



Investing in rural people

## Republic of Malawi

---

### **Sustainable Agricultural Productivity Programme (SAPP)**

#### **Supervision report**

Main report and appendices

Mission Dates: 15-28 June 2014  
Document Date: 10 July 2014  
Project No. 1534  
Report No: 3490-MW

East and Southern Africa Division  
Programme Management Department



## Contents

Abbreviations and Acronyms	iii
A. Introduction	1
B. Overall Assessment of SAPP Implementation	2
C. Outputs and Outcomes	4
D. SAPP Implementation Progress	7
E. Fiduciary Aspects	9
F. Sustainability	12
G. Other	12
H. Conclusion	13

## Appendices

Appendix 1: Summary of Project Status and Ratings	15
Appendix 2: Updated Logical Framework: Progress against Objectives, Outcomes and Outputs	19
Appendix 3: Summary of key Actions to be taken within Agreed Timeframes	23
Appendix 4: Physical Progress Measured against AWP&B, including RIMS Indicators	25
Appendix 5: Financial – Actual Financial Performance by Financier, by Component and Disbursements by Category	33
Appendix 6: Compliance with Legal Covenants – Status of Implementation	35
Appendix 7: Knowledge Management – Learning and Innovation	37
Annex I: List of People Met	39

## Abbreviations and Acronyms

ADC	Area Development Committee
ADD	Agricultural Development Division
ADMARC	Agricultural Development and Marketing Corporation
AEDC	Agricultural Extension Development Coordinator
AEDO	Agricultural Extension Development Officer
ASWAp	Agricultural Sector Wide Approach (formerly ADP)
ASWAp-SP	ASWAp Support Project (formerly ADP-SP)
AWPB	Annual Work Plan and Budget
CA	Conservation Agriculture
CAADP	Comprehensive African Agriculture Development Programme
CGIAR	Consultative Group on International Agricultural Research
COSOP	Country Strategic Opportunities Programme
DAEECC	District Agricultural Extension Coordinating Committee
DAES	Department of Agricultural Extension Services
DC	District Council (formerly District Assembly)
DCAFS	Donor Committee on Agriculture and Food Security
DFID	Department for International Development (UK)
DOF	Director of Finance (MOAFS)
EMC	Executive Management Committee (of ASWAp)
EPA	Extension Planning Area
FAO	Food and Agricultural Organisation
FISP	Farm Input Subsidy Programme
FUM	Farmers Union of Malawi
GAPs	Good Agricultural Practices
GOM	Government of Malawi
ICB	International Competitive Bidding
IRLADP	Irrigation, Rural Livelihoods and Agricultural Development Project
JICA	Japan International Cooperation Agency
KM	Knowledge Management
M&E	Monitoring and Evaluation
MDGs	Millennium Development Goals
MDPC	Ministry of Development Planning and Cooperation
MGDS	Malawi Growth and Development Strategy
MIWD	Ministry of Irrigation and Water Development
MLGRD	Ministry of Local Government and Rural Development
MOAFS	Ministry of Agriculture and Food Security
MOF	Ministry of Finance
MOIT	Ministry of Industry and Trade
MPRS	Malawi Poverty Reduction Strategy
NASFAM	National Smallholder Farmer Association of Malawi
NRC	Natural Resources College
ODPP	Office of the Director of Public Procurement
OPV	Open Pollinated Variety
PIM	Project/Programme Implementation Manual
PIU	Project Implementation Unit
PM&E	Planning, Monitoring and Evaluation
PPP	Public-Private Partnership
RIMS	Results Impact Management System
RLEEP	Rural Livelihoods and Economic Enhancement Programme
RLSP	Rural Livelihoods Support Programme
SAPP	Sustainable Agricultural Production Programme
SHFS	Smallholder Food Security
USAID	United States Agency for International Cooperation
VDC	Village Development Committee

## A. Introduction<sup>1</sup>

1. The International Fund for Agricultural Development (IFAD) fielded a Supervision and Implementation Support Mission to Malawi during the period 15-28 June 2014. The specific objectives of the Mission were to: a) undertake a detailed review of implementation of the Sustainable Agricultural Production Programme (SAPP); b) review progress in implementing the 2013/14 SAPP approved Annual Work Programme and Budget (AWPB) and provide any implementation support as needed; c) review and comment on the SAPP 2014/2015 AWPB and review the preparedness for its implementation; d) review fiduciary aspects focusing on financial management, disbursement and procurement issues and assess provision of counterpart funds in terms of amount and timeliness, in compliance with loan covenants; e) overview of issues affecting sustainability related to institutional building and rural poor empowerment, beneficiary participation, responsiveness of service providers and exit strategy; f) ensure SAPP becomes aligned with RLEEP and the Programme for Rural Irrigation Development (PRIDE) that is being designed and the planned Rural Finance Services programme as a harmonised country portfolio; and g) undertake field visits to some of the implementing Districts to interact with the beneficiaries.

2. The Mission held discussions with Mr Peter K. Simbani, Director, and Mr Nations Msowoya, Assistant Director of the Debt and Aid Division of the Ministry of Finance (MOF) to discuss the overall IFAD portfolio standing and future considerations. The Mission also held meetings with Dr Jeffrey Luhanga, the Permanent Secretary of the Ministry of Agriculture and Irrigation (MOAI) to discuss fundamental implementation issues relating to policy and institutional arrangements. Discussions were also held with Dr Wilfred Lipita, the Coordinator of the Agriculture Sector Wide Approach (ASWAp) and the key staff<sup>2</sup> associated to SAPP. At the request of the Mission, representatives of the three participating Agricultural Development Divisions (ADDs) and the six Districts convened in Lilongwe for a meeting with the Mission to review implementation progress, thus far, and to identify and resolve issues that are limiting the pace of Programme implementation. The Mission visited Lilongwe District to interact with the staff that are directly charged with overseeing activity implementation and to get briefed on the progress of implementing the 2013/14 AWPB. Field visits were undertaken to Chilaza (Kankuwe and Khanda villages) and Mpingu (Mkanda village) Extension Planning Areas (EPAs) of Lilongwe District. The objective of the field visit was to interact with the beneficiaries to assess benefits reaching them and to receive their views on how improvements can be made and systems created sustained. A list of people met by the Mission is presented in Annex I.

3. **Brief Background** – Programme financing was approved by IFAD's Executive Board on 13 December 2011 and the Financing Agreement was signed and entered into effect on 24 January 2012. Programme completion date is 31 March 2021. Thus, as of June 2014, SAPP implementation had been going on for about two-and-half years. Unfortunately, the process of fulfilling the pre-disbursement conditions was protracted and considerable time was lost. Accordingly, the first disbursement was received only in August 2014. In turn, the implementing agencies received funds for implementing the 2013/14 AWPB only in November 2013. Hence, the Programme has, essentially, lost two years of implementation time. The Programme completion is scheduled for 31 March 2021 and closure for 30 September 2021.

4. SAPP is area focussed concentrating on the enhancement of agricultural productivity based on simple and affordable technologies which are suitable for smallholder adoption and will help bridge the large gap between actual and potential yields. MOAI selected five Agricultural Development Divisions (ADDs) that include Blantyre, Karonga, Lilongwe, Machinga, and Salima and six districts

---

<sup>1</sup> The Mission was led by Ms Abba Benhammouche, IFAD Country Director, with the participation of the following team members: Mr Shakib Mbabaali (Agricultural Economist/Deputy Mission Leader); Mr Dick Siame (IFAD Country Programme Officer (Zambia)); Mr Richard Batamanye (Financial Management/Procurement Expert); Mr Martin Liywalii (Supervision Support Expert); Ms Marian Amaka Odenigbo (Nutrition Specialist); and Ms Karima Cherif (Communications/Monitoring and Evaluation Expert).

<sup>2</sup> MOAI support team consisted of: Dr Wilfred G. Lipita (ASWAp Coordinator); Mr Readwell Musopole (ASWAp Chief Economist/Deputy Coordinator (M)); Mr N.S Maluwa (Programme Officer); Ms Maureen Mwawa (Principal Economist); Mr Precious Mbewe (Accountant).

including Blantyre, Chiradzulu, Balaka, Nkhosakota, Lilongwe and Chitpa to participate in SAPP. SAPP is being implemented over nine years as an "earmarked" Programme within the Agricultural Sector Wide Approach (ASWAp). The **goal** is to contribute to reduction of poverty and improved food security among the rural population. The specific **development objective** is to achieve a viable and sustainable smallholder agricultural sector employing good agricultural practices (GAPs).

5. Total Programme cost is estimated at USD51.1 million of which about 89% is financed by IFAD. About half of the IFAD funds comprise of a highly concessional loan and the remainder is a grant.

## **B. Overall Assessment of SAPP Implementation**

6. SAPP implementation is two-and-years old. Unfortunately, on-the-ground activity implementation only started in January 2014. The implication is that the Programme has lost about two years of activity implementation. To that effect, the Mission set out to identify factors responsible for the delayed implementation and to work with the relevant GOM ministries to put remedial actions in place aimed at addressing the identified constraints.

7. According to the discussions held with different stakeholders, a number of factors are responsible for the slow pace of activity implementation and, therefore, the low disbursement rate. First of all, the officers at the MOAI Headquarters that were assigned the responsibility of coordinating and managing SAPP-related activities have other competing responsibilities. It is only the ASWAp Programme Officer in charge of SAPP that is fully dedicated to SAPP-related activities. The other officers (Financial Management, Procurement, Monitoring and Evaluation) have to balance SAPP-related activities with other responsibilities. The implication is that coordination and management of the Programme do not receive enough attention. This observation is consistent with those of some of the other donors. In April 2014, a World Bank Implementation Support Mission to ASWAp-SP noted that "...The Ministry has been directly implementing several Projects without Project Implementation Units (PIUs). All donors concerned by this approach have observed that the existing ASWAp Secretariat has been overwhelmed by the additional workload, resulting in diluted leadership over implementation and poor coordination. It is therefore proposed to allocate staff from the Ministry fully dedicated to coordinating these projects...". This reemphasises the urgent need to address the Programme's overall coordination and management issues with the aim of facilitating increased implementation pace.

8. Secondly, the internal approval process has tended to contribute to the delays that have been experienced. Activity implementation has, in some cases, undergone considerable delays because certain prerequisite processes and procedures require approval by top management. When/if the only officers mandated to provide the approval are not in the office, the implication is that such activities cannot proceed even if it takes such officers weeks to return to the office.

9. Thirdly, the flow of funds from the headquarters to the respective cost centres has, thus far, proved problematic. As per the Financing Agreement, all cost centres are required to open operating accounts to which funds would be transferred for the use of those centres to implement approved activities. The process of opening those accounts was protracted and time consuming. However, even after the accounts were opened, funds could not be directly transferred to those accounts because no allocation had been made in the National Budget for those cost centres. The alternative was for cheques to be issued to the different cost centres. The earliest the cost centres were able to access funds for activity implementation was November 2013; this implies that at least four months of activity implementation were lost. In addition to the delayed receipt of funds, the amount received was just a small proportion of what had been budgeted for (about 10% or less). The implication has been that the implementing agencies<sup>3</sup> have had to drastically scale down what they had planned to do. A summary of the activities that have been initiated, thus far, is presented under Section C of the Aide Memoire.

---

<sup>3</sup> Implementing Agencies include six Districts, five Agricultural Development Divisions and two MOAI Departments.

