

Independent Office  
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Investing in rural people

Republic of Malawi

Rural Livelihoods Support Programme

PROJECT PERFORMANCE EVALUATION



Independent Office  
of Evaluation



**Republic of Malawi**  
**Rural Livelihoods Support Programme**  
**Project Performance Evaluation**

**March 2017**  
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Photos of activities supported by Rural Livelihoods Support Programme in Malawi

Front cover: Women collect clean potable water from a borewell dug by the project. The community maintains the borewell through contributions from the community members.

Back cover: Communities in Nthondo, Nsanje district, sell their daily produce in the market place constructed by the project (left); Men trained in off-farm livelihood activities use tailoring machines to supplement their farm incomes (right).

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## **Preface**

*This report presents the findings of the project performance evaluation of the Rural Livelihoods Support Programme in the Republic of Malawi, undertaken by the Independent Office of Evaluation of IFAD (IOE). The programme was implemented between 2004 and 2014 and was an integrated rural development initiative with a broad design.*

*The programme operated in an environment of evolving decentralization and worked through local government bodies, especially village-level bodies. It adopted a participatory approach to community planning and provided financing to implement community priorities. In the process of implementation it built the capacity of village development committees. However, its contribution to building the capacity of district governments was hindered by a number of factors, including the stalled decentralization process in Malawi and high turnover of staff. The evaluation emphasizes the need for IFAD to base its future project designs on thorough diagnostics of the capacities of the local governments.*

*One of the main achievements of the programme is the goat pass-on system, which has increased the resilience of the target groups and provided them with alternative sources of income. The programme sought to increase the productivity of maize through the provision of extension services. However, by focusing on maize in a mono-cropping system, it did not take into account other options for enhancing adaptation to climate change and improve nutrition security among the target groups. The presence of various elements in a farming system – such as livestock, crops, forages, fruit trees – and integration between them could have increased the resilience of smallholders and improved their access to nutritious food.*

*There was scope to further engage with and strengthen grass-roots institutions such as farmers' organizations and cooperatives to complement the efforts of public extension services. In addition, more attention could have been given to enhancing access to markets, in order to complement the emphasis on increasing production and productivity of crops and livestock.*

*This project performance evaluation was conducted by Prashanth Kotturi, Evaluation Analyst, IOE, under the overall guidance of Fabrizio Felloni, Deputy Director, IOE, with contributions from James Gasana, IOE senior consultant. Internal peer reviewers from IOE, Michael Carbon, IOE Senior Evaluation Officer and Hansdeep Khaira IOE Evaluation Officer, provided comments on the draft report. Maria Cristina Spagnolo, IOE Evaluation Assistant, provided administrative support.*

*IOE is grateful to IFAD's East and Southern Africa Division and the Government of Malawi, in particular the Ministry of the Local Government and Rural Development, for their insightful inputs at various stages of the evaluation process and the support they provided to the mission. I hope the results generated will be of use to help improve IFAD's operations and development activities in the Republic of Malawi.*



Oscar A. Garcia  
Director  
Independent Office of Evaluation of IFAD

**This family has been supplied guinea fowl by the project, which provides them with an additional source of income. Nthondo village of Nsanje district.**

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## **Currency equivalent, weights and measures**

### **Currency equivalent**

Currency unit = Malawi Kwacha (MWK)

1 US\$ = 726 MWK (January 2017)

### **Weights and measures**

1 kilometre (km) = 0.62 miles

1 metre (m) = 1.09 yards

1 hectare (Ha) = 10.000 m<sup>2</sup> (0.01 km<sup>2</sup>)

1 hectare (Ha) = 2.47 acres

1 acre (ac) = 0.405 hectares (ha)

1 kilogram (kg) = 2.204 pounds

## **Abbreviations and acronyms**

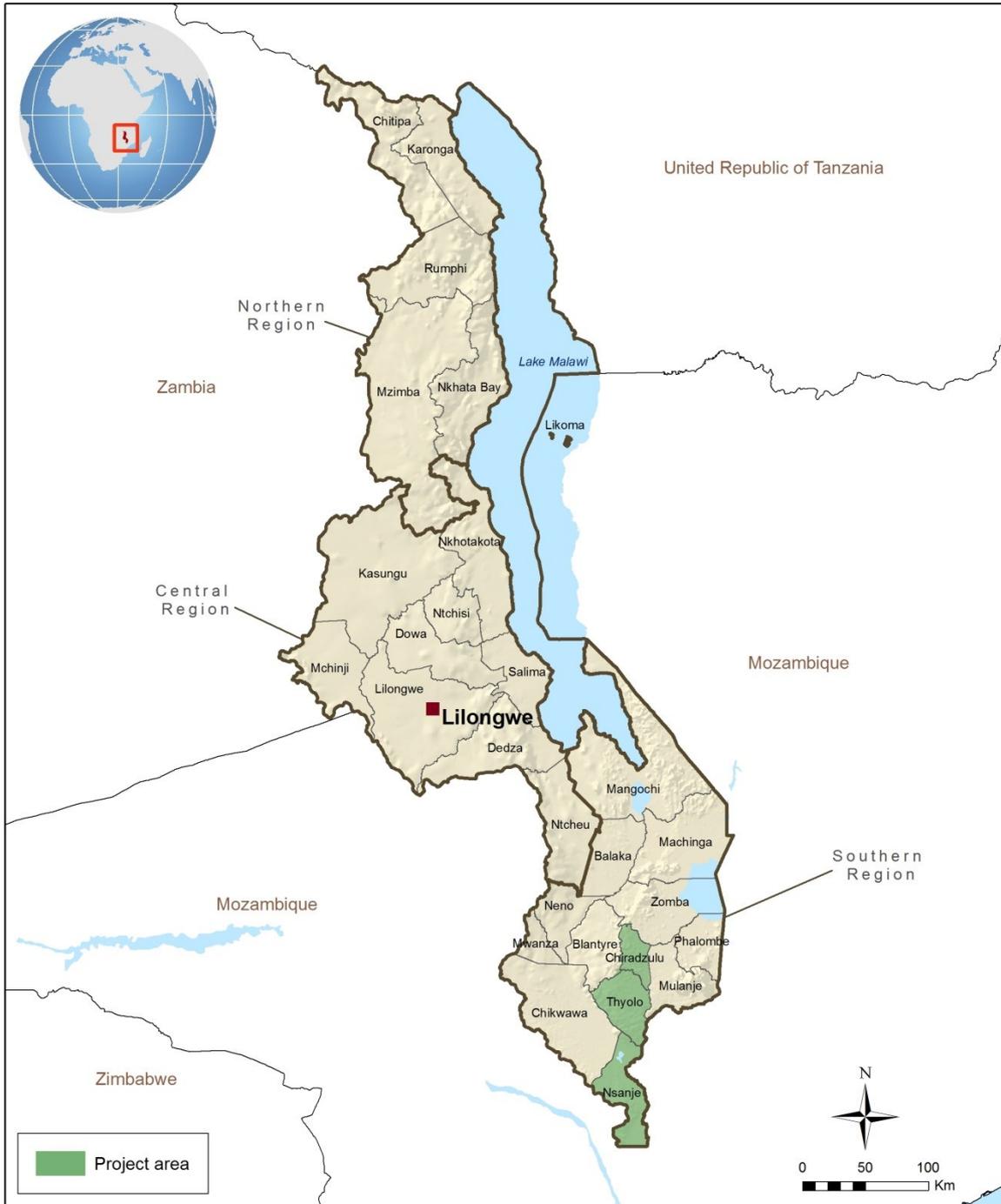
COSOP	country strategic opportunities programme
ESA	East and Southern Africa Division (IFAD)
IOE	Independent Office of Evaluation of IFAD
M&E	monitoring and evaluation
MGDS	Malawi Growth and Development Strategy
PCR	project completion report
PCRV	project completion report validation
PFU	Programme Facilitation Unit
PPE	Project Performance Evaluation
PRIDE	Programme for Rural Irrigation Development
RLEEP	Rural Livelihood and Economic Enhancement Programme
RLSP	Rural Livelihoods Support Programme
SAPP	Sustainable Agriculture Productivity Programme
ToC	theory of change
VDCs	Village Development Committees

# Map of the programme area

## Malawi

### Rural Livelihoods Support Programme (RLSP)

*Project performance evaluation*



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD | 30/11/2016

## Executive summary

1. The Independent Office of Evaluation of IFAD (IOE) undertook a project performance evaluation (PPE) of the Rural Livelihoods Support Programme (RLSP) in the Republic of Malawi. The main objectives of the evaluation were to: (i) assess the results of the programme; (ii) generate findings and recommendations for the design and implementation of ongoing and future operations in the country; and (iii) identify issues of corporate, operational or strategic interest that merit further evaluative work.
2. In addition to the desk review, the methods used to conduct the evaluation consisted of individual and group interviews with project stakeholders, beneficiaries, former project staff, and local and national government authorities, as well as direct observations in the field. The evaluation team visited the three target districts of the programme. Where applicable, the PPE also made use of additional data available through the programme's monitoring and evaluation (M&E) system and impact surveys. Triangulation was applied to verify findings emerging from different information sources.

### The programme

3. RLSP was an integrated rural development programme and was financed under the Flexible Lending Mechanism. Its overall objective was to "sustainably reduce poverty through the promotion of on- and off-farm and wage-based incomes". The programme had a broad design and its interventions were decided by target populations through participatory processes. The programme used district-level line departments (devolved line ministries) to extend technical services to the target beneficiaries. A programme facilitation unit (PFU) located in Blantyre city was responsible for coordinating the programme. The programme did not have an explicit theory of change and the PPE report has reconstructed the theory of change based on the document review and the interviews with various stakeholders during field visits. The reconstructed theory of change lays out three paths necessary to meet the overall objective (i) increasing production and productivity of livestock and farming systems; (ii) strengthening individual and community capacities to access resources; and (iii) facilitating beneficiaries' access to markets and interaction with economic actors.
4. The programme comprised three components: (i) investment in human capital, by establishing and strengthening village-level governance structures and training individual beneficiaries in off- and on-farm livelihood activities (ii); village investments, under which initiatives such as agriculture extension services, community water development, rural financial services, small business development were undertaken; and (iii) programme and policy coordination.
5. The programme undertook a wide variety of activities ranging from constructing/rehabilitating roads and school buildings and digging borewells, to providing agriculture extension services and vocational training to individual beneficiaries, to distributing small livestock. The activities taken to scale include the extension services for enhancing maize production and the distribution of small livestock.
6. The programme was characterized by weak M&E. In light of the weak M&E the PPE has used the theory of change (elaborated in annex VI) to lay out three impact pathways and rigorously test each pathway to assess the project's performance on various criteria.

### Main findings

7. **Relevance.** The programme's objectives were in line with national policies. The targeting was found to be relevant at district as well as village levels. The evolving design was characterized by the presence of some essential elements as well as

significant gaps. Design did not put adequate emphasis on mitigating the effects of the stalled decentralization process, integrating various elements of the farming system, developing approaches to support the improvement of soil and water management practices, and supporting access to markets, especially through farmers' organizations and cooperatives. These gaps affected the efficiency and sustainability of the programme.

8. **Effectiveness.** Of the three pathways laid out in the theory of change, most gains appear to have been made under enhancement of production and productivity. This pathway has witnessed some islands of success, especially in maize productivity and goat rearing. However, such interventions do not adequately build in critical elements for environmental sustainability and climate change adaptation. Therefore, while some pre-selected stand-alone crop and livestock packages have improved productivity, their contribution to environmental sustainability is by no means assured. Along the second pathway, village development committees have been extended with RLSP financing to plan and implement their stated priorities, thus strengthening the village-level institutions. However, gains at district level are unclear in light of the stalled decentralization process and weak human and financial capacities. RLSP did not undertake any substantial intervention on facilitating access to input and output markets, which was the third pathway in the reconstructed theory of change.
9. **Efficiency.** The programme was approved in September 2001 and became effective in August 2004, thus accounting for a gap of nearly 36 months from approval to effectiveness. The programme's management costs were over 40 per cent of the total programme costs. This is attributed primarily to:  
(i) relatively high salaries of PFU staff; (ii) a dense implementation structure; and (iii) a long implementation period (nearly 10 years), which led to an increase in the fixed costs accrued by the programme.
10. **Rural poverty impact.** One of the successes under the criterion of rural poverty impact was the increases in productivity of maize, as indicated in the impact surveys undertaken by the programme. The small livestock (especially goats) distributed acted as a "value bank" for the target populations. However, the intervention lacked scale, as only a fourth of the target households were reached as of the end of RLSP. There was not much difference between the income and asset distribution between target and control areas and across time periods. It is unclear if this lack of difference could be a result of the methodology, sampling, selection bias in the survey, etc. The programme provided grass-roots institutions such as Village Development Committees (VDCs) with the capacity and funding to implement their priorities. However, beyond project closure, the VDCs have been hampered by the limited funding available to the local governments. The PFU assumed the majority of the responsibilities for programme implementation, with support from district extension staff for technical services. This limited the scope for institution-building at the district level.
11. **Sustainability of benefits.** The programme achieved sustainability in several activities, especially in the livestock pass-on system and maintenance of small infrastructure. However, the programme's momentum could not be sustained beyond its closure to enable the beneficiaries to move up the economic ladder, from subsistence to market-led economic activities. The institutional and financial resources available to build upon and consolidate gains made by RLSP remain scarce. The exit strategy for RLSP was not well elaborated and was built on the assumption that district and local governments would take over the programme's activities, which did not come to full fruition.
12. **Innovation and scaling up.** RLSP's livestock pass-on system has demonstrated that such a system can be implemented on a large scale as an effective means of reaching the very poor among smallholder farmers. In terms of scaling up, the PPE

finds the intervention in the goat rearing and pass-on scheme to be a tested model which can be scaled up. Deliberations have taken place between IFAD and the Government of Malawi to replicate the RLSP's microfinance intervention through a new IFAD project. The PPE finds RLSP's operations in microfinance to be unsuccessful and unsustainable and finds the intervention to be unsuitable for scaling up.

13. **Gender equality and women's empowerment.** Overall, women's participation in local government was observed to be low. In terms of drudgery reduction, access to potable water has improved significantly. However, access to energy for cooking has not seen much improvement, with women still largely relying on maize stocks or firewood from forests nearby and afar.
14. **Environment and natural resource management.** Conservation agriculture was promoted on a limited scale by the programme. The evaluation team observed that, more generally, target farmers in the three districts grow maize and grain legumes but rarely in intercropping pattern or rotation. The emphasis on maize in mono-cropping pattern, encouraged by Government policies, is not suitable for maintaining soil fertility. The fuel requirements of the target population were not adequately met, resulting in the use of maize stocks which in turn resulted in deprivation of organic matter required to replenish soil nutrients.
15. **Adaptation to climate change.** The mainstreaming of goats and dairy cow pass-on strengthened farmers' resilience to climate variability and climate change. For poor households, livestock has become an important link to the 'cash economy' and also an essential element in their resilience strategies. However, the emphasis on maize in mono-cropping pattern is not a suitable strategy for adaptation and resilience.

### **Recommendations**

16. **Recommendation 1.** Projects to be implemented in the ongoing context of local governance reforms should be based on thorough diagnostics of the capacity of national and local government institutions such as VDCs, Area Development Councils and District Councils. This will help introduce more realistic project design expectations and interventions that support capacity development of local government organizations and efficiently deliver benefits to target groups.
17. **Recommendation 2.** IFAD should support and build on collective institutions of target beneficiaries such as cooperatives and farmers' organizations and support delivery of services – such as extension, microfinance, bulking, quality control, packing and transportation – through these institutions, in order to promote better prospects for the sustainability of results. Such institutions would help create a more market-driven economic system and reduce dependence on the public sector.
18. **Recommendation 3.** IFAD's programmes and projects in Malawi should aim to enhance resilience and climate change adaptability of smallholders and marginal farming systems by pursuing a higher level of integration of activities (e.g. crops, trees, forages, small livestock, soil and water management) into a single farming unit. Better integration at the farm level would not only refer to the presence of multiple elements but also to their coherent and cohesive functioning to enhance the economic value of a farm's output. A focus on improving the diversity in smallholder farming systems will also help enhance the nutritional well-being of IFAD's target groups.
19. **Recommendation 4.** To ensure sustainable development and secure livelihoods for the smallholder farmers, there is need for increased attention to access to markets (for inputs and agricultural or livestock production). This entails a two-pronged strategy: (i) developing partnerships with relevant private sector actors; and (ii) supporting the capacity of grass-roots organizations of farmers to engage with them.

