
ANNEXES

Annex A. Project Implementation Letter Matrix	A-1
Annex B. List of Persons/Organizations Contacted.....	B-1
Annex C. Delivery Order Scope of Work: Strategic Objective 1: “Increased Agricultural Incomes on a Per Capita Basis”.....	C-1
Annex D. Bibliography	D-1

ANNEX A
PROJECT IMPLEMENTATION LETTER MATRIX

PIL #	Date	Admin.	Prog.	Description/Conditions and Covenants	Amount US\$/MK	CP Compliance
Program Grant Agreement Signed 9/30/91						
1	No Date	X	X	<u>Conditionality for disbursement of Tranche One</u> a. Describes program management; the establishment of a Program Management Committee (PMC) and a Program Implementation Committee (PIC) b. Designation of Representatives from GOM. c. Legal Opinion. d. Establishment of a Special Local Currency Account and a Special Dollar Account e. Design of a system for the registration of smallholder burley producers. f. Official allocation of 3.5 million kg. of burley tobacco quota to smallholder with an emphasis on women. g. Design of a credit plan for smallholders. h. Design of a Second Payment Plan to smallholders for the 1990-91 season. i. Design of a Fertilizer Plan for smallholders for the 1991-92 season.	First Tranche US\$ 4.0 million	
2	1/6/92	X		a. Extension of Terminal Date by one month.		
3	2/19/92	X		a. Reiterates the need to establish the Special Local Currency Account and the Special Dollar Account.		
4	3/5/92	X	X	a. First Tranche approved with reservations; lacking information on credit and the establishment of local currency and dollar accounts.	US\$ 4.0 million	Partial Compliance
5	3/20/92	X		a. Procedures for the monitoring, accounting, and reporting of the Special Dollar Account.		

PIL #	Date	Admin.	Prog.	Description/Conditions and Covenants	Amount US\$/MK	CP Compliance
Program Grant Agreement Signed 9/30/91						
6	4/2/92		X	<u>Conditionality for the disbursement of Tranche Two</u> a. Individual Production Quota Certificates. b. Estate Purchase of Smallholder Burley Tobacco. c. Market Price Information. d. Posting the Terms and Conditions for Tenants and Laborers. e. Environmental Impact Monitoring Plan f. Implementation Schedules for Studies. i. Crop Diversification Opportunities and Constraints ii. Smallholder Access to Credit, Seeds, Fertilizer, and Alternative Marketing Channels iii. Expanded Private Sector Maize Marketing iv. Improved Extension Services to Smallholders v. Tenant Burley Pricing Structures vi. Legislative and Administrative Barriers to Smallholder Crop Production and Marketing	US\$ 6.0 million	
7	5/27/92	X		a. Request that the GOM deposit the equivalent of US\$ 4.0 million into the Special Local Currency Account		
8	11/27/92		X	a. Authorizes the withdrawal of local currency funds for: i. Seed Multiplication ii. Budgetary Support iii. Smallholder Burley Extension Services and Credit iv. Price Monitoring v. Computer Training vi. Food and Nutrition Monitoring	MK 12,465,549	
9	2/11/93		X	a. Authorizes the withdrawal of local currency funds for: i. Department for Research and Environmental Affairs (DREA) operational budget.	MK 115,000	
10a	7/14/93		X	a. Authorizes the withdrawal of local currency funds for: i. Food Security and Nutrition Unit (FSNU) of the Department of	MK 147,000	

PIL #	Date	Admin.	Prog.	Description/Conditions and Covenants	Amount US\$/MK	CP Compliance
Program Grant Agreement Signed 9/30/91						
				Economic Planning and Development (EP&D) in the Office of President and Cabinet		
10b	8/10/93		X	a. Second Tranche Disbursement Approved based on compliance with PIL 6 conditionality.	\$ 6.0 million	Total Compliance (Although all of the studies were not completed.)
11	12/8/93		X	<p><u>Conditionality for the Disbursement of Tranche Three</u></p> <p>a. Adjusts the Studies established for the Second Tranche based on 3/93 Evaluation</p> <p>b. Establishes the Conditions Precedent for Tranche Three</p> <p>i. Smallholder Burley Registration System to become Permanent</p> <p>ii. Allocation of Seven Million KG. of Burley Tobacco to Smallholders in the 1992/93 season.</p> <p>iii. Multiple Burley Tobacco Seed Sources for Smallholder Burley Growers.</p> <p>iv. Sale of Smallholder Burley to Licensed Marketing Agents Including Estates.</p> <p>v. Evaluation of Smallholder Burley Program.</p> <p>vi. Evaluation of Pricing Tenants' Burley Production.</p> <p>vii. Adjudication Procedures for Estate Tenants and Laborers</p> <p>viii. Market Price Information System</p> <p>ix. Action Plans Developed from Specific ASAP Studies.</p>	US\$ 10.0 million	
12a	12/3/93		X	<p>a. Authorizes the withdrawal of local currency funds for:</p> <p>i. Smallholder Burley Program</p> <p>ii. Price Monitoring</p> <p>iii. Crop Estimates Methodology</p> <p>iv. Agro-forestry</p>	MK 20.0 million	

PIL #	Date	Admin.	Prog.	Description/Conditions and Covenants	Amount US\$/MK	CP Compliance
Program Grant Agreement Signed 9/30/91						
				v. Contingency		
12b	4/26/94		X	a. Authorizes the withdrawal of local currency funds for: i. Bunda College library expansion, hostel construction, external works, and furniture and equipment		
13	6/9/94		X	a. Authorizes the withdrawal of local currency funds for: i. Department of Research and Environmental Affairs (DREA)	MK 2,700,310	
PAAD Amended September 1994						
14	10/6/94		X	a. Third Tranche Disbursement Approved based on meeting the Conditionality set out in PIL 11.	US\$ 10.0 million	Total Compliance
15	2/13/95	X		a. Concurs that the US\$ 20.0 million deposited in the Special Dollar Account was used for the specified purposes and in the specified manner. b. Notes that the use of a Special Dollar Account was only for the first three tranches and would not be required for subsequent tranches.		
16	2/15/95		X	a. Authorizes a withdrawal from the Special Local Currency Account for Ministry of Agriculture and Livestock Development for general budgetary support.	MK 20,540,140	
17	3/9/95	X	X	<u>Conditionality for Disbursement under Tranche Four</u> a. Legal Opinion b. Delegation of Representatives c. Letter of Intent d. Tobacco i. Deregulation of smallholder tobacco prices ii. Public announcement that smallholders have direct access to all legal marketing channels. e. Establishment of an Economic Policy Support Unit at Bunda College. f. The GOM has increased maize producer prices to at/near export parity prices for 1994/95 crop year.	US\$ 5.0 million	