10. However, the issue of developing an effective seed system is highlighted here as, according to the Mission's field observations, it needs urgent attention. The production and distribution of improved seeds to farmers at affordable prices is critical to the attainment of the Programme's development objective. While the Government has put in place a seed multiplication and pass-on system, its management for effective delivery is yet to be ensured. Farmers receive 20 kilograms of breeder seeds which they multiply. At harvest time, their responsibility ends with them passing on the 20 kilograms of seed to the next identified beneficiary farmers. Then they are at liberty to do whatever they want with the remainder of the harvest. According to the farmers that the Mission met with, after removing some of the harvest for home dietary consumption and the following season's seeds, the remainder is sold on the open market which, practically, takes it out of the seed system. This is improved quality seed that ends up onto the open market for largely consumption purposes. On the other hand, there are a lot of farmers that complained about the inability to access affordable improved seeds. Thus, the current arrangement seems to contradict the intended purpose of increased availability of improved seeds to farmers.

11. Hence, there is a need for the Department of Research Services to urgently set up a system that would: a) ensure that the seed-production system is adequately monitored to ensure quality; and b) ensure that the improved seeds is bought from the seed-multiplying farmers and distributed to other needy farmers either through a pass-on programme or through other arrangements affordable to such farmers. This is of critical importance considering that the use of improved/certified seeds is one of the key good agricultural practices being promoted by SAPP. Such a system, once instituted, would contribute to sustaining Programme interventions in the area of seed production and distribution.

12. Given the above unwelcoming situation, and in consultation with the relevant Ministries, the Mission recommended an urgent establishment of a Transitional Programme Coordination Team (TPCT) to advance the implementation of the Programme. It is imperative that the TPCT is granted some level of decision-making autonomy within a given threshold. This is likely to address a number of delays that are associated with the current setup. The granting of some level of decision-making autonomy to steer Programme implementation does not compromise controls. When implemented properly, that arrangement (a Programme Management Team with delegated authority) would enable the Ministry to effectively implement the Programme in a timely manner. This model of Programme implementation is already being applied by the Government of Malawi with satisfactory results. In this regard, mention is made of the Rural Livelihoods Support Programme (RLSP) and the Rural Livelihoods Economic Enhancement Programme (RLEEP); RLSP's implementation was completed in September 2013 what RLEEP implementation is ongoing. For both Programmes, the Ministry of Local Government and Rural Development (MLGRD) is the lead implementing agency.

13. It is highlighted here that, for RLSP, the overall disbursement rate at the time of Programme closure (March 2014) was over 99% and this was accompanied by an impressive array of Programme achievements. For RLEEP, a Mid-Term Review exercise was undertaken; the MTR revealed that the Programme was on course to achieve its goal and development objectives. Disbursement was rated as satisfactory. The major difference between SAPP, on the one hand, and RLSP and RLEEP, on the other hand, is that while the former does not have a stand-alone Programme Implementation Unit (PIU), the latter two Programmes used the PIU model. In addition, the latter Programmes enjoy some appreciable level of autonomy in terms of decision making and procurement. While the MLGRD is still involved in the Programmes procurements, the Programme drives the procurement processes. It may be critical for the SAPP to explore the RLSP and RLEEP success factors.



Agreed action	Responsibility	Agreed date
1. Develop an Implementation Fast-tracking Action Plan (IFAP) for the Programme.	ASWAp Coordinator	July 2014
2. Consider the recruitment of a Transitional Programme Coordination Team (TPCT) composed of a Senior Coordinator, Senior Financial Controller, Senior Procurement Officer and Senior Monitoring and Evaluation Officer.	MOF and PS Ministry of Agriculture and Irrigation.	August 2014
3. Put in place a delegation of authority framework to minimise delays on Programme activity implementation.	PS Ministry of Agriculture and Irrigation.	July 2014
4. Kick-start field activities in the area of Conservation Agriculture by partnering with Total Land Care who have considerable experience in the subject matter	MOF and PS Ministry of Agriculture and Irrigation	July 2014
5. Devise and institute an effective seed multiplication and distribution system.	PS Ministry of Agriculture and Irrigation in liaison with the relevant Departments.	December 2014
6. Streamline the flow of funds from the Headquarters to the different implementing agencies to ensure a timely provision of the requisite resources for effective activity implementation.	Director of Finance (DOF).	September 2014

### C. Outputs and Outcomes

14. This section provides a short overview of the Mission's assessment of the Programme's progress towards the achievements of set outputs and outcomes. Considering that activity implementation is only beginning to unfold, there are only a few outputs and outcomes to report, especially considering that as of 31 May 2014, the Programme had utilised only 16% of the 2013/14 approved budget. The Mission reviewed implementation progress for the period from 1 July 2013 to 31 May 2014. In addition to ascertain implementation progress of the 2013/14 approved AWPB, the review also aimed at ensuring a harmonised reporting system to that would contribute towards consistency and completeness of data based on IFAD corporate requirements. Results of the review are reflected in a measurable Logical framework (as reflected in Appendix 2) and a more physical outputs/outcomes oriented schedule of detailed activities implemented with achievements, actual against targets (Appendix 4) both annual and cumulative. The following sections provide an overview of the most significant achievements, implementation constraints and recommendations.

15. **Component 1: Adaptive Research and Knowledge Management** – The objective of this component is to take the improved agricultural technologies and test them under different conditions of Malawi and establish their respective performance based on which recommendations would be made and the knowledge generated disseminated widely for adoption. Production and distribution of improved seeds to farmers at affordable prices is critical to the adoption of good agricultural practices and the attainment of SAPP's development objective. Although the Government has put in place a seed multiplication and pass-on system, its management for effective seed delivery needs strengthening to avoid leakages and to ensure that all seeds are collected and, accordingly, distributed to the farmers that need them. Farmers receive 20kg of breeder seed for multiplication. After harvest, they pass-on the 20kg of seed to the next beneficiary farmer. The Department of Research should ensure that the surplus seed is collected and, eventually, made available to more beneficiaries at affordable prices, but not less than the cost of production, to ensure sustainability. In the 2013-14 AWPB, production of seeds at on-farm trials (legume/roots and tubers) was included. This activity was part of the Development of an Effective Seed System which would make improved seeds available to farmers at affordable prices. However, largely due to the insufficient and poor flow of funds, most of the planned activities have not yet been undertaken.

16. *Subcomponent 1.1: Adaptive Research* – This subcomponent was meant to validate proven agricultural technologies in terms of their applicability to Malawian agro-ecological and socio-economic conditions. The approach is to be differentiated in accordance with the maturity of various

technologies and the level of experience with their utilisation. Some basic techniques are to be recommended for immediate adoption by farmers whilst others shall require validation through trials on farmers' fields across different ecological zones before packages of recommended practices can be formulated and demonstrated. Only a few activities were undertaken, again due to the insufficient and poor flow of funds.

17. During the reporting period, activities included conservation agriculture and variety trials. In total, 72 out of 355 farm trials were mounted by the Programme. These activities demonstrate and show farmers a cross-section of best land and water management practices, including reduced tillage, intercropping/rotation with leguminous crops, residue retention and management and pit/basin planting to increase soil organic matter for increased water and nutrient buffer capacity, reduced erosion and impact of the soil hoe-pan limitations. Although only a few activities were undertaken, farmers already have a good appreciation of the approach and the implied benefits. As such, they have already adopted some of the technologies, such as intercropping leguminous crops with maize to sustain soil fertility, minimum tillage for soil texture preservation and moisture/nutrient retention. Pit manure/compost production has been adopted by some lead farmers; this has high potential for a wider adoption by most farmers.

18. The Programme also facilitated procurement and distribution of herbicides to support mounting of on farm trials. In addition, the Programme managed to identify 142 lead farmers (90 women, 52 men) to participate in farm trials. These lead farmers were also oriented on management of demonstration plots.

19. *Subcomponent 1.2: Knowledge Management and Communication* – The objective of this subcomponent is to ensure that knowledge about the Good Agricultural Practices (GAPs) is effectively gathered, managed and communicated to stakeholders. The only activity, under this subcomponent, that has been initiated and is ongoing is the development of a Knowledge Management and Communication Strategy.

20. In order to effectively address the above key challenges and ensure that the component performs and delivers as expected, SAPP needs to be reoriented towards the achievement of its development objective. At the Programme level, the recommended remedial actions are contained in Section B. At the component level, this entails that the seed multiplication and distribution system is made more effective. In addition to streamlining the seed collection (from the farmers contracted to multiply the seeds) and distribution process, there is a need to ensure that the seed-production system is adequately monitored for quality seed production. It is also advisable that closer interaction/liaison between the researchers on the one hand and the extension services and the farmers on the other hand be explored. The closer interactions will be beneficial in identifying, in consultation with extension services and farmers, the relevant issues that need to be addressed in order to enhance productivity. There is also a need to urgently develop and operationalise the Guidelines for On-farm Trials as well as the development and operationalisation of the Knowledge Management and Communication Strategy. The strategy should ensure that the knowledge generated is relevant to beneficiary needs, effectively managed and communicated in a manner that guarantees easy access by beneficiaries. One effective way of doing so is to package the knowledge and disseminate it in local languages.

21. **Component 2: Farmer Adoption of GAPs** – The component aims at facilitating the dissemination and adoption of GAPs with the objective of increasing crop yields, diversify production, reduce yield variability, reduce labour inputs and improve soil health through integrated packages of improved soil and water management.

22. *Subcomponent 2.1: Improved Agricultural Extension* – The objective of this subcomponent is to ensure that targeted households under the Programme have access to improved agricultural extension services with a view to raising awareness and sensitising farmers about GAPs. The subcomponent was allocated a budget of USD33.2 million, representing about 65% of the Programme's total budget. The targeted principal activity areas include Farmer-to-Farmer Extension Network, Extension Coordination, Support to the MOAI, Department of Agricultural Extension Services

(DAES) at national, district and EPA levels, and training for DAES staff at all three levels. Other activity areas are Farmer Group Development, Extension Materials and Mass Media, and Extension Programme Management. Like the rest of the Programme, progress, thus far, has been sluggish. However, given that the subcomponent accounts for a high share of the total budget, its limited disbursement contributes greatly to the resultant disbursement lag. Following below is a summary of progress noted.

23. *Farmer to Farmer Extension Network* – Given the high vacancy rate of Frontline Extension Agents at the ‘Section’ level of over 30%, the Farmer-to-Farmer Extension Network, employing the concept of Lead Farmers, presents the core avenue for promoting the adoption of GAPs among targeted beneficiaries. The Programme embarked on recruitment and training of lead farmers. A total of 1,339 lead farmers (826 male, 513 female) or 97% out of the planned 1,377 (796 male, 581 female) were identified and trained. Lead farmer training topics included: Lead farmer concept, Farmer Field School (FFS) concept, roles and responsibilities, facilitation and communication skills, specific technologies and group formation and management. The lead farmers have formed groups and are already implementing various GAPs, such as compost-making, maximum soil cover, minimum tillage, pit-planting, and agro-forestry through under-sowing of *Tephrosia Vogelli*.

24. It was noted that there is need to recruit and train more lead-farmers to increase the lead-farmer/follower-farmer ratio, which is currently at one lead-farmer to 60 follower-farmers; the ideal ratio should be in the region of one lead-farmer to 15 or 20 follower-farmers. The low lead-farmer/follower-farmer ratio tends to be inefficient and may comprise the lead farmer's ability to set up and effectively manage demonstration plots. This may, in turn, lead to poor results by the lead farmers and contribute to erosion of confidence in what the lead farmers do and, possibly, negatively impact in what they teach.

