

### Malawi: Smallholder Flood Plains Development Programme

Item	Assessment Remarks	Rating
<b>Country &amp; Project Name</b>	<b>Malawi: Smallholder Flood Plains Development Programme</b>	
Loan No.	471-MW	
Project Id.	1047	
Board Date	23rd April 1998	
Effectiveness Date	27th November 1998	
Original Closing Date	31st December 2005	
Final Closing Date	31st March 2007	
Total Project Cost USD(M)	15.47	
IFAD loan USD (M)	12.46	
Cofinanciers (if any)	Ireland: USD 1.1 million	
Implementing Agency	Ministry of Agriculture and Irrigation (Department of Irrigation -DoI)	
Principal Components	The principal objectives of the programme are to: (i) improve the household food security of resource-poor and vulnerable flood plains smallholder families in three representative districts and increase the incomes of these households to enable them to purchase essentials; (ii) contribute to improving the nutritional status of these families; and (iii) provide critical health and drinking water services at the community level. The secondary objective is to create a capability at the grass-roots level to enable community-based associations to develop and manage their own water resource activities and to strengthen the long-term capacity of public and non-governmental institutions concerned with supporting the farm water-use and irrigation sector in Malawi. The Programme has five components: (i) capacity building and institutional support; (ii) the expansion of flood plains irrigation and improved water use; (iii) the promotion of improved irrigation agronomy and marketing; (iv) community infrastructure and support services; (v) a credit facility to enable MRFC and/or selected NGOs to provide seasonal and/or medium-term loans to smallholder groups for irrigation activities.	
<b>Project Performance</b>		
Design	The design was overall well done: the various components were well integrated with one another and PRA techniques were used to get the population involved in identifying the best activities. It does have some flaws: over optimistic with respect to staff capacities to implement the project effectively; there are too many diverse activities which lead to numerous institutions required to take part in the implementation, presenting a challenge in terms of coordination and stakeholder participation; it does not contain adequate arrangements for retaining staff trained within the project areas. In spite of this, the PCR claims that the project is "the best designed project the MoA has had in the last decade".	5
Implementation	The implementation of the project was generally quite good. The only less positive aspects were the strained relationship that the PCU had with the District level MoA officers at the beginning of the project and the limited technical capacity of the PCU that relegated it to a simple "coordinating" unit. The PCU was also overwhelmed with work given the ambitious scope of the design (that was later resized by the mid-term review/ MTR). These issues were solved in the second half of the project and implementation improved, as is partly shown in the high levels of disbursement of the project (95%). M&E was weak: it was not well integrated in the project from the beginning and considered as not very important.	5
Relevance	The project was relevant to the needs of the population in the area, who suffer from lack of water management arrangements and structures, and was in line with Malawi's PRSP and with IFAD's main strategic thrusts in the country.	5
Effectiveness	The project was relatively effective. The appraisal envisaged 4400 ha of improved and new irrigation. This target was revised after the MTR from 4 400 ha to 1 528 ha. The Programme achieved 1 970 ha under irrigation. 11 irrigation schemes were built/rehabilitated, and they were registered and had land lease and water rights approved, even though, as the programme closed in December 2006, the Government schemes were not yet formally handed over to the beneficiaries. The project came up with massive training for farmers and staff. Cumulatively 2 749 staff and over 6 000 farmers were trained. The training covered multiple disciplines associated with the formation of water users association, best crop husbandry techniques in irrigation farming and marketing. It also constructed roads, domestic water points, improved latrines (less than expected) and 19 village Drug Revolving Fund (DRF) boxes. The credit line was cancelled and a small part of it was reallocated as seed money for revolving funds.	4