## IFAD Management's response<sup>1</sup>

1. Management welcomes the Project Performance Evaluation (PPE) of the Rural Livelihoods Support Programme (RLSP) in Malawi, and appreciates the high quality of the report.
2. Overall, Management agrees with the Independent Office of Evaluation (IOE) assessment of the programme's performance and notes that the PPE recognizes the positive contributions to the country programme as regards to results and lessons learnt for future investments. The PPE confirms the relevance of the programme (rated 4) and recognizes the rationale of choosing the flexible mechanism and an implementation period of almost 10 years. However, it notes the limited effectiveness of the project (rated 3), due to a number of factors such as a too broad design and a changing institutional and political context. The PPE notes also the low project efficiency mainly due to the long implementation costs and related high staff costs and these are not commensurate with the limited results and impact (rated 2). Management notes that IFAD's performance is rated moderately satisfactory (4).
3. It is pleasing to note that IOE found that the new Country Strategic Opportunities Programme (COSOP) 2016-2022 reflects many of the PPE's recommendations notably in terms of market access and value chain development (para 100 and 114). However, it would have been worth mentioning also how most of the lessons learned from RLSP have already been incorporated in the ongoing portfolio, for instance the promotion of the value chain methodology, internalized in the Rural Livelihood and Economic Enhancement Programme (RLEEP) and in the design of the oncoming Programme for Rural Irrigation Development (PRIDE).
4. The rating of 3 for the role of government and the underlying justifications are noted as an important element to further our policy dialogue and pay adequate attention to current and future project designs. Management recognizes the importance of adjusting projects, both at design and during implementation, to the evolving decentralization process in the country, by placing sufficient support to institutional capacity-building and policy work.
5. Management appreciates the PPE recommendations, which have been internalized and acted upon by the last two COSOPs and recent project designs (see above). Management responses on the proposed recommendations are presented below:
  - (a) **Recommendation 1.** Projects to be implemented in the ongoing context of local governance reforms should be based on thorough diagnostics of the capacity of national and local government institutions such as Village Development Committees, Area Development Councils and District Councils. This will help introduce more realistic project design expectations and interventions that support the development of capacity of local government organizations and efficiently deliver benefits to target groups.

**Response from Management:** Agreed. The implementation modalities adopted in the three ongoing projects in Malawi (RLEEP, PRIDE and Sustainable Agriculture Productivity Programme [SAPP]) are all based on thorough institutional analysis, including at the local level. This is the case, for example, of the SAPP, that supports the strengthening of agricultural extension services at the district level.
  - (b) **Recommendation 2.** IFAD should support and build on collective institutions of target beneficiaries such as cooperatives and farmers' organizations and support delivery of services such as extension, microfinance, bulking, quality control, packing, transportation through these institutions, in order to

<sup>1</sup> The Programme Management Department sent the final Management response to the Independent Office of Evaluation of IFAD on 27 January 2017.

promote better prospects for the sustainability of results. Such institutions would help create a more market-driven economic system and reduce dependence on the public sector.

**Management response:** Agreed. RLEEP has successfully promoted the strengthening of cooperatives and farmers' organizations to enhance market linkages. The recently initiated PRIDE will also strengthen producer groups to facilitate market access. Management would most welcome an independent evaluation of RLEEP to gain further learning on this important dimension.

- (c) **Recommendation 3.** IFAD's projects in Malawi should aim at enhancing, resilience and climate change adaptability of smallholders and marginal farming systems by pursuing a higher level of integration of activities in a single farming unit (e.g. crops, trees, forages, small livestock, soil and water management). Better integration at the farm level would not only refer to the presence of multiple elements but also to their coherent and cohesive functioning to enhance the economic value of a farm's output. A focus on improving the diversity in smallholder farming systems will also help enhance the nutritional well-being of IFAD's target groups.

**Management response:** Agreed. It is pleasing to note that the above recommendation mirrors the COSOP 2016-2022 in terms of its strategic objectives i.e. climate resilience, improved nutrition and smallholder access to remunerative markets and services. Moreover, SAPP and RLEEP have already taken on board the nutrition focus to their current development objectives, in addition to boosting sustainable food production and income through good agricultural practices and value chain development for smallholders. In fact, SAPP successfully promotes the establishment of integrated homestead farms with multi-cropping and diversified production, including fruit trees, vegetables and chickens.

- (d) **Recommendation 4.** To ensure sustainable development and secure livelihoods for the smallholder farmers, there is need for increased attention to access to markets (both for inputs and for agricultural or livestock production). This entails a two-pronged strategy: (i) developing partnerships with relevant private sector actors; and (ii) supporting the capacity of grass-roots organizations of farmers to engage with such private sector actors.

**Management response:** Agreed. As noted above, RLEEP has developed an interesting value chain development approach by engaging private sector from the start in the identification of suitable commodities with market potential and the steps needed to lift smallholders into a value chain. RLEEP helps smallholders to form associations to carry out value chain activities and especially access to remunerative markets. PRIDE will be learning from RLEEP in terms of how to: (i) engage with private sector, (ii) establish nutrition sensitive, market demand driven production for smallholders, (iii) form farmer organizations for irrigation development, and (iv) address environmental sustainability, including through soil and water conservation measures. In short, the current and new projects are geared towards rendering farming climate resilient and responsive to remunerative markets. These measures are supported by an emphasis on nutrition sensitive value chains and promotion of good nutrition at household levels.

# Republic of Malawi

## Rural Livelihoods Support Programme

### Project Performance Evaluation

#### I. Evaluation objectives, methodology and process

1. **Background.** The Independent Office of Evaluation of IFAD (IOE) undertakes two forms of project evaluations: project completion report validations (PCRVs) and project performance evaluations (PPEs). PCRVs consist of a desk review of project completion reports (PCRs) and other supporting documents. PPEs, involving country visits, are undertaken on a number of selected projects for which PCRVs have been conducted. The PCRV of the Rural Livelihoods Support Programme (RLSP) was published in June 2015. The project was selected for a PPE because of the learning opportunity the project provides in light of its implementation in a decentralizing environment. In addition, the learning and recommendations of the PPE could be useful in reinforcing the new country strategic opportunities programme (COSOP) for Malawi.
2. **Objectives.** The PPE mission was conducted after a desk review of the PCR and other available documents, with the aim of providing additional evidence on project achievements and validating the conclusions of the PCR. In general terms, the main objectives of PPEs are to: (i) assess the results of the project; (ii) generate findings and recommendations for the design and implementation of ongoing and future operations in the country; and (iii) identify issues of corporate, operational or strategic interest that merit further evaluative work.
3. **Scope.** In view of the time and resources available, the PPE did not undertake quantitative surveys or examine the full spectrum of project activities, achievements and drawbacks. The PPE took into account the preliminary findings from the desk review of PCR and other key project documents and interviews at the IFAD headquarters. During the PPE mission, additional evidence and data was collected to verify available information and reach an independent assessment of performance and results.
4. **Methodology and methods.** The PPE assessed the project performance based on the evaluation criteria set out in the second edition of IOE's Evaluation Manual, as mentioned in the approach paper and annex II of this report.<sup>1</sup> In line with the practice adopted in many other international financial institutions and United Nations organizations IOE has used a six-point rating system where 6 is the highest score (highly satisfactory) and 1 is the lowest score (highly unsatisfactory).
5. In addition to the desk review, the **methods** deployed consisted of individual and group interviews with project stakeholders, beneficiaries, former project staff, local and national government authorities and direct observations. The PPE also made use – where applicable – of additional data available through the programme's monitoring and evaluation (M&E) system and impact surveys. Triangulation was applied to verify findings emerging from different information sources.
6. **Limitations.** PPEs do not collect their own quantitative data. Instead, PPEs review the project/programme's own M&E system and conduct spot checks in the field. However, this programme's M&E system is found to be weak and lacking in outcome and even output level data in many cases. The PPE has attempted to get around this constraint by reconstructing the **theory of change** (ToC) of the project and rigorously testing the causal chains, impact drivers and assumptions which are needed to move along the impact pathways - from outputs to intermediate outcomes to impact.

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<sup>1</sup> Second edition of IOE Evaluation Manual: <https://www.ifad.org/documents/10180/bfec198c-62fd-46ff-abae-285d0e0709d6>.

## II. The programme

### A. Programme context

7. Malawi is a landlocked country in southern Africa sharing common borders with Zambia, Tanzania and Mozambique. Lake Malawi, the third largest lake in Africa, covers about one fifth of the country's total area. The population in 2014 was estimated to be about 16.7 million. Malawi has been characterized by high poverty headcount ratio, at 52.7 per cent in 2004/05 and 50.7 per cent in 2010/11, with nearly half of such poor falling in the category of extremely poor.<sup>2</sup> The country's economic growth has fluctuated widely in the past decade, ranging from a high gross domestic product growth rate of 9.6 per cent in 2007 to 2.95 per cent in 2015.<sup>3</sup> In 2014, Malawi was ranked 173 out of 188 countries in the Human Development Index developed by United Nations Development Programme.
8. Agriculture makes up about 30 per cent of the gross domestic product (value added) of Malawi as of 2014.<sup>4</sup> The sector employs 85 per cent of the workforce in Malawi.<sup>5</sup> Maize is the main staple food crop and is planted almost throughout the country. Food crop markets are, for the most part, informal and farmers often depend on traders or transporters who come to villages and buy their produce. Government's main form of support to the agriculture sector is through the Fertilizer Input Subsidy Programme, which subsidizes seeds, fertilizers and certain chemicals for maize, legume, and cotton.<sup>6</sup>
9. In line with political change from one party era to multiparty democracy, Malawi adopted a Decentralization Policy (1998) to devolve power to local district councils. According to the Decentralization Policy (1998) and Local Government Act (1998), Malawi has four levels of planning and implementation namely: Village level comprising of Village Development Committees (VDCs), Area level comprising of Area Executive Committees and Area Development Committees, District level comprising of District Council and District Executive Committee and National level comprising of National Local Government Finance Committee and Sector Ministries. The first multi-party local government elections were held in 2000 while the second local elections were postponed indefinitely, until they were finally held along with national elections in May 2014, after a gap of 14 years. The local councillors have only now been starting to be represented at the district council.

### B. Programme implementation

11. **Programme area.** The programme area is comprised of three districts in Malawi's Southern Region, Chiradzulu, Thyolo and Nsanje. The southern rural region overall had a higher rate of poverty (64.4 per cent) compared to the national average (52.4 per cent) in 2004-05, when the project commenced its operations. The three target districts of Chiradzulu, Nsanje and Thyolo had poverty rates of 63.5 per cent, 76 per cent and 64.9 per cent respectively. The baseline survey conducted in 2006 reveals the following baseline scenario:
  - Average landholding in target area at 0.77 ha, characterized by low productivity.
  - Around 60 per cent of the households had access to safe, potable water.
  - Female headed households comprised about 34 per cent of the households in the target area.

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<sup>2</sup> Second and third household survey.

<sup>3</sup> World bank databank, as accessed on 23 August 2016:

<http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=MW>.

<sup>4</sup> Ibid.

<sup>5</sup> Quick overview of the Decent Rural Employment situation in Malawi, Food and Agriculture Organization of the United Nations: [http://www.fao.org/fileadmin/user\\_upload/fao\\_ilo/pdf/Other\\_docs/MW\\_ICA\\_2\\_pager\\_final.pdf](http://www.fao.org/fileadmin/user_upload/fao_ilo/pdf/Other_docs/MW_ICA_2_pager_final.pdf).

<sup>6</sup> Malawi Agricultural Risk Assessment, World Bank:

<http://documents.worldbank.org/curated/en/802281467999353954/pdf/99941-WP-P148140-Box394838B-PUBLIC-TAPMalawi-ASRA-WEB-01072016.pdf>.

- Between 15 per cent and 20 per cent of the people in programme area tested positive for HIV/AIDS
12. **Programme objectives.** The overall objective of the project was to sustainably reduce poverty through promotion of on- and off-farm and wage based incomes. Specific objectives include: (a) Promoting sustainable agricultural production and simple but efficient natural resource management technologies for improved food security, nutrition and agriculture-based incomes for better living conditions; (b) Promoting the development of skills for selected target groups (including youth and women); (c) Promoting employment through support for infrastructure development to provide incomes, especially during off-seasons; and (d) Developing/improving individual and local community capacities and capabilities in terms of their organization to access relevant resources to improve their livelihoods.
  13. **Target group and targeting approach.** The post appraisal report stated that it would target about 8,000 households in Nsanje, 16,000-20,000 households in Thyolo and 3,000-4,000 households in Chiradzulu, representing a total of 16 per cent of the population of the target districts. However, during implementation, the coverage was expanded to target 10,000 households in Nsanje, 16,000-20,000 households in Thyolo and 10,000 households in Chiradzulu.<sup>7</sup>
  14. **Programme components.** The programme comprised three components as follows:
    - (i) **Investment in human capital.** The objective of this component was to empower communities to strengthen internal coping mechanisms and village organizational structures; create effective demand for village investments; and access guidance and support on issues of concern. This supported capacity-building at village level in order to empower vulnerable communities and households through: (i) establishing and strengthening village organizational structures; (ii) creating effective demand for technical interventions; and (iii) being proactive in accessing guidance/support from service providers. The focus was to develop the skills of villagers, public service providers and those who represent their interests at village, area and district levels.
    - (ii) **Village investment.** This supported target groups with resources to invest in a series of activities that responded to their concerns and that used local opportunities identified through the village planning process. Two funds had been established: the Local Initiative Fund and the Village Investment Fund. Activities funded included: (i) agriculture and livestock development (improved planting techniques for maize and distribution of goats) (ii) natural resource management and environmental conservation (conservation agriculture, afforestation); (iii) community water development, management and irrigation (bore wells); (iv) primary health care and sanitation (construction of toilets, drug revolving funds); and (v) formal and informal off-farm income-generating activities (vocational training activities, small businesses, rural finance).
    - (iii) **Programme and policy coordination.** This included: (i) establishment and operation of the Programme Facilitation Unit (PFU); (ii) contracting services on behalf of beneficiaries; (iii) coordination of programme supervision; (iv) liaising with other donor-funded activities in related fields; and (v) arranging for the programme's reassessment at the end of cycles I and II (vi) monitoring and evaluation.
  15. **Programme financing.** The RLSP was financed through a loan under the flexible lending mechanism wherein financing and programme implementation was

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<sup>7</sup> Project Completion Report.

undertaken in three phases – each phase contingent upon successful achievement of specified milestones in the previous phase. The programme’s actual costs are shown below consolidated for all three phases of the project. The programme cost estimates vary somewhat between different documents.

Table 1  
**Actual programme costs (in million US\$)**

<i>Component</i>	<i>Phase I</i>		<i>Phase II</i>		<i>Phase III</i>		<i>Total</i>
Investment in human capital	1.725	42.2%	3.217	41.6%	1.8	33%	6.74
Village investment	0.48	11.75%	2.49	32.3%	1.86	34%	4.83
Programme and policy coordination	1.89	46%	2.004	26%	1.83	33%	5.72
<b>TOTAL</b>	<b>4.08</b>		<b>7.734</b>		<b>5.5</b>		<b>17.31</b>

Source: PCR, evaluation of cycle I, evaluation of cycle II.

16. **Timeframe.** The IFAD executive board approved a loan towards the project, worth SDR 10.7 million, in September 2001 and it became effective in August 2004. The project’s completion date was 30 September 2013 and closing date was on 31 March 2014. The project also received a Canadian supplementary grant of US\$209,450 and an IFAD loan component grant of US\$70,000. At the time of the loan/grant closing, the disbursement rate was 100 per cent (about SDR 10.62 million) for the loan account as well as both the grant accounts.<sup>8</sup>
17. **Implementation arrangements.** The project was implemented under the oversight of the Ministry of the Local Government and Rural Development. A National Steering Committee headed by the Ministry of the Local Government and Rural Development provided overall guidance to the project. The PFU based in Blantyre was established to oversee RLSP implementation including financial control, contracting and supervision, coordination with related programmes and projects, annual work plan and budget preparation, monitoring and reporting. The staff of PFU, headed by a programme manager, reporting to the Secretary of Local Government and Rural Development, consisted of a Financial Accountant, Procurement Officer, Monitoring and Reporting Officer, Business Development Officer, Community Development Officer, three District Facilitators and eight Field Facilitators, as well as clerical/administrative support staff and drivers.
18. In the Districts, the programme operated within the District Assemblies under the supervision of the District Commissioner and the District Executive Committee. Within the District Assemblies the devolved line ministries (known as sectors) provided technical support in their respective disciplines. Every district had a programme facilitator engaged and supervised by the PFU and working in close collaboration with the District Director of Planning and Development.
19. **Supervision arrangements.** Initially, the United Nations Office for Project Services (UNOPS) was appointed as a cooperating institution responsible for administering the financing and supervising the programme (as per an agreement letter dated 13 November 2003). However, with an overall corporate shift to direct supervision, IFAD took over the responsibilities starting from the supervision mission that was fielded in October 2008.

<sup>8</sup> While the president’s report and the financing agreement indicate that 10.7 million SDR was approved and allocated to the project, IFAD’s Flexcube system indicates the allocated amount at 10.63 million SDR. Similarly, while the IFAD’s Flexcube system indicates the allocated under the Canadian grant at US\$209,450 and the IFAD loan component grant at US\$70,000. However, in the disbursement report in the Flexcube the allocated amounts are indicated to be US\$177,618 and US\$49,291.