PIL #	Date	Admin.	Prog.	Description/Conditions and Covenants	Amount US\$/MK	CP Compliance
Program Grant Agreement Signed 9/30/91						
				g. The GOM has established, authorized, and published a procedure whereby private traders may purchase GOM non-buffer fertilizer stocks held by the Smallholder Fertilizer Revolving Fund of Malawi		
18	3/9/95		X	a. Fourth Tranche Disbursement Approved based on meeting the Conditionality established in PIL 17	US\$ 5.0 million	
19	5/9/95	X		a. Acknowledges an error made by GOM in its request detailed in PIL 16.		
20	10/6/95		X	a. Authorizes the withdrawal of funds from the Local Currency Special account for replenishment of the Strategic Grain Reserve.	MK 40.0 million	
21	11/15/95		X	<p><u>Conditionality for the Disbursement of Tranche Five</u></p> <p>a. The GOM to eliminate all fiscal seed subsidies.</p> <p>b. Development of the terms of reference for a seed import liberalization study.</p> <p>c. The GOM to eliminate all fiscal fertilizer subsidies.</p> <p>d. The GOM to complete a time-phased action plan for eliminating existing laws and administrative practices that allow discrimination on the basis of gender or ethnic, tribal, and/or racial background.</p> <p>e. The GOM has completed an analysis of ADMARC's pan-territorial and pan-seasonal input pricing policies with the intent of eliminating these policies.</p> <p>f. The GOM has completed an overview of all statutory bodies, trusts, parastatals, and government sponsored organizations operating in the agricultural sector.</p> <p>g. The GOM has liberalized the producer and consumer pricing by i.) releasing ADMARC from pan-territorial and pan-seasonal consumer and producer pricing obligations for all crops except maize, ii.) completing the terms of reference for developing a model for stabilizing maize prices based on price band analysis or an alternative system, and iii.) ensuring that ADMARC operates as a fee paying intermediate buyer of burley tobacco.</p>	US\$ 10.0 million	

PIL #	Date	Admin.	Prog.	Description/Conditions and Covenants	Amount US\$/MK	CP Compliance
Program Grant Agreement Signed 9/30/91						
				<p>h. The GOM has improved the efficiency of the burley tobacco quota system by: i.) assessing the feasibility of transferring quota allocation and administrative responsibility from the MOA to the Tobacco Control Commission, ii.) developing the terms of reference for a computerized, performance-based quota allocation scheme based on performance criteria, and iii.) ensuring that the marketing quotas under the intermediate buyers program continue to be additive to the national total production quota and not subject to a maximum ceiling.</p> <p>i.) The GOM has completed the terms of reference for assessing the policy and procedures which permit ADMARC to sell, rent, and/or lease its retail facilities.</p> <p>j.) The GOM has allocated sufficient financial and staff resources to effectively and efficiently implement agreed upon environmental monitoring and mitigating agro-forestry activities.</p> <p>k.) The GOM has prepared a Letter of Intent concerning the activities/actions to be included in Tranche Six.</p> <p>l.) The GOM has complied with the above mentioned conditions precedent and authorization is granted for the disbursement of Tranche Five funding.</p>		
22	No Date	X		Reauthorizes the availability of unused authorized funds from PILs 8 and 12.	MK 2,096,400	
23	8/27/96			a. Authorizes the withdrawal of funds from the Local Currency Special Account to pay for purchases of maize for the Strategic Grain Reserve.	MK 55.0 million	
24	8/31/99		X	a. Authorizes the withdrawal of funds from the Local Currency Special account for the purchase of computers for the Debt and Aid Management Unit of the Ministry of Finance.	MK 462,000	
25	6/12/02		X	<p><u>Conditionality for the Disbursement of Tranche Six</u></p> <p>a. Liberalizing Input Markets</p> <p>i.) Grantee has completed the seed liberalization study initiated under Tranche Six, and the results have been incorporated into revised, authorized, and publicly announced seed import policies and regulations.</p>	US\$ 7.0 million	

PIL #	Date	Admin.	Prog.	Description/Conditions and Covenants	Amount US\$/MK	CP Compliance
Program Grant Agreement Signed 9/30/91						
				<p>ii.) Grantee has established and publicly announced a procedure whereby private importers and/or private traders are allowed to buy and/or replace GOM fertilizer buffer stocks.</p> <p>iii.) Grantee is implementing recommendations regarding ADMARC's pan-territorial and pan-seasonal input pricing policies in accordance with mutually agreed upon action-plan recommendations developed under Tranche Five.</p> <p>iv.) Grantee has analyzed the constraints to efficient and affordable rural freight and transport services and has prepared a time-phased action plan to address identified constraints.</p> <p>b. Expanded Market Competitiveness</p> <p>i. Grantee has eliminated the exclusive marketing arrangement of ADMARC and all limitations on private sector buying and selling of smallholder produced commodities.</p> <p>ii.) Grantee continues the process of producer and consumer price liberalization by: completing the model for stabilizing of maize prices established under Tranche Five, and established an open tendering system for supplying maize to, and removing maize from, the Strategic Grain Reserve.</p> <p>iii.) Grantee is implementing the scheduled action plan activities prepared under Tranche Five concerning policies and procedures for ADMARC selling, leasing, and renting its retail facilities.</p> <p>iv.) Grantee has implemented and publicly announced a national business license system to replace the current system requiring that trading practices be approved in each ADD where trading activities take place.</p> <p>v.) Grantee has removed all agricultural commodities except maize from the negative list for import/export licensing requirement effectively lifting the export bans on all non-maize crops.</p> <p>vi.) Grantee has replaced the duty drawback system with a duty reduction</p>		