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Efficiency	The PCR does not provide information on this topic. Considering that the original targets were cut and the credit line cancelled, the project may have turned out to be less costly. This may have offset the greater costs incurred from an extension of the project and led to greater benefits per cost.	4
<b>Partner Performance</b>		
IFAD	IFAD had some problems at the beginning of the project. These improved after the MTR. IFAD was commended for having a clear understanding, through visits by the CPM, of the various challenges facing the programme and hence providing more flexible advice and suggestions to the programme, including flexibility in financing. It also provided technical advice on missions thus successfully re-orienting the capacity building component of the programme to rightly focus more on WUA capacity building. The maximum turnaround times for withdrawal applications and payment instructions were also mostly respected and followed so that there was continuous flow of funds to the project for most parts of the programme.	5
Cooperating Institution	Initially there were some problems in the relationship between UNOPS, IFAD and the project staff (personalities) and this hampered the Supervision process. After the MTR, the relationships improved and so did the quality of supervision: UNOPS provided good and consistent technical advice, and identified key training needs for staff and farmers. UNOPS was also commended for its participatory approach: recommendations were arrived at as a result of consensus between all parties, including field personnel. This meant that mission recommendations were understood and "owned" by project management and field personnel.	5
Government	The Department of Irrigation (DoI) has provided a lot of technical oversight to the project, including the provision of its equipment for construction purposes. Most of the technical staff of DoI has been the main pillars of the construction works. The main problem has been with the limited capacity of DoI, giving all the other programmes and projects that it has had to address during the period. The MOA has provided good supervision in the first half of the project through the National Irrigation Task Force (NITF) which met regularly. In the latter half of the project however this supervisory function weakened as the NITF was responsible for supervising ALL MoA projects and was therefore overburdened. The financial management of the project by the MoF was good.	5
NGO/Other	The NGO Concern Universal was recruited to assist in farmer mobilization and in the implementation of the Community infrastructure part of the Programme. All reviews done by either supervision missions, midterm review, special task forces, have indicated the NGO performance as being more than satisfactory. The NGO has not only met its targets but has also provided leadership to Government staff. However the disparity between a fully mobilized and well-resourced NGO and Government staff bureaucratic slowness and apparent work overload means that the intended partnership mode of operation between the two has not been successful.	5
Cofinancier(s)	The PCR does not give any information on this topic. Considering the increases in income determined by the project, we may infer that the project has been at least partially effective.	4
<b>Combined Partner Performance</b>	<b><i>Overall the partners worked well. The only problem the Government may have had was that of being overstretched and overburdened which meant that its contribution, especially at district level, was less than expected. NGO/Gov't partnership worked, particularly in terms of joint planning and progress review.</i></b>	5
<b>Rural Poverty Impact</b>		
Physical Assets	Water User Associations (WUA) members, and WUAs as entities, generally increased their access to land and their land tenure status (though the number of beneficiaries is not clear). The area under cultivation has increased. One of the schemes, initially had 160 ha with a land holding size of 0.3 ha per farmer but after rehabilitation this grew to 300 ha with a land holding size of 0.5 ha per farmer. The land under the schemes was turned into leasehold land and leased in the name of the WUA. There are however some pending legal issues to be resolved as well as some potential conflicts with the local leaders over land ownership that need to be resolved. The project has also increased access to a host of new labour saving technologies, marketing infrastructure (though less than planned) and rice mills. The adoption levels of the new crop technologies have not been very high.	5
Financial Assets	The credit line initially envisaged by the project was cancelled and 14% of it was allocated to a grant aimed at setting up a number of revolving funds (experimental financial services). Two of these funds suffered from low disbursement levels. In the case of the group procurement fund, farmers were generally able to manage the fund, but the disbursement levels were quite low given farmers' poor understanding of the fund and the lack of trust amongst scheme members. In the case of the innovative technology fund, almost all of it was disbursed, but most farmers did not benefit	3

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	because they failed to raise the 50% required for the chosen technology. The project also failed to set up SACCOs (savings and credit cooperatives) and only managed to affiliate some schemes to existing SACCOs.	
Food Security	An impact survey revealed that food security of beneficiary households rose from 23% (baseline) to over 70% by 2006. Over 54% of targeted households reported improved diets due to increase in harvest, diversified food sources and income from irrigation schemes. The per capita income for irrigation scheme beneficiaries rose above the national estimated value of USD 170 to USD 200 per annum. Increases in income were also derived from a number of IGAs that were set up: some of these, such as fish farming and poultry production were particularly successful. With the improved income, farmers increased their access to a range of goods and services such as bicycles, iron sheet houses, radios, better clothing and beddings. The improved incomes also allowed farmers to invest in farm implements, farm animals and domestic items.	5
Environment	n/a	n/a
Human Assets	The impact in capacity building was mixed. Training of government staff was successful. Most of the graduates trained other staff members in the DoI thus increasing the Government's overall capacities. Project staff training was less effective due to the inadequate preparations of the training materials and methodologies and the lack of dedication by staff to apply the training in the project. The project has set up successful FFS. This concept was introduced in all schemes in the 2004/05 season and it facilitated the adoption of many technologies in the schemes. The project also carried out a number of participatory demonstrations and trials, although their quality was not always good. There is also evidence that the training given to WUA members tended to be given very often to the same members thus reducing the potential scope of the impact. With respect to health, the project introduced 19 drug boxes in all the schemes thus assisting beneficiaries in getting health assistance within reach and improving the health status of communities. The water points constructed also helped: an impact study shows that 83% of beneficiaries observed that the improved water supply led to a decrease in water borne diseases like diarrhoea and bilharzia.	5
Soc. Cap. & Emp.	The project has assisted beneficiaries establish eleven WUAs with the principle objective of having them operate and maintain irrigation schemes ranging from 10 – 500ha. The process of drafting by-laws of the WUA has been completed successfully and 10 had been registered. The latter are processing land lease arrangements and have obtained water abstraction rights certificates. WUAs have been trained on how to run and maintain schemes and bank accounts. In spite of this more needs to be done to strengthen their capacity, especially with respect to O&M.	4
Ag. Productivity	The rehabilitation and construction of the irrigation schemes has led to an increase in the irrigated area and in production (although this is less than expected because not all farmers know how to manage the water). The cropping intensities in the schemes have risen from 30% at appraisal to 80% in 2006. Crop yields have increased from 2 233 MT in 2001 to 7 880 MT in 2006 (the target was over 10 000 MT). It is worth noting that water productivity improved (i.e. there was less water used per amount of crop harvested). This meant that farmers also started producing other crops that needed less water such as vegetables and maize.	4
Inst. & Serv.	One of the objectives of the project was that of building the capacity at government level with an aim to re-orient government staff towards working in response to and in partnership with irrigating smallholders. The PCR tells us that the training given at DoI level was very good, although it does not tell us the extent to which Government's capacity to respond to farmers' needs has improved. The regulatory framework for WUAs has not changed yet, but thanks to the efforts made by the project, the upcoming WB project will contribute to the revision of the Irrigation Act.	4
Markets	Marketing was seen as one of the key aspects to the viability of the irrigation schemes. All the schemes now market their paddy rice through various outlets, and WUAs have been trying to obtain group-marketing arrangements. However this has worked very well only in schemes with marketing sheds. Otherwise rice is being sold individually through middlemen. Only 10-15% of the produce is sold through group organised markets. In addition, farmers are selling the bulk of their rice during the period with the lowest prices. In terms of value addition, through Innovative Technology Fund (ITF) farmers were able to procure rice mills thereby adding value to the rice. Before the project farmers used to sell paddy rice at MK30/kg but after buying rice mills of their own, farmers process their rice and selling price has increased to an average of MK60/kg.	4
<b>Project Impact</b>	<b><i>The project impact has been mixed. The project has been able to rehabilitate irrigation schemes and set up WUAs to run them, and it has constructed much needed community infrastructure. It has not managed to set up a good credit</i></b>	<b>4</b>