20. **Reconstructed theory of change.** This evaluation has reconstructed the theory of change of the programme based on programme documentation and interviews in the field. The full description and figure depicting the theory of change is provided in annex VI and analysis of the same is covered under the assessment of relevance and effectiveness. In brief, this theory of change elaborates on three pathways required to reach the ultimate goal of increase in incomes each of which pertain to increased production and productivity, institution building and access to markets respectively. The harmonized and integrated achievements, along with fulfilment of the necessary drivers and assumptions can be said to be necessary to achieve the overarching objective.
21. The first pathway pertains to increased production and productivity of livestock and farming systems. The strategy to reach this objective flowed through the implementation of the second component of village investments, especially activities such as agriculture and livestock development and natural resource management and environmental conservation.
22. The second pathway pertains to strengthening of individual and community capacities to access resources. This involves working with grass-roots governance institutions such as VDCs and with individual beneficiaries in enhancing their productive capacities. This intermediary state assumes significance in the context of decentralization in Malawi. The strategy to reach this objective flowed mostly through the implementation of component 1 'Investment in Human Capital'.
23. The third pathway pertains to facilitating access for beneficiaries to markets and interaction with economic actors. However, the programme lacked a pathway to achieving this intermediate state and this will be discussed throughout the report.

#### **Key points**

- The programme implementation took place in the context of stalled decentralization at district level.
- The programme was financed under the flexible lending mechanism and had a relatively broad design with a scope for undertaking wide variety of activities.
- The programme was implemented in the three southern districts of Chiradzulu, Thyolo and Nsanje
- District level line ministries were used to extend technical services to the target population.
- The reconstructed theory of change shows that access to markets was a crucial missing element in the programme intervention logic.

### III. Main evaluation findings

#### A. Programme performance and rural poverty impact

##### Relevance

24. **The programme was aligned with the priorities of the Government.** The overall objective of the project was to sustainably reduce poverty through promotion of on- and off-farm and wage based incomes. Specific objectives included:  
(a.) Promoting sustainable agricultural production and simple but efficient natural resource management technologies for improved food security, nutrition and agriculture-based incomes for better living conditions; (b.) Promoting the development of skills for selected target groups (including youth and women); (c.) Promoting employment through support for infrastructure development to provide incomes especially during off-seasons; and (d.) Developing/improving individual and local community capacities and capabilities in terms of their organization to access relevant resources to improve their livelihoods. The last objective is represented as an intermediary state, as explained when describing pathway 2 of the ToC in the annex VI.
25. The programme design documents made clear and explicit the links to national policies and priorities. RLSP's objectives were highly consistent with the objectives of the Malawi Growth and Development Strategy<sup>9</sup> (MGDS) 2006-2011 and MGDS II (2011-2016).<sup>10</sup> Both MGDS I and MGDS II had the overall objective of reducing poverty through sustainable economic growth and infrastructure development. MGDS I & II identified five common broad strategic themes namely: Sustainable economic growth, social development, social support and disaster risk management, infrastructure development, governance while MGDS II also includes gender and capacity development as an additional theme of focus. RLSP's objectives contribute partly to all of the above thematic focus areas. RLSP objectives are also consistent with the objectives of the Decentralization Policy of 1998, especially objective 4 of the policy - to promote socio-economic development through mobilizing the masses for socio-economic development at local level.
26. **Relevance of design.** The programme **targeted** the three districts of Chiradzulu, Nsanje and Thyolo which had poverty rates<sup>11</sup> of 63.5 per cent, 76 per cent and 64.9 per cent as of 2004/05 (around the same time that the project started its implementation) while the national rate stood at 52.40 per cent.<sup>12</sup> Towards that end, the selection of target districts was found to be relevant to the objective. In addition, the targeting at the village level is also found to be relevant with small and marginal landholders targeted by RLSP. The design of the programme was broad in nature and this was for the purpose of taking into account **the priorities outlined in village plans** and it made an effort to implement components and activities that were relevant to the village development priorities and addressed community needs in the 245 target villages (under 36 VDCs).
27. The **flexible lending mechanism** was found to be highly relevant to implementing the loose and broad design at appraisal stage as it enabled RLSP to be designed while it was being implemented while catering to the broad range of needs of the target population. The flexible lending mechanism also afforded IFAD to stay engaged in the target area over a long period of time, which, notwithstanding the effect on project costs (as will be discussed under efficiency), was perhaps required given the extremely marginalized nature of the target areas.

<sup>9</sup> Malawi Growth and Development Strategy – From Poverty to Prosperity 2006-2011  
<https://www.imf.org/external/pubs/ft/scr/2007/cr0755.pdf>.

<sup>10</sup> Government of Malawi (2012). Malawi Growth and Development Strategy II 2011-2016. Ministry of Finance and Development Planning, Department of Development Planning, Lilongwe.

<sup>11</sup> The second Integrated Household Survey describes two kinds of poverty rates – Poor and Ultra Poor. The poverty rates mentioned in the text are for the headcount of those that the survey describes as poor.

<sup>12</sup> Second Integrated Household Survey:  
[http://www.nsomalawi.mw/images/stories/data\\_on\\_line/economics/ihs/IHS2/IHS2\\_Report.pdf](http://www.nsomalawi.mw/images/stories/data_on_line/economics/ihs/IHS2/IHS2_Report.pdf).

On the flipside, the programme's long duration of implementation was not used adequately to sharpen the focus of the programme as it progressed. This meant that the programme undertook plethora of dispersed and discrete activities throughout its implementation period.

28. **Design gaps emerging from the theory of change.** The reconstructed theory of change shows that while the internal programme logic is largely sound between the components and specific objectives, there are four main design gaps as far as the moving from immediate objectives to intermediate states in the hypothesized causal chain and onwards to the overall objective, with an organic link between them. **First**, the **integration of various farming and livestock systems** at farm and village levels was imperative in attaining poverty reduction, given the extremely small landholdings (0.5-1 acre) in the target area. An integrated farming system consists of a range of resource-saving practices that aim to achieve acceptable profits and high and sustained production levels, while minimizing the negative effects of intensive farming and preserving the environment (IFAD 2014).<sup>13</sup> Integration does not merely refer to presence of multiple elements in a farming system but also to their coherent and cohesive functioning to enhance the economic value of a farm's output.<sup>14</sup> In the theory of change, integration is a necessary element of the intermediary state 1 to reach the ultimate goal of the project. However, the same was not systematically undertaken by the programme.
29. On the above note, the programme intervention in improving cropping system through intensification focussed mainly on maize, with only marginal focus on relevant approaches to supporting the optimization of revenue generating capacity and resilience of the farming systems. The focus on maize can be attributed to the government's emphasis, at the policy level, on maize as a measure to ensure food security and programmes such as Farm Input Subsidy Programme, wherein subsidized fertilizers and seeds are distributed to the farmers for maize production. Some of the possible alternative approaches to mono-cropping of maize could have been inter-cropping of maize and pigeon peas, goat and livestock rearing through production of on-farm fodder, integration of fruit trees, nitrogen fixing forage and crops.
30. **Second**, the evolving design did not emphasize approaches on supporting the **improvement of soil and water management practices** that enhance food security and livelihoods, and agro-ecosystem's resilience. This is specifically related to the first impact pathway where the emphasis on production was commendable but there was no systematic intervention of scale to maintain or enhance the environmental sustainability of the agricultural practices promoted. The focus of the programme largely remained on maize in a mono-cropping pattern, which is not ideal for the nutrient capacity of the soil. This aspect is covered in detail under assessment of pathway 1 of the theory of change under effectiveness.
31. **Third**, the design put emphasis on capacity-building, through delivery of technical solutions but lacks clear approaches on promoting farmer's engagement in business, in particular through development and strengthening of **farmers'/collective organizations**. This is visible in the theory of change where the entire pathway 3 on access to markets (marked in blue) is found to be missing. **Fourth**, the project did not adequately build in measures in the design allowing the **mitigation of the impacts of the stalled decentralization**, which will be explained in the next paragraph.
32. The two gaps mentioned in the previous paragraph, with regard to lack of emphasis on farmers' organizations and lack of mitigation strategies mentioned

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<sup>13</sup> IFAD (2010). Integrated crop-livestock farming systems. Livestock Thematic Papers - Tools for project design. <https://www.ifad.org/documents/10180/31bb4140-1a73-4507-83ed-6fc8cb64bed7>.

<sup>14</sup> e.g. maize stocks produced on farm can be used as feed for small livestock and/or, nitrogen fixing forages and fruit trees can be inter planted with cereal crops to maximize economic benefits for smallholder farmers and sustainability of natural resources.

above had a direct effect on the efficiency and sustainability. The evaluation found that the evolving project design and project implementation and the assumptions that pertained to them did not adequately consider the contextual relevance as far as decentralization is concerned. In terms of the contextual political factors, it should be noted that political decentralization stalled indefinitely in 2005 when local council elections were cancelled, while both administrative and fiscal decentralization were rolled out in a disjointed manner over a 15-year period.<sup>15</sup> Since the start to the completion of the programme, the gap between this assumption and the reality of the stalled decentralization remained. This reality implied a quasi-dual administration – i.e. the District Councils which have a formal overall responsibility for development within their areas, and of the de-concentration of sector administrations which report to and obtain funding from their respective line ministries instead of the district administration. Coordination of deconcentrated sector administrations was already difficult during the implementation period, and the programme had to put in place **a costly implementation structure** consisting of a PFU and project staff at district and local levels (5 project staff in PFU, 3 at district level and 8 at village level).

33. In addition, such heavy project management modality, in a context of decentralization, **took away part of the functions of the government.** Interviews with district governments, observations in the field triangulated with review of programme documents reveal that the programme coordination was largely carried out by the district level project staff, throughout the programme life, and not district governments. District governments are observed to have significant human and financial capacity challenges (further elaborated under sustainability). Full relevance would have implied, building in the design, measures allowing mitigation of the impact of ineffective coordination between sectors as well as failures that could be due to dual administration as well as weak capacity at district level. Greater role for grass-roots organizations such as cooperatives and farmers' organizations in delivery of services to support district extension cadre could have mitigated the effects of stalled decentralization as well as capacity constraints at the district level.
34. In summary, the programme's objectives were in line with national policies. The targeting is found to be relevant at all levels. The design is characterized by a mix of presence of some essential elements as well as significant gaps which have been pointed out through the theory of change. The gaps in design have had a negative spillover not only on the achievement of the overarching goal but also on the sustainability and efficiency of the programme. In light of the narrative above, this PPE rates relevance as **moderately satisfactory (4)**.

### **Effectiveness**

35. Effectiveness is the extent to which the development intervention's objectives were achieved, taking into account their relative importance. The assessment of the effectiveness of RLSP is done per pathway, which combines the intermediate states and immediate objectives stated earlier in this document, and is based on the performance in terms of most significant changes along three pathways identified in the theory of change (annex VI). This shall include assessment of the intermediate states, immediate objectives, both at output and outcome levels (if permitted by data). In such process, there will also be discussion on the assumptions and drivers elaborated in the ToC.
36. **Pathway 1: Enhancing productivity and sustainability of farming systems.** The effectiveness along this pathway is evaluated in terms of how the programme supported the development of awareness of improved farming practices and

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<sup>15</sup> See: O'Neil T., Cammack D., Kanyongolo, E., Mkandawire M.W., Mwalyambwire T., Welham B., and Leni Wild L. (2014). Fragmented governance and local service delivery in Malawi. Overseas Development Institute report.

implemented actions aimed at enhancing the productivity and sustainability of smallholders farming systems.

37. **Crop production.** The programme attempted to promote improved crop production through extension and demonstration. One of the emphasis areas of the crop production enhancement intervention was maize production. The Beneficiary Impact Assessment 2014 estimates that the productivity per hectare increased from 460 kg/ha to 1,563kg/ha between 2009 and 2012 in the target areas. When looking at comparable counterfactual, the control areas are estimated to have maize harvest productivity of nearly 313 kg/ha in 2012 thus demonstrating a difference of nearly 400 per cent in productivity between control and test groups as of 2012.
38. During the field visits, the evaluation missions found some other important crops in the target area to be pigeon peas, finger millets and sorghum. The productivity of pigeon pea is said to have grown from 263 kg/ha in 2009 to 350 kg/ha in 2012, although programme documents do not indicate any intervention in pigeon peas. Sorghum productivity has fallen from 389 kg/ha to 283 kg/ha. Finger millet productivity is also said to have decreased from 548 kg/ha to 248 kg/ha.<sup>16</sup> It is unclear if such drop in productivity is a result of methodological issues or due to policy and agro-climactic conditions. It should be noted that the intervention in maize was the single most widely disseminated with participation of nearly 16,000 farmers.<sup>17</sup>
39. **Livestock production.** The programme distributed dairy cattle and small livestock to programme beneficiaries. Dairy cattle were distributed to a very small number of farmers (84) in Chiradzulu districts. Goats were distributed on a much larger scale with 15,331 goats distributed to 5,111 households which ultimately reached 27,595 goats distributed to 9,198 farmers as part of the "pass on system".<sup>18</sup> Between 2009 and 2012, the average herd size of goats increased from 2.7 to 5.8 per household and the percentage of households which had goats had increased from 10.5 per cent in 2009 to 17 per cent in 2012.<sup>19</sup> While the above indicates an increase in households possessing goats, the number of households in possession of such livestock still remains small compared to the total number of beneficiary households. The programme distributed 16,460 chicken and 3043 guinea fowl heads to approximately 675 farmers. However, as programme documents have noted, a majority of chicken and guinea fowls perished due to Newcastle disease. This is confirmed by the reduction of the average brood size from 5.7 in 2009 to 2.5 in 2012.
40. **Natural resource management and environment conservation.** The programme's interventions towards enhancing sustainability of agricultural production and natural resources management were largely marginal and not sustainable post the closure of the programme. The programme did not systematically facilitate integration between cropping systems (e.g. maize and pigeon peas) or facilitate crop-livestock integration and for most part focused on interventions as isolated economic activities. E.g. the evaluation team observed that more generally, target farmers in the three districts grow maize and grain legumes, with higher emphasis on maize, but rarely in intercropping pattern or in rotation. Such singular focus does is not ideal for building resilient livelihoods and ecosystems as sole-maize cropping systems are known to result in depletion of soil fertility, and soil erosion on tilled sloppy hillsides (as in Thyolo district).
41. Conservation agriculture was promoted on a limited scale by the project. As of the end of the project, around 420 households were trained by the programme in

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<sup>16</sup> Beneficiary Impact Assessment 2014.

<sup>17</sup> Supervision report, September 2013, Appendix 4.

<sup>18</sup> The pass on system for goats and cattle implied that the first born offspring of each cattle head or goat received had to be passed to a neighbor of socio-economic strata in the target community. Project Completion Report.

<sup>19</sup> Beneficiary Impact Assessment 2014.

conservation agriculture. In such context, the evaluation team observed cases in the field where conservation agriculture, agroforestry (*Gliricidia*) and soil conservation methods have tripled maize yields and reduced the amount of fertilizers used. The afforestation intervention resulted in 1.9 million saplings being planted in the target areas to ensure supply of firewood. However, the afforestation sub-projects were largely unsustainable and suffered from neglect and ultimately failed to meet the firewood requirements of the target groups.<sup>20</sup> The target groups are still found to be using maize stocks (which remain after harvest) for fuel requirements thus depriving the farms of the organic matter required for replenishment of nutrients and in turn necessitating higher use of fertilizers.

42. In summary, this pathway has witnessed some islands of success, especially in maize productivity and goat rearing. However, such interventions do not adequately build in critical elements for environmental sustainability. Thus, while some pre-selected standalone crop and livestock packages have witnessed good productivity improvements their contribution to environmental sustainability is by no means assured.
43. **Pathway 2: Improving individual and community organizational capacities and capabilities to access resources.** The effectiveness of this pathway is evaluated in terms of how (i) RLSP supported individuals (including youth and women) to develop their capabilities, (ii) RLSP supported community institutions (VDCs) and smallholder farmer's organizational capacities and capabilities, so that they can address constraints to market access, improve input provision, get adequate technical assistance, have power and voice to negotiate with downstream economic operators and government services. The strategy to reach this objective flowed mostly through the implementation of component 1 'Investment in Human Capital'.
44. **Improving individual capacities and capabilities.** The programme focused on vocational skills relevant to self-employment opportunities locally. The programme documents state that nearly 1,648 beneficiaries were trained in trades such as carpentry, tailoring, brick laying, masonry and tin smith. Four hundred and ninety lead farmers were trained in crop and livestock, 4,672 beneficiaries were trained in credit, savings and business management and 1,750 borrowers availed of loan funds from the Opportunity Bank of Malawi (the number of beneficiaries of the erstwhile village revolving funds remains unknown).<sup>21</sup> The training and access to credit has resulted in 132 small businesses accessing rural finance as of February 2013.<sup>22</sup> This small number is a result of the relatively late introduction of the rural finance intervention. Although the youth have been among the beneficiaries of such off-farm livelihood activities, there is no indication that this made them more active in local development decisions. The programme used local labour in the process of construction of small infrastructure such as rural roads, market shed and bore wells. The evaluation team observed that the programme did not provide support to turn individual level capacity into organizational capacity, as will be covered in the next paragraph.
45. **Improving community organizational capacities and capabilities.** Programme documents claim that nearly 478 VDC members have been trained in project and financial management. In addition, 1079 Project Management Committees, subsidiary bodies of VDCs, have been trained to oversee individual micro-projects at the village level in the target VDCs. The VDCs have been strengthened through capacity-building and exposure to participatory planning processes in RLSP. Through discussions with District Council officers and with VDCs during the field visits, the evaluation team noted that the programme has not supported the engagement of the relevant governance bodies or other partners in

<sup>20</sup> Supervision report 2008, Supervision report 2009 and Evaluation of cycle II and recommendation for cycle III, 2010.