PIL #	Date	Admin.	Prog.	Description/Conditions and Covenants	Amount US\$/MK	CP Compliance
Program Grant Agreement Signed 9/30/91						
				<p>system for the import of agricultural and agribusiness inputs.</p> <p>vii.) Grantee has implemented and publicly announced a national import/export licensing system which eliminates the requirement for prior approval by the MOA of import/export licenses for agricultural produce, and which provides appeal procedures for licenses that are denied or rescinded.</p> <p>viii.) Grantee has reviewed the role of smallholder credit and marketing clubs in developing a sustainable base for rural economic growth and has developed a policy on the future institutional framework in which such clubs are to function.</p> <p>ix.) Provided a copy of line item budget of financial resources committed by the GOM for ASAP program activities detailed in Tranche Five disbursement letter of intent for the 1996/97 fiscal year for expenses related to Tranche Six.</p> <p>c. The GOM has complied with the above mentioned conditions precedent for disbursement of Tranche Six funds.</p>		

ANNEX B

LIST OF PERSONS/ORGANIZATIONS CONTACTED

Agricultural Development and Marketing Corporation

Evans Chipala, Director
Namwira Chikonde, Manager Lizulu Store

Bunda College of Agriculture

Evans Khaila, Director of APRU
Davis Ng'ong'ola, Former Director APRU

CARE International

Nick Osborne, Country Director
Sophie Chitedze, Project Manager
Sylvester Kilonge, Food Security Coordinator

CLUSA/NCBA (Zambia)

Cecilia Polanski

Evangelical Baptist Church of Malawi (EBCM)

Richard Lister, Country Director
Paul Jones, Program Manager
Charles Mukiwa, Manager IFA Roads Program

Farmers' World Ltd.

Christos Giannakis, Managing Director
Dimitri Giannakis, Director

FEWS NET

Sam Chimwaza, Representative
Evance Chapasuka, Assistant Representative
Joan Chalira, Administrative Assistant

Grain and Milling Company

John Ndasauka, Production Manager

ICRISAT

Allen Chiyembykeza, ICRISAT Coordinator

IFDC

Amit H Roy, President and Chief Executive Officer
Hereshel Weeks, Project Manager

International Institute of Tropical Agriculture

France Gondwe, Agricultural Economist
Nzola M. Mahungu, SARRNET Coordinator
Albert Mkone, Post Harvest Specialist
Costa Mwale, Agronomist
Vito S. Sandifolo, Research Scientist

Land O' Lakes, Inc.

Austin Ngwira, Country Coordinator
Alick Nkhoma, Business Development Specialist
Roy H Thomson, Manager, Monitoring, Evaluation & Administration
Prof. E Chibambo, Owner Northern Dairies
Taiwan Chiyombo, Field Agent
Zizwani Nyirongo, Field Agent
Helpless Mbale, Field Agent
Jeff Msosa, Field Agent

Malawi Agricultural Sector Investment Program

Ian Kumwenda, National Coordinator

Malawi Export Promotion Council

L.M. Chaluluka, Managing Director
W.O. Bapu, Board Member

Malawi Union of Savings and Credit Cooperatives, Ltd.

Sylvester Kadzola, Chief Executive
Robert F Mbeza, Business Development Manager
Jonathan Zainga, Financial Services Coordinator Central

Dedza Teachers SACCO

Happiness Gomagoma, Senior Bookkeeper
Lonely Chikoti, Office Assistant
Herbert Chisemphere, Bookkeeper

Ntcheu SACCO

Richard Maliro, Chairman
Matthews Elia, Senior Bookkeeper.

Mchinji Smallholder Farmers' Association (MASFA)

Judith Harry, Chairperson
Emphraim Kachola ViceChairperson
Rosemary Dadziche, Treasurer
Feliz Sichali, General Manager
Vincent Mzembe, Crop Production and Marketing Manager

Ministry of Agriculture and Irrigation

Compton Chavula, Director of Crops
Zangophi Chicosi, Personal Assistant to the Minister
Ellard S. Malindi, Chief Technical Advisor
Charles Mataya, Chief Planning Officer
Willard Nkube, Agr. Extension, District Officer, Natenje
Mphatso Janet Nyekanyeka, Principal Economist, Planning Division

Ministry of Commerce and Industry

Geoffrey Mpandawize, Director of Trade
Christina Zakeyo, Trade Officer

Ministry of Finance

Ambrose Mzoma, Deputy Director, Debt and Aid

Ministry of Lands
Rex Ahimi, Advisor

Monsanto
Charles Price, Manager

Mzuzu Dairy Farmers Association
SS Kuwale, Vice-Chairman General
Judith Mkandawire, Treasurer General
Nixon Mthwazi
Martin Chingwa
RD Mhlanga, Vice-Secretary General

Najewa Farm
Jan Davidse, Farm Manager

Naronga Estates
Douglas Mc Pherson, Co-owner

National Economic Council
Brian Mtonya

National Smallholder Farmers' Association of Malawi
Dyborn Chibonga, Chief Executive Officer
Betty Chinyamunyamu, Policy and Programs Manager
Tamanda Chizanja, former Chief of Field Operations
John Engle, Advisor, ACIDI/VOCA
Gerard Grant, Financial Advisor
Ron Ngwira, Business Operations Manager
Heshan Peiris, Financial and Management Consultant
Henry Tembo, General Manager NASCOMEX

National Statistics Office
Mercy Kanyuka, Dep. Commissioner

Norske Hydro Malawi Ltd.
Mary Keelan

PriceWaterhouseCoopers
Tom Purdon, Partner
Chiwemi Chihana, Audit Manager
Innocent Sanga, Auditor

Rab Processors Ltd.
Sai Kiran Josyabhatla, Commercial Manager
H. Hisham Jamaldeen, Regional Accountant

Save the Children (UK)
Cindy Holleman, Food Security Specialist

Transglobe Produce Exports
Parvez Tayub, Director

Universal Industries
Jeffrey Salisbury, Manager

USAID/Malawi
Dickxie Kampani, Program Development Specialist
Lawrence Rubey, Chief, Agriculture and Natural Resources
Steve Shumba, Program Development Specialist, Retired

USAID/Mozambique
Scott Simons, Economist

World Bank
Dunstan Wai, Resident Representative
Cristina Kimes, Deputy Representative
Basil Kavelsky, Consultant

World Food Program
Gerard Van Dijk, Representative
Jonathan Campbell, Program Monitoring Officer
Lola Castro, Head of Program
Eric Kenefick, Emergency VAM Officer

ANNEX C
DELIVERY ORDER SCOPE OF WORK:
STRATEGIC OBJECTIVE 1: “INCREASED AGRICULTURAL
INCOMES ON A PER CAPITA BASIS”

I. TITLE

USAID/Malawi’s evaluation of Strategic Objective One “Increased Agricultural Incomes on a Per Capita Basis” – 1993 to 2001.