25. The concept of lead farmer is very good and appropriate given the high vacancy rate at the ‘Section’ level in the EPAs where the Programme is being implemented. The concept, however, requires to be documented in form of a manual to guide all participating stakeholders, including the lead farmers themselves, follower farmers, extension staff, and any other service provider involved in implementation of the Programme. The manual should, *inter alia*, describe the concept and its implementation, roles and responsibilities of all participating stakeholders, including how each role would be played or function performed. Critical in this regard is the engagement of follower farmers and assigning these farmers to a lead farmer. A lead farmer and associated follower farmers should essentially make up a farmer group whose chairperson is the lead farmer. The group would elect or appoint a secretary who would keep records of any events and meetings by the group. The secretary would also keep a register of members and any group events.

26. With regard to FFSs, about 44 FFSs or 9.5% out of the planned 418 Farmer Field Schools were established. It is planned that the concept of Farmer Business School will be incorporated into the implementation of FFSs to ensure that economic aspects are considered by farmers when making decisions on which technologies or practices to adopt.

27. *Extension Coordination* – With a view to harmonising SAPP extension interventions with related and complementary extension activities under other Programmes/Projects and the general extension system at District and EPA levels, the Programme supported meetings and extension staff reorientation activities. These were aimed at revamping and reorganising District Agricultural Extension Coordinating Committees, District Stakeholder Panels and Area Stakeholder Panels within the framework of the District Agricultural Extension Services System.

28. *Training for Technical DAES Staff* – SAPP seeks to support training of DAES and other relevant technical staff at headquarters, district and EPA levels with a view to improving their knowledge of basic agronomy, increasing their awareness of GAPs, and enhancing their extension and communication skills. The Mission observed that only training for Agricultural Extension Development Coordinators (AEDCs) was conducted by the DAES. The rest of the training for Agricultural Extension Development Officers (AEDOs), and Subject Matter Specialists planned for the year did not take place or commence. The Mission noted the planned training in the 2014-2015 Annual Work Plan and

Budget and advised that a coherent training programme should be developed based on a comprehensive training needs assessment.

29. *Extension Programme Management* – In line with the Ministry’s policy on pluralistic approach to the delivery of extension services, the Programme is expected to contract Non-Government Organisations (NGOs) with the relevant experience to coordinate and support the aspects of adoption of GAPs and other extension services. This would help to lessen the negative impact the capacity limitations of the Public Extension System arising from the many vacancies at the ‘Section’ level. The Mission noted that no NGO contracts were executed in this regard and advised on the urgent need to engage the relevant NGOs in the implementation of the Farmer-to-Farmer Extension Network.

30. *Subcomponent 2.2: Access to key agriculture inputs* – Under this subcomponent the Programme supports the multiplication and distribution of selected seed through the network of farmer groups. The aim is to improve farmers’ access to improved seeds.

31. *Seed Multiplication and Distribution* – Interventions, thus far, have concentrated on preparatory activities. A total of 38, compared to the planned 34 sensitization meetings on legume demonstrations and seed multiplication programmes were conducted in all EPAs. Preference is given to dealing with groups. To that effect, a total of 61 out of the planned 69 legume seed multiplication groups were identified. Also, about 303 Government staff (209 male, 94 female) out of the 366 (256 male, 110 female) and 424 farmers (220 male, 204 female) out of the 354 (217 male, 137 female) were also trained in legume seed multiplication principals in all EPAs.

Agreed action	Responsibility	Agreed date
1. Recruit Service Providers/NGOs with the relevant experience to coordinate and support the aspects of adoption of GAPs and other extension services.	Director, Department of Agricultural Extension Services	October 2014
2. Recruit and train more lead-farmers to increase the lead-farmer/follower-farmer from 1:60 to about 1:20.	Director, Department of Agricultural Extension Services	Ongoing
3. Undertake a Training Needs Assessment for the Technical DAES staff and use it to develop a structured training Programme.	Director, Department of Agricultural Extension Services	December 2014

#### D. SAPP Implementation Progress

32. **SAPP Management Framework** – Unlike the other past and ongoing IFAD-supported Programmes/Projects in the country, SAPP’s Programme Management is integrated within the ASWAp framework. At the district level, the Programme is fully integrated within the Government decentralized system and this appears to be functioning. The participating districts prepare their respective AWPBs which are then sent to the Headquarters for review and consolidation. Funds are then transferred to the districts which implement activities and report on progress. While SAPP implementation seems to have fit in well within the Government decentralized system at the district level, the same cannot be said at the Headquarters level where overall coordination and management are embedded within the ASWAp framework. The major constraining factor, thus far, has been the fact that staff assigned to SAPP have other ASWAp/MOAI responsibilities. This has tended to limit the staff’s focus on SAPP activities. Consequently, SAPP’s coordination and management have tended to suffer and this is one of the factors that have contributed to the low disbursement rate. The other contributing factors are detailed in Section B of this report.

33. On the other hand, while integration at the district level has, thus far, proceeded well, capacity limitations at the ‘Section’ level may jeopardise SAPP’s effective implementation. The six participating districts have a total 676 ‘Sections’ in the respective Extension Planning Areas. Each of those ‘Sections’ is supposed to be operated by a Frontline Extension Agent. However, it was reported that over 30% of the ‘Sections’ currently do not have Frontline Extension Agents. Some districts are more

impacted than others due to the higher percentages of the vacancy rates. The most affected districts include Baraka (with 55% vacancy rate), Chitipa (51% vacancy rate) and Nkhotakota (36% vacancy rate). This could, potentially, jeopardise effective delivery of extension messages to the detriment of the Programme's development objective. As the Government with its efforts to reduce the vacancy rates in all EPAs across the country, it is important that concept of Farmer-to-Farmer Network (under Subcomponent 2.1) receives additional attention. It offers the most logical, effective and cheapest avenue to get the key extension messages (on GAPs) from the researchers to the rural farmers who are the primary target beneficiaries of SAPP.

34. Given the low absorption capacity of Programme funds, the Government is urged to consider embracing a Public-Private Partnership approach in the implementation of some of the SAPP activities. Government would provide leadership and oversight while private sector/NGO Service Providers would get on with the day-to-day implementation of SAPP. This approach would also enable the country to build the capacity of the private sector to become a competent partner in addressing challenges (such as capacity limitation issues at the 'Section' level) faced in agricultural and rural development in due course.

35. **Monitoring and Evaluation** – The Ministry of Agriculture and Irrigation has an M&E system that is managed by the Monitoring and Evaluation Unit in the Department of Planning. The unit is tasked with the responsibility of monitoring and evaluating all Programmes/Projects in the Ministry under the ASWAp framework. The unit has M&E Officers at national level as well as ADD and district levels. However, there is a high vacancy rate in the unit, especially at the field level. Consequently, the M&E system is not functioning properly. The original plan of the Programme was to engage a full time M&E Expert who was supposed to monitor and evaluate the administrative, technical, socioeconomic and environmental elements of the Programme with the Results and Impact Management System (RIMS) integrated into the overall M&E framework. The M&E Expert has not been recruited although an M&E Officer responsible for SAPP was appointed and is learning on the job. It had been foreseen that the M&E Officer would understudy the M&E Expert and develop capacity. The Mission highlights the following challenges:

- a. Failure to engage the M&E Expert is making it difficult for the Programme M&E Officer to develop capacity especially with regard to addressing the donor reporting requirements;
- b. Inadequate staff in the M&E Unit is a challenge for the M&E Officer to work full time on the Programme. Other duties that the M&E Officer currently undertakes include: (i) Coordinating ASWAp monitoring and evaluation issues, such as the Technical Working Group on M&E and Joint Sector Reviews; (ii) Monitoring and evaluation of other programmes/projects in the Ministry; (iii) Supervising production of all progress reports for the Ministry; (iv) Supervising development of the Ministry's AWPBs;
- c. Poor communication within the coordinating unit;
- d. Limited availability of the means of transport makes it difficult to undertake field visits to monitor and evaluate the Programme's implementation progress.

36. One of the consequences of an inadequate M&E system is the inadequate implementation progress reporting. The Mission received and reviewed a draft Progress Report. It was determined that there was the need to improve the quality and content of implementation progress reporting. This will include the need to report progress by components, and to compare achievements against set annual and cumulative targets. Given that activity implementation is just getting started, it is important that issues related to the Programme's M&E system get addressed in order to be able to properly track progress towards achieving the Programme's goal and development objective. However, it was also noted that districts had embraced Gender-Sensitive Reporting. The district reports on the few activities that had been carried out were specific in terms of participation by women and men. Reports on all events that involved both women and men were reported in terms of numbers of female and male participants. This manner of reporting must be embraced throughout the implementation of the

Programme at all levels. This will enhance the Programme's ability to report according to the requirements of IFAD's RIMS.

37. **Baseline Survey** – The Programme is in the process of procuring services to undertake a baseline survey to serve as a benchmark against which progress being made towards the achievement of the SAPP goal and development objective will be measured. The Mission expressed concerns about the fact that the Programme has started activity implementation, albeit at a very slow pace, but with no baseline information to be used to establish cause and effect of the different interventions. Given the desire to ensure that SAPP's focus should go beyond poverty reduction and improved food security among target population to also assure nutrition security, the baseline survey should capture nutrition-related information so as to monitor progress during the course of Programme implementation. To that effect, the Terms of Reference (TORs) for the baseline survey should be modified to reflect this requirement. There will be a need to include a questionnaire on food consumption (refer to the FAO Guidelines on Dietary Diversity). Data should be collected on the status of stunting and micronutrient deficiencies in the Programme's target areas.

38. **SAPP Preparedness to Host Supervision and Implementation Support Mission** – Although the Mission was announced at least two weeks in advance, the Programme was not ready with progress and status reports, and the Annual Work Plan and Budget (AWPB) for use and reference by the Mission. The Progress Report and the 2014/15 AWPB were only submitted mid-way through the Mission period. The status on the implementation of agreed actions and next steps was not submitted. To ensure continuity and logical implementation of Mission recommendations, and comprehensive and effective Supervision and Implementation Support, it is important that Programmes supply the relevant documentation to the Mission Team in good time. The Financing Agreement and is very clear on the timing of the production and submission of the different reports.