<sup>21</sup> Supervision report, September 2013.

<sup>22</sup> Project Completion Report.

catalyzing and assisting the formation of smallholder farmers' organizations. This would have served as a strategy to sustainably address development issues, in particular with regards to access to input and output markets, an issue which has been repeatedly emphasized in this evaluation.

46. **Use of capacities and capabilities to access resources.** The programme, overall, enhanced the capacities of individuals and grass-roots institutions to carry out project activities and provided the requisite financial resources to do so. However, outside the programme's own resources, the efforts to enable the target groups to access non-programme resources are largely piecemeal. This may take multiple dimensions such as access to rural financial services, access to markets, access to policy makers and government funding. As has been covered under relevance, the systematic and coherent emphasis on access to input and output markets is largely neglected in the process of implementation. The sustainability section in this report covers, in detail, the status of access to finance which lacked scale during the project implementation period and the government's lack of capacity to provide resources post the project's closure. The stalled decentralization process led to a situation where there were no local councilors (elected representatives) represented in local governments for nearly a decade between 2005 and 2014. This led to a lack of political representation of beneficiaries at district level.
47. The ToC identified two assumptions for the Intermediary State "Improving individual and community organizational capacities and capabilities to access resources": (i) VDCs will ensure good delivery of services to beneficiaries and (ii) District governments will ensure continuation of services to farmers. The first was largely realized and the VDCs continue to ensure rendering of selective services to the extent of their capacities. The second assumption was not met due to human and financial constraints at the district government level.
48. **Pathway 3: Strengthening the links of rural poor to markets and their bargaining power with economic actors.** Pathway 3 spans the two specific objectives of "Sustainable agricultural production and simple natural resource management technologies for improved food security, nutrition and agriculture-based incomes" and "Development of skills for selected target groups (including youth and women) promoted" and the component of 'Village Investments'. The objective on 'Sustainable agricultural production' remains relevant to enable access to markets as there is an inextricable link between production (of adequate quality and quantity) and preceding (input markets) & subsequent (product markets) access to markets.
49. **Improving transport and marketing infrastructure capabilities.** RLSP had planned the development of rural road and marketing infrastructure. The evaluation team noted the construction/rehabilitation of 245 km of rural roads,<sup>23</sup> notwithstanding the overestimations in the PCR as has been detailed out in the section on assessment of PCR. In terms of dedicated marketing infrastructure, the programme built one market shelter.
50. **Collective organization of beneficiaries to interact with input and output markets.** The programme did not promote any coherent strategy for the beneficiaries to interact with input and output markets. No emphasis was placed on creation and strengthening of farmers' organizations or cooperatives which would have provided a basis for collective interaction with market actors and created sustainable structures, in light of the weak financial capacity of the local governments. There were some intermittent attempts by VDCs to offload excess maize stocks into markets, provide finance (RLSP revolving funds) and also distribute fertilizers and seeds. However, VDCs are governance structures and not always best suited to promote market based livelihood activities.

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<sup>23</sup> Supervision mission, September 2013.

51. **In summary**, the programme undertook a very wide variety of activities. Within such numerous activities, only a few activities benefited a substantial number of target population. The Beneficiary Impact Assessment (Malawi Institute of Management, 2014) neatly sums up the project's effectiveness - "Much as the RLSP adopted an integrated and multi-sectoral approach, the interventions became too numerous and sometimes confusing to the communities." Production and productivity increases were observed in maize and goats, with caveats pertaining to the environmental sustainability of certain practices. In addition, there was no substantive work on achievements along pathway 3, which is imperative in achieving sustainable increase in incomes. In the movement from intermediate states to the overall goal of sustainable reduction of poverty, elements of pathways 1 and 2 are found missing, affected by factors both within and outside the control of the project, while there was almost no intervention in systematically facilitating access to markets. In light of the narrative above, this PPE rates effectiveness as **moderately unsatisfactory (3)**.

### **Efficiency**

52. **Process efficiency.** The programme was approved in September 2001 and became effective in August 2004, a gap of nearly 36 months from approval to effectiveness. This is much higher than the average of 12.08 months for all projects which were financed by East and Southern Africa division and became effective as of August 2004. The comparable average for Malawi for all IFAD projects which became effective as of August 2004 was about 11 months.<sup>24</sup> The lag between approval to effectiveness is an important determinant of efficiency as the delay in commencement of implementation results in lower Net Present Value of the investment. The programme had disbursed 100 per cent of the allocated funding as of its closing.
53. **Dense programme implementation structure.** The programme, at outset, was meant to support the decentralization process. The PFU was to support the local governments and service providers in implementation. However, as the project evolved, the project developed a relatively dense structure with a de facto staff strength of 16 personnel (5 at PFU, 3 at district level and 8 at village level). This staff complement is in addition to the district extension staff that provided technical services on a need based basis.
54. **Programme management costs.** The project management costs, at appraisal, were envisaged to be about 22 per cent of the total project costs.<sup>25</sup> The data from the project completion report and other programme documents<sup>26</sup> states that, as of the end of RLSP, nearly 33 per cent (US\$5.49 million) of the programme costs were towards programme management. However, it should be noted that the above programme management costs do not include the expenses incurred under the programme implementation support sub-component which is reflected under the component of Investment in Human Capital in the project documents. While the PCR does not contain the consolidated breakup across phases of sub-component wise costs, the standalone figures for programme implementation support are available for phase I and III. If the available programme implementation support figures are included, the programme management costs increase to 40 per cent (US\$7.02 million) of total programme costs.
55. In field interviews and project documents, such high level of programme costs is attributed to a variety of factors. The PFU staff salaries, approved by the government of Malawi are found to be high, accompanied by a dense implementation structure. In addition, the programme was operational for a period of nearly 10 years which led to increase in the fixed costs accrued by the

<sup>24</sup> IFAD Flexcube, accessed on 26<sup>th</sup> July 2016.

<sup>25</sup> Post appraisal report 2003.

<sup>26</sup> The PCR does not contain the consolidated breakup across phases of component wise costs. Thus the consolidated breakup of costs is derived from the evaluation of phase I, evaluation of phase II and the PCR.

programme. The programme also financed the incremental expenditure arising out of the programme implementation towards servicing the target group by government line departments (e.g. per diem of local government staff, fuel, etc.).

56. **Cost per beneficiary household.** In light of the weak M&E the project documents state varying and non-specific number of beneficiary households.<sup>27</sup> Using the figure closest to a realistic estimate and to those of appraisal estimates, the programme reached about 40,000 households. Given that the programme spent about US\$17.29 million in total, the investment per household was approximately US\$432. The most recent figure for the average cost per household in East and Southern Africa region (2012) is about US\$280.<sup>28</sup> The project completion report and the other programme documents did not contain a cost benefit analysis for RLSP; hence the PPE will attempt to weigh the comparative programme costs against effectiveness as assessed by IOE. The programme's costs per household are found to be nearly 1.5 times that of the regional average. However, the effectiveness rating of 3 is lower than the average rating of 4 on effectiveness for all IFAD projects completed in the period of 2004-13 and evaluated by IOE in the East and Southern Africa region.
57. In summary, the programme's process efficiency is found to be relatively low compared to the average for East and Southern Africa region. The programme management costs are found to be high at 40 per cent and the effectiveness in relation to the cost per household is found to be low, when compared to the rest of the region. In light of the above, the PPE rates the efficiency as **unsatisfactory (2)**.

### **Rural poverty impact**

#### **Household Income and net assets**

58. The assessment in this section relies on the Beneficiary Impact Assessment of 2012 and 2014 combined with observations and interviews from the field. The surveys selectively measured indicators between years (BIA 2012 between 2006 and 2011 and BIA 2014-between 2009 and 2012) as well as control and target areas. However, this evaluation finds that the data in these surveys can only be used selectively as many of the indicators are not clearly elucidated and both the surveys do not measure similar indicators thus making harmonized and consolidated presentation of findings impossible. The impact survey of 2014 indicates that the distribution of households, across various annual income levels is broadly similar in the target and control areas as of 2012, as elaborated in the table below.

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<sup>27</sup> The project completion report estimates about 36,000-40,000 households in its text while table 6 on page 26 implies that the project reached 114,227 households.

<sup>28</sup> Evaluation synthesis on water conservation and management: <https://www.ifad.org/documents/10180/a9724299-432c-4518-929b-89f20a11c426>.

Table 2

**Distribution of households across annual income levels**

<i>Income levels (in Malawi Kwacha)</i>	<i>Beneficiary area</i>	<i>Comparison area</i>
Less than 20,000	37.4%	39.9%
20,000-29,999	23.7%	22.8%
30,000-39,999	14.6%	15.1%
40,000-59,999	12.2%	9.6%
60,000-99,999	6.8%	7.0%
100,000-149,999	3.2%	2.2%
150,000 or more	2.1%	3.4%

Source: RLSP Beneficiary Impact Assessment 2014.

59. The impact survey of 2012 specifies that the annual per capita income of households in the target areas increased from MWK 12,454 to MWK 19,362 between 2006 and 2011. This represents an increase of nearly 55 per cent. In the absence of any indication on whether the income in 2011 is in real terms, with 2006 as the base year, it shall be construed as nominal increase. The consumer price index as of 2011 in Malawi stood at 167 (with 2006 as the base year).<sup>29</sup> Hence, the change in income is, in fact, found to be negative in real terms. Similar figures for control areas remain unavailable in the impact surveys of 2012 and 2014.
60. By 2012, ownership of assets increased by 46 per cent in beneficiary households while it increased by 39 per cent in control households, indicating a higher increase in asset ownership in beneficiary households than in control households.<sup>30</sup> The impact survey of 2014 also states that 'about 21 per cent and 22 per cent of the households in beneficiary and control areas respectively, owned various types of assets'. However, it is unclear as to what these numbers imply given that, according to the survey, assets such as radio, chair, bicycles, mobiles each have more than 30 per cent ownership rates among households. Overall, the difference between income and asset indicators for impact and control areas remains small and it is unclear if the differences are statistically significant.
61. During the field observations, enhanced productivity of maize and the distribution of goats appear to have had a visible impact on the incomes of the beneficiaries. This was especially true of goats where the adaptability and the rapid multiplication of goats provided the beneficiaries with a ready source of supplementary income. Between 2009 and 2012, the average herd size of goats increased from 2.7 to 5.8 per households and the percentage of households which have goats has increased from 10.5 per cent to 17 per cent.<sup>31</sup>
62. As has been pointed out under relevance and necessitated in the theory of change, the project did not mainstream access to markets for the increased livestock and crop production facilitated by the project. Such lack of access to market is reflected in price differentials even between the target districts, e.g. a single head of small livestock such as goats sells for MWK 18,000 in Chiradzulu while the same sells at just MWK 10,000 in Nsanje district. Such difference is largely attributed to the proximity (or lack of it) of the said districts to the main markets in Blantyre.

<sup>29</sup> World bank databank:

[http://databank.worldbank.org/data/reports.aspx?Code=FP.CPI.TOTL.ZG&id=af3ce82b&report\\_name=Popular\\_indicators&populartype=series&ispopular=y](http://databank.worldbank.org/data/reports.aspx?Code=FP.CPI.TOTL.ZG&id=af3ce82b&report_name=Popular_indicators&populartype=series&ispopular=y).

<sup>30</sup> Beneficiary Impact Assessment, 2014.

<sup>31</sup> Ibid.

63. Overall, from the above analysis, it appears that there was not much difference between the income and asset distribution between target and control areas and across time periods. It is unclear if such lack of difference could be a result of the methodology, sampling, selection bias in the survey, etc.<sup>32</sup> The increase in income of target households is also found to have not undergone a significant positive change in real terms, which might be attributable to the high rates of inflation experienced in Malawi in recent years.

#### **Human and social capital and empowerment**

64. The programme worked in 245 villages spanning 36 village development committees. RLSP built the capacity of the VDCs in programme implementation and book keeping. The programme also claims to have trained 20,616 individuals in community dynamics, financial management, livestock and crop production techniques.<sup>33</sup> The goat pass on system appeared to be working well after the closure of the project and has enhanced solidarity at the community level. The programme documents also state that nearly 1,648 beneficiaries were trained in trades such as carpentry, tailoring, brick laying, masonry and tin smith.<sup>34</sup> The intervention on access to commercial microfinance for beneficiaries was introduced towards the end of the programme and could not reach scale as of closing of the programme. In addition, the intervention did not sustain beyond the closure of the programme thus leaving the programme bereft of a financial empowerment dimension.
65. While the above figures indicate output level achievement, the achievement at outcome level leaves some consolidation to be desired. The programme's design and accompanying funding enabled the local communities to express their priorities, followed by implementation and monitoring of the same at the village level, during their implementation. Post project, the VDCs were constrained by the limited financial flows through districts governments and the absence of revenue raising capacity, a key assumption in the theory of change elaborated in this evaluation. Thus the project promoted empowerment of grass-roots institutions, but only within the contours of its implementation scope, in the absence of progress of decentralization in Malawi during RLSP's implementation. Comprehensive empowerment of grass-roots VDCs will depend on the direction of decentralization in Malawi in the near future.
66. In summary, the programme provided grass-roots institutions such as VDCs with the capacity and funding to implement their priorities during RLSP's implementation. Empowerment, in essence, is a permanent change in power dynamics in favour of target beneficiaries. As long as RLSP was operational it gave the VDCs an opportunity to circumvent the stalled decentralization process and implement their stated priorities. However, beyond project closure the VDCs have been hampered by the limited funding available to the local governments (elaborated under sustainability). In terms of capacity-building of individuals, the programme had enabled access to skills and opportunities for beneficiaries, albeit on a smaller scale. However, the outcomes of such capacity-building remain unclear in the absence of a well-functioning M&E system.

#### **Food security and agricultural productivity**

67. Maize is the staple food in the target region and the RLSP placed heavy emphasis on enhancement of maize productivity. RLSP trained beneficiaries in the Sasakawa method of planting maize.<sup>35</sup> Impact survey of 2014 claims that improved planting techniques have increased average production by 240 per cent from 459 kg/ha to

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<sup>32</sup> The impact survey of 2014 selected the districts of Blantyre, Mulanje and Chikwawa as control areas. The evaluation team was informed that historically some these districts have had a large concentration of donors.

<sup>33</sup> Supervision report September 2013, appendix 4.

<sup>34</sup> Ibid.

<sup>35</sup> This method involves closer ridge spacing (75 cm apart) and single seeds (25 cm apart) instead of the traditional method of planting multiple seeds 50 cm apart along the ridges. It is usually ideal for single crop farming systems.

1,563/ha between 2009 and 2012. As of 2012, the maize yield in the control areas is claimed to be as low as 313 kg/ha. This PPE notes that Malawi's national average yield for maize was 2,200 kg /ha and 2,100 kg /ha for 2009 and 2012 respectively. The programme's focus on maize, as has been covered under effectiveness, is not found to be ideal for food security in the target areas. In addition, given the subsistence nature of farming in the target areas, the focus on maize and lack of diversity and integration in farming systems is not good for the nutritional wellbeing of the target groups.<sup>36</sup>

68. Goats were distributed to nearly 5,111 beneficiary households and they were found to be providing a good adaptation mechanism and a supplementary source of income for households during lean harvest periods. The rapid rate of reproduction among goats was found to be particularly useful towards improving the food security among households. However, it should be noted that such intervention did not span the entirety of the target population and had only reached approximately 9200 of the estimated 40,000 potential beneficiary households as of the end of the programme. As of 2012, 24 per cent of the households in the target area state that they had enough food to last throughout the year while the same figure was about 14 per cent for control households.
69. Overall, the impact surveys point to substantial improvement in productivity of maize. However, the programme focus on maize alone is not sufficient to ensure food security in the medium and long term, as covered under effectiveness. Goats have provided a 'contingency bank' for beneficiaries to draw upon in times of need, albeit, with partial coverage of the beneficiary population.