II. OVERALL PURPOSE

To assess the impact of and lessons learned from the group of activities that formed USAID/Malawi’s Strategic Objective One (SO1): “Increased Agricultural Incomes on a Per Capita Basis”. Building on the March 1993 Mid-Term Evaluation, the team will:

- (a) Assess the development impact of activities comprising Strategic Objective One (SO1) as stated in initial goals and objectives;
- (b) Assess the success of Non-Project Assistance (NPA) activities on Government of Malawi’s (GOM’s) policy reform efforts; and
- (c) Identify design and implementation strengths and weaknesses and lessons learned for future activities of this nature.

The team’s assessment will guide the Mission’s decision in reviewing and implementing new activities for the period 2001 to 2006.

III. BACKGROUND

The Agricultural Sector Assistance Program (ASAP) was authorized on September 26, 1991, with a total funding level of \$30 million (\$20 million Non-Project Assistance (NPA) and \$10 million Project Assistance (PA) for three years. Following the March 1993 mid-term evaluation, ASAP I was amended in September 1994 (creating ASAP II), extending the date of program completion by four years, to September 30, 1998. This amendment increased authorized levels on NPA and PA funding by \$35 million and \$5 million to a new total of \$55 million and \$15 million respectively. Further amendments extended the date of program completion to September 30, 2003 and increased the life-of-project funding to approximately \$46 million for PA.

The goals of ASAP were to increase agricultural productivity, employment, and incomes of the Malawian people. Specific objectives were to increase smallholder access to agricultural inputs, output markets, cash crop production alternatives and labor market information. The long-term impacts of ASAP were liberalized agricultural economy with equal access to the means of production, and no barriers to market entry or other practices that are biased for or against any category of farmer.

IV. STATEMENT OF WORK

In conducting the evaluation, the selected contractor will analyze both the NPA and the PA components. The NPA focused on policy reform efforts while the PA provided implementation support through several program activities.

A. ASAP PA ACTIVITIES

Under the ASAP PA, the team shall:

- Assess and quantify achievements of stated objectives for specific ASAP activities. To what extent were the planned objectives achieved?
- Draw lessons learned for future USAID programs. What are the lessons learned from each activity? How can they be applied in USAID's future activities?

Below is a brief description of activities and the specific objectives to be assessed for each activity.

1. Small Agribusiness Development Project: Key to ASAP I and ASAP II was the \$11.5 million Small Agribusiness Development Project (SADP) which started in 1995. The goal of SADP was to increase Malawi's sustainable economic growth through expanded participation of smallholders in the national economy. Its purpose was the development of economically viable business entities through which smallholders could realize increasing returns and contribute to economic development through group action.

The activity was implemented under a cooperative agreement with ACDI/VOCA. In the past two years, USAID/Malawi and ACDI/VOCA have worked together to phase out SADP and position in the forefront the National Smallholder Farmers' Association of Malawi (NASFAM). NASFAM represents and furthers economic and political interests of a large number of smallholder memberships, operating without direct subsidy. Both ACDI/VOCA and NASFAM sought to achieve six basic objectives.

- √ Improve the business and financial management skills of smallholder clubs;
- √ Facilitate smallholder empowerment through improved information and awareness;
- √ Strengthen business links between smallholder clubs and market service providers;
- √ Improve the participation of women in smallholder clubs;
- √ Promote crop development and diversification initiatives among smallholders; and
- √ Promote environmental practices of smallholders.

2. Malawi Dairy Business Development Program: This is a \$2.6 million program implemented by Land O' Lakes. The goal of the program is to stimulate the development of a commercially viable dairy sector that will result in significant increases in rural incomes, employment opportunities, and overall performance of businesses that contribute to Malawi Gross National Product (GNP). The purpose of the project is to facilitate improvements in the dairy sector resulting in efficient milk production which then flows through local processing plants generating cost-effective, quality dairy products to meet consumer demand. Through training, a focus group of small, medium and large clients was to be introduced to a menu of organizational structures that best fit their needs to better collect and maintain quality raw milk from the farm and include it into the value-added process. Another critical component of the

activity was the expansion of industry support services including the transfer of technology and better business practices to support cooperatives and societies. Specific objectives included:

- √ Development of efficient milk producer organizations – 3 milk producer groups registered and functioning as cooperatives;
- √ Innovative dairy processing and marketing – 2 dairy operating businesses improved their operating and management procedures, increasing profit margins by 10 percent; and
- √ Expansion of industry support services – establish 5 in-house extension services for dairy production and 5 in-house artificial insemination units;

3. MUSCCO Financial and Field Support Activity: This activity had two components: the \$626,000 technical assistance component implemented by the Barents Group and a \$550,000 direct cooperative agreement with the Malawi Union of Savings and Credit Cooperatives (MUSCCO). The overall goal of the activity was to increase agricultural incomes through increased delivery of efficient financial services to the rural population by MUSCCO and its affiliated Savings and Credit Cooperatives (SACCOs). The purpose was to improve MUSCCO's institutional framework through its financial management systems, strategic planning, participation in national financial dialogue and self performance and monitoring systems. Barents Group provided technical assistance.

MUSCCO strategy to expand membership mobilization was to be achieved through awareness campaigns using radio announcements, drama, and posters. In addition, MUSCCO was to provide financial services to selected NASFAM sites. A training component was included in the activity to promote empowerment of SACCOs.

Specific objectives included:

- √ Improving MUSCCO's financial management -- a detailed review of the existing systems and an action plan to make improvements, development of user friendly financial reports for programmatic decision-making;
- √ Improving financial self-sufficiency for the Central Finance Facility (CFF) and MUSCCO operations -- analyze CFF's administrative cost recovery, review asset reinvestment, review share capital policy and prepare action plan for CFF's financial self-sufficiency,
- √ Expanding and strengthening rural SACCOs -- develop tactics to alter the current vision that SACCOs are for savings and loans only and introduce insurance products for members and member SACCOs; and
- √ Expanding savings mobilization in rural areas by strengthening existing rural SACCOs and helping to establish new rural SACCO by using awareness campaigns, radio messages, publications and promotional materials, and collaboration with other USAID activities under NASFAM.

