
**MALAWI GOVERNMENT**

# Global Agriculture and Food Security Programme

# Support to Malawi's Agricultural Sector Wide Approach (ASWAp)

## Proposal from Malawi Government

## Ministry of Agriculture, Irrigation and Water Development

**March 2012**

# List of Acronyms

| | |
|---|---|
| ADD | Agriculture Development Division |
| ADP | Agriculture Development Programme |
| AISP | Agricultural Infrastructure Support Project |
| AfDB | African Development Bank |
| APF | Agriculture Policy Framework |
| ASWAp | Agriculture Sector Wide Approach |
| CAADP | Comprehensive African Agriculture Development Programme |
| C:AVA | Cassava: Adding Value Africa |
| CFA | Core Function Analysis |
| CSO | Civil Society Organizations |
| DADO | District Agricultural Development Officer |
| DAS | Development Assistance Strategy |
| DC | District Commissioner |
| DCAFS | Donor Committee on Agriculture and Food Security |
| DP | Development Partners |
| EIA | Environmental Impact Assessment |
| ESMP | Environmental Social Management Plan |
| FAO | Food and Agriculture Organization |
| FICA | Flemish International Cooperation Agency |
| FUM | Farmers Union of Malawi |
| GAFSP | Global Agriculture and Food Security Programme |
| GBI | Green Belt Initiative |
| GDP | Gross Domestic Product |

| | |
|---|---|
| GoM | Government of Malawi |
| HFCDP | Horticultural and Food Crops Development Project |
| MBS | Malawi Bureau of Standards |
| MCCCI | Malawi Confederation of Chambers of Commerce and Industry |
| MDG | Millennium Development Goals |
| MGDS | Malawi Growth and Development Strategy |
| MoAIWD | Ministry of Agriculture, Irrigation and Water Development |
| MoLGRD | Ministry of Local Government and Rural Development |
| MoIT | Ministry of Industry and Trade |
| NAPA | National Adaptation Plan of Action |
| NAPF | National Agriculture Policy Framework |
| NASFAM | National Smallholder Farmers Association of Malawi |
| NEPAD | New Partnership for Africa's Development |
| NGO | Non-Governmental Organization |
| PIU | Project Implementation Unit |
| SCPMP | Smallholder Crop Production and Marketing Project |
| ShIP | Smallholder Irrigation Project |
| WFP | World Food Programme |
| WUA | Water User Association |

**Exchange Rate (March 2012)**

US$ 1.00 = MK 167

**Fiscal Year**

1st July – June 30th

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# PART I: SUMMARY OF OVERALL AGRICULTURE AND FOOD SECURITY STRATEGY AND ASSOCIATED INVESTMENT PLAN

## 1.1 OBJECTIVES AND INDICATORS

**1.1.1 Overall Agriculture and Food Security Strategy Objectives:** The Malawi Growth and Development Strategy II (MGDS II, 2011-2016) is the second medium term national development strategy to attain the nation's Vision 2020. It is at an advanced stage of being adopted and builds on the gains, lessons and best practices achieved during the implementation of the predecessor strategy (MGDS 2006-2011). The objective of MGDS II is to continue reducing poverty through sustainable economic growth and infrastructure development.

1.1.2 The MGDS II identifies six broad themes namely Sustainable Economic Growth; Social development; Social Support and Disaster Risk Management; Infrastructure Development; Improved Governance; and Cross-Cutting Issues. Nine key priority areas drawn from the six themes are: Agriculture and Food Security; Transport Infrastructure and Nsanje World Inland Port; Energy, Industrial Development, Mining and Tourism; Education, Science and Technology; Public Health, Sanitation, Malaria and HIV and AIDS Management; Integrated Rural Development; Green Belt Initiative (GBI), Irrigation and Water Development; Child Development, Youth Development and Empowerment; and Climate Change, Natural Resources and Environmental Management.

1.1.3 The MGDS II has targeted agriculture as the driver of economic growth and recognizes that food security is a pre-requisite for economic growth and wealth creation. The agriculture and food security strategy objectives under the MGDS II are:

a) To increase agriculture productivity and diversification;
b) To ensure sustained availability and accessibility of food to all Malawians at all times at affordable prices;
c) To move up the value chain in key crops, and increase agro-processed products for both domestic and export markets; and
d) To increase agricultural production and productivity through intensification of irrigation.

1.1.4 Malawi's Agriculture Sector Wide Approach (ASWAp), which was formulated by the Government of Malawi (GoM) with its Development Partners (DPs), and aligned with the Comprehensive African Agriculture Development Programme (CAADP), is the priority investment plan for the agricultural sector for the period 2011-15. The ASWAp offers a framework for supporting priority activities in the agricultural sector with the goal of increasing agricultural productivity to make Malawi a hunger free nation, while also enabling people to access nutritious foods and increase the contribution of agro-processing to economic growth. The objectives of ASWAp are (i) to increase agricultural productivity, contributing to 6% growth annually in the agricultural sector, (ii) to improve food security, (iii) to diversify food production as well as improving nutrition at household level, and (iv) to increase agricultural incomes of the rural people.

**1.1.5 Investment Priorities:** The ASWAp identifies five broad areas of focus as priority pillars. These pillars comprise food security and risk management; commercial agriculture, agro-processing business and market development; sustainable land and water management; technology development and dissemination; and institutional development and capacity building. In addition, there are cross-cutting issues that interact with the five pillars of the ASWAp including mainstreaming gender and HIV and AIDS.

**1.1.6 Monitorable Indicators:** The ASWAp Results Indicators are shown in Appendix 1. These indicators have been readjusted following the recommendation of the CAADP Technical Review Team. The indicators will mainly focus on food security and risk management, commercial agriculture, agro-processing and market development, sustainable agricultural land and water management, technology generation and dissemination, institutional strengthening and capacity building, HIV Prevention and AIDS impact mitigation, and gender equality and empowerment.

## 1.2 KEY ELEMENTS OF THE POLICY ENVIRONMENT

**1.2.1 Agricultural Policies:** The Government of Malawi has developed various national development strategies, agricultural strategies and agricultural-related legislation and policies to ensure the promotion of the economy. These include the National Agricultural Policy-2010-2016 (NAP), the National Irrigation Policy and Development Strategy (2010), National Nutrition Policy and Strategic Plan (2007-2012), the Cooperative Development Policy, National Nutrition Policy and Strategic Plan, ASWAp, the MGDS I and II which provide the national policy context. The ASWAP is based on the priority agricultural elements of the MGDS and is consistent with the CAADP under the umbrella of the New Partnership for Africa's Development (NEPAD). The CAADP provides the regional context of achieving sustainable agricultural growth and development when translated into actions at the national level. The Development Assistance Strategy (DAS) provides a global framework on Aid Harmonization.

1.2.2 The Farm Inputs Subsidy Programme (FISP) is in its sixth year of implementation and was designed to achieve food security and raise smallholder's income through increased maize and legume production. In the 2010/11 agricultural season, the Government FISP packages include subsidies of fertilizer for maize, of improved maize and legume seeds. The programme takes up to 6% of the country's GDP and about 60% of the budget of the ministry.. This has had successful influence on food security.

1.2.3 Agriculture contributes about 90% of export earnings and about 30% of GDP. Tobacco accounts for more than 50% of the exports. Malawi is currently facing a few challenges such as fuel shortages and declining foreign exchange revenue that is attributed to dwindling revenue from tobacco exports. Other challenges Malawi faces include the effect of climate change on rain fed agricultural practices, declining investments, and high HIV/AIDS prevalence rates. The full effect of these setbacks are yet to be captured for the later part of 2011/2012 period but it has become imperative to initiate efforts to mitigate any difficulties and promote economic growth.

1.2.4 The ASWAp foresees a reduction of postharvest losses from the current 25% to 12% by 2015. This is only possible by the development of post-harvest technology infrastructure for processing, preservation and storage of agricultural produce. It calls for the promotion of value

added products and development of commodity value chain which are vital to the sustenance of growth of the agriculture sector.

**1.2.5 The CAADP Compact:** The Government of Malawi (GoM) signed the CAADP compact in April 2010 as an integral part of Malawi's efforts to promote food security and economic development. The 4 pillars of the Malawi CAADP Compact document are:

Pillar 1: Extending the area under sustainable land management
Pillar 2: Improving rural infrastructure and trade related capacities for market access
Pillar 3: Increasing food supply and reducing hunger
Pillar 4: Agricultural research, technology dissemination and adoption

1.2.6 Malawi is one of the handful countries in Africa which reached the target of agricultural investment of a minimum of 10%. Malawi has been a regional leader in the CAADP process, which is illustrated by Malawi being the first country in the SADC region to complete a CAADP Compact, technical peer review and CAADP Business Meeting. Malawi is also the fifth country in COMESA to successfully organize a CAADP Business Meeting. The effort of the GoM is already resulting in more harmonized support to the agriculture sector though the of ASWAp Support Program and ASWAP Multi Donor Trust Fund, which will account for approximately $ 100 Million in pooled Development Partner resources from donors such as the World Bank, EU, FICA, DFID, Irish Aid. Other Development Partners including USAID an IFAD continue to support ASWAp through discrete and earmarked funding.

**1.2.7 Cross cutting policies and reforms:** There are several other sector policies and on-going reforms that play important roles towards the achievement of the ASWAp objectives. These reforms include: malnutrition, HIV and AIDS, gender, the rule of law, macro-economic management, decentralization, export diversification and Aid Harmonization. For example the Department of Nutrition, HIV and AIDS have been transferred to the Office of the President and Cabinet (OPC) to give it a higher profile and achieve a more focused attention on nutrition and HIV/AIDS issues.

1.2.8 In an effort to increase exports, government is developing an export strategy and plans are also progressing to establish the Malawi Export Development Fund (EDF) that will contribute to growth and diversification of the export base.

## 1.3 PLAN COMPONENTS TO ACHIEVE THE OBJECTIVES UNDER ASWAp

1.3.1 The key constraints to achieving the objectives of improving agriculture and food security in Malawi include: low and stagnant yields, over dependence on rain-fed farming which increases vulnerability to weather related shocks, low level of irrigation development, and low uptake of improved farm inputs. In addition, low profitability of smallholder agriculture is influenced by weak links to markets, high transport costs, few farmer organizations, low levels of value addition to farm produce, poor quality control, and lack of market information.

1.3.2. The current drive by the government to diversify the economy to promote further growth needs to be supported. The agricultural sector must begin to take full advantage of other crops with export and import substitution potential. However the gains envisaged in the current agricultural diversification policy are largely dependent on the development of irrigated

farmlands. The Government's plan is to increase the area under irrigation from 90,000ha to 280,000ha by 2015.

**1.3.3 Measures to Address the Issues:** Table 1 shows the ASWAp focus areas and its components to address the constraints and their alignment to the CAADP Pillars.