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	<i>facility however, and marketing is still a weak aspect. Also, the scope of the project's impact (number of people reached) as well as the capacity and sustainability of the WUAs are doubtful.</i>	
<b>Overarching Factors</b>		
Innovation	The project did not envisage introducing innovations. It did introduce a small Innovative Technology Fund (ITF) for the uptake by farmers of technologies new to them. The Fund was almost all disbursed and the farmers who benefited under this fund procured labour saving technologies like oxen for ploughing, knapsack sprayers, work oxen, ox-carts, ridgers, rice mills while others set up Income Generating Activities like poultry rearing and mushroom growing. Most of the farmers however did not benefit from this Fund as 50% of the cost of the technology had to be raised by the farmers him/herself. An institution that can be considered as an innovation is the WUA.	3
Replicability and Scaling-up	WUAs will be upscaled in the new WB IRLADP.	3
<b>Innovation, Replicability and Scaling-up</b>		<b>3</b>
Sustainability and Ownership	The sustainability of the project is uncertain. The PSR rates this aspect with a 3. The project will be followed by a WB project that will keep strengthening WUAs and the other aspects of the irrigation component of the project. Although WUAs have been trained and registered, there are still issues related to their capacity to do O&M. Indeed while all the modules that were supposed to be taught to the farmers were delivered, they were targeted at the same farmers. This means that in almost all the WUAs a very small proportion of scheme farmers actually know their responsibility as members. There is also limited capacity in terms of raising funds through group marketing and collection of water fees. All this puts their sustainability in question. Also, the design document had envisaged an Irrigation Management Transfer process to take place, but not enough training was given to ensure this handover process.	3
Targeting	The PCR does not mention this aspect explicitly. The overall impression is that this aspect was not particularly looked after during project implementation. Some of the project's activities ended up benefiting the well off, such as the ITF and the rice mill, but there is reason to believe that given the general poverty of the area, the social infrastructure component and the irrigation one have benefited all socio-economic strata including the poor. The PSR has rated targeting and poverty focus with a 5.	4
Gender	This aspect is mentioned very sparsely in the report. We are told that in some WUA, the "executives" were women and one of the successful IGAs, poultry production, was mainly set up by women farmers. Generally however the project did not focus on women during implementation.	3
<b>Overall Performance</b>	<b><i>The project performed relatively well and had a modest impact in the area. The implementation efforts were good, but the overall impression is that the project coordination unit (PCU) and the district level government officers were quite overstretched and could not provide full support to the project. More preparation was also needed for building the capacity of the WUAs and more will need to be done on this.</i></b>	<b><u>4</u></b>
Estimated number of beneficiaries	The PCR does not give an estimate of the number of people reached, but considering the cut backs with respect to project design, it is probably less than envisaged at appraisal.	
<b>PCR Quality</b>		
Scope	The PCR does not follow the PCR template. There are some important aspects, especially related to impact, that are missing. Some of the Annexes are also missing.	4
Quality	The PCR is at times contradictory and not systematic (some aspects are covered in one section then continued in another unrelated section). It is, however, very well written, with a very good analysis of the various aspects of the project that did or did not work. Some quantitative information is missing.	5
Lessons	The PCR has developed some good lessons learnt.	5