4. Central Regional Livelihood Security Program: This pilot activity is implemented by CARE with a life of project funding of \$1.3 million. The overall goal of the program is to improve the livelihood and food security of rural households. Four underlying issues contribute to the problems of food and livelihood in Malawi. These include weak community and farmer organizations, low agricultural productivity and poor yield, weak productive infrastructure (water catchment structures, water points, roads), and limited income earning opportunities. The program's intermediate objectives were to improve the food and livelihood security of 10,000 rural households through:

- √ Strengthening community institutional decision making and outreach capacity through formation of community based organizations (CBOs), i.e., training community facilitators, leadership development etc;
- √ Raising agricultural productivity through farmer access to improved seed varieties, promotion of organic fertilizers and green manure, crop diversification into legumes, roots and tubers and soil and water conservation;
- √ Improving water availability and utilization by increasing cultivation in the dambo (wetlands) areas and constructing water harvesting structures; and
- √ Increasing income opportunities and earnings through promotion of savings and loan groups, linking village groups to markets and promotion of non-agricultural income generating activities.

5. Famine Early Warning System Network (FEWS NET) Malawi:

FEWS NET Malawi is a buy-in support activity by the Mission. The goal is to create more useful and sustainable information systems that facilitate finding solutions to food insecurity problems in Malawi. Information collected is related to crop and livestock production, market structure, prices, nutrition and meteorological data and other necessary data. FEWS NET Malawi's objectives are:

- √ Collection and analysis of national crop production data including design and implementation of consolidated crop production survey methodology;
- √ Collection of national market price and quantity data for the different agricultural products;
- √ Develop a sustainable vulnerability assessment monitoring (VAM) system and poverty monitoring system;
- √ Train the Ministry of Agriculture and Irrigation in the use of geographic information system (GIS) and other computer applications;
- √ Provide statistical data summaries and maps to USAID/Malawi in support of the Mission's strategic objectives; and
- √ Utilize early warning information to government, USAID/Malawi and other donors pertaining to causes and magnitude of food insecurity, and targeting approaches that may be used in safety net programs.

6. Groundnut and Peas Multiplication: This is a \$382,334 activity implemented by ICRISAT under a grant agreement. The goal is to enhance groundnut and pigeonpea productivity for household food security, nutrition, and poverty alleviation. The purpose is to provide a sustainable seed production system for breeder, basic and certified seed and supporting technologies. ICRISAT sells basic seed to NGOs and other institutions to multiply and produce commercially certified seeds. Funds obtained from these sales are ploughed back into a Revolving Fund. Specific objectives include:

- √ Providing high quality breeder seed and basic seed of high-yielding, disease resistant groundnut and pigeonpea to various stakeholders in Malawi;
- √ Increasing awareness of the value of improved varieties in enhancing the production of groundnut and pigeonpea among smallholder and commercial farmers through on-farm demonstrations;
- √ Strengthening the capacity of the Department of Research and Technical Services (DARTS), the Department of Extension and relevant NGOs in transferring groundnut and pigeonpea production technologies through short-term training courses; and
- √ Establishing a sustainable Revolving Funds from sales of basic seeds.

6. Cassava and Sweet Potato Multiplication: Currently, this is a “drought mitigation effort” activity implemented by the Southern Africa Root Crops Research Network (SARRNET). Its goal is to improve food security and nutrition both at national and household levels. The purpose is to increase the supply of improved, pathogen-free cassava and sweet potato planting materials and make them more readily and widely available to smallholders.

An impact study of the activity was carried out in July-August, 2000. The activity came to completion in May 2001. At issue is to change the focus of the activity from “food security” to fit into the “increased rural income” strategy. A follow-on proposal to commercialize cassava has been prepared. Specifically, the objectives are:

- √ Carrying out on-farm testing of elite cassava and sweet potato clones;
- √ Maintaining the existing 3 selected multiplication sites and expands to about 30 secondary sites;
- √ Introducing prototype cassava processing machines and training local artisans to fabricate machines locally – 10 focal processing centers in all the three regions;
- √ Disseminating the processing technologies and foster rural entrepreneurship; and
- √ Providing training 400 farm assistants and technical support to 800 farmers in the cassava and sweet potato traditional and non-traditional areas;

8. Fertilizer for Work Program: This is a \$744,900 voucher-for-work program to Evangelical Baptist Church of Malawi and Emmanuel International aimed at reducing acute food insecurity among the vulnerable families in Machinga and Balaka districts. The activity started in May 2001. This is the first year of implementation. Specific objectives include:

- √ Assisting vulnerable households increase food production without crating dependency or sacrificing dignity;
- √ Training committee members on the management of a self-help activity, i.e. correct methods of road construction and maintenance, record keeping etc;
- √ Increasing knowledge related to proper application of fertilizers, alternative fertilization, agroforestry, nutrition, gender sensitization and aids education;
- √ Improving access to health facilities resulting in improved services provided to and by the center; and
- √ Reducing in part, the time, energy and expense of transporting local products to trade centers as a direct result upgraded road conditions.

B. ASAP NPA

NPA policy reforms under ASAP I aimed at liberalization of smallholder agriculture. Four themes were addressed. These included:

Theme One: Production and marketing of crops – aimed at the revision of policies and regulations, and establishment of necessary mechanisms to permit smallholders to grow any cash crop and to market those crops through a variety of marketing channels.

Theme Two: Efficiency of input delivery – aimed at increasing access to and utilization of agricultural inputs by removing constraints to private sector participation in their supply and distribution, and by improving or developing modalities of technical information dissemination.

Theme Three: Equity in the agricultural sector – aimed at promoting improved conditions for tenants and agricultural laborers, both for their own welfare and to encourage improvements to their productivity.

Theme Four: Crop diversification – aimed at identifying appropriate diversification opportunities for Malawi, legal/administrative/policy constraints to profitable diversification, and technical constraints to successful diversification.

In March 1993, a Mid-Term Evaluation was conducted. The Evaluation concluded that while ASAP I had contributed in a measurable way to the achievement of the goal and the purpose of the program, constraints remained to further liberalization of the smallholder agricultural sector. These constraints included: distortions in input markets; continued lack of competitive trading opportunities; and restrictive government regulations and administrative practices which impede rural market development. As a result, ASAP II was created – expanding the NPA component to achieve further policy and institutional changes. The previous four themes were collapsed into two major themes.