**Table 1: ASWAp Focus Areas, components and CAADP Pillars**

| Focus Area | Components/Outcomes | CAADP Pillars |
|---|---|---|
| 1.Food Security and Risk Management | 1. Maize self-sufficiency through increased maize productivity and reduced post-harvest losses<br>2. Diversification of food production and dietary diversification for improved nutrition at household level with focus on Crops, Livestock, and Fisheries<br>3. Risk management for food stability at national level | **Pillar 3:** Increasing food supply and reducing hunger |
| 2. Commercial Agriculture, Agro-processing and Market Development | 1. Agricultural exports of different high value commodities for increased revenue and income<br>2. Agro-processing mainly for value addition and import substitution<br>3. Market development for inputs and outputs through Public/private sector partnerships | **Pillar 2:** Improving rural infrastructure and trade related capacities for market access |
| 3. Sustainable Agricultural Land and Water Management | 1. Sustainable agricultural land management<br>2. Sustainable agricultural water management and irrigation development | **Pillar 1:** Extending the area under sustainable land management |
| **Key Support Services**<br>1.Technology Generation and Dissemination | 1. Results and market oriented research on priority technology needs and provision of technical and regulatory services<br>2. Efficient farmer-led extension and training services | **Pillar 4:** Agricultural research, technology dissemination and adoption |
| 2.Institutional Strengthening and Capacity Building | 1. Strengthening public management systems<br>2.Capacity building of the public and private sectors | **Cross cutting:** Institutions |
| **Cross-Cutting Issues**<br>1. HIV prevention and AIDS impact mitigation<br>2. Gender equality and empowerment | 1. Mainstream gender and HIV/AIDS | **Cross cutting:** Institutions |

Source: ASWAp 2011 – 2015, Government of Malawi (2011).

1.3.4 The delivery of the ASWAp is multi-sectoral and involves a number of stakeholders such as: the Ministry of Agriculture, Irrigation and Water Development; the Ministry of Gender, Child and Community Development; the Ministry of Industry and Trade; the Ministry of Natural Resources, Energy and Environment; the Department of Nutrition, HIV & AIDS, Local Councils, the Civil Society, farmer organizations and private sector groups. All these entities will operate through the ASWAp management framework which is supported by a Secretariat. A full description of the ASWAp Management structure is provided in section 1.7.

## 1.4 PLANNED COMPOSITION AND LEVEL OF SPENDING TO IMPLEMENT THE COMPONENTS

**1.4.1 Public Spending on Agriculture and Food Security:** The GoM has established strong commitment to continued agricultural growth. The average budget of the agriculture and food security sector is estimated at 11 % of the national budget for the five year MGDS period (2006-2011). This is in line with the Maputo declaration which stipulates that government allocates at least 10% of its budget to agriculture. With this increased government spending, the sector's average growth reached 6.4% in 2011 and is estimated to reach 7.3% in 2012[1], which is above the CAADP target of 6 percent. The average public spending on agriculture before the MGDS was around 6.1%. In the period before 2005, about 5 million Malawians were at risk of hunger. This number dropped to about 500,000 in 2008 and on ward.

**1.4.2 Indicative Costs:** the Government is expected to continue its strong commitment to financing agriculture over the next years. With the implementation of the ASWAp, the share of Government spending in the sector is projected to increase to 24% by the year 2015. Expenditure plan divided among all focus areas for the period 2011 – 2015 is outlined in Table 2.

**Table 2: Summary budget (in US$) for ASWAp by Focus Area (2011-2015)**

| Focus Area | 2011/12 | 2012/13 | 2013/14 | 2014/15 | TOTAL |
|---|---|---|---|---|---|
| 1. Food security and risk management | 201,092,230 | 212,561,560 | 207,660,570 | 210,984,090 | 832,298,450 |
| 2. Commercial agriculture and market development | 33,525,250 | 37,593,500 | 39,739,250 | 47,978,000 | 158,836,000 |
| 3. Sustainable land and water management | 193,613,800 | 225,253,600 | 256,945,400 | 286,277,200 | 962,090,000 |
| 4. Key support service:<br>i) Technology generation and dissemination | 24,696,825 | 28,155,850 | 28,856,075 | 29,881,600 | 111,590,350 |
| ii) Institutional strengthening and capacity building | 21,063,843 | 19,577,748 | 25,368,350 | 32,353,285 | 98,363,226 |
| 5. Cross cutting issues:<br>i) HIV prevention and AIDS impact mitigation<br>ii) Gender equality and empowerment | 5,335,903 | 6,528,634 | 7,658,590 | 8,976,872 | 28,500,000 |
| **TOTAL** | **479,327,851** | **529,670,892** | **566,228,236** | **616,451,047** | **2,191,678,026** |

Source: ASWAp 2011 – 2015, Government of Malawi (2011).

## 1.5 FINANCING SOURCES AND GAPS

1.5.1 The total budget for the ASWAp over a four year period (2011-2015) is estimated at US$ 2.2 billion. The total available resources are approximately US$ 1 billion made up of around US$ 630 million committed by the GoM and US$ 370 million committed by the DPs. This results in a financing gap amounting to US$ 1.2 billion (see Appendix 2). The commitments of specific DPs for the ASWAp focus areas are presented in Appendix 3.

[1] Malawi Annual Economic Report, 2011, Ministry of Development and cooperation.

## 1.6 PROCESS BY WHICH THE STRATEGY AND INVESTMENT PLAN WERE DEVELOPED

1.6.1 The ASWAp was prepared based on a collaborative process in consultation with the key stakeholders including local stakeholders and development partners. In 2006, a Symposium was held on the Agriculture Development Programme (ADP) where the Government agreed with stakeholders and development partners to formulate the ASWAp as a mean for achieving the agricultural growth and poverty reduction goals of the MGDS.

1.6.2 The Agriculture Sector Working Group (ASWG) was formed to manage the ASWAp development process to ensure proper coordination in development of ASWAp. The group comprised of government, development partners, private sector representatives and Non-Governmental Organizations (NGOs). Consultation started from the district level to regional and national levels. At each level, the stakeholders consulted included farming communities, traditional leaders, Farmer Organizations, Parliamentarians, private sector representatives with the involvement of the Central Government Ministries and Local Councils, Civil Society Organizations (CSOs), Cooperating Partners and Academia.

1.6.3 The formulation of ASWAp has received support from various partners such as the African Development Bank (AfDB), the World Bank (WB), Norway, Food and Agricultural Organization (FAO), and other development partners. Specifically the WB and the Government of Norway contributed to the financing of ASWAp Support Project before the full ASWAp was rolled out. Also, as part of the process, ASWAp was endorsed in April 2010 by i) local Development Partners represented by the Donor Committee of Agriculture and Food Security (DCAFS), ii) the private sector represented by Malawi Confederation of Chamber of Commerce and Industry, iii) regional partners represented by COMESA, iv) CSOs represented by the Civil Society for Agricultural Network (CISANET), and v) the smallholder farmers represented by Farmers Union of Malawi (FUM).

1.6.4 The signing of the CAADP Compact was a formalization of the ASWAp. The CAADP Technical Review Team visited Malawi and drew recommendations. The recommendations were addressed in the review and updating of the current ASWAp (2011-2015). A pre-business meeting was held in July 2011 before Malawi's CAADP Business Meeting in order to foster greater participation and ownership from Malawi's non-state actors in the CAADP and ASWAp processes. The final CAADP Post Compact Country Technical Review Report was issued in September, 2010 after extensive consultations with stakeholders. This culminated into the convening of a CAADP Business Meeting from 28-29 September 2011 where the GoM, DPs, and non-state actors reaffirmed their commitment to support ASWAp. Consequently, a post CAADP Road Map has been finalized by stakeholders, which will assist with the transition to full implementation of the ASWAp as well as addressing additional analytical requirements and studies related to ASWAp implementation support.

## 1.7 IMPLEMENTATION ARRANGEMENTS AND CAPACITY TO IMPLEMENT

**1.7.1 ASWAp Organizational Arrangement:** ASWAp is implemented using existing organizational structures by the Ministry of Agriculture, Irrigation and Water Development,

Ministry of Gender, Child and Community Development, Department of Nutrition and HIV, Ministry of Industry and Trade, Ministry of Natural Resources, Energy and Environment, Local Assemblies, Civil Society Agriculture Network (CISANET), farmer organizations and private sector enterprises. In addition, the agriculture Sector Working Group (SWG) provides a forum for negotiation, policy dialogue, and agreement of plans and undertakings among stakeholders at sectoral level. It also provides a forum for strengthening institutional collaboration. Furthermore, the ASWAp enshrines the concept of a Sector Working Group as a means of enhancing ownership, alignment, dialogue, harmonization, and mutual accountability for effective implementation of priority sector investment strategies. The Agriculture Sector Working Group will work with seven Technical Working Groups to ensure that the SWG is effective in terms of its operations and deliverables. Institutional arrangement comprising of inter-ministerial and multi- sectoral, linkages are shown in Appendix 4.

1.7.2 Technical and budgetary coordination of the ASWAp is the responsibility of the Ministry of Agriculture, Irrigation and Water Development (MoAIWD). The MoAIWD has the principal responsibility for delivery of the programme. The ASWAp Secretariat, which is located within MoAIWD, facilitates the strategic and operational processes of implementing the ASWAp. The Secretariat has a coordinator to manage and foster the development process to ensure proper coordination and synergies between the various programmes financed by the different DPs under the ASWAp. Civil Society Organizations, farmer organizations and the private sector take part in planning, implementation of programmes and projects through subcontracting as well as delivery of services.

**1.7.3 ASWAp Management Arrangements:** All cost centers receive funds according to the treasury plan for activity implementation. All districts report back to the District Commissioner (DC) and the Agricultural Development Division (ADD) on a quarterly basis on both the use of funds and implementation status. A report is then submitted to the Planning and the Finance departments at the MoAIWD Headquarters. An annual implementation report is prepared within 60 days of the end of the fiscal year. The report monitors targets and achievements compared to the previous year. This report forms the basis for the Annual ASWAp Review (coinciding with the Partnership Forum) to be held in September 2012 that assesses performance of the Ministries and the ASWAp. The report also contains financial and budget execution information. The Agriculture Sector Review then feeds into the MGDS review mechanism. An external audit is conducted shortly after accounts are closed in July and is ready by November. Based on the outcome of the Annual Review and the Audit Report, donors make their commitments for the following year. This, along with GoM commitments and the amounts foreseen in the Mid-Term Expenditure Framework, will form the basis for calculating budget ceilings for the following fiscal year.

**1.7.4 Capacity Gaps and Remedies:** ASWAp implementation represents a significant change in conducting business in the agriculture sector since implementation and management of resources, including donor support, will utilize existing government structures. However, roles and responsibilities, weak implementation arrangements, and rigidities amongst stakeholders can cause some implementation issues and thus will require enhanced coordination mechanisms so as

to maximize synergies with the recently improved collaboration embedded in the ASWAp management structure. This, therefore, calls for staff orientation and regular subsequent training on their responsibilities and tasks. Support will be given to build skills needed for effective delivery of the ASWAp as well as utilizing credible local education and training providers for both short and long term courses to cover professional, administrative and technical skills. The MoAIWD is in the process of undertaking a Core Function Analysis (CFA) aimed at defining the roles of state and non-state actors.

