop a collaborative approach between private and public sectors within the framework of PPPs.</p> <p>Formulate a comprehensive rural microfinance policy and regulatory framework.</p> <p>Alignment of MOAFS budget with ASWAp focal areas.</p> <p>Strengthen coordination and M&E arrangements across relevant ministries and donor organisations under the ASWAp umbrella.</p>
<p>Promote growth and development of rural growth centres (MGDS)</p>	<p>Rural growth centres will have an important role to play in agricultural commercialisation through the development of input supplies, marketing, agro- processing and provision of financial services.</p>				<p>Streamline and focus RLSP approach to develop a model for integrated rural development.</p>
<p>Prevent and manage nutrition disorders, HIV and AIDS (MGDS)</p>	<p>HIV/AIDS, gender, youth and nutritional issues will be mainstreamed across both SOs and in all programmes and projects included in the COSOP.</p>				<p>Contribute to refinement of GOM policies on nutrition, gender and HIV/AIDS.</p>

Overview of IFAD funded grants during COSOP 2010- 2015

#	Grant ID number	Activity	Lead donor	Lead implementing agency	Total project cost	IFAD Grant amount	Sponsoring Division	Effective date	Completion
1	I-R-1370-ICIPE	Scaling-up the biological control of the Diamondback moth pest on crucifers in East Africa to other African countries	IFAD	ICIPE ^a	1 450 000	1 000 000	PTA	06/08/2012	30/09/2015
2	I-R-1309-CIMMYT	Understanding the Adoption and Application of Conservation Agriculture in Southern Africa	IFAD	CIMMYT ^b	977 000	750 000	PTA	27/10/2011	31/12/2013
3	CCP/GLO/402/IRE	Food loss reduction through partnerships and evidence based interventions	Irish Govt	IFAD/FAO	589 160	174 880	PTA	01/07/2013	30/06/2015
4	I-R-1395-AFAAS	Strengthening country level agricultural advisory services	EC	AFAAS ^c	6 000 000	1 000 000	PTA	12/12/2012	31/12/2014
5	R-1147	Ex Ante Impact Assessment of returns of investments in the fisheries and aquaculture sector in developing countries	IFAD	WorldFish Centre	450 000	200 000	PTA	29/09/2009	31/03/2011
6	G-I-R-1345-PHYTOTRADE	Development of an innovative baobab mobile unit technology for replication across southern Africa to improve the processing of baobab fruit powder	IFAD	Phytotrade Africa Trust	70 000	70 000	ESA	22/12/2011	30/06/2012
7	I-R-898-CIMMYT	Programme for facilitating the adoption of conservation agriculture by resource-poor smallholder farmers in southern Africa	IFAD	CIMMYT	2 020 000	1 500 000	PTA	07/11/2007	03/31/2011
8	I-R-955-IRRI	Programme for alleviating rural poverty by improving rice production in eastern and southern Africa	IFAD	IRRI ^d	3 210 000	1 500 000	PTA	20/09/2007	31/02/2011
9	I-R-973-ICRISAT	Programme for integrated innovations for improving legume productivity, market linkages and risk management in eastern and southern Africa	IFAD	ICRISAT ^e	1 400 000	1 400 000	PTA	14/11/2007	31/12/2011
10	I-R-1 372-PHYTOTRADE	Programme for alleviating poverty and protecting biodiversity through Biotrade-ESA	IFAD	Phytotrade Africa Trust	2 500 000	1 500 000	ESA	21/06/2012	30/06/2015
11	G-I-R-1325-UN-HABITAT	Land and Natural Resource Tenure Security Learning Initiative for East and Southern Africa	IFAD	UN-HABITAT	300 000	200 000	ESA	31/10/2012	30/06/2013
12	I-R-1450-UN-HABITAT	Land and Natural Resource Tenure Security Learning Initiative for East and Southern Africa – Phase 2	IFAD	UN-HABITAT	2 375 000	1 425 000	ESA	30/10/2013	30/06/2017

^{a/} International Centre of Insect Physiology and Ecology (ICIPE)

^{b/} International Maize and Wheat Improvement Centre (CIMMYT)

^{c/} African Forum for Agricultural Advisory Services (AFAAS)

^{d/} International Rice Research Institute (IRRI)

^{e/} International Crops Research Institute for Semiarid Tropics (ICRISAT)

Ratings matrix (in line with IOE evaluation methodology)

Assessment of country programme	Rating (1-6 scale)
– Rural poverty impact	4
– Relevance	5
– Effectiveness	4
– Efficiency	3
– Sustainability of benefits	4
– Gender equality	5
– Innovation and scaling up	5
– Natural resource management	4
– Adaptation to climate change	4
– Policy engagement	3
– Knowledge management	3
– Partnership building	4
Overall country programme achievements	4
Assessment of performance	Rating (1-6 scale)
– IFAD performance	4
– Borrower performance	4