#### **Institutions and policies**

70. RLSP was implemented in the context of ongoing decentralization in Malawi. The programme contributed to the decentralization process at village level in the three districts through provision of funding and capacity to elicit and implement priorities of the beneficiary communities. At the village level, programme documents claim that nearly 478 VDC members have been trained in project and financial management. In addition, 1079 Project Management Committees, subsidiary bodies of VDCs, have been trained to oversee individual micro-projects at the village level in the target VDCs. The VDCs have been strengthened through capacity-building and exposure to participatory planning processes in RLSP. However, the capacity-building of VDCs could not be consolidated beyond the closure of the programme, due to the stalled decentralization process and financial capacity challenges at the local government level (elaborated further under sustainability).
71. RLSP was an opportunity to provide a mechanism to district governments to directly respond to the community needs through provision of untied funding and to also provide the district governments with experience in coordinating an integrated rural development programme. However, as has been covered under relevance, the programme had a heavy management structure which undertook most of the fiduciary and coordination responsibilities of the programme and took away some of the functions of the district governments. In addition, the stalled decentralization process and high staff turnover at district level precluded the capacity-building efforts for district governments. RLSP's design had a dedicated sub-component for policy dialogue with the government of Malawi. However, the evaluation team was informed that the sub-component was not implemented.
72. **Overall**, there is some evidence that incomes in the target area have gone up, at least in nominal terms. Households asset ownership does not differ much between control and target households with the exception of small livestock ownership

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<sup>36</sup> The staple food of the local populations is Nsima, a porridge made of maize and this is usually had with sparse vegetable relish. Three quarters of the energy requirements are met through Nsima (<http://documents.wfp.org/stellent/groups/public/documents/ena/wfp253658.pdf?iframe>).

(goats). Increased goat ownership had a positive impact on food security of the target households and worked as a significant cushion for beneficiaries in lean harvest season. Productivity of maize has also seen significant improvements. The programme provided funding and capacity for the village governments to implement their priorities and promoted empowerment as well as institution building to that extent. However, the stalled process of decentralization and financial and human capacity challenges at district and village governments has posed challenges to consolidating the institution building process after the closure of the programme. The programme facilitation unit assumed majority of the responsibilities for programme implementation with support from district extension staff for technical services. This limited the scope for institution building at the district level. In light of the analysis above, this PPE rates rural poverty impact as **moderately satisfactory (4)**.

### **Sustainability of benefits**

73. RLSP was an integrated rural development project. Given the wide variety of interventions undertaken, this PPE will assess the sustainability of the programme through assessment of sustainability of its major interventions and through assessment of the post project functioning of institutions which were involved in the implementation of the project i.e. village development committees and district councils.
74. **Pass on system**, especially goats to project beneficiaries is one of the major project interventions with up to 15,331 goats given to 5,111 farmers as initial project investment.<sup>37</sup> The project employed the pass on system wherein the pre-condition for receiving goats was that the first off-spring of every goat they receive will be passed on to a fellow villager. As of the time of drafting the PCR, the goats are said to have multiplied to number 27,595 owned by 9,198 farmers. The project evaluation team found the pass on system to be functioning in the aftermath of the project, with some initial problems pertaining to mortality of livestock. The VDCs are found to have a sub-committee to monitor functioning of pass on system. The programme attempted to implement pass-on scheme with chicken and guinea fowl. However, nearly entire stock of poultry was affected by Newcastle disease and the pass on system for poultry did not fructify. RLSP trained target beneficiaries in maize production techniques (especially Sasakawa method) which was found to be still practised by beneficiaries in the field.
75. The intervention in **rural finance** involved the programme facilitating access to small scale business loans for programme beneficiaries, both through programme funds as well as through a commercial financial institution such as Opportunity Bank of Malawi. The programme provided the target VDCs with **revolving fund** to purchase maize seeds and fertilizers and the same was to be returned in the form of a predetermined number of harvested maize bags, which were offloaded into the market to raise further cash for the VDCs. This system was found to be still functional in the selected sites visited by the evaluation team. However, the revolving fund for business loans was noted to have faced high level of default with about 39 per cent of the lending portfolio in arrears as of the evaluation of the Phase II of the programme in 2010.<sup>38</sup> In light of the high default rates the programme endeavoured to provide rural finance services through the Opportunity Bank of Malawi to common interest groups formed by RLSP for economic activities. The repayment rates for the loans by Opportunity Bank of Malawi were found to be relatively high at 95 per cent-98 per cent.<sup>39</sup> However, there is no evidence that the beneficiaries continued receiving loans from Opportunity Bank after the closure of RLSP. If anything, the evaluation team was informed that some of the bank branches which were facilitated by RLSP were closed after its closure.

<sup>37</sup> Project Completion Report.

<sup>38</sup> Evaluation of cycle II and recommendation for cycle III, 2010.

<sup>39</sup> Supervision report March 2013 and Supervision report September 2013.

76. Small infrastructure such as borewells, rural roads, marketplace and school blocks was constructed by the project. RLSP built 138 drinking water sub-projects (borewells/shallow wells) which were to be maintained by the respective communities through monthly contribution from local communities for maintenance.<sup>40</sup> The evaluation team noted that communities visited were collecting between 20 and 50 kwacha every month towards the maintenance of the borewells albeit with cases of drying up of borewells being reported in some villages.<sup>41</sup> School blocks, roads and marketplace are found to be largely well maintained.
77. **Sustainability of institutions and their support** to build on the work of RLSP at the district and village level is contingent upon two crucial factors a.) Coordination efforts and ownership; b.) Financial and human resource capacity.
- a. The evaluation team observed strong social capital at the village level and the VDCs are found to be functional and to be building on RLSP's efforts to the extent of the means available after RLSP closed. However, the same cannot be said of district level, where at least two out of three districts confirmed only piecemeal or non-existent coordination between various line departments and consolidation after the project closed.
  - b. The financial and human resources available at the district level are found to be low and their availability is uncertain. In the interviews with the National Local Government Finance Committee (NLGFC) the evaluation team was informed that a large majority of the resources for district governments comes from transfers from the central government. As per the figures provided by the committee, nearly US\$44.97 million was transferred to district governments in the three target districts of Chiradzulu, Thyolo and Nsanje in the period of 2005-14 (till June 2014).<sup>42</sup> The flow of such funding is found to be erratic as can be seen in table 3. RLSP's funding made up a significant envelope of additional resources to the districts - 38.5 per cent of the funding from central government in the three districts (RLSP funds were not channeled through treasury but were disbursed directly to districts by the PFU). The central government line ministries have seconded staff that make up bulk of the technical extension workers at the district level. As of the time of writing this report, there were 771 seconded workers<sup>43</sup> of all grades at the district level with high levels of staff turnover.<sup>44</sup>

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<sup>40</sup> Project Completion Report.

<sup>41</sup> In Nthondo village, the programme had commissioned 4 borewells of which 2 had dried up and non-functional during the evaluation team's visit.

<sup>42</sup> The financial year in Malawi is that from July to June. The figures provided by the NLGFC are provided in Kwacha which in turn have been converted to US\$ based on the United Nations exchange rate as of 31<sup>st</sup> December of a given financial year. The figure of US\$44.97 million is only for 14 out of the 24 heads/sectors under which finances were transferred to the said districts. These 14 heads/sectors were those which had involvement of RLSP and also include non-tied funding such as general reserve fund, constituency development fund and leave grants.

<sup>43</sup> Figures provided by the National Local Government Finance Committee of Malawi in July 2016.

<sup>44</sup> Beneficiary Impact Assessment 2014.

Table 3  
**Flow of funds to target districts**

Year	Transfers to target districts in million US\$
2005-06	3.23
2006-07	5.08
2007-08	7.03
2008-09	1.94
2009-10	7.28
2010-11	5.42
2011-12	7.62
2012-13	4
2013-14	3.33
<b>Total</b>	<b>44.97</b>

**Source:** National Local Government Finance Committee.

78. Overall, the programme achieved sustainability in select few activities outlined above, especially the pass-on and the small infrastructure. Sustainability has been achieved in maintaining status quo of benefits emanating from these select activities. However, the programme’s momentum could not be sustained beyond its closure to enable the beneficiaries to move up the economic ladder, from subsistence to market led economic activities. The institutional and financial resources available to build upon and consolidate gains made by RLSP remain scarce. IFAD’s exit strategy for RLSP was not well elaborated and was built on the assumption that local governments would take over the programme’s activities, which did not fully fructify. In light of the analysis above, this evaluation rates the performance on sustainability as **moderately satisfactory (4)**.

## **B. Other performance criteria**

### **Innovation and scaling up**

79. RLSP demonstrated that the pass-on system can be practised on a large scale as an effective means of reaching the very poor among smallholder farmers. Although this system for dissemination of small ruminants was practiced in Malawi by other development actors and faith based organizations, RLSP pioneered its use on a large scale to benefit a large number of poor households, in a way that is fully controlled by the VDCs and calls on community solidarity. In addition to the scale, the modalities used for targeting and for mobilizing community solidarity to give priority to the poorest households are innovative.
80. A missed opportunity for innovation is the area of the development and use of farmer organizations to empower farmers and build the potential of improving their access to production services and to markets. The programme could have promoted other relevant innovations such as diversification of production including the promotion of fruit trees in agroforestry, leguminous plants as fodder crops and introduction of other prolific small herbivores which efficiently convert fodder to into high-value animal protein, such as rabbits.
81. In terms of scaling up, the evaluation team was informed that deliberations have taken place between IFAD and the Government of Malawi to scale up the

microfinance intervention undertaken as part of RLSP through a new IFAD project. It should be noted that the conventional process of scaling up, as defined by IFAD's operational framework for scaling up results, involves leveraging resources from partners such as governments, private sector, communities, and development partners to take tested approaches to scale. Hence, financing of scaled up interventions solely by IFAD does not fully fit into IFAD's definition of scaling up. The microfinance intervention was overall a small part of a much larger RLSP. This PPE has expressed its reservations on the sustainability of the microfinance intervention earlier in the report and finds the intervention to be unsuitable for scaling up in its current form. On the other hand, this PPE finds the intervention in goat rearing and pass on scheme to be a tested model which can be scaled up, with the caveat that the same should take due care to provide a suitable environment for goat husbandry activities, ranging from extension to marketing, which were not readily available in RLSP. On that note, Sustainable Agricultural Production Programme (SAPP) in Malawi is found to have replicated the poultry and goat pass on system interventions of RLSP. The lessons learnt from implementation of the RLSP in relation to the small livestock interventions have been incorporated into the SAPP, especially in terms of promoting small livestock husbandry and disease prevention which were absent in RLSP. However, the success of the replication efforts is unknown as of the time of writing this report.<sup>45</sup>

82. Overall, although there were no technological or socio-organizational innovations, RLSP demonstrated that the pass-on system can be implemented on a relatively large scale. There have been deliberations to scale up the unsuccessful RLSP intervention in microfinance. In light of the analysis above, this evaluation rates the performance on innovation and scaling up as **moderately satisfactory (4)**.

#### **Gender equality and women's empowerment**

83. The project's achievement on Gender equality and women's empowerment will be assessed through (i) women's well-being and workloads ii) strengthening women's decision-making role in community affairs and representation in local institutions
84. The project worked on constructing/rehabilitating 138 borewells/shallow wells. The evaluation team found this intervention to be very useful for the women as elucidated by the beneficiaries themselves. The latest outcome level indicator available on the impact of the borewells is that of 'proportion of households accessing water in 2011'. In 2011, 86 per cent of the households had access to water within a distance of 500 meters compared to 61 per cent of the households accessing safe water points within 1 km as of the time of baseline survey in 2006.
85. The project attempted to promote agroforestry projects within villages to mitigate the drudgery that women face in fetching firewood. However, afforestation projects were found to be largely defunct during field visits and women were found to be either relying on maize stocks (also referenced in the section on environment and natural resource management) or on firewood fetched from forests which were said to take up to half a day in some cases. Programme supervision documents reaffirm the evaluation mission's observation of low survival rates of saplings for afforestation and the lack of maintenance in afforestation projects.<sup>46</sup>
86. The programme also promoted the participation of women in the establishment of microenterprises and in VDCs. Given the lack of reliable gender disaggregated M&E data in the PCR, the evaluation team bases its assessment of women's participation in social and economic activities on field observations alone. Women appear to be participating in village development committees, albeit in low numbers which was also elaborated in the design report of the programme.<sup>47</sup> The programme design

<sup>45</sup> The mid-term review of SAPP was undertaken in May 2016 and the progress of the project as of that point was still slow.

<sup>46</sup> Supervision report 2008, Supervision report 2009 and Evaluation of cycle II and recommendation for cycle III, 2010.

<sup>47</sup> RLSP design report, page 11.

lacks an explicit strategy to address the issues of women's participation in governance processes at local level. In addition, the programme lacks a strategy to target women through programme activities at large, in spite of their marginalized situation being duly recognized in the design report.

87. Overall, women's participation in local governments was observed to be low. In terms of drudgery reduction, access to potable water has seen significant improvements. However, access to energy for cooking has not seen much improvement with women still largely relying on maize stocks or firewood from forests nearby and afar. Moreover, there were no reliable disaggregated M&E data. Based on the above, gender equality and women's empowerment is rated as **moderately unsatisfactory (3)**.

### **Environment and natural resource management**

88. Conservation agriculture was promoted on a limited scale by the project. As of the end of the project, around 420 households were trained by the programme in conservation agriculture. The afforestation intervention resulted in 1.9 million saplings being planted in the target areas to ensure supply of firewood. However, the afforestation sub-projects were largely unsustainable and suffered from neglect and ultimately failed to meet the firewood requirements of the target groups.<sup>48</sup> The target groups are still found to be using maize stocks for fuel requirements thus depriving the farms of the organic matter required to replenish nutrients and, in turn, necessitating higher use of fertilizers.
89. In Thyolo and Nsanje Districts, on a limited scale, the programme introduced nitrogen-fixing tree species of *Gliricidia sepium*, *Calliandra calothyrsus* and *Leucaena leucocephala* in maize-based agroforestry. Some target farmers, albeit in limited numbers, are practicing cut-and-carry to collect branches and foliage from these legume trees to feed small ruminants in semi-zero grazing systems. The evaluation team observed that more generally, target farmers in the three districts grow maize and grain legumes but rarely in intercropping pattern or in rotation, which would otherwise improve soil fertility through nitrogen fixation as well as from leaf fall and the recycling of nutrients. In spite of these advantages of maize-pigeon pea intercropping, most farmers targeted by the programme still use pigeon pea in sole-cropping system as they do for maize, with higher emphasis on the latter.
90. The evaluation team observed that, overall, the programme has been characterized by underachievement in improving resilience and sustainability of farming systems. Such underachievement is largely to do with the lack of integration of various crop and livestock systems at farm level. In light of the analysis above, this evaluation rates the performance on environment and natural resource management as **moderately unsatisfactory (3)**.

### **Adaptation to climate change**

91. Malawi is highly vulnerable to the impacts of climate variability and climate change (Ministry of Natural Resources, Energy and Environment, 2011).<sup>49</sup> The three target districts are located in different climatic zones, and the district of Nsanje is more sensitive to climate variability than the other two districts. The PPE found the goats and dairy cow pass-on to strengthen farmers' resilience to climate variability and climate change. Livestock, especially goats, have become an important link to the money economy and an essential element in smallholders' resilience strategies. Many target farmers met by the evaluation team identified goats as being the second most important source of cash income after maize, or third after maize and pigeon peas.

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<sup>48</sup> Supervision report 2008, Supervision report 2009 and Evaluation of cycle II and recommendation for cycle III, 2010.

<sup>49</sup> Republic of Malawi, Ministry of Natural Resources, Energy and Environment, (2011). The Second National Communication of the Republic of Malawi to the Conference of the Parties (COP) of UNFCCC. Lilongwe, Malawi.

92. The evaluation mission observed that farmers in the target districts, as it is the case in the rest of the country, have historically developed local mechanisms that allow them to cope with vagaries of climate variability. In Nsanje for example, these mechanisms include growing hardier crops such as sorghum, millet, and planting *Faidherbia albida* trees provide nitrogen to soil and mitigate the desiccating effect of winds. As previously noted, a weakness was that conservation agriculture was not mainstreamed into the project and was taken up on a rather limited scale. In addition, mono cropping for crops such as maize is not ideal for climate change adaptation among target groups.
93. Notwithstanding the above weakness, the generalization of the goats and dairy cow pass-on strengthened farmers' resilience to climate variability and climate change. Livestock has become, for poor households, an important link to the money economy and an essential element in their resilience strategies, notwithstanding the lack of a saturation approach (lack of wide coverage) to such intervention. Overall, the evaluation rates the performance on adaptation to climate change as **moderately satisfactory (4)**.

### **C. Overall project achievement**

94. The project was an integrated rural development project in nature and carried out a very wide range of activities. However, the main activities which were carried out on scale were those relating to livestock (goat) distribution, improved maize production techniques, drudgery reduction activities such as borewells and afforestation and training on vocational activities such as tailoring, tin smith, brick laying. Overall, the project made significant progress in terms of achievement of outputs on these crucial activities but less so for outcomes and impact. Design assumptions such as 'district governments will ensure continuation of services' and 'partnership with financial institutions will be mobilized' were not met, as discussed under sustainability. In addition, the project did not adequately focus on 'strengthening beneficiary capacities in engaging with economic actors', which was a necessary intermediary stage in achieving the desired overall objective.
95. RLSP could have done better in consolidating the outputs achieved during its implementation and after its closure. There was little integration at farm and village level between various elements of farming systems, as covered under relevance and effectiveness section. In terms of institution building, the project contributed to the extent of providing financial resources and capacities to VDCs in implementing their priorities. There was limited contribution to the overall decentralization process itself. However, this PPE recognizes that RLSP was implemented in a highly fluid and evolving development context.
96. In light of the analysis above and taking into account the ratings on other criteria so far the overall achievement of the programme is rated as **moderately unsatisfactory (3)**.