## PART 2: SPECIFIC PROPOSAL FOR GAFSP FINANCING

### 2.1 SPECIFIC OBJECTIVES, AND TARGETED RESULTS

**2.1.1 Objectives:** The primary objective of the project is to reduce poverty and ensure sustainable food security for Malawians at both household and national levels by increasing food production and developing high potential value chains. The specific objectives are mainly to:

i. Increase the land area available for all season agriculture by the development of water resources (irrigation, drainage, etc.) for men and women small holder farmers.
ii. Promote crop diversification and value chain development of selected crops for improved food and nutrition security, wealth creation and rural employment especially for women and youth.
iii. Expand drought resistant cropping which will serve as a safeguard against the effect of climate change and drought as well as serve as viable raw materials for industrial use and import substitution.
iv. Enhance the capacity of both the public and private sectors in order to improve service delivery functions to smallholder farmers and other key stakeholders in agricultural development.

2.1.2 The project's specific objectives and targeted results are based on the need to fully implement the priority activities under ASWAp, and the need to fill the financing gaps in the ASWAp Investment Plan (Appendix 3). An analysis of the plan revealed that the largest financing gap of US$ 813 million is under the focus area number 3- *Sustainable Agricultural Land and Water Management*. The second gap of US$ 181.5 million is under focus area number 1- *Food Security and Risk Management*. The third gap of US$ 60.2 million is on key support services on *Institutional Strengthening and Capacity Building*.

**2.1.3 Targeted Results:** The expected results in relation to the objectives of the project are summarized in Table 3 below. The ASWAp monitoring and evaluation framework will be used to assess the progress of the project.

**Table 3: Development Objectives/Outcomes and Outputs**

| Project Development Objective | PDO Indicators | Use of Outcome Monitoring |
|---|---|---|
| **Increased volume and quality of crop production, crop diversification, poverty reduction and food security for the Malawians.** | Increased crop yields for rice from (1.72 T/ha) to (3.5T/ha), cassava from (10T/ha) to (25T/ha), soybeans from (0.96T/ha) to (3T/ha), groundnuts from (1.0T/ha) to (1.5T/ha), pigeon peas from (0.46 T/ha) to (1.5T/ha), Sweet potatoes from (16T/ha) to (17T/ha)[2] and other priority crops (See Project baseline figures in appendix 1 and target crop yields in Appendix 5). | The indicator will measure whether farmers (men and women) could access inputs, extension services and the necessary infrastructure to increase yields, and evaluate the improvements in income. |
| | Increase in income per household (from US$280 pa to US$550 pa by 2015) | |
| | Increased activity along the value chain with higher proportion of output with value addition | To assess project success in increased number of beneficiaries involved along the value chain and involved in agro-processing. Fifty percent of beneficiaries targeted are women.<br><br>To assess the proportion of produce processed and marketed. |
| **Specific Objectives** | **Output Indicators for Specific Object** | **Use of Output Monitoring** |
| **Sustainable Land and Water Management** | 500 ha of land developed for irrigation by combined pumping and gravity to benefit 3000 persons in 500 farm families.<br>1300 ha developed for gravity fed irrigation to benefit 39,000 persons in 6,500 farm families.<br>Rehabilitation of 1,300ha existing dilapidated irrigation schemes to benefit 19,500 persons in 3,250 farm families.<br>2,500ha developed under rain fed cropping of drought crops to benefit 15,000 persons in 2500 farm families | To assess the amount of irrigated land, efficiency of water use and amount of crops produced.<br><br>To assess the area under rain fed agriculture and amount of crops produced |
| **Crop Diversification and Value Chain Development** | Linkage with research and extension institutions as well as private sector operators for selection and propagation of appropriate and valued varieties of the selected crops.<br>Through co-financing and matching grant activity, various food processing equipment will be delivered to famer groups including on-farm cassava pretreatment and drying facility, post-harvest cleaning, threshing, drying, storage and de-husking facilities for rice and on farm cleaning/storage with crude vegetable oil extraction for groundnuts and soybean and facility for conversion of post extraction residue/ waste to animal feed. A total of about 672 persons in 112 households will benefit in the processing aspect of the value chain development. | To assess the level of produce conversion and new businesses/linkages opened for marketing of value added products. |
| | Market depots and sheds constructed/rehabilitated to promote improved post-harvest practices (18), as well as 100 km of feeder roads constructed/rehabilitated to link farmers to major roads and markets. | To assess the impact developed infrastructure has on agriculture production, food security, and incomes |
| **Institutional Strengthening, capacity building and Monitoring and Evaluation** | Increased knowledge and skills for staff and farmers (adopted to at least 50% of women staff and farmers) in farming practices, nutrition and health education, marketing skills etc. | To assess level of adoption of technologies by farmers of both gender and knowledge of improved, farming skills, nutrition, marketing etc., |
| | 17 Water Users Associations, established/strengthened with 50% women participation. | To assess water use efficiency and basic irrigation maintenance skills |

[2] Malawi 3rd Production estimates for 2010

| Project Development Objective | PDO Indicators | Use of Outcome Monitoring |
|---|---|---|
| | 18 Farmers' cooperatives established and are able to effectively market agriculture produce | To assess if incomes have increased through group marketing for male and female members |
| | Support for research and extension institutions for production and propagation of bio-fortified and valued varieties of the selected crops such as sweet potatoes and multiplication of legume seed | To assess the development and extent of deployment of selected varieties of crops |
| | Support farmer cooperatives on value addition and linkages to higher value markets. 1200 families including 200 traders and business persons will benefit. | |

**2.1.4 Targeted Beneficiaries:** The estimated number of direct beneficiaries under the proposed project is 79,000 persons from an estimated 13,000 families made up of smallholder farmers, traders, agro processors and their families. The project is targeting 50% women participation which will be closely monitored by the M&E system. The details of the direct beneficiaries are shown in Appendix 6.

## 2.2 ACTIVITIES TO BE FINANCED

2.2.1 The Project's components and sub components activities to be financed using GAFSP resources are summarized in Table 4 which maps the project's sub-components directly to the ASWAp focus areas, and links the proposed project activities to CAADP pillars.

**Table 4: Activities to be financed by GASFP and their alignment to CAADP Technical Pillars**

| Activity to be Financed in GASFP Project | Focus Area in ASWAp | Sub-Focus Area in ASWAp | Related CAADP Technical Pillars |
|---|---|---|---|
| 1. **Sustainable Land and Water Management.** | **Focus Area 3**: Sustainable Agricultural Land and Water Management. | **Sub-focus area 2** Sustainable agricultural water management and irrigation development | **Pillar 1:** Extending the area under sustainable land management |
| 2. **Crop Diversification and Value Chain Development** | **Focus Area 1:**Food Security and Risk Management<br>**Focus Area 2:** Commercial Agriculture, Agro-processing and Market Development. | **Sub-focus area 3:** Risk management for food stability at national level<br>**Sub-focus area 2:** Commercialization through agro-processing mainly for value addition and import substitution | **Pillar 2:** Improving rural infrastructure and trade related capacities for market access<br>**Pillar 3:** Increasing Food Security and Reducing Hunger |

| Activity to be Financed in GASFP Project | Focus Area in ASWAp | Sub-Focus Area in ASWAp | Related CAADP Technical Pillars |
|---|---|---|---|
| **3. Institutional Strengthening, Capacity Building and Monitoring and Evaluation** | **Focus Area 1**:Food Security and Risk Management<br><br>**Support Area 1:** Technology Generation and Dissemination<br><br>**Key Support Area 2:** Institutional Strengthening and Capacity Building<br><br>**Cross-Cutting Issues**<br>HIV prevention and AIDS impact mitigation<br>Gender equality and empowerment | **Sub-focus area 2:** Diversification of food production and dietary diversification for improved nutrition at household level with focus on Crops, Livestock, and Fisheries<br><br>**Sub support area 1:** Results and market oriented research on priority technology needs and provision of technical and regulatory services<br>**Sub support area 2:** Efficient farmer-led extension and training services<br>**Sub-support area 2:** Capacity building of the public and private sectors<br>Mainstream gender and HIV/AIDS | **Pillar 4:** Agricultural research, technology dissemination and adoption<br><br>**Cross cutting:** Institutions |

Source: Source: ASWAp 2011 – 2015, Government of Malawi (2011).

**Component 1: Sustainable Land and Water Management.**

2.2.2 The focus of this component is to enhance agriculture water management under irrigated agriculture in selected districts (see Appendix 6 for location of sites). This will contribute significantly to increasing agricultural productivity and production through increased water use efficiency and expansion of land under irrigation for cultivation of both food and cash crops. The activity will also help to mitigate the negative climate change effects in the targeted districts of which two of them (Karonga and Salima) according to the National Adaptation Program of Action (NAPA), are among the 6 priority districts for climate change adaptation in Malawi.

2.2.3 The priority crops to be promoted in the project areas are rice, cassava, soybeans, groundnuts, pigeon peas, onions, tomatoes, sweet potatoes and mangoes[3]. These have been found to be suitable for the cultivation in the target area. Maize, which is a staple food for Malawi, is currently being supported under the Farm Inputs Subsidy Program (FISP) which is expected to run for the next 4-5 years. This project, thus, is diversifying from maize to support other crops in line with the Government strategy. Rice is one of the major food and cash crops grown in the target areas, which can further be promoted through this project. The targeted areas have significant irrigation potential, even during dry year scenarios, due to abundant water resources along Lake Malawi from the rivers running into the lake. However, currently, these areas have

[3] In the crop diversification and value chain component, further discussion is provided on the rationale for the selection of these commodities.

inadequate irrigation infrastructure, feeder roads and market structures. The proposed investments will therefore support the following interventions:

**2.2.4 New Irrigation Schemes:** Building on experience gained from previous and ongoing irrigation projects in Malawi, new schemes including 1,800 ha will be developed. They will comprise of two types of schemes. The first type will cover 500ha at Chikwawa in Salima District with plot sizes averaging 1 ha. Water will be conveyed by direct pumping from Lake Malawi for 260 ha and combination of minor pumping/gravity feed from Lingdazi River for 240ha. The second type of schemes, comprising of 12 new sites with gravity fed irrigation system and 2 sites with pump based irrigation systems with farmer plot sizes averaging 0.2 ha will account for up to 1300 ha. These project sites are ready for execution as feasibility studies and soil tests have been conducted and designs developed by the Department of Irrigation. Tender documents have also been prepared. Farmer cooperatives will take advantage of the current government tractor hire scheme to reduce labor costs. The tractor hire scheme was introduced by the Government to support the smallholder farmers in farm mechanization and the cost of hiring is relatively lower when compared to commercial rates.

**2.2.5 Rehabilitation of Old Schemes:** The project will rehabilitate 1300 ha of existing irrigation schemes. Among others, the rehabilitation will involve climate proofing[4] of the schemes. These schemes are located at Bua (340 ha), Wovwe (365 ha), Hara (230 ha), Manthimba (250 ha) and Dickson (100 ha). The average plot holding at these sites is 0.4 ha. This will bring the total irrigated area to be supported under the project to 3100 ha.