Agreed action	Responsibility	Agreed date
1. Modify the TORs for the baseline survey to reflect the need to collect data on the overall nutrition situation of the target beneficiaries in the Programme target areas.	ASWAp Programme Officer responsible for SAPP in liaison with the relevant Department in MOAI	July 2014

## E. Fiduciary Aspects

39. **Financial Management** – SAPP financial management and accounting personnel structure is embedded into the structures of the MOAI where an Accountant has been assigned the responsibility of financial management of the Programme. The accountant is carrying out these responsibilities alongside other assignments. The recruitment of the Financial Management Advisor envisaged to support the Programme during the initial years has taken time to take off which has affected the set up of the Programme financial management systems, including procurement and installation of an accounting software. **It is important that these structures are streamlined and training offered to staff dedicated to the Programme to facilitate efficient programme implementation.**

40. SAPP accounting is being done using the Excel-based financial reporting as they are awaiting installation of the Accounting Software. This is time consuming, prone to data loss and is unsuitable for quickly generating the required data. IFAD requires the production of detailed financial reports and in a specific format where accounting data should be sorted by Component, Subcomponent, activity, Category, and by Financier. **The Mission reiterates previous Missions' recommendations to fast track the acquisition of an off-the-shelf accounting software installed at all cost centres to facilitate data monitoring in real-time by head-quarters and facilitate reporting as required by IFAD. This should be used parallel to IFMIS to facilitate tracking of Programme financial management by the MOF.**

41. *Funds flow* – The funds flow at SAPP is complex due to the fact that all stages are administered by the Ministry of Finance through the Accountant General's office. The Programme extends to six Districts, five ADDs, three Departments and MOAI Headquarters. Each District, ADD and Department is treated as separate cost centre and is required to operate a separate account periodically replenished from a holding account. The Ministry of Finance (MOF) requires that for each account held by a Government entity, there must be a separate holding account. This means, each cost centre will have its own operating account and a holding account which differs from the arrangements that had been foreseen at the designing stage, whereby each implementing entity was to be treated as an imprest holder that would receive funds from a single operational account managed by the Director of Finance (DOF) at the MOAI. The MOAI has decided to have the Departments operate under the Secretariat holding account and progress is being made in opening holding accounts for ADDs. However, there has been a challenge having the six districts open holding accounts due to the delay in receiving approval by the National Local Government Finance Committee. Towards the end of its stay in the country, the Mission was informed that the National Local Government Finance Committee recently gave approval to the districts to open the holding accounts following a meeting on the same with the office of the Director of Finance. In the interim, transactions are being generated at the cost centres and documents delivered to the MOAI for processing of payment. This has been characterized with delays and is costly as one transaction involves not less than two trips by officials from the district to MOAI. **The DOF should follow up on this issue to expedite the opening of the holding accounts so as to facilitate smooth implementation of activities at the districts.**

42. **Disbursement** – As at 31 May 2014, IFAD Loan 854-MW was 2.9% disbursed (SDR 0.43 million of SDR 14.65 million allocated) while the Grant DSF-8092-MW was 3% disbursed (SDR 0.43 million of SDR 14.25 million allocated). In aggregate, both the loan and grant were about 3% disbursed (SDR 0.85 million of SDR 28.90 million allocated) leaving available balance to be accessed by the Programme from IFAD at SDR 28.05 million (equivalent approximately to USD 42.10 million). This is a highly unsatisfactory disbursement rate. It is mainly attributed to the slow start of activity implementation as a consequence of factors highlighted in Section B of the Aide Memoire. Compared to the appraisal targets, the Programme ought to have disbursed at least USD 11.1 million (of loan and grant) by the fifth disbursement semester. This would represent about 24.6%. **Thus, at 3%, the disbursement rate is highly unsatisfactory and will require the Programme to speed up implementation to achieve a desired level of disbursement.**

43. In view of the above disbursement rate, it is noted that Programme design allocated SDR 20.80 million (equivalent to approximately USD 31.2 million), representing 72% of the total loan and grant to finance investment activities: category IV (a) – Support to improved agriculture extension (SDR 17.51 million) and category IV (b) – Support for access to key agricultural inputs (SDR 3.29 million). There has not been any disbursement on the two categories yet; they constitute the core business of the Programme. There is urgent need for the Programme to re-focus implementation to ensure achievement of objectives.

44. *Project Preparatory Facility (PPF –DSF – 8092-A-MW)* – A total of USD 0.6 million was advanced by IFAD as PPF. The second batch of the PPF, amounting to USD 0.3 million, was only disbursed on 21<sup>st</sup> January 2014 and is yet to be justified. All PPF expenditures must have been incurred prior to the completion date of the 8092/A-MW PPF grant, which has now passed. It is recommended that the utilized funds under the PPF grant be justified and the remaining funds be refunded to IFAD to facilitate eventual transfer of the funds to the main grant account.

45. *Special Account Reconciliation* – The Mission noted that the Special Account reconciliation as of 30<sup>th</sup> April 2014 supporting WA # 2 was not accompanied by bank statements to support the bank balances of USD 473,877.32 reported. A further analysis of the special account reconciliation and the related operations account transactions revealed that a total of USD 36,000 had been withdrawn from the Project account but could not be linked to project activities. It was explained that these funds were borrowed by the MOAI to finance GOM activities rather than SAPP activities on the understanding that a refund will be made. Inter borrowing reduces availability of resources to finance planned activities with eventual negative impact on the overall achievement of objectives. Besides, it

constitutes noncompliance with loan covenants as the financed activities other than SAPP activities are ineligible under the financing agreement. **It is recommended that the PS, MOAI ensures that USD 36,000 borrowed is urgently refunded and should avoid such borrowings as they will negatively impact on Programme management.**

46. *Budget performance for the year 2013/14* – As at 31 May 2014, SAPP had utilised about MK 419.85 million (equivalent of USD 1.24 million) of the 2013/14 approved budget of MK 2.66 billion (equivalents of USD 7.1 million) representing 16% of the total budget; this is shown in the table below. This utilisation rate of the annual budget is considered unsatisfactory and SAPP will require speeding up implementation in the next fiscal year in order to achieve a satisfactory rate of funds utilisation and improve on the currently low disbursement rate.

**Table 1: AWPB Performance for the year 2013/14, as at 31 May 2014**

Component	Description	FY 2013/14		
		Budget	Actual	Performance
		MK "000"	MK "000"	%
1.	Adoptive Research and Knowledge management	201,624	87,547	43%
2	Farmer Adaptation of Good Agricultural practices	1,714,402	222,558	13%
3	Programme Management and Coordination	748,779	109,746	15%
	<b>Grand total</b>	<b>2,664,805</b>	<b>419,851</b>	<b>16%</b>

47. *SOE Spot Check* – The Mission undertook a review of Statements of Expenditure (SOEs) supporting WA 2 submitted for replenishment. The spot checks undertaken revealed the expenditure claimed was eligible and were properly accounted for during the reporting period. However, the following will require the attention of SAPP Management to improve the quality of withdrawal applications:

- a. Some payment vouchers in respect of SOEs do not have adequate supporting documents. For example, training allowances paid were not supported with attendance list of participants neither were training reports attached;
- b. Some payments for items procured for distribution lacked support documents providing evidence that the items procured were delivered to the respective beneficiaries.

48. **Counterpart Funds** – The Programme has not systematically documented counterpart contribution from both GOM and beneficiaries. However, from the review of the last Special Account reconciliation, it was observed that USD 3,470.16 (about MK 1.39 million) in respect of VAT has been pre-financed from Programme funds. **MOAI should ensure that this money gets refunded. Counterpart contribution should be quantified and reported.**

49. **Compliance with Loan Covenants** – The Programme is generally being implemented in compliance with the financing agreement except for the outstanding justification under the PPF grant, completion of the Programme Implementation Manual and payment of taxes from loan/grant funds.

50. **Procurement** – Procurement and contract management remains with the procurement Unit of the Ministry. This is characterized with difficulties of transaction management associated with the administrative chain of command which is unsuitable for a project set up as it is time consuming. The recruitment of the Procurement Advisor envisaged to support the Programme during the initial years did not take off. There is need for the Programme's procurement function to be streamlined and to ensure that SAPP is availed with the requisite goods and services in a timely manner.

51. **Audit** – The Programme has never undergone statutory audit since inception. The last supervision Mission recommended that the first audit for the SAPP will be undertaken after June 2014 covering both the 2012/13 and 2013/14 fiscal years, and will include an audit of the PPF whose funds



were first received on the 9 July 2012. The audit should be undertaken as soon as possible and reports submitted to IFAD not later than 31 December 2014.

Agreed action	Responsibility	Agreed date
1. Acquire an accounting software and have it installed at all cost centres to facilitate data monitoring in real-time by Headquarters and facilitate reporting as required by IFAD	DOF	October 2014
2. Expedite the process of opening of the holding accounts to facilitate smooth implementation of activities at the districts.	DOF	August 2014
3. Justify the PPF grant and refund all unutilised funds to facilitate transfer of those funds to the main grant account.	Accountant	July 2014
4. Follow up with the Malawi Revenue Authority for a refund of VAT that was paid using loan funds	DOF	Malawi
5. Refund the USD36,000 borrowed from the Programme Account	PS, MOAI	July 2014
6. Quantify and report counterpart contributions both by GOM and beneficiaries.	Accountant	ongoing

## F. Sustainability

52. Sustainability of Programme interventions cannot be effectively assessed at this stage of SAPP implementation because only a few of its activities have been initiated but it is obvious that continued activity implementation delay would jeopardise the sustainability of the Programme's interventions. However, as per the Programme design, Programme implementation is to be integrated within the decentralized institutional arrangements of the Government. For those activities that have been initiated, it has been established that, indeed, implementation is fully embedded within the district institutional arrangements. But, as it currently stands, capacity gaps at the 'Section' level in all participating districts are already making it difficult to effectively implement Programme activities. As full Programme activity implementation begins to unfold, it will be important that the capacity gaps get addressed through filling vacant positions, skills strengthening and the provision of the key equipment for effective activity implementation. The timely addressing of these constraints will go a long way in securing the sustainability of SAPP interventions. Given the implementation difficulties experienced by the Programme thus far, it is essential that as measures to fast-track SAPP implementation get put in place, there is a need for the GOM and IFAD to ensure that attention to sustainability receives high regard.

## G. Other

53. **Nutrition-Sensitive Agriculture** – The promotion of adaptive research and demonstration of GAPs is focused on poverty reduction and improved food security among the target population. The Mission identified potential areas for positive nutrition outcomes from on-going activities in the Programme's EPAs. Interaction with some of the beneficiaries during field visits to Chilaza and Mpingu EPAs, Lilongwe district, revealed the expansion of maize-based farming system to diversified crops. The crop mix includes soybeans, pigeon peas and different varieties of groundnuts. The Mission commended this crop diversification as it presents a high potential for positive nutrition outcomes. Interaction with farmers revealed that the newly introduced legumes are being incorporated in the families' regular menu. The positive influence on food consumption is encouraging. Interaction with one of the farmers revealed improvement in the monotonous diet with incorporation of soybeans and groundnut products. The farmers also reported increased access to meat and fish due to increased incomes from their farm produce. Inclusion of food and nutrition training in Farmer Field School is an encouraging approach to facilitate increased consumption of adequate diet and proper utilization of the increasing incomes for positive nutrition outcomes.

54. Establishment of Farmer Field Schools and farmer group formation are pathways for retrofitting nutrition sensitive agriculture in SAPP through nutrition education and communication. However, low female participation in training activities was observed. In Lilongwe district, the trained lead farmers

consist of 171 women and 356 men. Karonga ADD reported only 6 females out of 44 staff trained on gender mainstreaming. The attendance at food and nutrition training sessions showed 21 females verses 27 males in Mwamkumbwa and 39 females, verses 53 males in Kavukuku EPA, Chitipa district. The Mission commended the food and nutrition training in SAPP implementation at Chitipa district and encouraged other districts to follow suit in order to facilitate nutrition sensitive intervention. The nutrition training was focused on dietary diversity through different preparation methods of soybeans, groundnuts, pigeon peas, and maize. Considering that the SAPP baseline survey is yet to be undertaken, it is important that key nutrition-specific indicators get identified, their respective baseline situation established. The indicators would then be tracked during the course of SAPP implementation so as to establish the Programme's direct impact/contribution to the nutritional status of beneficiaries.