Theme One: Increased equity and efficiency in the smallholder sector through liberalizing input markets – aimed at removing constraints to private sector participation in input supply and distribution, including the removal of subsidies, and

Theme Two: Increased equity and efficiency in the smallholder sector through expanding market competitiveness and institutional reform. Theme Two policy reform actions were divided into four groups.

- (i) *Tobacco sub sector* - activities focused on eliminating Agricultural Development Marketing Corporation's (ADMARC's) exclusive tobacco marketing arrangements and strengthening private smallholder marketing and credit clubs;
- (ii) *Consumer and producer price liberalization* – focused on a set of activities relating to improving the system for stabilizing maize prices and eliminating all limitations on private sector buying and selling of smallholder produced commodities;
- (iii) *Government owned/sponsored agricultural organization reform* – emphasized on the review of the role of statutory bodies, government trusts, parastatal and government sponsored farmer organizations on the performance of the smallholder agriculture sector; and
- (iv) *Rural market development* – aimed at broad actions relating to rural market development and agricultural investment.

Broadly, the team shall:

- (a) Assess progress toward achieving ASAP II NPA policy changes as negotiated in conditionality agreement. Did the conditions present lead to policy reforms?
- (b) Assess whether USAID supported policy reform had a broader impact on agricultural productivity, incomes and employment. Did policy reforms lead to increased productivity, incomes and employment?
- (c) What are the lessons learned in ASAP NPA? What lessons should be incorporated in USAID's future NPA activities?

Under specific themes, the team shall:

Theme One: Assess the progress toward increased equity and efficiency in the smallholder sector through liberalizing input markets: To what extent is the participation of the private sector in the importation and distribution of inputs? How has the adequacy and timeliness of the provision of inputs improved?

Theme Two: Assess the progress toward increasing equity and efficiency in the smallholder sector through expanding market competitiveness and institution reform:

- √ Consumer and producer price liberalization: To what extent does a more liberalized output marketing system exist? Is the Strategic Grain Reserve being operated on the intended guidelines? What remains as the role of ADMARC in pricing and marketing of smallholder produce? Currently, does ADMARC play a positive role in the market? To what extent has price liberalization expanded or reduced price volatility and overall producer price levels?
- √ Government owned/sponsored agricultural organization reform: Assess the extent to that the government has devolved ownership of the different agricultural parastatals. What lessons have been learnt? What critical issues need to be addressed?
- √ Rural market development: What organizational structures, procedures and systems constrained successful rural market development? What worked and what didn't work? What recommendations could be made for USAID/Malawi and GOM's attention?

V. METHODOLOGY

In March 1993, a mid-term evaluation of ASAP I was conducted. The evaluation concluded that while ASAP I had contributed in a measurable way to the achievement of the goal and purpose, constraints remained to further liberalization of the smallholder agriculture sector. These constraints included: distortions in input markets; continued lack of competitive trading opportunities; and restrictive government regulations and administrative practices that impeded rural market development. This evaluation will largely build on the previous. The SO6 Private Sector Specialist and the Monitoring and Evaluation Specialist in the Program Development and Analysis (PDA) Office will provide the necessary guidance.

The SO6 Private Sector Specialist will arrange briefing at various times during the period of the assessment with relevant officials from the Mission, the Ministry of Agriculture and Irrigation, donors and other key stakeholders. A meeting will be arranged at the beginning to discuss the approach to the evaluation, agree on the draft outline and any other critical issues. At the end of the evaluation, a debriefing meeting with all stakeholders will be arranged to discuss the draft report before finalizing.

The SO6 Private Sector Specialist will make available all relevant documents for review. These will include activity designs, studies, reports, publications and any other documents deemed relevant for the exercise. USAID Malawi will provide relevant documents for review.

Based on the initial meeting with the Mission and other stakeholders, the evaluation team will make a determination of the field visits that will need to be conducted to supplement the reviews literature. The SO6 Private Sector Specialist will arrange visits to the selected sites.

VI. TEAM COMPOSITION

Team Leader (8 weeks): Should have a minimum of Master of Science (MSc) degree with a strong background in agribusiness. He/she should have 10 years or more experience in agricultural policy-related and agribusiness evaluations. He/she should have excellent writing skills. Preferred is an individual who has had prior experience with the design, implementation and/or evaluation of programs which have focused on the expansion of smallholder agriculture. The Team Leader will be responsible for the management of the evaluation team, the preparations and presentation of draft and final reports, and for other specific tasks during the evaluation.

Agricultural Economist (7 weeks): Should have a minimum of Master of Science degree in Agricultural Economics with some background in financial management. He/she should have a 10 years or more experience. He/she will be responsible for the assessment of the different agricultural systems developed under the program and make some recommendations. He/she will comment on the overall design and implementation of the program. Specifically, he/she will evaluate Central Region Livelihood Security Program, (CARE), Cassava and Sweet Potato Multiplication (SARRNET), Groundnut and Pigeon Pea Multiplication (ICRISAT) and Famine Early Warning System Network (FEWS NET) Malawi activities.

Agribusiness/Marketing Specialist (7 weeks): Must have an advanced degree in agribusiness-related area with a bias in agricultural finance. He/she should have 5 years or more experience. He/she should be familiar with operations of agricultural enterprises, groups and cooperative-like associations. He/she will be responsible for assessing organizational structures as well as financial strengths and weaknesses of the enterprises, groups and associations. He/she will focus on Small Agribusiness Development Project (ACDI/VOCA/NASFAM), Malawi Dairy Business Development Program (Land O' Lakes), MUSCCO Financial and Field Support Activity (BARENTS/MUSCCO) and Fertilizer for Work Program (Evangelical Baptist Church of Malawi and Emmanuel International).

Agriculture Policy Specialist (7 weeks): An advanced degree in social science with a strong emphasis on agricultural policy. Preferred is an individual who has worked on programs or evaluations which have had as a focus policy reform concerning the expansion of development benefits to large, poorer sectors of a country's population. He/she will analyze ASAP NPA issues concerning program-related policy definition and change, political will, and program participant impact (winner and loser analysis).

During the period and to accomplish the objectives of the evaluation, the Team Leader is free to re-assign responsibilities of team members depending on skills and workload.