**2.2.6 Feasibility Studies and Designs:** In addition to investment in the development of the already surveyed low cost irrigation areas presented above, the project will carry out feasibility studies for the future development of viable water resource management possibilities for irrigation. Sites that have been preliminarily identified are Wovwe (500 ha) and the Lingadzi river for construction of a dam that would serve the rest of Chikwawa site in the Salima District. The feasibility studies and designs for future irrigation development will identify and confirm the most viable and cost effective schemes. These studies will look at actions such as gravity fed irrigation systems and use of renewable energy in irrigation where gravity fed systems will not be feasible. This project will also finance a study aimed at identifying strengths and weaknesses and compile lessons learnt from past irrigation projects/programs in Malawi in order to inform government and development partners in future programming of irrigation interventions. This will be implemented by MoAIWD and Consultants.

**Component 2: Crop Diversification and Value Chain Development**

**2.2.7 Seed Selection and Multiplication:** The project will embark on the development of the value chain for the selected crops. This will begin with the involvement of research and extension institutions as well as seed propagation and supply firms to identify, select and multiply appropriate seeds and cassava cuttings and sweet potato vines for cultivation in the project areas. The existing research institutions in the country will be engaged and supported to

[4] Taking into consideration development measures to be analysed with regard to the current and future challenges and opportunities presented by climate change development. This is can be applied to irrigation infrastructures resilient to climate change effects such as flooding, which, for instance, was the cause for damaging the previous structures.

work closely with the project in making sure that the suitable varieties are made available to the farmers through their associations/cooperatives. The seed selection and multiplication stage of the project will commence early enough to ensure that enough planting materials would be available as soon as the farmers are ready to plant. The seed selection process will take yield, disease resistance, market requirements, bio-fortification, tolerance to drought and cultural values into consideration, to ensure the maximization of the utility of these crops for sustainable agro enterprise. The use of already developed hybrids will be properly evaluated and disseminated. Use of uniform seeds is important for aesthetic appeal, packaging and branding of the products and for higher market values.

**2.2.8 Rain Fed Cropping and Water Harvesting:** In addition to the completion and rehabilitation of irrigation schemes, the project will support improved cropping practices and agriculture diversification on a total of 2500 ha of rain fed land focused on cassava and legumes farming at Chikwawa in Salima District. Plot sizes at this site will be 1 ha on average.. This is important since cassava demonstrates considerable resistance to drought. From the experience of CAVA project[5], cassava can serve as a means of ensuring food supply during the lean period or during maize shortages. The USAID reported the difficulty in the supply of the estimated 2000 metric tonnes of starch needed in Malawi by various industries[6]. Presently maize starch is imported to fill that gap. It also reported that an export market existed for cassava starch in South Africa. The FAO Malawi office also confirmed that the demand is presently growing for production of flour and starch for the packaging, plywood and bakery industries and expressed their wiliness to provide their experience. In addition, cassava leaves serve as vegetables for human consumption and fodder for livestock. Promoting cassava production is a viable mean of reducing overdependence on the major staple maize. The average size of plot per household for cassava will be one hectare.

2.2.9 Water conservation and harvesting techniques will be applied (to promote retention of moisture thus prolonging crop production as well as built- in resilience in case of insufficient rainfall) in the rain fed area to maximize land use through intercropping of cassava with legumes (soybean or groundnuts) and appropriate crop rotation systems. The rotation of legumes and cassava is essential for replenishing the nitrogen content of the soil thereby reducing dependence on fertilizer. Trainings and demonstrations will be conducted for farmers which will include at least 50% women farmers. NGOs will participate in the delivery. The project will also link with the USDA Food for Progress funded project implemented by Land O' Lakes that will be working in the same target areas supporting farmer groups to engage in the cassava and rice value chains.

2.2.10 In order to identify priority value chains, a mapping exercise was conducted using the following criteria: (a) end market demand and potential, (b) suitability of crops in the proposed irrigation schemes, (c) income potential (d) potential to improve household food security and nutrition, (e) value addition potential and (f) participation of women in potential value chains. Through this analysis, rice, cassava, soybeans, groundnuts and pigeon peas were identified as having potential to be supported through the project. After project start-up, a full market

[5] Supported by Bill and Melinda Foundation
[6] USAID 2009. http://pdf.usaid.gov/pdf_docs/PNADW639.pdf

analysis will be completed for proposed value chains and some commodities may be added or dropped based on this study. It should be noted that a recent USAID value chain analysis identified strong potential in Malawi for legumes including groundnuts, soybeans and pigeon peas with strong domestic, regional and international demand in addition to future growth potential as calculated by a positive Compounded Annual Growth Rate. To the extent possible, proposed value chain interventions will be implemented through a facilitative process rather than direct provision of services, which will leverage the skills and resources of the private sector and non-governmental organizations .

**2.2.11 Agro Processing and Value Addition:** Different on-farm post-harvest operations leading to value addition will be undertaken. This will include facilitating access to relevant but simple equipment. Potential agro-processing operations will be in two levels:

**Level I:** will involve simple agro-processing activities such as threshing, winnowing, cleaning/washing, sorting/grading, drying, size reduction, weighing and primary packaging. The application of these processes will depend on individual crops.
**Level II:** will entail higher level processing activities, mainly:

- Rice processing using a 3 ton per hour processing equipment in Salima for cleaning, drying, storage, destoning, de-husking, sorting, grading and packaging.
- Cassava cleaning, peeling, grating, pressing, drying, milling and packaging using a 1.5 ton per hour processing equipment for flour and a 1.5 ton per hour equipment for wet milling and drying equipment for starch.
- Soybean processing by winnowing, cleaning, destoning, tempering, crushing, oil extraction using 4 tons per day pressing equipment.
- Groundnuts shelling, winnowing, grading, oil extraction by a 4 tons per day pressing equipment
- Protein-rich cake from soybean and groundnut oil extraction will be useful for developing high nutrient food-products and livestock feed.
- Pigeon peas cleaning, destoning, grading, dehulling, winnowing by a 350kg per hour equipment.
- The fruits and vegetables will be harvested, packaged and sold fresh to available outlets. The project will also introduce storage and marketing facilities including market sheds as necessary in the intervention areas for income generation.
- Pilot livestock feed formulation equipment for drying, milling and mixing using a 3 tonne per day equipment that utilizes the byproducts of the produce (e.g. protein-rich cakes, cassava, rice bran) of the scheme in addition to additives.
- Grains and legumes will be stored in all-weather storage silos after harvest. A total silo storage capacity of 100,000 tons will be installed at various locations.
- A quality testing mini laboratory to ensure products achieve food safety specifications.
- The cost estimates of these equipment are provided in Table 5.

2.2.12 The on-farm processing operations will reduce costs of transportation and also make available waste which can easily be recycled as manure. Rice will be harvested with minimum delay as soon as the crop is ripe to reduce losses. The unrefined vegetable oil will be sold to refiners or other users. Other products of the project mostly cassava flour/grist and rice bran can also be used for enrichment of local diets as taught by community nutrition workers. The project

will seek to leverage assistance of DPs[7] in the development of the different aspects of the value chain especially as it relates to advancing low cost products for enhanced nutrition. All the processing will be conducted using simple manual and semi motorized equipment, which the project will assist groups to purchase through co-financing and matching grant schemes. The equipment will be managed by service providers or famer groups through performance based contracts.

2.2.13 The agro-processing facilities will be funded through a Matching Grant arrangement, with the beneficiary farmer associations/cooperatives/private sector operators contributing between 30 – 50% of the cost of the different processing units. Experience from other value chain projects implemented in Malawi shows that groups are willing to invest in value chain upgrading equipment if the financing terms are reasonable and equipment can be repaid from revenues from future sales. Similar arrangements by USAID (for rice processing) with the National Smallholder Farmers Association of Malawi (NASFAM[8]) and FAO (for cassava processing) in Malawi have been successful. NASFAM, which has considerable experience in agro-processing, has expressed willingness in principle to partner with the project in this respect the management of the processing activities. The project will liaise with the Malawi Bureau of Standards (MBS) to ensure that current Good Manufacturing Practices (cGMP) are maintained throughout the processing stages and the products meet acceptable local and/or international food safety standards.

**2.2.14 Market Linkages:** The project will provide special coordination to link farmers to high value, niche markets, food processing companies, wholesalers and retailers etc., at both national and regional levels. The project will explore possible linkage to existing institutions such as Agricultural Commodity Exchange, and Malawi Commodity Exchange Program (MACE). The project will link up with the WFP coordinated "Purchase for Progress" initiative and the NASFAM local and regional market network to ensure a steady reliable market. The coordination will be aided by use of a database or market information system (MIS) to connect farm plot owners, farmers' associations, and value-chain processors, industrial and institutional buyers. The project will consider using the ESOKO Market Information System, which was originally developed in Ghana and was brought to Malawi through the USAID Market Linkages Initiative project. The system has been privately franchised in Malawi with 7,000 active users and can be applied for the proposed efforts. Updates of databases and profiles through an electronic platform will facilitate strong linkage between suppliers, buyers, transporters etc. to improve efficiency in the value chain, providing transparent market intelligence (demand and price) along the value chain. The project will closely monitor these linkages using a regular reporting and feedback mechanism and facilitators. Also, the project will construct/rehabilitate 100 km of feeder roads to connect farmers to markets and to existing major road networks, to facilitate the movement of farm inputs and outputs. Furthermore, the component will be supported with technical assistance personnel in the area of value chain development, agro-processing and marketing.

[7] The experiences of the USAID (Staple Foods Value Chain Analysis Country Report Malawi 2009) and the EU (Value Chain Analysis of Selected Commodities Institutional Development across the Agri-Food Sector (IDAF) 2009) on Value Chain Market analysis of Malawi staple foods will be used for information for value chain development for this project.

[8] NASFAM is a private sector entity. It is the largest independent, smallholder-owned membership organization in Malawi. It is founded on the principles of collective action and is democratically governed by its members.

- Section 2.2.14. On the issue of the market linkages, processing etc. I note that there is a mention of NASFAM, Malawi Bureau of Standards etc which is good. However, I am wondering why the proposal sidelines OVOP which is also a GoM project which has been involved in processing and value addition of some of these commodities which the GAFSP is targeting. Isn't there anything that can be learnt from the OVOP project after it has been existing for close to 10 years?

**Component 3: Institutional Strengthening, Capacity Building and Monitoring and Evaluation.**

**2.2.15 Support to Public Sector:** This component is cross-cutting in nature and will support implementation of programs to address institutional and capacity constraints in the ASWAp. The project will focus on building the capacity gaps of existing staff in the MoAIWD, and other related Ministries as well as Community Nutrition/Health Workers through training and logistic support.

2.2.16 The project will also support MoAIWD through Non-Governmental Organizations (NGOs) that will provide services in Agricultural Extension which has been found to be a major gap at the ADD and DAD levels. Particular emphasis will be placed on the transfer of skill from the TAs to the ministry staff.