55. **South-to-South Initiative** – In 2013, the IFAD Country Office initiated a programme of incorporating Programme Managers from Malawi in the Supervision of Programmes/Projects in Zambia as Supervision Support Experts and vice versa. The initiative is aimed at affording an opportunity for Programmes under the respective Country Portfolios to learn from, and encourage, each other. The SAPP Supervision Mission Team included the Programme Manager for the Smallholder Productivity Promotion Programme (S3P) in Zambia. The S3P interventions are similar to those of, and is facing implementation challenges similar to those faced by, SAPP in Malawi. The S3P in Zambia is undergoing an implementation fast-tracking phase and has developed an Implementation Fast-tracking Action Plan, which SAPP was advised to develop in order to have a structured and unified plan to accelerate Programme implementation and disbursements. The S3P Programme Manager and the SAPP Programme Officer interacted to discuss the IFAP development process and shared their implementation experiences and strategies for addressing Programme implementation bottlenecks. The Mission advised that the South-to-South Initiative could be developed into an Inter-Portfolio Exchange Programme that would not only involve Programme and Implementing Ministry staff but Programme beneficiaries as well.

## H. Conclusion

56. Effective implementation of SAPP within the ASWAp framework is still a major issue that needs to be closely looked at by the GOM and IFAD. It is the Mission's view that a combination of a lengthy internal approval process and the continued multitasking of all but one government officer assigned to SAPP does not help effective Programme implementation. That combination is largely responsible for the observed slow implementation progress and the resultant low disbursement rate. To that effect, the GOM and IFAD have decided to put in place a SAPP Implementation Fast-tracking Action Plan (IFAP) to address the slow pace of Programme implementation and the implied disbursement lag. The fast-tracking measure will necessarily require the establishment of a Transitional Programme Coordination Team to support the IFAP and partnering with Total Land Care (TLC) in the area of Conservation Agriculture. Given TLC's considerable experience with Conservation Agriculture applications in Malawi, the partnership is expected to hasten SAPP's interventions in this area.



## Appendix 1: Summary of Project Status and Ratings

### A. Basic Facts

Country	Malawi	Project ID	1533	Loan/DSF Grant No.	Loan 854/MW DSF 8092/MW
Project	Sustainable Agricultural Production Programme			Top-up Loan/DSF Grant	
Date of Update	24 <sup>th</sup> June 2014				
Supervising Inst.	IFAD				
No. of Supervisions	3	No. of Implementation Support/Follow-up Missions	4		
Last Supervision	September 2013	Last Implementation Support/Follow-up Mission	September 2013.		

					USD million	Disb. rate %
Approval	13/12/2011			Total financing		
Agreement	24/01/2012	Effectiveness lag	n/a	IFAD Total	43.95	
Entry into force	24/01/2012	PAR value	-----	IFAD loan	21.975	3
First disbursement	August 2013			DSF grant	21.375	3
MTR	n/a	Last amendment	n/a	IFAD grant (PPF)	0.6	100
Original completion	31/03/2021	Last audit	n/a	Domestic Total		
Current completion	31/03/2021			Beneficiaries	1.22	0
Original closing	30/09/2021			Government (National)	3.23	10
Current closing	30/09/2021			External Co-financing Total		
No. of extensions	0					

### Project Performance Ratings

B.1 Fiduciary Aspects	Last	Current	B.2 Project implementation progress	Last	Current
1. Quality of financial management	3	2	1. Quality of project management	3	3
2. Acceptable disbursement rate	1	2	2. Performance of M&E	3	3
3. Counterpart funds	3	2	3. Coherence between AWPB & implementation	3	3
4. Compliance with financing covenants	3	3	4. Gender focus	3	3
5. Compliance with procurement	3	3	5. Poverty focus	3	3
6. Quality and timeliness of audits	3	2	6. Effectiveness of targeting approach	3	3
			7. Innovation and learning	3	3
			8. Climate and environment focus	-	4
B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Component 1: Adaptive Research and Knowledge Management	3	3	1. Institution building (organizations, etc.)	3	3
2. Component 2: Farmer Adoption of GAPs	3	3	2. Empowerment	3	3
3. Component 3: Programme Management and	3	2	3. Quality of beneficiary participation	3	3

Coordination					
			4. Responsiveness of service providers	3	3
			5. Exit strategy (readiness and quality)		NR
			6. Potential for scaling up and replication	3	3

#### B.5 Justification of ratings

The multitasking of Government Officers assigned to SAPP has meant that not enough attention has been given to the Programme's implementation. Consequently, the key functions of coordination and management, financial management, procurement and monitoring and evaluation have suffered. For example, the fulfilment of the disbursement conditions was very protracted and, therefore, resources were only received in August 2013; this is very late for a Programme whose Financing Agreement was signed in January 2012. Even after receipt of the funds at the Central Bank, the mechanism to channel such funds to the respective implementing agencies was not in place. This meant a loss of an additional 3 months before the implementing agencies could access the required resources. In addition, most of the implementing agencies received less than 10% of their respective 2013/14 budgets. As a result, most of the planned 2013/14 activities have not been implemented.

### Overall Assessment and Risk Profile

		Last	Current
C.1	Physical/financial assets	3	3
C.2	Food security	3	3
C.3	Quality of natural asset improvement and climate resilience		4
C.4	Overall <b>implementation progress</b> (Sections B1 and B2)	3	2
<b>Rationale for implementation progress rating:</b> Little progress has been made. The problems have already caused delay and will endanger the entire project if not resolved. However, the Government of Malawi and IFAD have agreed to institute an Implementation Fast-tracking Action Plan to hasten SAPP implementation.			
C.5	Likelihood of achieving the development objectives (section B3 and B4)	3	2
<b>Rationale for development objectives rating:</b> The Mission has established that little progress has been made in realising outcomes; this implies a potential risk for the Programme to meet the development objectives at completion in the current state. However, corrective measures are being taken by GOM and IFAD which, if effectively implemented, will turn around SAPP's performance.			
C.6	<b>Risks</b> Short description of major risks for each section and their impact on achievement of development objectives and sustainability		
	Fiduciary aspects	SAPP does not yet have a Financial Management System and the IFMIS software being used is unable to generate Financial Reports in details and format as required by IFAD where accounting data should be sorted by Component, Subcomponent, Activity, Category, and by Financier. As an interim measure, reports are being produced in excel worksheets which is time consuming, prone to data loss and is unsuitable for quickly generating the required data. There is an urgent need to procure and install an appropriate off-the-shelf Accounting Software to address this issue. In addition, the delay in opening holding bank accounts for the participating districts is inhibiting the transfer of funds to the Districts. If not expedited more implantation time will be lost.	
	Project implementation progress	The Mission established that SAPP implementation is about 2 years behind schedule. This presents a high risk to achieving the Programme's development objective. However, Senior Management in MOF and MOAI and IFAD have agreed to institute the required Implementation Fast-Tracking Action Plan (IFAP) to catch up on the lost time. If effectively implemented, the proposed IFAP is expected to accelerate the pace of implementation and, implicitly, improve the Programme's likelihood of achieving its set development objective.	
	Outputs and outcomes	The factors contributing to delayed SAPP implementation as specified in Section B of this Aide Memoire, if not addressed, would mean that most of the outputs and outcomes would not be realised. Consequently, the Programme's development objective would not be achieved. However, it is expected that the effective implementation of the proposed IFAD would help to remedy the situation.	
	Sustainability	Capacity building is a key to sustaining different Programme interventions. However, given the long delay in SAPP implementation, the implication is that the beneficiary farmers and institutions could end up receiving less of the required support /capacity building. This would, implicitly, jeopardise the potential for sustaining the Programme's interventions.	

### Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
Slow Pace of Programme Implementation	1. Develop an Implementation Fast-tracking Action Plan (IFAP) for the Programme.	July 2014	
	2. Consider the recruitment of a Transitional Programme Coordination Team (TPCT) composed of a Senior Coordinator, Senior Financial Controller, Senior Procurement Officer and Senior Monitoring and Evaluation Officer.	August 2014	
	3. Put in place a delegation of authority framework to minimise delays on Programme activity implementation.	July 2014	
	4. Kick-start field activities in the area of Conservation Agriculture by partnering with Total Land Care who have considerable experience in the subject matter	July 2014	
	5. Devise and institute an effective seed multiplication and distribution system.	December 2014	
	6. Streamline the flow of funds from the Headquarters to the different implementing agencies to ensure a timely provision of the requisite resources for effective activity implementation.	September 2014	
Delay in Opening Holding Accounts at the District Level	7. Follow up with the Local Government Finance Committees to expedite the opening of the holding accounts so as to facilitate smooth implementation of activities at the districts.	August 2014	
High Vacancy Rate at the 'Section' Level	8. Recruit and train more lead-farmers to increase the lead-farmer/follower-farmer ratio from 1:60 to about 1:20.	Ongoing	



## Appendix 2: Updated Logical Framework: Progress against Objectives, Outcomes and Outputs

Results Hierarchy	Indicators a/	Means of Verification	Assumptions	Comments
<b>Goal:</b> Contribute to reduction of poverty and improved food security among the rural population.	<ul style="list-style-type: none"> <li>Prevalence rates for rural poverty in project districts decline by 20%</li> <li>Prevalence rates for food insecurity in project districts decline by 30%</li> <li>Reduction in prevalence of malnutrition among children below 5 years of age in project area</li> <li>Increase in household asset ownership in project area .</li> <li>Level of national food production increases by 10%</li> </ul>	<ul style="list-style-type: none"> <li>Household impact assessment survey and expenditure surveys.</li> <li>Baseline survey and project completion Report</li> <li>Household impact assessment survey</li> <li>Household impact assessment survey</li> <li>Agricultural production estimates survey</li> </ul>	<ul style="list-style-type: none"> <li>Absence of external economic shocks</li> </ul>	The baseline survey has delayed there is need to fast track the process.
<b>Development Objective:</b> A viable and sustainable smallholder agricultural sector employing good agricultural practices (GAPs).	<ul style="list-style-type: none"> <li>Average maize yields in target group households increase from 2t/ha to 3.0 t/ha.</li> <li>30% increase in legume production in project areas</li> <li>% of land planted to legumes increased by 10 % in project areas</li> <li>33% of target group farmers accessing crop inputs through commercial channels.</li> </ul>	<ul style="list-style-type: none"> <li>Impact evaluation survey in Programme areas.</li> <li>Agricultural production estimate statistics</li> <li>Household Surveys</li> </ul>	<ul style="list-style-type: none"> <li>GOM will be prepared to phase out subsidies once farmers are able to finance procurement of inputs themselves.</li> </ul>	<ul style="list-style-type: none"> <li>The baseline survey has to be conducted to establish progress</li> <li>Household surveys will have to be conducted</li> <li>The credit component has not started operating</li> </ul>
<b>Outcome 1:</b> Appropriate agricultural technologies/GAPs developed and understood by potential beneficiaries.	<ul style="list-style-type: none"> <li>Number of improved agronomic packages tested and demonstrated.</li> <li>Number of Awareness campaigns on improved agronomic packages amongst stakeholder groups.</li> </ul>	<ul style="list-style-type: none"> <li>Documents describing key elements of agronomic packages tested and demonstrated.</li> <li>Awareness surveys (baseline and follow-up).</li> <li>Household surveys</li> <li>Stakeholder Surveys</li> </ul>	<ul style="list-style-type: none"> <li>GAP packages suitable for adoption by target groups will be identified and accepted by potential beneficiaries.</li> </ul>	<ul style="list-style-type: none"> <li>Appraisal Target not available. (providing the updated LF by 1<sup>st</sup> week of July)</li> <li>These indicator needs to be revised to include targets to make them measurable</li> </ul>