VII. REPORTS AND DELIVERABLES

By the end of the first week, the team in collaboration with the SO6 SEG Team will have developed a report format to include all topics to be addressed in the final report. The team will submit to USAID/Malawi and selected partners an interim draft written report, addressing all of the elements identified above, one week prior to the team members departing the country. By end of week seven, six copies of a final draft report will be prepared and submitted to the Mission. The report will be discussed by the SO6 Team, the PDA Office, other senior USAID/Malawi staff, GOM and other key stakeholders before the team departs. The team leader for the evaluation team is authorized one additional week to complete the final report at the headquarters. The team will submit 10 copies of the final report to USAID/Malawi Mission at

the end of week seven. In addition, the team will submit to USAID/Malawi the final evaluation on a 3.5 inch diskette, formatted in Microsoft Word 97.

VIII. RELATIONSHIP AND RESPONSIBILITIES

The overall leadership for this evaluation will be provided by the SO6 Team Leader with technical direction from the SO6 Private Sector Specialist and the Monitoring and Evaluation Specialist in the Program Development and Analysis (PDA) Office.

IX. PERFORMANCE PERIOD

The overall evaluation will be carried out in a period of seven weeks, with the evaluation team leader working for an extra week finalizing the report. The team is authorized a six-day working week without premium pay. Local holidays are not authorized. In addition, the evaluation team leader is authorized three days consultation in Washington with the Africa Bureau and World Bank officials.

X. LOGISTICS

The evaluation team will arrange international and local travel, office space, computers, printing, photocopying. The Mission will assist in making appointments for meetings with stakeholders and field visits.

The Malawian administrative assistant will perform the following services for the evaluation team:

- √ Coordinate closely with the evaluation team leader on the team's transportation, secretarial, and administrative requirements and provide these services accordingly;
- √ Arrange appointments, meetings, and field trips as requested by the evaluation team leader;
- √ Arrange for car rental, typing, photocopying, and related services; and
- √ Other duties as may be assigned.

XI. LEVEL OF EFFORT

The level of effort (LOE) excludes the days of international travel for all team members. It includes the three days of consultation in Washington by the evaluation team leader.

Team Leader	48 working days
Agricultural Economist	42 working days
Agribusiness/Marketing Specialist	42 working days
Agricultural Policy Specialist	42 working days
Administrative Assistant (Malawian)	42 working days

XII EVALUATION CRITERIA

The evaluation criteria for awarding the proposed work is as follows.

Related Work Experience:	40%
Academic Qualifications:	30%
Familiarity with USAID	20%
Programming cycle and requirements	
Special knowledge or skills	10%

ANNEX D

BIBLIOGRAPHY

- ACDI/VOCA, “National Smallholder Farmers Association of Malawi (NASFAM) Support Project, SADB Phase II, Project Implementation 1998-2000, December 1997.
- ACDI/VOCA, Annual Report 2001, Shaping Economies for Future Growth, Washington, DC, nd.
- ACDI/VOCA, NASFAM Strengthening Project (NSP) Malawi: Annual Report October 2000 - September 2001, Report No. 7, Washington, DC, nd.
- ACDI/VOCA, NASFAM Strengthening Project (NSP) Malawi: Annual Report October 2001-September 2002, Report No. 8, Washington, DC, nd.
- ACDI/VOCA, Technical Application: SADB Phase Project Implementation 1998-2000: Revised Program Description (2 Year Extension Proposal), Washington, DC, 23 September 1998.
- ACDI/VOCA, Business Management Application: SADB Phase Project Implementation 1998-2000: Revised Program Description (2 Year Extension Proposal), Washington, DC, 23 September 1998.
- ACDI (Barry Riley), Consultancy Report, Mid-Project Review, Smallholder Agribusiness Development Project (SADB), March 9, 1997.
- Akoroda, M.O. et al, “Sweet Success: Cassava in Lilongwe East RDP”, August 2000.
- Akoroda, M.O., “Study of the Contribution of Cassava and Sweet Potato to Total Food Availability in Malawi”, USAID, May 1999.
- Kevin Billings (PriceWaterhouseCoopers/Harare) and Dr. Charles White (USAID/Washington), Final Report: Review of Rural Financial Services in Malawi with Special Reference to USAID Support to Malawi Union of Savings and Credit Cooperatives (MUSCCO), March 1998.
- CARE, “Documentation of Best Practices: Lessons Learned from the Implementation of the Smallholder Marketing Program in Lilongwe, Dedza, and Dowa Districts”, October 2002.
- CARE, “Documentation of Best Practices: Lessons Learned from Implementation of Village Savings and Loans Programs in Lilongwe, Dedza and Dowa Districts”, October 2002.
- CARE, “Seed Strategy Report”, May 1999
- Carvalho, Joe et al, “Mid-Term Evaluation of the Agricultural Sector Assistance Program (ASAP), March 31, 1993.

Evangelical Baptist Church of Malawi, Machinga and Balaka Input for Assets (No. 612-0235), USAID Annual Report 2002 Fiscal Year, n.d.

Evangelical Baptist Church of Malawi, Machinga and Balaka Input for Assets, Quarterly Report No. 1, 17 May to 31 August 2001, nd.

Evangelical Baptist Church of Malawi, Machinga and Balaka Input for Assets, Quarterly Report No. 2, 1 September to 30 November 2001, nd.

Evangelical Baptist Church of Malawi, Machinga and Balaka Input for Assets, Quarterly Report No. 3, 30 November 2001 to 28 February 2002, nd.

Evangelical Baptist Church of Malawi, Machinga and Balaka Input for Assets, Quarterly Report No. 4, 1 March 2002 to 30 June 2002, nd.

FEWSNET, “Monthly Reports” various issues, July 2000 to October-November 2002.

ICRISAT, “Terminal Report: Rural Prosperity is Nation’s Economic Stability” February 2002.

Iredale, Jane, “Central Region Livelihood Security Program (CRLSP) EPR Evaluation”, draft, September 2002.

ITAD Ltd, “Crops Assessment Study”, European Commission, May 1999.

Jaffee, Steve, “Malawi’s Tobacco Sector, Standing on One Strong Leg is Better Than None,” World Bank, June 2002.