**2.2.17 Support to Civil Society Organizations:** The project will provide capacity building of locally based farmer organizations, as well as Water Users Associations (WUAs) and farmer cooperatives in group management, production technologies, nutrition, agribusiness and environmental management. Furthermore, the project will collaborate with NGOs in extension service delivery. The farmers, of which 50% are women farmers, will be given appropriate training on the best farming practices for maximization of crop potential from timing and technique of planting to timing and technique of harvest. Capacity building will also cover value addition, soil/water conservation, nutrition/health education, basic business management including marketing, contracts and management of cooperatives. The linkages between the farmers/operators from the project will be properly established to ensure that the market requirements are met, while operators properly communicate their major requirements and standards in order to optimize earnings. Women groups and farmers will be trained by the Community Nutrition/Health Workers on improved nutrition and healthy lifestyles. Content of trainings will adapt the preventative behavior change communication messages that have been endorsed by the GoM through national efforts to roll-out the Scaling Up Nutrition (SUN), 1,000 special days campaign. Malawi has been identified as an early-riser globally in this initiative and efforts of the project will link with ongoing Nutritional Education Campaigns being conducted in the project implementation area. Other areas of short term training will include irrigation engineering, environmental impact assessment, and water user association. The private operators at the various points along the value chain including the suppliers, traders, commodity dealers, etc. will be sensitized in the appropriate aspects of their business and how they can develop synergies with the project.

**2.2.18 Monitoring and Evaluation (M&E):** The established ASWAp results framework will be used for monitoring and evaluating the performance of the programme. Support will be provided

to the MoAIWD Planning Department and ASWAp Secretariat to undertake their roles in leading the M&E process. M&E will be carried out on regular basis. Special emphasis will be placed on generating gender disaggregated data, the monitoring of social and environmental impacts and the measures taken to mitigate them as well as socio-economic impacts on the targeted groups. Project effect and impacts on the target groups will be permanently monitored by constituting cross-section samples of beneficiaries in each of the areas involved. Two other surveys will be carried out in the third and last years of the project to assess the performance and impact of the project on the basis of the various indicators chosen.

**2.2.19 Project Coordination:** Since this project will be part of the ASWAp, it will be delivered through the existing government structures under MoAIWD coordinated by the ASWAp Secretariat. No separate Project Implementation Unit (PIU) will therefore be established. The project will support MoAIWD and the Secretariat with Technical Assistance and logistical facilities.

## 2.3 IMPLEMENTATION ARRANGEMENTS:

2.3.1 MoAIWD will be the lead Ministry in the implementation of the project, and will collaborate with other ministries wherever necessary. The ASWAp Executive Management Committee (EMC) chaired by the Principal Secretary MoAIWD, which is already in place, will act as the Project's Steering Committee and will have the overall decision making responsibility including approval of work plans and budgets and providing policy guidelines. The ASWAp implementation arrangements are such that the Secretariat will be in charge of the overall coordination and implementation of the project at the national level. At the district level, formal responsibility for delivery rests with the districts offices for agriculture, irrigation and natural resources, under the coordination of the District Agricultural Development Officers (DADOs) under the overall leadership of the District Commissioners (DC).
2.3.2 In implementing activities, a deliberate policy will be followed to pay special attention to and promote participation of women, youth, and people living with HIV (PLHIV).

## 2.4 AMOUNT OF FINANCING REQUESTED

2.4.1 The Malawi Government GAFSP project proposal is focusing on Sustainable Land and Water Management, Crop Diversification and Value Chain Development and Institutional Strengthening and Capacity Building. This application is for US$50 million (see Table 5 for budget breakdown). The amount will fill about 4.2% of the financing gaps in ASWAp. The project budget is based on the costs used in the ASWAp activity estimates, from actual ongoing, planned investments and previously done feasibility studies and designs.

**Table 5: Activities to be financed and their amounts**

| Component/ Activities | Cost (US$) | % |
|---|---|---|
| **Component 1: Sustainable Land and Water Management** | **26,200,000** | **52.4** |
| ***New irrigation schemes:*** | | |
| 1.1 Construction of 500 ha irrigation scheme (pumping/ gravity scheme) | 6,000,000 | |
| 1.2 Construction of 12 gravity fed and 2 pump based irrigation schemes (1300 ha) | 13,000,000 | |
| ***Rehabilitation* of irrigation schemes:** | | |

| | | |
|---|---|---|
| 1.3 Rehabilitation of 5 irrigation schemes (1300 ha) | 5,200,000 | |
| 1.4 Feasibility studies and designs for dam and most viable irrigation sites | 2,000,000 | |
| **Component 2: Crop Diversification and Value Chain Development** | **12,400,000** | **24.8** |
| 2.1 Seed Selection and Multiplication | 1,800,000 | |
| 2.2 Rain fed cropping and Water harvesting | 6,000,000 | |
| 2.3 Agro Processing and Value Addition: | | |
| • Cassava flour and starch processing (one combined unit) | 165,000 | |
| • Rice harvesting, threshing, winnowing, cleaning, dehusking, sorting and grading (one combined unit) | 220,000 | |
| Housed Grain storage silos/bins (20 units ) | 175,000 | |
| Cabinet Dryer (stainless steel food contact surfaces) (two) | 25,500 | |
| Vegetable oil presses | 16,500 | |
| Pigeon pea dehullers (2) | 8,000 | |
| Civil structures and gravel feeder roads (100 km) | 3,500,000 | |
| Shipment, Installation, utilities and test run | 400,000 | |
| 2.4 Mini testing laboratory | 90,000 | |
| **Component 3: Institutional Strengthening and Capacity Building** | **8,700,000** | **17.4** |
| ***Support to Public Sector:*** | | |
| 3.1 Training and logistical support to GoM staff<br>Support to Civil Society Organization | 1,000,000 | |
| 3.2 Capacity building of Community Nutrition/ Health Workers and delivery of training to women groups and farmers on improved nutrition | 1,200,000 | |
| 3.3 Capacity building of farmer organizations | 2,000,000 | |
| 3.4 Facilities and logistical support for the farmer organization and WUA | 1,300,000 | |
| ***Project Coordination:*** | | |
| 3.5 Technical Assistance | 1,500,000 | |
| 3.6 Logistical support | 1,500,000 | |
| 3.7 Support to Malaria/HIV/AIDS awareness and prevention | 200,000 | |
| **Contingency** | **2,700,000** | **5.4** |
| **Total** | **50,000,000** | **100** |

## 2.5 PREFERRED SUPERVISING ENTITY AND GOVERNMENT TEAM

2.5.1 The African Development Bank (AfDB) has been selected by the Government of Malawi to be the supervising entity for this proposal. AfDB has the comparative advantage because (i) it is a multinational development bank with proven experience in supporting African countries in rural development, particularly the development of the agricultural and water sectors, (ii) it has been continuously involved in Malawi agricultural development since the 1970s, making it the longest development partner in the sector; (iii) AfDB Medium Term Strategy and the Agriculture Sector Strategy have infrastructure development as their main pillar for agricultural development and poverty reduction. In addition, AfDB is a lead partner to the Malawi Government in the development of the irrigation infrastructure in the country and has supported the Government in the development of the GAFSP project proposal.

2.5.2 The AfDB has accumulated a lot of experience over the years, which is valuable to this proposal, especially from the implementation of financed irrigation focused projects such as the Rural Income Enhancement Project (RIEP), Smallholder Out grower Sugarcane Project (SOSP),

Smallholder Irrigation Project (ShIP), Horticulture and Food Crops Development Project (HFCDP), Smallholder Crop Production and Marketing Project (SCPMP) and the Agriculture Infrastructure Support Project (AISP). The Bank applies safe guard polices on environmental, social, governance and gender aspects to ensure best practices are used and attain sustainability of interventions.

2.5.3 The full time Government team that will be responsible to work to finalize the project is drawn from the ASWAp Technical Working Group members. This is to ensure strong linkage with the ASWAp implementation since the Group supports line departments on technical issues and methodologies for implementation of activities, advice the Principal Secretary, MoAIWD on broad policy issues, and reflect informal feedback from stakeholders.

Representatives from the private sector are also involved as members of the various ASWAp Technical working Groups.

## 2.6 TIME FRAME OF PROPOSED SUPPORT

2.6.1 The Malawi GAFSP project will be implemented over a period of five years (2012-2016). This is within the GAFSP implementation period of up to 2019.

## 2.7 RISKS AND RISK MANAGEMENT

2.7.1 The ASWAp implementation arrangements generally provide an enabling environment that would support the effective implementation of the project. There are, however, some risks that could affect the implementation of the project activities thus disrupting the achievement of the specific objectives. These together with their mitigation measures are outlined in Table 6.

**Table 6: Project risks and mitigating measures**

| Project Risk Description | Rating of Risk | Mitigation Measures | Rating of Risk after Mitigation |
|---|---|---|---|
| Getting good value for money (i.e. effective use of project finances) | M | Competitive bidding and Employment of private sector skills to have efficient infrastructure designs, construction techniques and establish appropriate operational systems | L |
| Extreme climatic conditions namely droughts and floods | M-H | Development of irrigation and that Infrastructure designs are climate proofed to minimize failure under such conditions<br>Introduction of water harvesting technologies and conservation agriculture | L |
| Allocation of land to farmers that are not committed | M | Selection of farmers will be based on a set of guidelines and will be transparent with the involvement of chiefs, Traditional Authorities and non-state actors such as NASFAM and FUM | L |

| | | | |
|---|---|---|---|
| Environmental impacts during construction and operation | M | Develop Environmental and Social Management Plan (ESMP), implement environmental mitigation measures and undertake routine environmental monitoring | L |
| Security of land holding | M | Land for this has already been acquired by government which shall allocate plots to farmers in conjunction with farmer organizations and local leaders in a transparent process. | L |
| Sustainability of project interventions | M | Capacity building of farmers, public, private sectors, farmer organizations in various aspects such as value addition, improving productivity, in technical and administrative, management skills to operate the agriculture activities using a business commercial approach | L |
| Note: L=Low Risk; M=Medium Risk; H= High Risk | | | |

## 2.8 CONSULTATION WITH LOCAL STAKEHOLDERS AND DEVELOPMENT PARTNERS

2.8.1 The development of this GAFSP proposal has been informed by the findings of the CAADP Post Compact Technical Review for the Republic of Malawi and the ASWAp 2011 - 2015, all of which have undergone extensive multi-stakeholder consultations that involved agriculture sector stakeholders including government ministries, development partners, private sector, CSOs and farmer organizations.

2.8.2 Consultations date back to August 2010 when development of the first GAFSP proposal, which was not selected, commenced. In a consultative manner in mid-August 2010, the then MoAFS (now MoAIWD) discussed the nature of the project with the smallholder farmers through the Farmers Union of Malawi. As part of the consultation process, a presentation of the GAFSP proposal was made to the development partners during which concerns and comments were taken on board. The input from Farmers Union, CSOs and the private sector were sought when finalizing the proposal and the document was peer reviewed by five experts from the AfDB.