Results Hierarchy	Indicators a/	Means of Verification	Assumptions	Comments
<b>Output 1.1:</b> Action research programmes which develop/refine GAP packages adapted to various agro-ecological and socio-economic contexts, and improved methods of disseminating such packages to rural communities.	<ul style="list-style-type: none"> <li>Number of Gap Packages developed adapting conditions suitable for smallholders.</li> <li>Number of demonstration trials mounted to disseminate the improved technologies developed</li> <li>Number of Farmers adopting improved production technologies</li> </ul>	<ul style="list-style-type: none"> <li>Reports on trials and demonstrations.</li> <li>Measurements of crop productivity and profitability.</li> <li>Adoption rate surveys</li> </ul>	<ul style="list-style-type: none"> <li>Suitable partners to undertake action research programmes will be engaged.</li> <li></li> </ul>	<ul style="list-style-type: none"> <li>Appraisal Target not available. (providing the updated LF by 4<sup>th</sup> July 2014</li> <li>72 demonstration trials were mounted out of 355 due to late funding which affected procurement of inputs for demonstrations</li> <li>Number of farmers adopting improved production technologies not available because no adoption study has been conducted</li> </ul>
<b>Output 1.2:</b> Knowledge about GAPs effectively gathered, managed and communicated to smallholders.	<ul style="list-style-type: none"> <li>Number of Regional knowledge centres on GAPs effectively networked.</li> <li>Number and type of dissemination mechanisms developed and functioning</li> <li>Number of stakeholders accessing project information</li> </ul>	<ul style="list-style-type: none"> <li>Reports of regional knowledge networking activities.</li> <li>Information dissemination materials produced and distributed.</li> <li>Reports on other knowledge management activities (e.g. workshops).</li> <li>Surveys on awareness and acceptance of GAPs amongst farmers, extension workers and researchers.</li> <li>Perception survey</li> </ul>	<ul style="list-style-type: none"> <li>Regional agricultural knowledge sharing networks will be effectively engaged.</li> <li>Other partners will cooperate in the development of effective knowledge management systems.</li> </ul>	<ul style="list-style-type: none"> <li>Number not available as the activity was not in the work plan. Appraisal target not available but will be provided 4<sup>th</sup> July.</li> <li>Appraisal target not available but will be provided by 4<sup>th</sup> July</li> <li>As above</li> </ul>
<b>Outcome 2:</b> Widespread farmer adoption of GAPs leading to improved productivity and crop yields.	<ul style="list-style-type: none"> <li>80,000 smallholders adopting GAPs disseminated in the Programme area.</li> <li>40% of farmers continue to apply GAPs after Programme support ended.</li> </ul>	<ul style="list-style-type: none"> <li>Baseline and follow-up surveys on agricultural practices in Programme areas.</li> <li>Impact evaluation surveys</li> </ul>	<ul style="list-style-type: none"> <li>Farmers will be willing and able to procure the necessary inputs to sustain use of GAPs after support ends.</li> </ul>	<ul style="list-style-type: none"> <li>Project just starting. Will be reported after adoption study is conducted</li> <li>This will be reported after project support ends</li> </ul>
<b>Output 2.1:</b> Improved agricultural extension services accessible to target group households raising awareness and sensitising farmers about GAPs.	<ul style="list-style-type: none"> <li>50% of target group households receiving extension services on GAPs.</li> <li>135,000 households adopting GAPs by Year 9</li> <li>70% of beneficiaries should recommend extension services provided by the project</li> </ul>	<ul style="list-style-type: none"> <li>Records of extension service providers (Govt, NGO, private).</li> <li>Supervision Reports</li> <li>Baseline and follow-up studies on adoption behaviour</li> <li>Baseline and follow-up surveys on households receiving services and level of satisfaction.</li> <li>Extensions materials and training curricula.</li> <li>Perception survey</li> </ul>	<ul style="list-style-type: none"> <li>An adequate number of suitably qualified extension service providers will be available.</li> <li>Adequate research-extension linkages will be established and maintained.</li> </ul>	<ul style="list-style-type: none"> <li>A follow up survey will have to be conducted</li> <li>This will be reported in year 9</li> <li>A perception survey needs to be conducted</li> </ul>

Results Hierarchy	Indicators a/	Means of Verification	Assumptions	Comments
<b>Output 2.2:</b> Target group has access to necessary inputs for sustained adoption of GAPs.	<ul style="list-style-type: none"> <li>• 160 tonnes per annum of improved legume seed produced and distributed to target group households.</li> <li>• 75% of agro-dealers in Programme area stocking key agricultural inputs (type, quantity) needed for GAPs.</li> <li>• 9,700 grain silos distributed.</li> <li>• Level of storage losses decreased from 20% to 5%</li> <li>• half of target group households accessing formal credit for purchase of crop inputs.</li> </ul>	<ul style="list-style-type: none"> <li>• Records maintained by partners engaged to undertake seed multiplication and distribution.</li> <li>• Baseline and follow-up surveys of agro-dealers.</li> <li>• Records maintained by partners engaged to provide financial services to target group farmers.</li> <li>• Household surveys</li> <li>• Post harvest loss survey</li> </ul>	<ul style="list-style-type: none"> <li>• It will be possible to engage suitable partners for seed multiplication and distribution, agro-dealer support and rural financial services.</li> </ul>	<ul style="list-style-type: none"> <li>• 120 tones of legume seed produced</li> <li>• Agro dealer surveys need to be conducted</li> <li>• 13 out of 360 silos were distributed</li> <li>• Post harvest loss survey will have to be conducted to establish the % loss.</li> <li>• The credit component not yet operational</li> </ul>
<b>Outcome 3:</b> Programme efficiently and effectively integrated within the ASWAp framework.	Number and type of work plans and reports conforming to ASWAp formats	<ul style="list-style-type: none"> <li>• Quarterly and annual ASWAp progress reports.</li> <li>• IFAD supervision reports.</li> </ul>	<ul style="list-style-type: none"> <li>• Programme will be implemented within the emerging ASWAp framework.</li> <li>• MOAI will provide adequate resources for efficient and effective management.</li> </ul>	<ul style="list-style-type: none"> <li>• This indicator needs to be revised to come up with a relevant indicator</li> </ul>
<b>Output 3.1:</b> Programme management systems fully integrated within the ASWAp management system.	<ul style="list-style-type: none"> <li>• Number of joint review meetings conducted</li> <li>• Number of joint planning meetings conducted</li> </ul>	<ul style="list-style-type: none"> <li>• ASWAp consolidated AWPBs.</li> <li>• ASWAp M&amp;E reports.</li> <li>• Mid-Term Review and programme completion report.</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate resources allocated to Programme management, monitoring and evaluation in a timely fashion.</li> </ul>	<ul style="list-style-type: none"> <li>• The target of 12 has been set considering 2 meetings per year for 6 reaming years</li> <li>• The target of joint planning meetings is 6. The meeting will be held from 23<sup>rd</sup> June 2014.</li> </ul>



### Appendix 3: Summary of key Actions to be taken within Agreed Timeframes

Action Area	Action Agreed	Date	Whom	Progress
<b>Project Implementation</b>	1. Develop an Implementation Fast-tracking Action Plan (IFAP) for the Programme.	July 2014	ASWAp Coordinator	
	2. Consider the recruitment of a Transitional Programme Coordination Team (TPCT) composed of a Senior Coordinator, Senior Financial Controller, Senior Procurement Officer and Senior Monitoring and Evaluation Officer.	August 2014	MOF and PS Ministry of Agriculture and Irrigation.	
	3. Put in place a delegation of authority framework to minimise delays on Programme activity implementation.	July 2014	PS Ministry of Agriculture and Irrigation.	
	4. Kick-start field activities in the area of Conservation Agriculture by partnering with Total Land Care who have considerable experience in the subject matter	July 2014	MOF and PS Ministry of Agriculture and Irrigation	
	5. Devise and institute an effective seed multiplication and distribution system.	December 2014	PS Ministry of Agriculture and Irrigation in liaison with the relevant Departments.	
	6. Streamline the flow of funds from the Headquarters to the different implementing agencies to ensure a timely provision of the requisite resources for effective activity implementation.	September 2014	Director of Finance (DOF).	
<b>Outputs</b>	7. Recruit Service Providers/NGOs with the relevant experience to coordinate and support the aspects of adoption of GAPs and other extension services.	October 2014	Director, Department of Agricultural Extension Services	
	8. Recruit and train more lead-farmers to increase the lead-farmer/follower-farmer from 1:60 to about 1:20.	Ongoing	Director, Department of Agricultural Extension Services	
	9. Undertake a Training Needs Assessment for the Technical DAES staff and use it to develop a structured training Programme.	December 2014	Director, Department of Agricultural Extension Services	
	10. Modify the TORs for the baseline survey to reflect the need to collect data on the overall nutrition situation of the target beneficiaries in the Programme target areas.	July 2014	ASWAp Programme Officer responsible for SAPP in liaison with the relevant Department in MOAI	
<b>Fiduciary Aspects</b>	11. Acquire an accounting software and have it installed at all cost centres to facilitate data monitoring in real-time by Headquarters and facilitate reporting as required by IFAD	October 2014	DOF	
	12. Expedite the process of opening of the holding accounts to facilitate smooth implementation of activities at the districts.	August 2014	DOF	
	13. Justify the PPF grant and refund all unutilised funds to facilitate transfer of those funds to the main grant account.	July 2014	Accountant	

14. Follow up with the Malawi Revenue Authority for a refund of VAT that was paid using loan funds	Malawi	DOF
15. Refund the USD36,000 borrowed from the Programme Account	July 2014	PS, MOAI
16. Quantify and report counterpart contributions both by GOM and beneficiaries.	Ongoing	Accountant

---

## Appendix 4: Physical Progress Measured against AWP&B, including RIMS Indicators

SAPP PHYSICAL PROGRESS MEASURED AGAINST AWPB 2013-2014 (as of June, 2014)										
#	ACTIVITY	INDICATOR	Unit	PHYSICAL						COMMENTS
				CURRENT FINANCIAL YEAR (2013-2014)			CUMULATIVE			
				AWPB TARGET	ACTUAL	% of AWPB	APPRAISAL TARGET	ACTUAL	% OF APPRAISAL	
<b>COMPONENT 1. Adaptive Research and Knowledge Management</b>										
<b>Sub component 1.1 Adaptive research</b>										
A. Research Planning and Management										
	Preparation and review of trial protocol	no. of protocol trials		1	0	0%	n/a	0	n/a	
	Preparation of a Three year rolling plan	no. of plans		1	0	0%	n/a	0	n/a	
B. On farm trial programme										
	Plan and implement Conservation agriculture on farm trials	<i>no. of farm trials</i>	number	355	72	20%	n/a	72	n/a	Late funding affected procurement of inputs for demonstrations
	Identify farmers to participate on farm trials and orient on management of demonstration plots	<i>no. of farmers</i>	Male	188	52	28%	n/a	52	n/a	Some inputs were not bought due to discontinuation of funding Lead Farmers were the ones selected to carry out farm trials. Number of youth was not factored in during implementation but going forward they will be included
			Female	186	90	48%	n/a	90	n/a	
			Youth	n/a	n/a	n/a	n/a	n/a	n/a	
	Prepare and submit reports on farm trials	<i>no. of reports submitted</i>	number	23	10	43%	n/a	10	n/a	Yields data has not been aggregated due to limited follow up visits
	Monitor on farm trial performance	<i>no. of visits</i>	number	56	26	46%	n/a	26	n/a	Means of transport were a problem due to inadequate vehicles