### **D. Performance of partners**

#### **IFAD**

97. IFAD's performance in designing the programme and supporting its implementation has been and still is highly appreciated by its government partners at central and district levels. The objective of improving the livelihoods of smallholder farmers and the targeting of those with small landholdings is appreciated by the authorities of the target districts. IFAD provided support, with important qualifications elaborated below, to the PFU and adequate attention to the targeting of the poor smallholder farmers in the implementation stage. The fund ensured adequate supervision of the programme, and the supervision reports were thorough with thoughtful analysis and helpful recommendations, especially those pertaining to operational aspects

such as M&E and fiduciary responsibilities. The disbursement rate as of the closing of the project was found to be 100 per cent.<sup>50</sup>

98. However, as pointed out under successive evaluation criteria, IFAD did not sufficiently appreciate the evolving political economy in Malawi, which has in return affected the sustainability and the efficiency of the project. An implicit assumption was made that local governments would take over and consolidate the activities, outputs and outcomes started by the project. As the districts themselves had stated during the evaluation mission, such assumption was made without the buy-in of the district governments, especially in light of the financial and human resource capacity constraints. Other design gaps such as lack of focus on sustainability of farming systems, integration of crop and livestock systems and lack of measures for mitigation of stalled decentralization are also highlighted under relevance. Subsequent supervision missions had not sufficiently addressed the said gaps or did so only in a non-coherent manner.
99. The programme was approved under the flexible lending mechanism with a broad design to account for evolving community needs. The timeframe of the loan under the mechanism allowed for IFAD to stay engaged in the programme area for extended period of time, given the highly marginalized nature of the target area. However, as the implementation evolved, the redesigning of the programme did not adequately sharpen the focus of the programme towards meeting the programme's overall objective of sustainably reducing poverty and the programme continued implementing discrete activities at the output level which were necessary as an entry point but not sufficient, in terms of their scope, to advance along the impact pathways to achieve the overall objective of the programme.
100. The findings and lessons emerging from this evaluation are congruent with the issues presented in the two most recent COSOP documents, i.e. COSOP 2009-15 and to a larger extent the COSOP 2016-22. This indicates that IFAD has perhaps learnt lessons from its experience of implementing its projects, at least those pertaining to RLSP. However, it should be noted that there has been perceivable corporate level shift in IFAD towards the trends reflected in the newer COSOPs, i.e. Emphasis on access to markets and value chains, emphasis on producer groups, nutrition, thematic focus in projects, etc. Hence the past two COSOPs probably reflect the institutional shift as much as they reflect the lessons learnt from individual projects by IFAD.
101. The M&E of the programme was found wanting and had been highlighted in successive supervision reports with the same being attributed to human capacity constraints at PFU. However, it is not clear as to what type of corrective measures had been taken to that end. Also, quality problems of the PCR would have deserved more attention. The absence of IFAD country presence or support from a nearby IFAD country office to this project is likely to have played a role in implementation support and quality control gaps.
102. In summary, IFAD focused on some of the poorest districts and marginalized households within the target districts and worked in a highly challenging development context. Necessary assumptions at design and implementation were not factored into the design and implementation. Supervision was duly undertaken but with some gaps in implementation support and limitations in quality control of M&E and completion report. In light of the above analysis the PPE rates the performance of IFAD as **moderately satisfactory (4)**.

### **Government**

103. Overall the government showed a strong commitment to the implementation of the programme at central, district and VDC levels. **The district level** (deconcentrated) line ministries rendered direct technical support to beneficiaries and the

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<sup>50</sup> IFAD Flexcube, accessed on 26<sup>th</sup> July 2016.

programme, with the incremental expenditure of such support being borne by the programme. Continuing on that note, although RLSP operated in a decentralizing context, the reality was that of quasi dual administration where the district governments had a formal overall responsibility for development within their areas but the majority of the extension and technical staff had their fund flows and reporting lines to their respective line ministries instead of the district administration. This had implications for the efficiency and sustainability of the programme.

104. In the post-programme context, coordination between sectors at district level was found to be inadequate for ensuring a coordinated district-wide allocation of resources to local development and joint delivery of services to build on the achievements of RLSP. In addition, the level of funding and human capacity available to the local governments remains scarce, as covered under sustainability.
105. RLSP faced gaps in terms of the financial management and procurement in the early stages of the project. The project's initial modus operandi of providing advances to the districts and replenishing such accounts based on justification was discontinued in light of the concerns with regard to the repeated instances of unaccounted or unjustified expenditure. Hence the project reverted to a system where disbursement to districts was undertaken on a case by case basis for expenditures. The procurement system also had issues with regard to high mortality of goats procured for the project and the same was found to have been mitigated to some extent towards the end of the project. The programme's M&E was found to be weak with deficient reporting even at the output level. The same had been repeatedly highlighted in the supervision reports. In field interviews this was attributed to the human capacity challenges in the PFU. However, it was unclear as to why the same had been not been addressed by government during the project's implementation.
106. Significant ownership by VDCs was observed for successful RLSP interventions. Notable among such interventions were bore wells and goat pass-on schemes and sub-committees have been formed to oversee them. However, the ownership of the district governments is found to be lacking as there has been no effort to coordinate or follow up with the communities to build on achievements of the programme. This also relates back to the narrative in assessment of IFAD where the assumption that district governments would take over RLSP's activities was made without an assessment of their willingness and capacity to do so. In light of the analysis above, the PPE rates performance of government as **moderately unsatisfactory (3)**.

### **E. Assessment of the quality of the Project Completion Report**

107. **Scope.** The PCR does not elaborate on project effectiveness and performance of IFAD, although the same was mandated by the 'Project Completion Report Guidelines' of 2006. The narrative under individual criteria is found to lack substantive and critical analysis, most notably under efficiency, human and social capital and empowerment, sustainability, household income and assets and environment, performance of government and natural resource management. In light of the narrative above, the scope of the PCR is rated as **moderately unsatisfactory (3)**.
108. **Quality.** The project completion report is found to be of poor quality with scarce and, often incorrect, data, even at the output level. As an example, table 6 in the PCR provides output level figures which are unreliable, e.g. the PCR claims that the 114,227 km of roads were constructed, 114,227 households received project services, 2,989 apex institutions were formed, 2,413 fish ponds were constructed, 145,632 savings groups with women in leadership positions were formed and so on. Many other inaccuracies exist in the same table. For most part, the analysis under the evaluation criteria of efficiency, human and social capital and

empowerment, sustainability, household income and assets, performance of government and environment and natural resource management relies on anecdotal statements rather than M&E data arising from supervision reports and impact surveys, wherever such data is available. In light of the narrative above, the quality of the PCR is rated as **unsatisfactory (2)**.

109. **Lessons.** The lessons provided in the PCR are found to be of good quality and mostly flow from the narrative and analysis in project documents at large (apart from the PCR itself). The lessons also delve in detail into various stages of project life cycle. To that extent, the lessons stated in the PCR are of relatively good quality when compared to scope and quality of PCR. In light of the above narrative, this PPE rates the lessons captured in PCR to be **moderately satisfactory (4)**.
110. **Candour.** The PCR paints a largely positive picture of the programme, especially in light of the absence of substantive evidence. This is reinforced by the rating disconnect between IOE and PMD ratings. In light of the narrative above, this PPE rates the candour of the PCR as **moderately unsatisfactory (3)**.

#### **Key points**

- RLSP's evolving design and implementation was found to be missing some important elements such as integration of various activities at farm and village level, focus on access to markets and lack of sufficient analysis of capacities of local governments. The missing elements in design affected the efficiency and sustainability of the programme.
- RLSP's was hindered by low process and cost efficiency in light of the high project management costs and the significant delays in start-up.
- In terms of livelihood generation, the focus remained on enhancement of maize production and distribution of goats. Goats were found to be a good form of storing 'value' for target households and increasing resilience. However the intervention lacked scale. Maize cultivation was undertaken largely in a mono-cropping system. This does not bode well for livelihood resilience and natural resource management.
- The capacity of local governments in implementing the programme and building upon it after its closure is found to be weak. District governments and line ministries are characterized by significant turnover and financial capacity challenges.
- The programme progressed well on achievement of outputs but the same cannot be said of outcomes and impact. Inter alia, this was due to limited attention to sustainable crop-livestock systems, weak integration of various economic and livelihoods activities at the farm and village level and lack of access to markets.

## IV. Conclusions and recommendations

### A. Conclusions

111. RLSP had a **relatively broad design** and it evolved over a period of time to accommodate the evolving needs and institutional environment in the country. However, there was insufficient recognition of the uncertainty around decentralization processes and mitigating measures were not factored into the evolving design. In particular, the capacity constraints of district governments to 'mainstream' RLSP's activities into local government structures meant that a heavy programme implementation unit was maintained till the end of the programme. This had major implications for the broader project implementation structure, cost structure and sustainability.
112. The programme operated in a context characterized by uncertain policy environment and weak capacity of public institutions. The programme made limited investments in **institutional capacity-building**, providing capacity and financing to VDCs to implement their priorities but with less attention to districts. Collaboration with and building of collective, beneficiary-driven institutions such as farmers organizations, cooperatives, civil society organizations in rendering services to beneficiaries could have effectively helped the programme to ensure **sustainability of momentum of interventions for upward movement in the economic ladder and resultant benefits**, especially in light of the financial and human capacity challenges that local governments in Malawi currently endure. As things stand today, interventions such as goat pass-on system and borewells and their resultant benefits are expected to be sustained well into the future.
113. Overall, the programme focused more on providing **technical responses to community needs** during the duration of its implementation. Such technical responses included extension services on maize production, distribution of goats and vocational training of beneficiaries in non-farm activities. The project made significant progress in terms of achievement of outputs under specific components and subcomponents but the same cannot be said about outcomes and impact on a larger scale. Inter alia this was due to limited attention to **sustainable crop-livestock systems, weak integration** of various economic and livelihoods activities at the farm and village level and the focus largely remained on maize. This is not well suited to ensure food security, nutrition and climate change adaptation of the target farmers. There was also inadequate attention on facilitating **access to input and output markets**.

### B. Recommendations

114. The recommendations in this evaluation are geared to feed into the ongoing and future projects and the broader country programme in Malawi. IOE acknowledges that the COSOP (2016-22)<sup>51</sup> covers many of the issues raised by this PPE, as discussed under performance of IFAD.
115. **Recommendation 1.** Projects to be implemented in the ongoing context of local governance reforms should be based on thorough diagnostics of the capacity of national and local government institutions such as VDCs, Area Development Councils and District Councils. This will help introduce more realistic project design expectations and interventions that support the development of capacity of local government organizations and efficiently deliver benefits to target groups.
116. **Recommendation 2.** IFAD should support and build on collective institutions of target beneficiaries such as **cooperatives and farmers' organizations** and support delivery of services such as extension, microfinance, bulking, quality control, packing, transportation through these institutions, in order to promote

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<sup>51</sup> The COSOP was in the process of being approved by the Executive Board of IFAD as of the time of drafting this report.

better prospects for the sustainability of results. Such institutions would help create a more market-driven economic system and reduce dependence on the public sector.

117. **Recommendation 3.** IFAD's projects in Malawi should aim at enhancing, **resilience and climate change adaptability** of smallholders and marginal farming systems by pursuing a **higher level of integration of activities in a single farming unit** (e.g. crops, trees, forages, small livestock, soil and water management). Better integration at the farm level would not only refer to the presence of multiple elements but also to their coherent and cohesive functioning to enhance the economic value of a farm's output. A focus on improving the diversity in smallholder farming systems will also help enhance the **nutritional well-being** of IFAD's target groups.
118. **Recommendation 4.** To ensure sustainable development and secure livelihoods for the smallholder farmers, there is need for increased attention to **access to markets** (both for inputs and for agricultural or livestock production). This entails a two-pronged strategy: (i) developing partnerships with relevant private sector actors; and (ii) supporting the capacity of grass-roots organizations of farmers to engage with such private sector actors.

## Basic project data

			Approval (US\$ m)		Actual (US\$ m)	
Region	East and Southern Africa	Total project costs	16.5			
Country	Republic of Malawi	IFAD loan and percentage of total	14.8	89.5%		
Loan number	565-MW	Borrower	1.2	7.8%		
Type of project (subsector)	Rural Development	Borrower	1.28	5.8%		
Financing type	Loan	Cofinancier 2				
Lending terms *	Highly Concessional	Cofinancier 3				
Date of approval	12/09/2001	Cofinancier 4				
Date of loan signature	13/11/2003	Beneficiaries	0.5	3.3%		
Date of effectiveness	30/08/2004	Other sources:				
Loan amendments	1	Number of beneficiaries: (if appropriate, specify if direct or indirect)	36 000-40 000 households			
Loan closure extensions	0					
Country programme managers	Thomas Rath(Current) Abla Benhammouche Miriam Okong'o Marian Bradley	Loan closing date			31/03/2014	
Regional director(s)	Sana Jatta (Current) Perin Saint Ange	Mid-term review			July 2007 July 2010	
Lead evaluator for project performance evaluation	Prashanth Kotturi	IFAD loan disbursement at project completion (%)			100%	
Project performance evaluation quality control panel	Hansdeep Khaira	Date of project completion report			March 2014	

Source: GRIPS, IFAD Flexcube system, PCR.

\* There are four types of lending terms: (i) special loans on highly concessional terms, free of interest but bearing a service charge of three fourths of 1 per cent (0.75%) per annum and having a maturity period of 40 years, including a grace period of 10 years; (ii) loans on hardened terms, bearing a service charge of three fourths of 1 per cent (0.75%) per annum and having a maturity period of 20 years, including a grace period of 10 years; (iii) loans on intermediate terms, with a rate of interest per annum equivalent to 50 per cent of the variable reference interest rate and a maturity period of 20 years, including a grace period of five years; (iv) loans on ordinary terms, with a rate of interest per annum equivalent to 100 per cent (100%) of the variable reference interest rate, and a maturity period of 15-18 years, including a grace period of three years.

## Definition and rating of the evaluation criteria used by IOE

Criteria	Definition *	Mandatory	To be rated
<b>Rural poverty impact</b>	Impact is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions.	X	Yes
	<i>Four impact domains</i>		
	<ul style="list-style-type: none"> <li>Household income and net assets: Household income provides a means of assessing the flow of economic benefits accruing to an individual or group, whereas assets relate to a stock of accumulated items of economic value. The analysis must include an assessment of trends in equality over time.</li> </ul>		No
	<ul style="list-style-type: none"> <li>Human and social capital and empowerment: Human and social capital and empowerment include an assessment of the changes that have occurred in the empowerment of individuals, the quality of grass-roots organizations and institutions, the poor's individual and collective capacity, and in particular, the extent to which specific groups such as youth are included or excluded from the development process.</li> </ul>		No
	<ul style="list-style-type: none"> <li>Food security and agricultural productivity: Changes in food security relate to availability, stability, affordability and access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields; nutrition relates to the nutritional value of food and child malnutrition.</li> </ul>		No
	<ul style="list-style-type: none"> <li>Institutions and policies: The criterion relating to institutions and policies is designed to assess changes in the quality and performance of institutions, policies and the regulatory framework that influence the lives of the poor.</li> </ul>		No
<b>Project performance</b>	Project performance is an average of the ratings for relevance, effectiveness, efficiency and sustainability of benefits.	X	Yes
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies. It also entails an assessment of project design and coherence in achieving its objectives. An assessment should also be made of whether objectives and design address inequality, for example, by assessing the relevance of targeting strategies adopted.	X	Yes
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.	X	Yes
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.	X	Yes
Sustainability of benefits	The likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.	X	Yes
<b>Other performance criteria</b>			
Gender equality and women's empowerment	The extent to which IFAD interventions have contributed to better gender equality and women's empowerment, for example, in terms of women's access to and ownership of assets, resources and services; participation in decision making; work load balance and impact on women's incomes, nutrition and livelihoods.	X	Yes
Innovation and scaling up	The extent to which IFAD development interventions: <ul style="list-style-type: none"> <li>(i) have introduced innovative approaches to rural poverty reduction; and</li> <li>(ii) have been (or are likely to be) scaled up by government authorities, donor organizations, the private sector and others agencies.</li> </ul>	X	Yes
Environment and natural resources management	The extent to which IFAD development interventions contribute to resilient livelihoods and ecosystems. The focus is on the use and management of the natural environment, including natural resources defined as raw materials used for socio-economic and cultural purposes, and ecosystems and biodiversity - with the goods and services they provide.	X	Yes
Adaptation to climate change	The contribution of the project to reducing the negative impacts of climate change through dedicated adaptation or risk reduction measures	X	Yes

<i>Criteria</i>	<i>Definition</i> *	<i>Mandatory</i>	<i>To be rated</i>
<b>Overall project achievement</b>	This provides an overarching assessment of the intervention, drawing upon the analysis and ratings for rural poverty impact, relevance, effectiveness, efficiency, sustainability of benefits, gender equality and women's empowerment, innovation and scaling up, as well as environment and natural resources management, and adaptation to climate change.	X	Yes
<b>Performance of partners</b>			
• IFAD	This criterion assesses the contribution of partners to project design, execution, monitoring and reporting, supervision and implementation support, and evaluation. The performance of each partner will be assessed on an individual basis with a view to the partner's expected role and responsibility in the project life cycle.	X	Yes
• Government		X	Yes

\* These definitions build on the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC) Glossary of Key Terms in Evaluation and Results-Based Management; the Methodological Framework for Project Evaluation agreed with the Evaluation Committee in September 2003; the first edition of the Evaluation Manual discussed with the Evaluation Committee in December 2008; and further discussions with the Evaluation Committee in November 2010 on IOE's evaluation criteria and key questions.