2.8.3 In September 2011, the MoIWD developed a Concept Note in preparation of a new proposal and initiated consultations with AfDB. During the proposal development in January/February, 2012, extensive consultations through field trips and meetings were held in Lilongwe, Salima and Blantyre with government ministries, development partners, private sector, Salima District Council, Traditional Authorities, CSOs and farmer organizations. Internal Consultations within the Technical Working groups were held regularly to review progress, assemble data and advise feasible options of the project design.

2.8.4 The discussion document was prepared and discussed by the Technical Team and the input was used to prepare the first Draft Proposal. This was circulated to stakeholders ahead of a Stakeholder workshop that was held on 8th February, 2012, during which Stakeholders made their contributions to the document. This guided finalization of the draft proposal.

2.8.5 The consultations added value through suggestions made such as: need to consider enhancing water harvesting for the rain fed area; reduce area of new irrigation development and increase rehabilitations of old schemes to enhance their performance; enhance the crop diversification and value addition chain activities; include undertaking of feasibility studies to plan for future investments.

# APPENDICES

## Appendix 1: ASWAp Results Indicators (updated Sept. 2011)

| COMPONENT | INDICATOR | SOURCE | BASELINE (2010-11) |
|---|---|---|---|
| **Focus Areas** | | | |
| Food security and risk management | Average maize yield increased from 1.8 to 3.0mt/ha by 2015 | Crop Assessments | 1.8mt/ha |
| | Post-harvest losses reduced from 25% to 12% by 2015 | Agro-surveys | 12% |
| | Estimated total soil loss from 20 Tonnes/ha/year to 13 by 2015 | | |
| | Proportion of farm families consuming dietary diversification increase from 15% to 55% by 2015 | Consumption studies | 15% |
| | Number of food crops grown by households increased from one to at least 3 by 2015. | Agro-surveys | 1 crop |
| Commercial Agriculture, Agro-processing and Market Development | Total value of agricultural exports increased from $580 million to $800 million by 2015 | Agro-trade balance | US$ 580 mill |
| | Household agricultural incomes increased from US$280 per annum to US$550 per annum by 2015. | Per capita income | US$ 280 |
| | Access to credit by small and medium scale agro processors and traders increased from 20% to 60% by 2015 | Capital outlay | 20% |
| Sustainable Agricultural Land and Water Management | Agricultural area under sustainable land management (SLM) increased from 90,000 ha to 220,000 ha by 2015 | Agro-surveys | 90,000 ha |
| | Area under sustainable irrigation increased from 90,000 to 280,000ha by 2015 | Agro-surveys | 90,000 ha |
| **Key Support Services:** | | | |
| Technology Generation and Dissemination | Rate of adoption of priority technologies increased from 40% to 60% by 2015 | Agro-survey | 40% |
| Institutional Strengthening and Capacity Building | Staff Vacancy rate reduced from 31% to 12% by 2015 | Staff Records | 31% |
| | A comprehensive capacity building program in place by 2015 | Strategic Document | 0 |
| **Cross-Cutting Issues:** | | | |
| HIV Prevention and AIDS Impact Mitigation | Proportion of staff accessing supplementary feeding at workplace increased from 3.4% to 7% by 2015. | Staff records | 3.4% |
| | Average farmer working hours per day to be maintained at 5 hrs per farmer per day | | 5 hrs |
| Gender Equality and Empowerment | Proportion of vulnerable groups accessing agricultural inputs through the FISP increased from 47% to 50% by 2015. | Number of beneficiaries | 47% |
| | Proportion of vulnerable people involved in decision making, policy formulation and implementation processes increased from 30% to 45% by 2015. | Participation | 30% |

Source: Government of Malawi, 2011. Malawi Agriculture Sector Wide Approach. A prioritized and harmonized Agriculture Development Agenda: 2011-2015 (September, 2011)

# Appendix 2: Resource Gap Analysis in US$

| ASWAp Focus Area/Components | Resources Required (US$) | 2011/12 FY (US$) | 2012/13 FY (US$) | 2013/14 FY (US$) | 2014/15 FY (US$) | ASWAp Total (US$) |
|---|---|---|---|---|---|---|
| **1. Food security and risk management** | | | | | | |
| 1. Maize self-sufficiency | **Resources Required** | 162,457,200 | 162,791,500 | 163,127,750 | 163,464,000 | 651,840,450 |
| | **GoM** | 138,434,202 | 126,217,638 | 126,839,802 | 107,813,832 | 499,305,474 |
| | **DPs** | 21,522,000 | 19,222,000 | 18,422,000 | 1,152,000 | 60,318,000 |
| | **Gap** | 2,500,998 | 17,351,862 | 17,865,948 | 54,498,168 | 92,216,976 |
| 2. Diversification and nutrition | **Resources Required** | 36,061,280 | 39,588,810 | 41,361,570 | 43,601,340 | 160,613,000 |
| | **GoM** | 2,480,506 | 2,261,606 | 2,272,754 | 1,931,841 | 8,946,707 |
| | **DPs** | 23,630,000 | 20,150,000 | 20,150,000 | 5,980,000 | 69,910,000 |
| | **Gap** | 9,950,774 | 17,177,204 | 18,938,816 | 35,689,499 | 81,756,293 |
| 3. Risk Management for Sustainable food availability | **Resources Required** | 2,573,750 | 10,181,250 | 3,171,250 | 3,918,750 | 19,845,000 |
| | **GoM** | 251,894 | 229,665 | 230,797 | 196,177 | 908,533 |
| | **DPs** | 4,055,000 | 3,635,000 | 3,495,000 | 250,000 | 11,435,000 |
| | **Gap** | -1,733,144 | 6,316,585 | -554,547 | 3,472,573 | 7,501,467 |
| **2. Commercial agriculture and market development** | | | | | | |
| 1. Agricultural export for improved balance of trade and income | **Resources Required** | 8,632,000 | 10,082,500 | 11,170,000 | 11,957,500 | 41,842,000 |
| | **GoM** | 3,637 | 3,316 | 3,333 | 2,833 | 13,119 |
| | **DPs** | 11,103,000 | 8,363,000 | 2,700,000 | 130,000 | 22,296,000 |
| | **Gap** | -2,474,637 | 1,716,184 | 8,466,667 | 11,824,667 | 19,532,881 |
| 2. Commercial production for import substitution and domestic market development | **Resources Required** | 24,528,250 | 25,606,000 | 28,089,250 | 35,390,500 | 113,614,000 |
| | **GoM** | 2,121,624 | 7,232,443 | 5,090,418 | 5,054,128 | 19,498,613 |
| | **DPs** | 1,362,500 | 973,000 | 973,000 | 843,000 | 4,151,500 |
| | **Gap** | 21,044,126 | 17,400,557 | 22,025,832 | 29,493,372 | 89,963,887 |
| 3. Input and output market development through Private public partnership | **Resources Required** | 365,000 | 1,905,000 | 480,000 | 630,000 | 3,380,000 |
| | **GoM** | 16,763,613 | 9,456,730 | 7,597,200 | 7,547,593 | 41,365,136 |
| | **DPs** | 12,310,000 | 10,240,000 | 11,630,000 | 10,450,000 | 44,630,000 |
| | **Gap** | -28,708,613 | -17,791,730 | -18,747,200 | -17,367,593 | -82,615,136 |
| **3. Sustainable land and water management** | | | | | | |
| 1. Sustainable agricultural land management | **Resources Required** | 6,853,800 | 10,629,600 | 14,545,400 | 24,991,200 | 57,020,000 |
| | **GoM** | 741,472 | 676,038 | 679,371 | 577,465 | 2,674,346 |
| | **DPs** | 23,967,000 | 20,687,000 | 20,337,000 | 5,566,000 | 70,557,000 |
| | **Gap** | -17,854,672 | -10,733,438 | -6,470,971 | 18,847,735 | -16,211,346 |
| 2. Sustainable agricultural water management | **Resources Required** | 186,760,000 | 214,624,000 | 242,400,000 | 261,286,000 | 905,070,000 |
| | **GoM** | 6,972,190 | 12,095,521 | 11,819,980 | 10,235,862 | 41,123,553 |
| | **DPs** | 16,920,000 | 10,310,000 | 6,170,000 | 1,169,000 | 34,569,000 |
| | **Gap** | 162,387,810 | 192,218,479 | 224,410,020 | 249,881,138 | 828,897,447 |
| **4. Technology generation and dissemination** | | | | | | |
| 1. Results and market oriented research and provision of technical and regulatory services | **Resources Required** | 2,278,625 | 2,429,350 | 2,972,075 | 2,131,800 | 9,811,850 |
| | **GoM** | 4,068,484 | 3,709,447 | 3,727,732 | 3,168,572 | 14,674,235 |
| | **DPs** | 1,725,000 | 2,225,000 | 1,600,000 | 600,000 | 6,150,000 |
| | **Gap** | -3,514,859 | -3,505,097 | -2,355,657 | -1,636,772 | -11,012,385 |
| 2. Efficient farmer-led extension and training services | **Resources Required** | 22,418,200 | 25,726,500 | 25,884,000 | 27,749,800 | 101,778,500 |
| | **GoM** | 3,953,157 | 4,147,476 | 4,436,009 | 4,626,365 | 17,163,007 |
| | **DPs** | 1,610,000 | 2,910,000 | 4,010,000 | 5,590,000 | 14,120,000 |

| | | | | | | |
|---|---|---|---|---|---|---|
| | **Gap** | 16,855,043 | 18,669,024 | 17,437,991 | 17,533,435 | 70,495,493 |
| **5. Institutional strengthening and capacity building** | | | | | | |
| 1. Strengthening public management systems | **Resources Required** | 11,639,183 | 10,744,288 | 15,956,840 | 23,162,325 | 61,502,636 |
| | **GoM** | 1,860,446 | 1,696,265 | 1,704,627 | 1,448,933 | 6,710,271 |
| | **DPs** | 5,842,500 | 4,400,000 | 4,400,000 | 552,000 | 15,194,500 |
| | **Gap** | 3,936,237 | 4,648,023 | 9,852,214 | 21,161,392 | 39,597,866 |
| 2. Capacity building of the public and private sector | **Resources Required** | 9,424,660 | 8,833,460 | 9,411,510 | 9,190,960 | 36,860,590 |
| | **GoM** | 555,605 | 506,574 | 509,071 | 432,710 | 2,003,960 |
| | **DPs** | 7,930,000 | 3,360,000 | 2,070,000 | 872,000 | 14,232,000 |
| | **Gap** | 939,055 | 4,966,886 | 6,832,439 | 7,886,250 | 20,624,630 |
| **6. Cross cutting issue** | | | | | | |
| 1. Mainstreaming of gender and HIV AIDS | **Resources Required** | 5,335,903 | 6,528,634 | 7,658,590 | 8,976,872 | 28,499,999 |
| | **GoM** | 538,624 | 491,092 | 493,512 | 419,485 | 1,942,713 |
| | **DPs** | 1,930,000 | 1,930,000 | 1,930,000 | 1,460,000 | 7,250,000 |
| | **Gap** | 2,867,279 | 4,107,543 | 5,235,078 | 7,097,387 | 19,307,287 |
| **Grand Total** | **Resources Required** | **479,327,851** | **529,670,892** | **566,228,236** | **616,451,047** | **2,191,678,026** |
| | **GoM** | **155,619,758** | **168,723,811** | **165,404,606** | **143,455,797** | **633,203,972** |
| | **DPs** | **133,907,000** | **108,405,000** | **97,887,000** | **34,614,000** | **374,813,000** |
| | **Gap** | **166,675,396** | **252,542,081** | **302,936,629** | **438,381,250** | **1,160,535,356** |