SAPP PHYSICAL PROGRESS MEASURED AGAINST AWPB 2013-2014 (as of June, 2014)										
#	ACTIVITY	INDICATOR	Unit	PHYSICAL						COMMENTS
				CURRENT FINANCIAL YEAR (2013-2014)			CUMULATIVE			
				AWPB TARGET	ACTUAL	% of AWPB	APPRAISAL TARGET	ACTUAL	% OF APPRAISAL	
	Evaluate impact on soil fertility improvement Agriculture productivity and soil erosion control	<i>no of reports submitted</i>	number	3	1	33%	n/a	1	n/a	Target not met due to lack of funds as a result of late submission of financial statements
	Supervise implementation of on farm trial plots	<i>no. of visits</i>	number	50	25	50%	n/a	25	n/a	Means of transport were a problem due to inadequate vehicles
<b>Sub-Component 1.2.: Knowledge Management</b>										
C. Knowledge Sharing and Learning partnerships										
	Conduct national study tour	<i>number of tours</i>	number	4	0	0%	n/a	0	n/a	Activity was not undertaken.
		<i>number of participants</i>	Male	7	0	0%	n/a	0	n/a	
			Female	3	0	0%	n/a	0	n/a	
			Youth	n/a	n/a	n/a	n/a	n/a	n/a	
	Conduct regional study tour	<i>number of tours</i>	number	12	0	0%	n/a	0	n/a	Activity was not undertaken.
		<i>number of participants</i>	Male	7	0	0%	n/a	0	n/a	
			Female	3	0	0%	n/a	0	n/a	
			Youth	n/a	n/a	n/a	n/a	n/a	n/a	
<b>COMPONENT 2: Farmer Adoption of Good Agriculture Practices</b>										
<b>Sub-component 2.1: Improved Agriculture Extension</b>										
A. Farmer to Farmer Extension Network										
	Identify lead farmers	<i>number of farmers identified</i>	Male	879	917	104%	n/a	917	n/a	
			Female	664	588	89%	n/a	588	n/a	
			Youth	n/a	n/a	n/a	n/a	n/a	n/a	
	Training lead farmers on communication and facilitation skills	<i>number of farmers trained</i>	Male	879	470	53%	n/a	470	n/a	
			Female	574	461	80%	n/a	461	n/a	
			Youth	n/a	n/a	n/a	n/a	n/a	n/a	

SAPP PHYSICAL PROGRESS MEASURED AGAINST AWPB 2013-2014 (as of June, 2014)										
#	ACTIVITY	INDICATOR	Unit	PHYSICAL						COMMENTS
				CURRENT FINANCIAL YEAR (2013-2014)			CUMULATIVE			
				AWPB TARGET	ACTUAL	% of AWPB	APPRAISAL TARGET	ACTUAL	% OF APPRAISA L	
	Training lead farmers on technology specifics	<i>number of farmers trained</i>	Male	879	612	70%	n/a	612	n/a	
Female			664	425	64%	n/a	425	n/a		
Youth			n/a	n/a	n/a	n/a	n/a	n/a		
	Training lead farmers in group formation and management	<i>number of farmers trained</i>	Male	571	459	80%	n/a	459	n/a	
Female			541	268	50%	n/a	268	n/a		
Youth			n/a	n/a	n/a	n/a	n/a	n/a		
	Training lead farmers in gender mainstreaming	<i>number of farmers</i>	Male	591	491	83%	n/a	491	n/a	
Female			545	278	51%	n/a	278	n/a		
Youth			n/a	n/a	n/a	n/a	n/a	n/a		
	Mount Demonstration Plots	<i>number of demonstration plots</i>	number	2212	1990	90%	n/a	1990	n/a	
	Conduct Field days	<i>number of field days</i>	days	4174	1368	33%	n/a	1368	n/a	
	Establish Farmer Field School (FFS)	<i>number of FFS</i>	number	418	44	11%	n/a	44	n/a	
	Train lead farmers in FFS	<i>number of farmers trained</i>	Male	490	109	22%	n/a	109	n/a	
			Female	317	46	15%	n/a	46	n/a	
			Youth	n/a	n/a	n/a	n/a	n/a	n/a	
<b>B. Extension Coordination</b>										
	Orient Agriculture extension staff on operationalization of DAESS	<i>number of staff</i>	Male	393	289	73,54%	n/a	289	n/a	
			Female	239	184	76,99%	n/a	184	n/a	
			Youth	n/a	n/a	n/a	n/a	n/a	n/a	
	Reorganize DAECC	<i>number of DAECC</i>		11	5	45,45%	n/a	5	n/a	
	Reorganize DSP	<i>number of DSP</i>		11	1	9,09%	n/a	1	n/a	



SAPP PHYSICAL PROGRESS MEASURED AGAINST AWPB 2013-2014 (as of June, 2014)										
#	ACTIVITY	INDICATOR	Unit	PHYSICAL						COMMENTS
				CURRENT FINANCIAL YEAR (2013-2014)			CUMULATIVE			
				AWPB TARGET	ACTUAL	% of AWPB	APPRAISAL TARGET	ACTUAL	% OF APPRAISAL	
	Reorganize ASP	<i>number of ASP</i>		85	55	64,71%	n/a	55	n/a	
C. Provide DAES support at Headquarters Level										
	Support for DAES backstopping activities	<i>number of visits</i>		4	0	0%	n/a	0	n/a	
D. Provide DAES Support at District level										
	Develop and Implement District Environmental Monitoring Plan	<i>plan produced</i>		1	0	0%	n/a	0	n/a	
E. Training for DAES staff										
	Conduct training for AEDCs and Subject matter specialists	<i>number of AEDCS and subject matter specialists</i>	Male	n/a	0	n/a	n/a	0	n/a	
			Female	n/a	0	n/a	n/a	0	n/a	
			Youth	n/a	0	n/a	n/a	0	n/a	
	Provide in service training for AEDOs	<i>number of AEDOs trained</i>	Male	n/a	0	n/a	n/a	0	n/a	
			Female	n/a	0	n/a	n/a	0	n/a	
			Youth	n/a	0	n/a	n/a	0	n/a	
	Facilitate Degree Training for AEDCs	<i>number of AEDCs trained</i>	Male	2	0	0%	n/a	0	n/a	Lack of funding due to late reconciliation of financial reports but planned to be done in the 2014/15 financial year
			Female	1	0	0%	n/a	0	n/a	
	Facilitate diploma training for AEDCs	<i>number of AEDCs trained</i>	Male	22	0	0%	n/a	0	n/a	Same reason as above
			Female	6	0	0%	n/a	0	n/a	
F. Farmer Group Development										
	Form farmer groups (IGPs and young farmer groups)	<i>number of farmer groups</i>	number	2198	1038	47%	n/a	1038	n/a	

SAPP PHYSICAL PROGRESS MEASURED AGAINST AWPB 2013-2014 (as of June, 2014)										
#	ACTIVITY	INDICATOR	Unit	PHYSICAL						COMMENTS
				CURRENT FINANCIAL YEAR (2013-2014)			CUMULATIVE			
				AWPB TARGET	ACTUAL	% of AWPB	APPRAISAL TARGET	ACTUAL	% OF APPRAISAL	
	Form associations and cooperatives	<i>number of associations and cooperatives formed</i>	number	65	0	0%	n/a	0	n/a	
	Train farmer group in group development and management	<i>number of farmer groups trained</i>	number	1564	826	53%	n/a	826	n/a	
	Train farmers in corporative education	<i>number of farmers trained</i>	Male	340	76	22%	n/a	76	n/a	
Female			250	59	24%	n/a	59	n/a		
Youth			n/a	n/a	n/a	n/a	n/a	n/a	n/a	
G. External materials Development and mass media										
	Engage consultant for design extension materials	<i>extension materials designed</i>	number	1	1	100%	n/a	1	n/a	The draft report is out and it has information which will inform programming and training
	Produce and air radio programmes	<i>number of radio programmes</i>	number	24	12	50%	n/a	12	n/a	The radio team went out to conduct interviews with farmers and staff which they used to conduct radio programmes
	Develop and disseminate technical messages	<i>number of technical messages</i>	No. of technical messages	8	5	63%	n/a	5	n/a	Messages produced which included short version of the SAPP document
			No. of sessions	2	2	100%	n/a	2	n/a	Facilitated collection of video footage to be used to produce a documentary on SAPP

SAPP PHYSICAL PROGRESS MEASURED AGAINST AWPB 2013-2014 (as of June, 2014)										
#	ACTIVITY	INDICATOR	Unit	PHYSICAL						COMMENTS
				CURRENT FINANCIAL YEAR (2013-2014)			CUMULATIVE			
				AWPB TARGET	ACTUAL	% of AWPB	APPRAISAL TARGET	ACTUAL	% OF APPRAISA L	
<b>Sub-component 2.2: Access to Key Agricultural inputs</b>										
H. Seed Multiplication and Distribution										
	Conduct sensitization meetings in programme districts on legume seed multiplication	<i>number of meetings</i>	number	34	38	112%	n/a	38	n/a	
	Identify legume seed multiplication groups	<i>number of groups identified</i>	number	69	61	88%	n/a	61	n/a	target not met due to late funding and some of the groups used their local seeds
	Link seed multiplication group to seed companies	<i>number of groups linked</i>	number	55	11	20%	n/a	11	n/a	
	In collaboration with seed companies and agro-dealers, train staff in seed multiplication principles	<i>number of staff trained</i>	Male	256	209	82%	n/a	209	n/a	
			Female	110	94	85%	n/a	94	n/a	
			Youth	n/a	n/a	n/a	n/a	n/a	n/a	
	In collaboration with seed companies and agro-dealers, train farmers in seed multiplication principles	<i>number of farmers trained</i>	Male	217	220	101%	n/a	220	n/a	
			Female	137	204	149%	n/a	204	n/a	
			Youth	n/a	n/a	n/a	n/a	n/a	n/a	
Output 2.2.2 Post Harvest management										
	Provide large metallic silos on contribution	<i>number of large silos provided</i>	number	360	14	4%	n/a	14	n/a	target not met due to lack of funding in the last 3 quarters as a result of late reconciliation of financial reports
	Provide small metallic silos on contribution	<i>number of small silos provided</i>	number	361	0	0%	n/a	0	n/a	farmers prefer large silos to small ones
	Provide training to tinsmiths	<i>number of tinsmith trained</i>	Male	n/a	0	n/a	n/a	0	n/a	
			Female	n/a	0	n/a	n/a	0	n/a	
			Youth	n/a	n/a	n/a	n/a	n/a	n/a	