Land O’Lakes, Inc. (Martha M Cashman), Malawi Dairy Business Development Program submitted to USAID/Malawi, August 12, 1998.

Land O’Lakes, Inc. (Joe Carvalho), A Land O’Lakes Proposed Amendment: Dairy Business Development Program for Malawi: Phase II, Lilongwe, Malawi, October 2000.

Land O’Lakes, Inc., Draft Farmer Survey Report 2002, Lilongwe, October 2002.

Land O’Lakes, Inc., Malawi Dairy Business Development Program, USAID CA# 690-A-00-99-00148-00, Quarterly Report, January 1 – March 31, 2001, Lilongwe, n.d..

Land O’Lakes, Inc., Malawi Dairy Business Development Program, USAID CA# 690-A-00-99-00148-00, Quarterly Report, April 1 – June 30, 2001, Lilongwe, n.d..

Land O’Lakes, Inc., Malawi Dairy Business Development Program, USAID CA# 690-A-00-99-00148-00, Quarterly Report, July 1 – September 30, 2001, Lilongwe, n.d..

Land O’Lakes, Inc., Malawi Dairy Business Development Program, USAID CA# 690-A-00-99-00148-00, Third Quarter Report, October-December 2001, Lilongwe, February, 2002.

Land O’Lakes, Inc., Malawi Dairy Business Development Program, USAID CA# 690-A-00-99-00148-00, Quarterly Report, Year 4, Quarter 1 for April-June 2002, Lilongwe, July 2002.

Land O'Lakes, Inc., Malawi Dairy Business Development Program, USAID CA# 690-A-00-99-00148-00, Quarterly Report, Year 4, Quarter 2 for July-September 2002, Lilongwe, October 2002.

Land O'Lakes, Inc., Malawi Dairy Business Development Program, Project Summary, Lilongwe, n.d.

Land O'Lakes, Inc. Malawi, Key Lessons and Experiences as at November 2002.

Land O'Lakes, Inc (Coirres L.K. Chiwayula), Monthly Progress Report for the Period August 15-September 14, 2002 for Central Region Milk Shed Area.

Land O'Lakes, Inc (William Ngwira), Monthly Progress Report for the Period August 15-September 14, 2002 for Northern Region Milk Shed Area.

Mid-Term Evaluation of Malawi Savings and Credit Cooperative Institutional Support and Technical Assistance Project (612-0242-G-00-1001-00), n.d.

Millenium Consulting Group (Chigunda Mizeck, Jino Gama and Paul Nkhoma), End of Project Review: The Malawi Dairy Business Development Programme, Lilongwe, July 2001

MOAI, "Rapid Assessment on Root and Tuber Crops from 9th to 16th June, 2002", October 2002.

MUSCCO, Smallholder SACCO Development Project, Strategic Plan (October 1996 – September 1997).

MUSCCO, Proposal for an Extension of the Smallholder SACCO Development Project (SSDP) from 1 October 1998 – 30 September 2000, Lilongwe, n.d.

MUSCCO, Strategic Development Program: 2000 – 2003, Lilongwe, January 2000.

MUSCCO, 1997 Annual Report and Accounts, 25 July 1998.

MUSCCO, 1998 Annual Report and Accounts, n.d.

MUSCCO, 1999 Annual Report and Accounts, n.d.

MUSCCO, 2000 Annual Report and Accounts, n.d.

MUSCCO, 2001 Annual Report and Accounts, n.d.

Mzuzu Dairy Farmers Association, Work Plan for Mzuzu Dairy Farmers Association, 12 September 2002.

Mzuzu Dairy Farmers Association, Participatory Strategic Planning for MDFA, August 6, 2002.

NASFAM, Strategic Development Program 2001 – 2006: A Plan for Transition, Growth and Sustainability.

NASFAM, Policy and Programmes Unit, The NASFAM Policy Platform, Lilongwe, n.d.

NASFAM, Policy, Advocacy and Communications Unit, Progress on the First NASFAM Policy Platform, Lilongwe, 5 October 2000.

Riley, Barry, Smallholder Agribusiness Development Project: Phase II: End of Project Review: Final Report, January 2001.

SARRNET, "Terminal Report: The Accelerated Multiplication and Distribution of Improved Cassava and Sweet Potato Planting Materials and Dissemination of Post-harvest Technologies in Malawi", June 2001.

Save the Children (UK), "A Final Report on the Findings of a Household Economy assessment and Training in Mchinji District, Malawi", October 2001.

Save the Children (UK), "Final Report, Malawi Food Crisis An HEA Vulnerability Assessment", May 2002.

Smallholder SACCO Development Project: Survey Results for Namwera Area, n.d.

Smallholder SACCO Development Project: Survey Results for Lunyina SACCO, n.d.

Smallholder SACCO Development Project: Survey Results for Nalipiri SACCO, n.d.

Smallholder SACCO Development Project: Survey Results for Ntchisi SACCO, n.d.

Smallholder SACCO Development Project Malawi: Status Report for December 31, 1997.

Strategic Plan for Malawi Milk Producers Association for the period July 2002 to June 2005, Blantyre October 31, 2002.

Tichoaona Revesai (BSc.), Evaluation of the Performance of Smallholder, Graded Friesian Dairy Cattle - A Case Study of the Lilongwe Milk shed Area - Malawi, MS (Animal Science) Thesis, Bunda College, University of Malawi, December 2002.

USAID/Malawi, Agricultural Sector Assistance Program (ASAP), Volumes I-III, September 1991.

USAID/Malawi, "Country Strategic Plan 1995-2000", March 1995.

USAID/Malawi, "ASAP Condition(s) Precedent: What Worked? What Didn't? Any New Opportunities? Final Version, November, 1997.

USAID/Malawi, Agricultural Sector Assistance Program, 612-0239, PAAD Amendment, September 1994.

USAID/Malawi, "Agricultural Sector Assistance Program, Project No. 612-0235, Amendment No. 2, August, 1997.

USAID/Malawi, Country Strategic Plan 2001-2005, February 3, 2000.

USAID/Malawi, Country Strategic Plan, Condensed Version, 2000.

USAID/Malawi, “Project Grant Agreement No. 612-0235”, September 30, 1991.

USAID/Malawi Request for Application (RFA) No. 690-02-007, Funding a Program of Expanding Access to Financial Services for Micro, Small and Medium Sized Enterprises, Lilongwe, August 5, 2002.