## Rating comparison<sup>a</sup>

<i>Criteria</i>	<i>Programme Management Department (PMD) rating</i>	<i>Project Performance Evaluation rating</i>	<i>Rating disconnect</i>
<b>Rural poverty impact</b>	5	4	-1
<b>Project performance</b>			
Relevance	6	4	-2
Effectiveness	5	3	-2
Efficiency	4	2	-2
Sustainability of benefits	5	4	-1
<b>Project performance<sup>b</sup></b>	5	3.25	-1.75
<b>Other performance criteria</b>			
Gender equality and women's empowerment	5	3	-2
Innovation and scaling up	5	4	-1
Environment and natural resources management	4	3	-1
Adaptation to climate change	-	4	-
<b>Overall project achievement<sup>c</sup></b>	<b>5</b>	<b>3</b>	<b>-2</b>
<b>Performance of partners<sup>d</sup></b>			
IFAD	5	4	-1
Government	4	3	-1
<b>Average net disconnect</b>			<b>-1.4</b>

<sup>a</sup> Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory.

<sup>b</sup> Arithmetic average of ratings for relevance, effectiveness, efficiency and sustainability of benefits.

<sup>c</sup> This is not an average of ratings of individual evaluation criteria but an overarching assessment of the project, drawing upon the rating for relevance, effectiveness, efficiency, sustainability of benefits, rural poverty impact, gender, innovation and scaling up, environment and natural resources management, and adaptation to climate change.

<sup>d</sup> The rating for partners' performance is not a component of the overall project achievement rating.

### Ratings of the Project Completion Report quality

	<i>PMD rating</i>	<i>IOE rating</i>	<i>Net disconnect</i>
Scope	3	3	0
Quality (methods, data, participatory process)	4	2	-2
Lessons	5	4	-1
Candour	5	3	-2

### Overall rating of the Project Completion Report

Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory.

## Approach paper

### A. Background

1. For completed investment projects financed by IFAD, its Independent Office of Evaluation (IOE) undertakes: (i) project completion report validations (PCRVs) for all projects, based on a desk review of project completion reports (PCRs) and other documents; and (ii) project performance evaluations (PPEs) involving country visits for a number of selected projects (about 10 in a given year).<sup>1</sup>
2. A PPE is conducted after a desk review of the PCR and other available documents, with the aim of providing additional evidence on project achievements and validating the conclusions of the PCR. In general terms, the main objectives of PPEs are to: (i) assess the results of the project; (ii) generate findings and recommendations for the design and implementation of ongoing and future operations in the country; and (iii) identify issues of corporate, operational or strategic interest that merit further evaluative work.
3. The Rural Livelihoods Support Programme (RLSP) in the Republic of the Malawi (implemented between 2004 and 2014) has been selected for a Project Performance Evaluation.

### B. Programme overview

4. **Programme area.** The programme area comprises three districts in Malawi's Southern Region, Chiradzulu, Thyolo and Nsanje. The southern rural region overall had a higher rate of poverty (64.4 per cent) compared to the national average (52.4 per cent) in 2004-05, when the project commenced its operations. The three target districts of Chiradzulu, Nsanje and Thyolo had poverty rates of 63.5 per cent, 76 per cent and 64.9 per cent respectively. The baseline survey conducted in 2006 reveals the following important baseline scenario:
  - Average landholding in target area at 0.77 ha, characterized by low productivity
  - Around 60 per cent of the households had access to safe, potable water
  - Female headed households comprised about 34 per cent of the households in the target area.
  - Between 15 per cent and 20 per cent of the people in programme area tested positive for HIV/AIDS
5. **Programme objectives.** The overall objective of the project is to sustainably reduce poverty through promotion of on- and off-farm and wage based incomes. Specific objectives include (a) Promoting sustainable agricultural production and simple but efficient natural resource management technologies for improved food security, nutrition and agriculture-based incomes for better living conditions (b) Promoting the development of skills for selected target groups (including youth and women), (c) Promoting employment through support for infrastructure development to provide incomes especially during off-seasons (d) Developing/ improving individual and local community capacities and capabilities in terms of their organization to access relevant resources to improve their livelihoods.
6. **Target group and targeting approach.** The post appraisal report stated that it would target about 8,000 households in Nsanje, 16,000-20,000 households in Thyolo and 3,000-4,000 households in Chiradzulu, representing a total of 16 per cent of the population of the target districts. However, during

<sup>1</sup> The selection criteria for PPE include: (i) information gaps in PCRs; (ii) projects of strategic relevance that offer enhanced opportunities for learning; (iii) a need to build evidence for forthcoming corporate level evaluations, country strategy and programme evaluations or evaluation synthesis reports; and (iv) a regional balance of IOE's evaluation programme.

implementation, the coverage was expanded to target 10,000 households in Nsanje, 16,000-20,000 households in Thyolo and 10,000 households in Chiradzulu.<sup>2</sup>

7. **Programme components.** The programme comprised three components as follows:
- (i) **Investment in human capital.** The objective of this component was to empower communities to strengthen internal coping mechanisms and village organizational structures; create effective demand for village investments; and access guidance and support on issues of concern. This supported capacity-building at village level in order to empower vulnerable communities and households through: (i) establishing and strengthening village organizational structures; (ii) creating effective demand for technical interventions; and (iii) being proactive in accessing guidance/support from service providers. The focus was to develop the skills of villagers, public service providers and those who represent their interests at village, area and district levels.
  - (ii) **Village investment.** This supported target groups with resources to invest in a series of activities that respond to their concerns and that use local opportunities identified through the village planning process. Two funds had been established: the Local Initiative Fund and the Village Investment Fund. Activities funded include: (i) agriculture and livestock development; (ii) natural resource management and environmental conservation; (iii) community water development, management and irrigation; (iv) primary health care and sanitation; and (v) formal and informal off-farm income-generating activities.
  - (iii) **Programme and policy coordination.** This included: (i) establishment and operation of the PFU; (ii) contracting services on behalf of beneficiaries; (iii) coordination of programme supervision; (iv) liaising with other donor-funded activities in related fields; and (v) arranging for the programme's reassessment at the end of Cycles I and II.
8. **Programme financing.** RLSP was financed through a loan under the flexible lending mechanism wherein financing and programme implementation was undertaken in three phases – each phase contingent upon successful achievement of specified milestones in the previous phase. The programme budget and actual cost are shown below consolidated for all three phases of the project. The programme cost estimates vary somewhat between different documents.

Table 1

**Planned programme financing by component (in million US\$ '000) as stated in post appraisal report**

<i>Component</i>	<i>Phase I</i>		<i>Phase II</i>		<i>Phase III</i>	
Investment in human capital	3.14	60.2%	2.59	42.3%	1.1	21.2%
Village investment	0.8	15.3%	2.28	37.2%	2.96	57.2%
Programme and policy coordination	1.27	24.3%	1.25	20.4%	1.12	21.6%
<b>TOTAL</b>	<b>5.21</b>		<b>6.13</b>		<b>5.18</b>	<b>16.52</b>

<sup>2</sup> Project completion report.

Table 2  
**Actual financing by component (in million US\$) as stated in project completion report**

<i>Component</i>	<i>Phase I</i>		<i>Phase II</i>		<i>Phase III</i>	
Investment in human capital	1.725	42.2%	3.217	41.6%	1.8	33%
Village investment	0.48	11.75%	2.49	32.3%	1.86	34%
Programme and policy coordination	1.89	46%	2.004	26%	1.83	33%
<b>TOTAL</b>	<b>4.08</b>		<b>7.734</b>		<b>5.5</b>	<b>17.31</b>

The difference in approved and disbursed total (in US\$) could be attributed to the SDR/US\$ exchange rate fluctuation over the period since approval of the project.

9. **Timeframe.** The IFAD executive board approved a loan towards the project, worth SDR 10.7 million, in September 2001 and became effective in August 2004. The project's completion was 30 September 2013 and closed on 31 March 2014. The project also received a Canadian supplementary grant of US\$209,450 and an IFAD loan component grant of US\$70,000.
10. At the time of the loan/grant closing, the disbursement rate was 100 per cent (about SDR 10.62 million) for the loan account as well as both the grant accounts.<sup>3</sup>
11. **Implementation arrangements.** The project was implemented under the oversight of the Ministry of the Local Government and Rural Development. A National Steering Committee headed by the Ministry of the Local Government and Rural Development provided overall guidance to the project. The PFU based in Blantyre was established to oversee RLSP implementation including financial control, contracting and supervision, coordination with related programmes and projects, annual work plan and budget preparation, monitoring and reporting. The staff of PFU, headed by a programme manager, reporting to the Secretary of Local Government and Rural Development, consisted of a Financial Accountant, Procurement Officer, Monitoring and Reporting Officer, Business Development Officer, Community Development Officer, three District Facilitators and eight Field Facilitators, as well as clerical/administrative support staff and drivers.
12. In the Districts, the programme operated within the District Assemblies under the supervision of the District Commissioner and the District Executive Committee. Within the District Assemblies the devolved line ministries (known as sectors) provided technical support in their respective disciplines. In each District there was a programme facilitator engaged and supervised by the PFU and working in close collaboration with the District Director of Planning and Development.
13. **Supervision arrangements.** Initially, the United Nations Office for Project Services (UNOPS) was appointed as a cooperating institution responsible for administering the financing and supervising the programme (as per an agreement letter dated 13 November 2003). However, with an overall corporate shift to direct supervision, IFAD took over the responsibilities from the first supervision mission that was fielded in October 2008.

<sup>3</sup> While the president's report and the financing agreement indicate that 10.7 million SDR was approved and allocated to the project, IFAD's Flexcube system indicates the allocated amount at 10.63 million SDR. Similarly, while the IFAD's Flexcube system indicates the allocated under the Canadian grant at US\$209,450 and the IFAD loan component grant at US\$70,000. However, in the disbursement report in the Flexcube the allocated amounts are indicated to be US\$177,618 and US\$49,291.

### C. PPE scope and methodology

14. The PPE exercise will be undertaken in accordance with the IFAD's Evaluation Policy<sup>4</sup> and the IFAD Evaluation Manual (second edition, 2015). Analysis in the PPE will be assisted by a review of the ToC as presented in annex I to assess the extent to which the RLSP's objectives were effectively achieved. The ToC of a project depicts the causal pathways from project outputs (the goods and services that it delivers) through changes resulting from the use of those outputs made by target groups and other key stakeholders towards impact (Poverty sustainably reduced through promotion of on- and off-farm and wage based incomes). The ToC also depicts Intermediate States, i.e. changes that should take place between project outcomes (specific objectives level) and impact. The ToC further defines external factors which influence change along the major impact pathways. These external factors are assumptions when the project has no control over them, or Drivers of Impact when the project has certain level of control.
15. The PPE will reconstruct the RLSP's ToC based on the original design (grey color), a review of the documentation on the project and stakeholder interviews. The PPE mission will discuss the reconstructed ToC during the Country visit to ascertain the causal pathways identified and validate the Intermediary States (green color), the Assumptions (blue color), and the Drivers of Impact (orange color).
16. **Scope.** In view of the time and resources available, the PPE is generally not expected to undertake quantitative surveys or to examine the full spectrum of project activities, achievements and drawbacks. Rather, it will focus on selected key issues. The PPE will take account of the preliminary findings from a desk review of PCR and other key project documents and interviews at the IFAD headquarters. During the PPE mission, additional evidence and data will be collected to verify available information and each an independent assessment of performance and results.
17. **Evaluation criteria.**<sup>5</sup> In line with the second edition of IOE's Evaluation Manual (2015), the key evaluation criteria applied in PPEs in principle include the following:
  - (i) **Relevance**, which is assessed both in terms of alignment of project objectives with country and IFAD policies for agriculture and rural development and the needs of the rural poor, as well as project design features geared to the achievement of project objectives.
  - (ii) **Effectiveness**, which measures the extent to which the project's immediate objectives were achieved, or are expected to be achieved, taking into account their relative importance.
  - (iii) **Efficiency**, which indicates how economically resources/inputs (e.g. funds, expertise, time, etc.) are converted into results.
  - (iv) **Rural poverty impact**, which is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a results of development interventions. Four impact domains are employed to generate a composite indication of rural poverty impact: (i) household income and assets; (ii) human and social capital and empowerment; (iii) food security and agricultural productivity; and (iv) institutions and policies. A composite rating will be provided for the criterion of "rural poverty impact" but not for each of the impact domains.
  - (v) **Sustainability of benefits**, indicating the likely continuation of net benefits from a development intervention beyond the phase of external funding

<sup>4</sup> <http://www.ifad.org/pub/policy/oe.pdf>.

<sup>5</sup> The order presented below is the order in which the narrative will be presented. However, the rating on project performance will be calculated as the average of the ratings for relevance, effectiveness, efficiency and sustainability of benefits will the project performance rating.

- support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.
- (vi) **Gender equality and women's empowerment**, indicating the extent to which IFAD's interventions have contributed to better gender equality and women's empowerment, for example, in terms of women's access to and ownership of assets, resources and services; participation in decision making work loan balance and impact on women's incomes, nutrition and livelihoods.
  - (vii) **Innovation and scaling up**, assessing the extent to which IFAD development interventions: (a) have introduced innovative approaches to rural poverty reduction; and (b) have been (or are likely to be) scaled up by government authorities, donor organizations, the private sector and other agencies.
  - (viii) **Environment and natural resource management**, assessing the extent to which a project contributes to changes in the protection, rehabilitation or depletion of natural resource and the environment.
  - (ix) **Adaptation to climate change**, assessing the contribution of the project to increase climate resilience and increase beneficiaries' capacity to manage short- and long-term climate risks.
  - (x) **Overall project achievement** provides an overarching assessment of the intervention, drawing upon the analysis and ratings for all above-mentioned criteria.
  - (xi) **Performance of partners**, including the performance of IFAD and the Government, will be assessed on an individual basis, with a view to the partners' expected role and responsibility in the project life cycle.
18. **Rating system.** In line with the practice adopted in many other international financial institutions and United Nations organizations, IOE uses a six-point rating system, where 6 is the highest score (highly satisfactory) and 1 being the lowest score (highly unsatisfactory).
19. **Data collection.** The PPE will be built on the initial findings from a review of the Project Completion Report, Project Completion Report Validation and other documents. In order to obtain further information, interviews will be conducted both at IFAD headquarters and in the country. During the in-country work, additional primary and secondary data will be collected in order to reach an independent assessment of performance and results. Data collection methods will mostly include qualitative participatory techniques. The methods deployed will consist of individual and group interviews with project stakeholders, beneficiaries and other key informants and resource persons, and direct observations. The PPE will also make use – where applicable – of additional data available through the programme's monitoring and evaluation (M&E) system. Triangulation will be applied to verify findings emerging from different information sources.
20. **Stakeholders' participation.** In compliance with the IOE Evaluation Policy, the main project stakeholders will be involved throughout the PPE. This will ensure that the key concerns of the stakeholders are taken into account, that the evaluators fully understand the context in which the programme was implemented, and that opportunities and constraints faced by the implementing institutions are identified. Regular interaction and communication will be established with the East and Southern Africa Division (ESA) of IFAD and with the Government. Formal and informal opportunities will be explored during the process for the purpose of discussing findings, lessons and recommendations.

#### **D. Evaluation process**

21. Following a desk review of PCR and other project key project documents, the PPE will involve following steps:
- **Country work.** The PPE mission is scheduled for around 29 June – 11 July 2016. It will interact with representatives from the government and other

institutions, beneficiaries and key informants, in Lilongwe and in the field. At the end of the mission, a wrap-up meeting will be held in Lilongwe to summarize the preliminary findings and discuss key strategic and operational issues. The IFAD country programme manager for Malawi is expected to participate in the wrap-up meeting.

- **Report drafting and peer review.** After the field visit, a draft PPE report will be prepared and submitted to IOE internal peer review for quality assurance.
- **Comments by ESA and the Government.** The draft PPE report will be shared simultaneously with ESA and the Government for review and comment. IOE will finalize the report following receipt of comments by ESA and the Government and prepare the audit trail.
- **Management response by ESA.** A written management response on the final PPE report will be prepared by the Programme Management Department. This will be included in the PPE report, when published.
- **Communication and dissemination.** The final report will be disseminated among key stakeholders and the evaluation report published by IOE, both online and in print.