Source: Government of Malawi, 2011. Malawi Agriculture Sector Wide Approach. A prioritized and harmonized Agriculture Development Agenda: 2011-2015 (September, 2011)

## Appendix 3: Summary of Development Partners Commitments to ASWAp (In Us$)

| Focal Area | Component | Development Partner | Code | 2012/13 | 2012/13 | 2013/14 | 2014/15 |
|---|---|---|---|---|---|---|---|
| 1. Food Security and Risk Management | 1.1 Maize Self Sufficiency | WB | IRLADP | 1 800 000 | - | - | - |
| | | IFAD | IRLARD | 340 000 | - | - | - |
| | | IFAD | SAPP | - | 200 000 | 700 000 | 1 100 000 |
| | | WB | ADP-SP | 4 000 000 | 4 000 000 | 4 000 000 | - |
| | | DFID | FISP-DFID | 8 000 000 | 8 000 000 | 8 000 000 | - |
| | | USAID | WALA | 2 100 000 | 2 100 000 | 2 100 000 | - |
| | | USAID | SAKSS | 200 000 | 200 000 | 200 000 | - |
| | | EU | FS | 1 130 000 | 1 130 000 | - | - |
| | | EU | FIDP | 320 000 | - | - | - |
| | | IRISH AID | TROC IA | 13 000 | 13 000 | 13 000 | 13 000 |
| | | IRISH AID | CWW IA | 39 000 | 39 000 | 39 000 | 39 000 |
| | | NORWAY | FISP-RNE | 2 500 000 | 2 500 000 | 2 500 000 | - |
| | | NORWAY | ADP-SPN | 1 080 000 | 1 040 000 | 870 000 | - |
| | | | ***Sub-total*** | ***21 522 000*** | ***19 222 000*** | ***18 422 000*** | ***1 152 000*** |
| | 1.2 Diversification (Food production and Dietary) | | MSID | 46 000 | 350 000 | 350 000 | - |
| | | | RSTIP | 650 000 | 650 000 | 650 000 | - |
| | | | ROHM | 460 000 | 460 000 | 460 000 | - |
| | | | LDSP | 300 000 | 300 000 | 300 000 | - |
| | | DFID | DFID-Dairy | 400 000 | 400 000 | 400 000 | - |
| | | USAID | WALA | 2 000 000 | 2 000 000 | 2 000 000 | - |
| | | USAID | NUT | 1 500 000 | 1 500 000 | 1 500 000 | - |
| | | EU | DCI-FOOD | 479 000 | - | - | - |
| | | EU | FOOD | 3 680 000 | - | - | - |
| | | EU | FS | 2 830 000 | 5 280 000 | 5 280 000 | - |
| | | EU | FISP-IA | 2 830 000 | 2 830 000 | 2 830 000 | - |
| | | IRISH AID | FISP-IA | 2 940 000 | 2 100 000 | 2 100 000 | 2 100 000 |
| | | IRISH AID | ICRISAT-IA | 840 000 | 840 000 | 840 000 | 840 000 |
| | | IRISH AID | CIP-IA | 1 200 000 | 1 200 000 | 1 200 000 | 1 200 000 |
| | | IRISH AID | CU-IA | 840 000 | 840 000 | 840 000 | 840 000 |
| | | IRISH AID | FAIR-IA | 220 000 | 220 000 | 220 000 | 220 000 |
| | | IRISH AID | TROC IA | 170 000 | 170 000 | 170 000 | 170 000 |
| | | IRISH AID | GOAL-IA | 90 000 | 90 000 | 90 000 | 90 000 |
| | | IRISH AID | CWW IA | 520 000 | 520 000 | 520 000 | 520 000 |
| | | FAO | FAO-UNJP | 985 000 | - | - | - |
| | | FAO | FAO-TCP/MLW/3302 | 250 000 | - | - | - |
| | | DFID | DFID-Dairy | 400 000 | 400 000 | 400 000 | - |

| Focal Area | Component | Development Partner | Code | 2012/13 | 2012/13 | 2013/14 | 2014/15 |
|---|---|---|---|---|---|---|---|
| | | | ***Sub-total*** | ***23 630 000*** | ***20 150 00*** | ***20 150000*** | ***5 980 000*** |
| | 1.3 Risk Management for food stability | WB | ADP-SP | 500 000 | 500 000 | 500 000 | - |
| | | DFID | DFID-MVAC | 200 000 | 200 000 | 200 000 | - |
| | | USAID | NUT | 700 000 | 700 000 | 700 000 | - |
| | | USAID | MLI | 200 000 | - | - | - |
| | | USAID | FEWSNET | 170 000 | 170 000 | 170 000 | 170 000 |
| | | EU | FOOD | 130 000 | 130 000 | - | - |
| | | EU | ACP | 220 000 | - | - | - |
| | | EU | FS- Innovative Instruments | 1 595 000 | 1 595 000 | 1 595 000 | - |
| | | NORWAY | ADP-SPN | 60 000 | 60 000 | 50 000 | - |
| | | IRISH AID | TROC-IA | 80 000 | 80 000 | 80 000 | 80 000 |
| | | DFID | DFID-MVAC | 200 000 | 200 000 | 200 000 | - |
| | | | ***Sub-total*** | ***4 055 000*** | ***3 635 000*** | ***3 495 000*** | ***250 000*** |
| | **Pillar 1 Total** | | | **49 207 000** | **43 007000** | **42 067000** | **7 382 000** |
| **2. Commercial agriculture and market development** | 2.1 Agricultural export for improved balance of trade and income | EU | DCI | 1 890 000 | - | - | - |
| | | EU | DCI Sucre | 2 610 000 | 2 610 000 | 1 740 000 | - |
| | | EU | AMSP (2011-13) | 1 603 000 | 1 603 000 | - | - |
| | | EU | FIDP | 160 000 | - | - | - |
| | | NORWAY | CASN | 2 690 000 | 2 690 000 | - | - |
| | | NORWAY | MLBP | 2 020 000 | 1 330 000 | 830 000 | - |
| | | IRISH AID | ICRAF-IA | 130 000 | 130 000 | 130 000 | 130 000 |
| | | | ***Sub-total*** | ***11 103 000*** | ***8 363 000*** | ***2 700 000*** | ***130 000*** |
| | 2.2 Commercial production for import substitution and domestic market development | JICA | OVOP | 800 000 | 800 000 | 800 000 | 800 000 |
| | | | AFSP | 130 000 | 130 000 | 130 000 | - |
| | | USAID | KULERA | 130 000 | - | - | - |
| | | USAID | UILTCB | 100 000 | - | - | - |
| | | EU | FIDP | 159 500 | - | - | - |
| | | IRISH AID | CIP-IA | 30 000 | 30 000 | 30 000 | 30 000 |
| | | IRISH AID | CU-IA | 13 000 | 13 000 | 13 000 | 13 000 |
| | | | ***Sub-total*** | ***1 362 500*** | ***973 000*** | ***973 000*** | ***843 000*** |
| | 2.3 Input and output market development through Private public partnership | USAID | WALA | 500 000 | 500 000 | 500 000 | - |
| | | USAID | MLI | 900 000 | - | - | - |
| | | USAID | KULERA | 130 000 | - | - | - |

| Focal Area | Component | Development Partner | Code | 2012/13 | 2012/13 | 2013/14 | 2014/15 |
|---|---|---|---|---|---|---|---|
| | | USAID | MOBILISE | 180 000 | - | - | - |
| | | USAID | INVC | 9 000 000 | 9 000 000 | 9 000 000 | 9 000 000 |
| | | | RSTIP | 10 000 | 10 000 | 10 000 | - |
| | | | ROHM | 10 000 | 10 000 | 10 000 | - |
| | | | LDSP | 10 000 | 10 000 | 10 000 | - |
| | | EU | DCI | 290 000 | - | - | - |
| | | UNDP | PSDP | - | 600 000 | 1 200 000 | 1 400 000 |
| | | AfDB | AISP | 1 280 000 | 110 000 | 900 000 | 50 000 |
| | | | ***Sub-total*** | ***12 310 000*** | ***10 240 000*** | ***11 630 000*** | ***10 450 000*** |
| | **Pillar 2 Total** | | | ***24 775 500*** | ***19 576 000*** | ***15 303 000*** | ***11 423 000*** |
| **3. Sustainable land and water management** | 3.1 Sustainable agricultural land management | WB | ADP-SP | 2 000 000 | 2 000 000 | 2 000 000 | - |
| | | WB | CRRLD | 900 000 | 900 000 | 900 000 | - |
| | | JICA | SLMP (4years) | 1 100 000 | 600 000 | 400 000 | - |
| | | IRISH AID | SLMP | 900 000 | 900 000 | 900 000 | 900 000 |
| | | JICA | COVAMS | 300 000 | - | - | - |
| | | | AFSP | 520 000 | 520 000 | 520 000 | - |
| | | | PCASCP | 170 000 | 170 000 | 170 000 | - |
| | | USAID | WALA | 600 000 | 1 000 000 | 1 000 000 | - |
| | | USAID | KULERA | 590 000 | - | - | - |
| | | EU | FIDP | 320 000 | - | - | - |
| | | NORWAY | ADP-SPN | 920 000 | 880 000 | 730 000 | - |
| | | IRISH AID | ICRAF-IA | 520 000 | 520 000 | 520 000 | 520 000 |
| | | IRISH AID | NASFAM-IA | 170 000 | 170 000 | 170 000 | 170 000 |
| | | IRISH AID | FAIR-IA | 30 000 | 30 000 | 30 000 | 30 000 |
| | | IRISH AID | TROC-IA | 80 000 | 80 000 | 80 000 | 80 000 |
| | | IRISH AID | GOAL-IA | 50 000 | 50 000 | 50 000 | 50 000 |
| | | UNDP | SLM | 600 000 | 600 000 | 600 000 | - |
| | | FAO | FAO-ECU: CA | 120 000 | - | - | - |
| | | DFID | DFID-ConserAgric | 1 167 000 | 1 167 000 | 1 167 000 | - |
| | | | AFSP | 140 000 | 140 000 | 140 000 | - |
| | | | PCASCP | 40 000 | 40 000 | 40 000 | - |
| | | | CC | 4 800 000 | 4 800 000 | 4 800 000 | - |
| | | USAID | KULERA | 600 000 | - | - | - |
| | | USAID | MOBILISE | 250 000 | - | - | - |
| | | USAID | INVC | 1 500 000 | 1 500 000 | 1 500 000 | 1 500 000 |
| | | USAID | GCC-TBD | 2 000 000 | 2 000 000 | 2 000 000 | 2 000 000 |
| | | NORWAY | MACC | 1 300 000 | 2 300 000 | 2 300 000 | - |
| | | IRISH AID | ICRAF-IA | 140 000 | 140 000 | 140 000 | 140 000 |
| | | IRISH AID | NASFAM-IA | 40 000 | 40 000 | 40 000 | 40 000 |