SAPP PHYSICAL PROGRESS MEASURED AGAINST AWPB 2013-2014 (as of June, 2014)										
#	ACTIVITY	INDICATOR	Unit	PHYSICAL						COMMENTS
				CURRENT FINANCIAL YEAR (2013-2014)			CUMULATIVE			
				AWPB TARGET	ACTUAL	% of AWPB	APPRAISAL TARGET	ACTUAL	% OF APPRAISA L	
	Conduct post harvest training for AEDOs	<i>number of AEDOs</i>	Male	n/a	0	n/a	n/a	0	n/a	
Female			n/a	0	n/a	n/a	0	n/a		
Youth			n/a	n/a	n/a	n/a	n/a	n/a		
	Post harvest training for lead farmers	<i>number of lead farmers</i>	Male	563	17	3%	n/a	17	n/a	
Female			296	11	4%	n/a	11	n/a		
Youth			n/a	n/a	n/a	n/a	n/a	n/a		
Output 2.2.3 Engagement with Agro-dealers										
	Update inventory of agro dealers in the district	<i>number of agro dealers registered</i>	Male	n/a	0	n/a	n/a	0	n/a	
			Female	n/a	0	n/a	n/a	0	n/a	
			Youth	n/a	n/a	n/a	n/a	n/a	n/a	
	Train Agro dealers	<i>number of agro dealers trained</i>	Male	n/a	0	n/a	n/a	0	n/a	
			Female	n/a	0	n/a	n/a	0	n/a	
			Youth	n/a	n/a	n/a	n/a	n/a	n/a	
	Conduct consultative meetings with agro dealers	<i>number of meetings conducted</i>	number	16	2	13%	n/a	2	n/a	
	Link seed multiplication groups to agro dealers	<i>number of groups linked</i>	number	34	21	62%	n/a	21	n/a	

SAPP PHYSICAL PROGRESS MEASURED AGAINST AWPB 2013-2014 (as of June, 2014)										
#	ACTIVITY	INDICATOR	Unit	PHYSICAL						COMMENTS
				CURRENT FINANCIAL YEAR (2013-2014)			CUMULATIVE			
				AWPB TARGET	ACTUAL	% of AWPB	APPRAISAL TARGET	ACTUAL	% OF APPRAISAL	
<b>COMPONENT 3. Programme Coordination and Management</b>										
A. Coordination to ASWAP management costs										
	Support Executive management Committee meetings	<i>number of meetings</i>	number	2	2	100%	n/a	2	n/a	
B. Undertake Surveys and Studies										
	Baseline studies for level 3 RIM indicators	<i>number of studies</i>	number	1	0	0%	1	0	0%	The baseline was expected to be done by November 2013 but due to delays in preparing the tender documents the baseline has not been done. The advert was floated in the papers in the 3 <sup>rd</sup> week of June 2014 and it takes a minimum of 1 month to finalise the process. In this case, the baseline report should be expected to be ready by September 2014.

## Appendix 5: Financial – Actual Financial Performance by Financier, by Component and Disbursements by Category

**Table 5A: Financial Performance by Financier**

Financier	Appraisal (USD '000)	Disbursements (USD '000)	Per cent disbursed
IFAD loan	21 975	650	3%
IFAD grant	21 375	650	3%
PPF	600	600	100%
Beneficiaries	1 200	-	0%
Government	3 230	-	0%
<b>Total</b>	<b>48 380</b>	<b>1 900</b>	<b>3.9%</b>

**Table 5B: Financial performance by financier by component (USD '000)**

Component	IFAD loan (854A/MW)			IFAD grant (DSF 8092/MW)			PPF (8092A/MW)			Government			Beneficiary Contribution			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
1. Adaptive Research & Knowledge Management	2,350	130	5.5%	2,350	130	5.5%	-	-	-	700	-	-	-	-	-	5,400	260	4.8%
2. Farmer adaptation of good agricultural practices	18,800	329	1.8%	18,800	329	1.8%	-	-	-	1 600	-	-	-	-	-	40,400	658	1.6%
3. Programme Management and Coordination	1,350	162	12%	1,350	162	12%	600	600	100%	1 900	-	-	-	-	-	5 200	924	1.7%
<b>TOTAL:</b>	<b>22 500</b>	<b>621</b>	<b>2.8%</b>	<b>22 500</b>	<b>621</b>	<b>2.8%</b>	<b>600</b>	<b>600</b>	<b>100%</b>	<b>4 200</b>	<b>-</b>	<b>-</b>	<b>1 200</b>	<b>-</b>	<b>-</b>	<b>51 000</b>	<b>1,842</b>	<b>3.6%</b>

**Table 5C: IFAD loan disbursements (SDR, as at 31<sup>st</sup> May 2014)**  
DSF 8092/MW (SDR) 31 May 2014

Category	Category description	Original Allocation	Disbursement	W/A # 2 pending	Balance	% Actual disbursed	% with pending WA
1	Vehicles, motorcycles and Equipment	400 000	-	-	400 000.00	-	-
2	TA, Training, Workshops and Studies	245 000	-	109,285.12	135,714.88	-	45%
3A	Support for Adaptive Research	910 000	-	9,029.77	900,970.23	-	1%
3B	Support for KM	325 000	-	75,386.86	249,613.14	-	23%
4A	Support for Improved Agricultural Extension	8 755 000	-	-	8 755 000.00	-	-
4B	Support for Access to Key Agricultural Inputs	1 645 000	-	-	1 645 000.00	-	-
5A	Salaries and Allowances	60 000	-	-	60 000.00	-	-
<b>5B</b>	Incremental Operating Costs	795 000	-	73,396.69	721,603.31	-	9.2%
99	Unallocated	1 115 000	-	-	1 115 000.00	-	-
99Z	Authorized Allocation	-	426 842.50	-	(426 842.50)	-	-
<b>Total</b>		<b>14 250 000</b>	<b>426 842.50</b>	<b>267,098.44</b>	<b>13,556,059.06</b>	<b>2.99%</b>	<b>4.86%</b>

**Loan 854/MW (SDR) 31 May 2014**

Category	Category description	Original Allocation	Disbursement	W/A # 2 pending	Balance	% Actual disbursed	% with pending WA
1	Vehicles, motorcycles and Equipment	465 000	-	-	465 000.00	-	-
2	TA, Training, Workshops and Studies	545 000	-	109,285.12	435,714.88	-	20%
3A	Support for Adaptive Research	910 000	-	9,029.77	900,970.23	-	1%
3B	Support for KM	325 000	-	75,386.86	249,613.14	-	23%
4A	Support for Improved Agricultural Extension	8 755 000	-	-	8 755 000.00	-	-
4B	Support for Access to Key Agricultural Inputs	1 645 000	-	-	1 645 000.00	-	-
5A	Salaries and Allowances	110 000	-	-	110 000.00	-	-
<b>5B</b>	Incremental Operating Costs	795 000	-	73,396.69	721,603.31	-	9.2%
99	Unallocated	1 100 000	-	-	1 100 000.00	-	-
99Z	Authorized Allocation	-	426 842.50	-	(426 842.50)	-	-
<b>Total</b>		<b>14 650 000</b>	<b>426 842.50</b>	<b>267,098.44</b>	<b>3,956,059.06</b>	<b>2.91%</b>	<b>4.74%</b>

**DSF 8092A/MW (USD) 31 May 2014**

Category	Category description	Original Allocation	Disbursement	W/A pending	Balance	Per cent disbursed
1	Vehicles, motorcycles and Equipment	100 000	56,589	-	43,411	56%
2	TA, Training, Workshops and Studies	400 000	175,339	-	224,661	44%
3A	Recurrent Costs	100 000	22,082	-	77,918	22%
97Z	Start-Up Costs Advance	-	345,990	-	(345,990)	-
<b>Total</b>		<b>600 000</b>	<b>600 000.00</b>	<b>-</b>	<b>-</b>	<b>100%</b>

## Appendix 6: Compliance with Legal Covenants – Status of Implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
<b>Section 4.02</b>	PCU to open and maintain Project Account (in the Reserve Bank of Malawi)	Pre- Disbursement	Complied	
<b>Section 7.05</b>	Procurement of goods, works and services carried out in accordance with the procedures laid down in Schedule 3	Continuous	Complied	
<b>Section 4.04</b>	Insurance of vehicles, equipment and civil works financed from the loan proceeds to be consistent with sound commercial practice.	Continuous	Complied	
<b>Section 4.05, section 9.03(b)</b>	Audit report submitted to IFAD.	31 December each year	N/A	Current audit not yet due. In September 2013 mission recommended that the audit of 2013/14 will also cover 2012/13
<b>Section 4.06</b>	Progress reports to be submitted to IFAD on a quarterly basis.	Continuous	Complied	
<b>Schedule 4, para 7</b>	AWPB to be submitted to the Fund, for its review and comments	60 days before commencement of subsequent fiscal year	Complied	
<b>Schedule 4, para 8.03 (a)</b>	A Mid-Term Review (MTR) to be carried out jointly by the Borrower and IFAD.	Midpoint of Project implementation period	N/A	
<b>Schedule 4, para 16</b>	Project to be exempted from all import duties, excise taxes and value added tax (VAT) on investment expenditures	Continuous	Complied	Project was exempted but pre-financed taxes have not been refunded by GOM





## **Appendix 7: Knowledge Management – Learning and Innovation**

### **Learning**

---

Actual implementation of Programme activities is just beginning to unfold and the Programme has initiated the development of a Knowledge Management and Communications Strategy. As such, there is not much to report at the moment.

---

### **Innovation: Describe any interesting innovation noted during supervision**

---

Not applicable at this point of SAPP implementation given that on-the-ground activity implementation started in November 2013.

---



## Annex I: List of People Met

<b>Meeting at the MOAI to Discuss SAPP Implementation Fast-Tracking; 16<sup>th</sup> June 2014</b>	
<b>Name</b>	<b>Department/Function</b>
Dr Jeffrey Luhanga	P.S. Ministry of Agriculture
Dr Wifred G. Lipita	ASWAp Coordinator
Mr Nations Msowoya	Assistant Director of the Debt and Aid Division
<b>Inception Meeting at the MOAI; 18<sup>th</sup> June 2014</b>	
<b>Name</b>	<b>Department/Function</b>
Wifred G. Lipita	ASWAp Coordinator
Readwell Musopole	ASWAp Chief Economist/Deputy Coordinator (M)
N.S. Maluwa	Programme Officer
Maureen Mwawa	Planning and Evaluation Officer
<b>Meeting at the MOAI with ADD and District Representatives to Review Implementation Progress and to Identify and Resolve Implementation Constraining Issues; 20<sup>th</sup> June 2014</b>	
<b>Name</b>	<b>Department/Function</b>
Wifred G. Lipita	ASWAp Coordinator
Readwell Musopole	ASWAp Chief Economist/Deputy Coordinator (M)
N.S. Maluwa	Programme Officer
Maureen Mwawa	Planning and Evaluation Officer
Precious Mbewe	SAPP Accountant
Edison C. Ngoma	District Agricultural Development Officer (DADO)
Dan L. Yona	Programme Manager
Stella Kankwamba	Director, Department of Agricultural Extension Services (DAES)
Martin J. Kausi	Programme Manager
Davis S. Phangaphanga	DADO
Martin Kamlomo	DADO
Rodgers Makungwa	DADO
N. Mataka	Programme Manager
Peter Makhambera	Ag. Programme Manager
Hastings Yotami	DADO
Warren Ndhlovu	DADO
Gertrude Kalinde Thaulo	Programme Manager
<b>Meeting at the Lilongwe District Headquarters to discuss Progress and Establish A Filed Visit Programme; 20<sup>th</sup> June 2014</b>	
<b>Name</b>	<b>Department/Function</b>
Deliwe Mangani	EMO
Aubrey Chimalini	Planning Officer
E. Katende	DADO
Meray Malumelo	EMO
Wifred G. Lipita	ASWAp Coordinator
Readwell Musopole	ASWAp Chief Economist/Deputy Coordinator (M)
N.S. Maluwa	Programme Officer
Maureen Mwawa	Planning and Evaluation Officer
Gertrude Kalinde Thaulo	Programme Manager
Denis zingeli	Ag. DADO
Peter Makhambera	Ag. Programme Manager
Hastings Yoram	DADO