#### **E. Specific issues for this PPE**

22. **Evaluation criteria in this PPE.** Among the standard evaluation criteria mentioned in paragraph 18, based on the preliminary review of the project documents and PCR, the criterion for "adaptation to climate change" may not be rated unless the PPE mission reveals any relevant programme contribution worthwhile noting – positive or negative – in this regard. It is also noted that at the time the programme was designed, there was no specific attention on this agenda.
23. **Key issues for PPE investigation.** A PPE is a project evaluation with a limited scope and resources. As such, PPEs are not expected to investigate all activities financed under the project or to undertake in-depth impact assessment. Key selected issues to be reviewed, closely identified based on the initial desk review, are presented in the below. These may be fine-tuned based on further considerations or information availability, consultation with ESA and the Government.
- (i) **Support to decentralization process within the target districts.** The RLSP was implemented in the context of evolving decentralization in Malawi in the aftermath of the Decentralization Policy (1998). In such context, the programme strove to boost the decentralization at the all three levels of local governance, i.e. District Assemblies, Area Development Committees and Village Development Committees, through capacity-building, facilitation of community driven planning and implementation of development interventions.
- The PPE shall seek to answer three broader questions in understanding the role of RLSP in the decentralization process in the target districts.
- a) How successful was RLSP in enhancing the capacities of the local government bodies in target districts?
  - b) Did the project successfully facilitate interaction between the local governments and target communities?
  - c) How successful were RLSP's efforts in sustainably improving the capacities of the target communities to engage with local governments and foster community driven development?
- (ii) **Sustainability of programme benefits.** This PPE is being conducted two years after RLSP closed. While such lapse of time presents challenges in the evaluation process, it also provides an opportunity to assess the sustainability

of the benefits of the project. Among other things, the PPE will pay attention to:

- a) Community institutions such as Village Development Committees and planning and implementation structures set up during RLSP.
  - b) The maintenance of community and village level infrastructure created during RLSP.
  - c) Continuity of technical (lead farmer extension system, pass on system for livestock, etc.) and financial services, now supposedly taken over by the Opportunity Bank of Malawi, and their benefits to the target population introduced by RLSP in the target districts.
- (iii) **Monitoring and evaluation and programme impact.** RLSP's supervision reports have repeatedly pointed to the weaknesses in the monitoring and evaluation system of the project. This is validated by the lack outcome and impact data (in some cases even output level data) in project reports. A beneficiary impact assessment published in 2014 plugs the gap in outcome level data to some extent. The PPE team will validate the findings of the beneficiary impact assessment and the Project Completion Report through observations in the field.
- (iv) **Efficiency of programme management.** The cumulative programme management & coordination costs, at the end of the programme, are found to be about 33 per cent of the total programme expenditure. This is found to be in excess of the 22 per cent of the total costs foreseen at the start of the mission. This, taken together with the weak M&E, appears to be on the higher side. The mission will attempt to attribute the reasons for such high project management costs.
- (v) **Gender and youth.** As a result of a weak M&E system the project could not provide comprehensive gender disaggregated data for project interventions. Anecdotal evidence points to increased participation of women in local governance and economic activities. However, there is little mention of the role and participation of youth in project related activities, especially given the fact that two thirds of Malawi's population is said to be under 25 years of age, as of 2014.<sup>6</sup>

#### **F. Evaluation team**

24. The team will consist of Mr Prashanth Kotturi, IOE Evaluation Analyst and Mr James Gasana (rural development expert, IOE consultant). The team will be responsible for the final delivery of the report, under the supervision of Mr Fabrizio Felloni, Lead Evaluation Officer, IOE. Ms Maria Cristina Spagnolo, IOE Evaluation Assistant, will provide administrative support.

#### **G. Background documents**

25. The key background documents for the exercise will include the following:

##### **RLSP project specific documents**

- Design report (2001)
- IFAD President's Report (2001)
- Post appraisal report (2003)
- Programme financing agreement (2003)
- Baseline survey (2006)
- Evaluation report of Phase I (2007)
- Evaluation report of Phase II (2010)
- Supervision mission aide memoire and reports

<sup>6</sup> Population reference bureau: <http://www.prb.org/pdf14/malawi-youth-datasheet-2014.pdf>.

- Project Completion Report (2014)
- Beneficiary impact assessment (2014)

**General and others**

- IFAD (2011). IFAD Evaluation Policy.
- IOE (2012). Guidelines for the Project Completion Report Validation (PCR) and Project Performance Assessment.
- IFAD (2015). Evaluation Manual – Second Edition
- IOE (2015). Project Completion Report Validation of the Rural Livelihoods Support Project
- Various IFAD policies and strategies, in particular, Strategic Framework (2002-2006), Rural Finance, Rural Enterprise, Targeting, Gender Equity and Women's Empowerment

## List of key persons met

### Government

#### Central ministries

Erica Maganga, Permanent Secretary, Ministry of Agriculture, Irrigation and Water Development

Walusungu Kayira, Deputy Director of Planning and Policy, Ministry of Local Government and Rural Development

Leslie Mkandawire, Deputy Director, Debt and Aid Division, Ministry of Finance

Stanley Chuthi, Chief Planning and Economic Services Analyst, National Local Government Finance Committee

#### District Government

Ali Mpiri, District Commissioner, Chiradzulu District

Chris Nawata, Director of Planning, Chiradzulu District

Yamikani Makwinja, District Forestry and Environment Officer, Chiradzulu District

Blessings Kayira, District Community Development Officer, Chiradzulu District

Patrick Malangu, District Water Officer, Chiradzulu District

Felix Chikudzu, Extension officer, Agriculture, Chiradzulu District

Graciano Matukeni, Community Development, Chiradzulu District

Mike Maulidi, District Social Welfare Officer, Chiradzulu District

Justine Kathumba, Director of Planning and Development, Thyolo District

Elestina M'mame, Director of Administration, Thyolo District

Wallen Phiri, Forestry Officer, Thyolo District

Tredson James Banda, Agriculture Officer, Thyolo District

Charles Kamlanje, Community Development Officer, Thyolo District

Gift Raposo, District Commissioner, Nsanje District

#### Village Development Committees

Henry Liwonde, Chairperson, Ngumba VDC, Chiradzulu District

Loveness Kalira, Secretary, Ngumba VDC, Chiradzulu District

Andrew Katimba, Vice Chairman, Ngumba VDC, Chiradzulu District

Catherine Zulumbi, Treasurer, Ngumba VDC, Chiradzulu District

Iness Ligomba, Chairperson, Mpulua VDC, Chiradzulu District

Patrick Brown, Vice Chairperson, Mpulua VDC, Chiradzulu District

Obvious Mandolo, Secretary, Mpulua VDC, Chiradzulu District

Estere Chipangano, Mpulua VDC, Chiradzulu District

Ester, Pandani, Treasurer, Mpulua VDC, Chiradzulu District

Patricia Brown, Committee, Mpulua VDC, Chiradzulu District

Cynthia Lazaro, Chairperson, Sandama VDC, Thyolo District

Rodrck Mayero, Vice Chairperson, Sandama VDC, Thyolo District

Lucy Zunguza, Vice Secretary, Sandama VDC, Thyolo District  
Wyson Benson, Treasurer, Sandama VDC, Thyolo District  
Jimmy Dyson, Member, Sandama VDC, Thyolo District  
Samson Myendanjira, Member, Sandama VDC, Thyolo District  
Emily Malinga, Member, Sandama VDC, Thyolo District  
Witness Maduka, Member, Sandama VDC, Thyolo District  
Ida Madwale, Member, Sandama VDC, Thyolo District  
Julita Pasani, Member, Sandama VDC, Thyolo District  
Hendrison Copland, Mbaweria VDC, Thyolo District

### **Beneficiaries**

Hanson Makwinja, Goat rearing farmer, Majanga Village, Ngumba VDC, Chiradzulu District  
Lydia Juma, Maize farmer, Majanga Village, Ngumba VDC, Chiradzulu District  
Lydson Amini, Tailor, Ngumba Village, Ngumba VDC, Chiradzulu District  
Magi Alabi, Goat rearing farmer, Nkhuku village, Mpulula VDC, Chiradzulu District  
Melia Malonda, Mwahara village, Mpulula VDC, Maize farmer, Mwahara village, Mpulula VDC, Chiradzulu District  
Mawuto Mwado, Goat rearing farmer, Sandama VDC, Thyolo District  
Ignacio Magaso & Falesi Chapita, Goat rearing farmers, Sandama VDC, Thyolo District  
George Michael, Beer shop, Nthondo Village, Nthondo VDC, Nsanje district  
Ferguson White, Guinea fowl farmer, Nthondo village, Nthondo VDC, Nsanje district

## Reconstructed theory of change

1. The programme design lacked an explicit 'theory of change' (ToC). The PPE reconstructed the Theory of Change based on the original design and on stakeholder interviews during the field visits. The TOC contains overall general objective and the specific objectives. It should be recalled that it is between the levels of specific objectives (or outcomes) and overall goal (the programme design report refers to this as overall objective) that any design should express the main changes that are expected to take place as "Intermediary States",<sup>1</sup> allowing for the achievement of specific objectives to lead to these intermediate results, and from there to the general objective. The progress along the pathway from specific objectives (outcomes) to overall objectives is contingent upon the fulfillment of assumptions<sup>2</sup> and Impact Drivers.<sup>3</sup> The Theory of Change provides a framework that more clearly articulates the conditions that are required to reach the expected impact. The elements incorporated in the original or subsequently evolving design, partially or fully, are indicated in grey color while the missing elements are denoted in light blue. The ToC contends that to achieve the general objective "To sustainably reduce poverty in the Districts of Chiradzulu, Thyolo and Nsanje, through promotion of on- and off-farm and wage-based incomes", it is necessary to follow three appropriate pathways for change, which in this case are determined by the following three Intermediary States and the respective assumptions and impact drivers, as follows:
  - (i) Pathway 1, determined by intermediate state '**Enhancing productivity and sustainability of farming systems**'.<sup>4</sup> Pathway 1 spans the specific objective "Sustainable agricultural production and simple natural resource management technologies for improved food security, nutrition and agriculture-based incomes promoted". The strategy to reach this objective flowed through the implementation of the second component of village investments, especially the activities such as agriculture and livestock development and natural resource management and environmental conservation. The assumption here is that 'District governments will ensure continuation of services to farmers' and the impact driver the two impact drivers – the programme supports the improvement of capacities of DCs' services to foster community driven development & the programme facilitates interaction between district government services' and 'VDCs for services to farmers'.
  - (ii) Pathway 2, determined by intermediate state '**Individual and community organizational capacities and capabilities access to resources**': This intermediate state was stated as a specific objective in the design report. However, in the course of interviews and deliberations in the evaluation process the evaluation team was made aware of the project's remit to contribute to the decentralization process through capacity-building of district and local governments as both a means and an end. For that reason, the objective has been depicted as an intermediate state. Pathway 2 spans the specific objectives of "Development of skills for selected target groups

<sup>1</sup> "Intermediate states" (or intermediary outcomes) are the transitional conditions between a programme's specific objectives (or immediate outcomes) and its general objective (or desired impacts), and which are necessary and sufficient for achieving the impact.

<sup>2</sup> Assumptions are the significant factors that, if present, are expected to contribute to the ultimate achievement of project impacts, but which the project cannot control, influence or address.

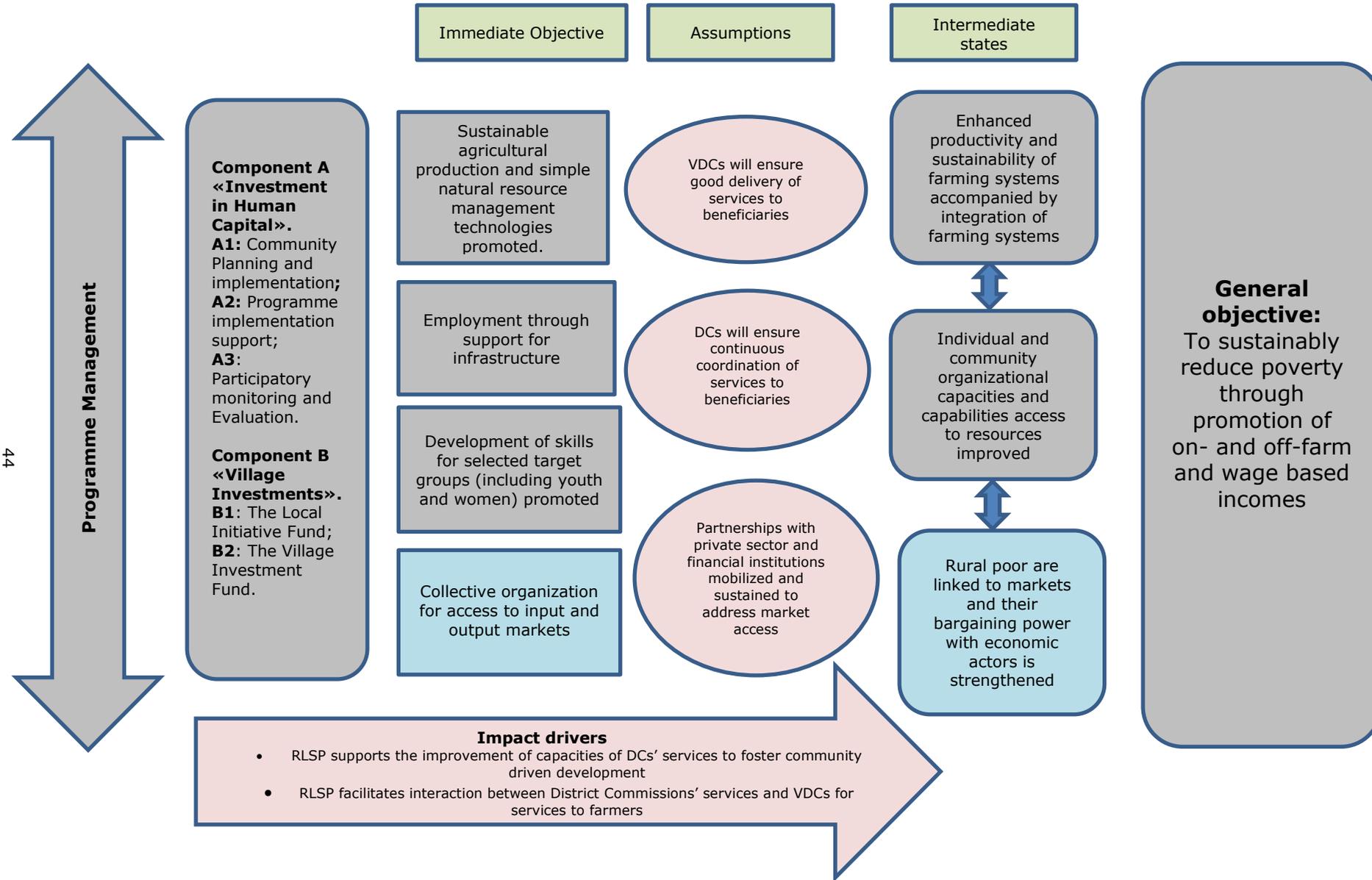
<sup>3</sup> Impact drivers are the significant factors that, if present, are expected to contribute to the achievement of project impacts, and are within the ability of the project to influence.

<sup>4</sup> A farming system is an integrated set of components managed by farmer families under their resources and circumstances to maximize the productivity and net farm income on a sustainable basis. Management of the farming system takes into account the components of soil, water, crops, livestock, labour, capital, energy resources, and market, climate related and other risks.

(including youth and women) and "Employment through support for infrastructure development to provide incomes especially during off season". The strategy to reach this objective flowed mostly through the implementation of component 1 'Investment in Human Capital'. The assumptions to be fulfilled in this pathway are 'Village Development Committees (VDCs) will ensure good delivery of services to farmers' and 'DCs will ensure continuation of coordination of services to farmers. Impact Driver for the pathway is that 'the programme supports the improvement of capacities of district government services' to foster community driven development'.

- (iii) Pathway 3, determined by intermediate **Strengthening the links of rural poor to markets and their bargaining power with economic actors**, and interacts with Pathway 2. Strengthening the links of rural poor to markets and their bargaining power with economic actors. Pathway 3 is partially fed through two specific objectives of "Sustainable agricultural production and simple natural resource management technologies for improved food security, nutrition and agriculture-based incomes" and "Development of skills for selected target groups (including youth and women) promoted" and the component of 'Village Investments'. However, as can be seen from the theory of change there is no immediate objective which feeds directly into this intermediate state, especially relating to formation and strengthening of collective organizations for access to input and output markets. In the context of this evaluation, this will be a persistent theme which will be discussed under various evaluation criteria. The assumptions applicable here are that 'partnerships with private sector and financial institutions are mobilized and sustained to address market access' and 'District governments will ensure continuation of coordination of services to farmers. The relevant impact driver is that 'the programme will facilitate interaction between District Commissions' services and Village Development Committees (VDCs) for services to farmers'.

# Reconstructed theory of change figure



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