| Focal Area | Component | Development Partner | Code | 2012/13 | 2012/13 | 2013/14 | 2014/15 |
|---|---|---|---|---|---|---|---|
| | | IRISH AID | FAIR-IA | 30 000 | 30 000 | 30 000 | 30 000 |
| | | IRISH AID | TROC-IA | 10 000 | 10 000 | 10 000 | 10 000 |
| | | IRISH AID | CWW-IA | 30 000 | 30 000 | 30 000 | 30 000 |
| | | UNDP | PEI | 200 000 | - | - | - |
| | | UNDP | CCP - AAP | 1 800 000 | - | - | - |
| | | AfDB | AISP | 30 000 | 70 000 | 70 000 | 66 000 |
| | | | ***Sub-total*** | ***23 967 000*** | ***20 687 000*** | ***20 337 000*** | ***5 566 000*** |
| | 3.2 Sustainable agricultural water management | WB | IRLADP | 2 350 000 | - | - | - |
| | | IFAD | IRLARD | 400 000 | - | - | - |
| | | JICA | DMSIS | 1 120 000 | 1 120 000 | 1 120 000 | 500 000 |
| | | | LDSP | 260 000 | 260 000 | 260 000 | - |
| | | USAID | WALA | 1 000 000 | 1 000 000 | 1 000 000 | - |
| | | USAID | KUKERA | 670 000 | - | - | - |
| | | USAID | MOBILISE | 260 000 | - | - | - |
| | | EU | FOOD | 170 000 | - | - | - |
| | | EU | RIDP | 2 900 000 | 2 900 000 | 2 900 000 | - |
| | | IRISH AID | CU-IA | 260 000 | 260 000 | 260 000 | 260 000 |
| | | IRISH AID | TROC-IA | 80 000 | 80 000 | 80 000 | 80 000 |
| | | IRISH AID | GOAL-IA | 120 000 | 120 000 | 120 000 | 120 000 |
| | | IRISH AID | CWW-IA | 30 000 | 30 000 | 30 000 | 30 000 |
| | | AfDB | AISP | 7 300 000 | 4 540 000 | 400 000 | 179 000 |
| | | | ***Sub-total*** | ***16 920 000*** | ***10 310 000*** | ***6 170 000*** | ***1 169 000*** |
| | **Pillar 3 Total** | | | ***40 887 000*** | ***30 997 000*** | ***26 507 000*** | ***6 735 000*** |
| **4. Technology generation and dissemination** | 4.1 Results and market oriented research and provision of technical and regulatory services | USAID | WALA | 1 000 000 | 1 000 000 | 1 000 000 | - |
| | | EU | AMSP (2011-13) | 725 000 | 725 000 | - | - |
| | | IFAD | SAPP | - | 500 000 | 600 000 | 600 000 |
| | | | ***Sub-total*** | ***1 725 000*** | ***2 225 000*** | ***1 600 000*** | ***600 000*** |
| | 4.2 Efficient farmer-led extension and training services | WB | IRLADP | 700 000 | - | - | - |
| | | IFAD | IRLARD | 100 000 | - | - | - |
| | | IFAD | SAPP | - | 2 100 000 | 3 200 000 | 5 100 000 |
| | | | AFSP | 200 000 | 200 000 | 200 000 | - |
| | | | PCASCP | 120 000 | 120 000 | 120 000 | - |
| | | IRISH AID | ICRAF-IA | 200 000 | 200 000 | 200 000 | 200 000 |
| | | IRISH AID | NASFAM-IA | 120 000 | 120 000 | 120 000 | 120 000 |

| Focal Area | Component | Development Partner | Code | 2012/13 | 2012/13 | 2013/14 | 2014/15 |
|---|---|---|---|---|---|---|---|
| | | IRISH AID | FAIR-IA | 50 000 | 50 000 | 50 000 | 50 000 |
| | | IRISH AID | TROC-IA | 40 000 | 40 000 | 40 000 | 40 000 |
| | | IRISH AID | GOAL-IA | 80 000 | 80 000 | 80 000 | 80 000 |
| | | | ***Sub-total*** | ***1 610 000*** | ***2 910 000*** | ***4 010 000*** | ***5 590 000*** |
| | **Pillar 4 Total** | | | **3 335 000** | **5 135 000** | **5 610 000** | **6 190 000** |
| **5. Institutional strengthening and capacity building** | 5.1 Strengthening public management systems | WB | ADP-SP | 2 700 000 | 2 700 000 | 2 700 000 | - |
| | | IFAD | IRLARD | 370 000 | - | - | - |
| | | IFAD | SAPP | - | 100 000 | 100 000 | 100 000 |
| | | USAID | NUT | 500 000 | 500 000 | 500 000 | - |
| | | USAID | UILTCB | 300 000 | - | - | - |
| | | USAID | SAKSS | 650 000 | 650 000 | 650 000 | - |
| | | EU | FIDP | 652 500 | - | - | - |
| | | EU | FOOD | 220 000 | - | - | - |
| | | IRISH AID | FAIR-IA | 50 000 | 50 000 | 50 000 | 50 000 |
| | | AfDB | AISP | 400 000 | 400 000 | 400 000 | 402 000 |
| | | | ***Sub-total*** | ***5 842 500*** | ***4 400 000*** | ***4 400 000*** | ***552 000*** |
| | 5.2 Capacity building of the public and private sector | WB | ADP-SP | 100 000 | 100 000 | 100 000 | - |
| | | WB | CBRLD | 1 930 000 | - | - | - |
| | | WB | IRLADP | 2 150 000 | - | - | - |
| | | | RSTIP | 50 000 | 50 000 | 50 000 | - |
| | | | LSDP | 400 000 | 400 000 | 400 000 | - |
| | | | MSID | 130 000 | 130 000 | 130 000 | - |
| | | USAID | AES-HED | 250 000 | - | - | - |
| | | USAID | UILTCB | 100 000 | - | - | - |
| | | IRISH AID | CIP-IA | 50 000 | 50 000 | 50 000 | 50 000 |
| | | IRISH AID | CU-IA | 400 000 | 400 000 | 400 000 | 400 000 |
| | | IRISH AID | ICRISAT-IA | 80 000 | 60 000 | 60 000 | 60 000 |
| | | FAO | FAO-GDCP/MLW/001/FLA | 1 500 000 | 1 300 000 | 600 000 | - |
| | | FAO | FAO-SIDA | 210 000 | 210 000 | - | - |
| | | UNDP | CDPSM | 50 000 | 50 000 | 50 000 | 50 000 |
| | | AfDB | AISP | 530 000 | 610 000 | 230 000 | 312 000 |
| | | | ***Sub-total*** | ***7 930 000*** | ***3 360 000*** | ***2 070 000*** | ***872 000*** |
| | **Pillar 5 Total** | | | **13 772 500** | **7 760 000** | **6 470 000** | **1 424 000** |
| **6. Cross cutting issue** | 6.1 Mainstreaming of gender and HIV AIDS | WB | ADP-SP | 200 000 | 200 000 | 200 000 | - |
| | | | LDSP | 270 000 | 270 000 | 270 000 | - |
| | | IRISH AID | CU-IA | 270 000 | 270 000 | 270 000 | 270 000 |

| Focal Area | Component | Development Partner | Code | 2012/13 | 2012/13 | 2013/14 | 2014/15 |
|---|---|---|---|---|---|---|---|
| | | IRISH AID | GOAL-IA | 210 000 | 210 000 | 210 000 | 210 000 |
| | | IRISH AID | FAIR-IA | 40 000 | 40 000 | 40 000 | 40 000 |
| | | IRISH AID | TROC-IA | 40 000 | 40 000 | 40 000 | 40 000 |
| | | IRISH AID | GOAL-IA | 50 000 | 50 000 | 50 000 | 50 000 |
| | | IRISH AID | GOAL | 200 000 | 200 000 | 200 000 | 200 000 |
| | | USAID | Gender | 250 000 | 250 000 | 250 000 | 250 000 |
| | | IRISH AID | TROC-IA | 400 000 | 400 000 | 400 000 | 400 000 |
| | **Pillar 6 Total** | | ***Sub-total*** | ***1 930 000*** | ***1 930 000*** | ***1 930 000*** | ***1 460 000*** |
| | **Grand Total Donor Commitments to ASWAP** | | | **133 907 000** | **108 405 000** | **97 887 000** | **34 614 000** |

Source: Government of Malawi, 2011. Malawi Agriculture Sector Wide Approach. A prioritized and harmonized Agriculture Development Agenda: 2011-2015 (September, 2011)

## Appendix 4: ASWAp Management Structure

## Appendix 5: Project target crop yields and outputs

| Crop | National average* (T/ha) | National target* (T/ha) | Project target (T/ha) | Project outputs (T/year) |
|---|---|---|---|---|
| Cassava (1825ha) | 8-20 | 30 | 25 | 45,625 |
| Sweet potatoes (50 ha) | 7.5 - 10 | 15-20 | 17 | 850 |
| Rice** (2400 ha) | 1 - 1.5 | 3.5 - 4 | 3.5 | 16,800 |
| Soya beans (630 ha) | 04 - 1 | 4.5 | 3 | 1,890 |
| Pigeon peas (255 ha) | 0.4 – 0.8 | 2.5 | 1.5 | 383 |
| Groundnuts (380 ha) (shelled) | 0.35 - 0.75 | 2 | 1.5 | 570 |

*Source: Ministry of Agriculture, Irrigation and Food Security. Guide to Agricultural production and Natural Resources Management in Malawi. ISBN 99908-34-00-9

**Rice – cropping is 2 times per year

## Appendix 6: Estimated Number. of Direct Beneficiaries at Different locations

| N0. | Location | Districts | Activities | Estimated number of direct beneficiaries (persons) |
|---|---|---|---|---|
| **New developments** | | | | |
| 1 | Chikwawa | Salima | 500 ha irrigated | 3000 |
| 2 | Chikwawa | Salima | 2500 ha rain fed | 15,000 |
| 3 | Mikoko | Machinga | 130 ha irrigated | 3900 |
| 4 | Kamwaza | Machinga | 100 ha irrigated | 3000 |
| 5 | Mphinga | Karonga | 200 ha irrigated | 6000 |
| 6 | Ukanga | Karonga | 100 ha irrigated | 3000 |
| 7 | Timoti | Karonga | 75 ha irrigated | 2250 |
| 8 | Upper Mpherere | Ntchisi | 100 ha irrigated | 3000 |
| 9 | Nkhande | Machinga | 100 ha irrigated | 3000 |
| 10 | Naming'azi | Machinga | 30 ha irrigated | 900 |
| 11 | Masenjere | Nsanje | 125 ha irrigated | 3750 |
| 12 | Luwewya | Mzimba | 90 ha irrigated | 2700 |
| 13 | Luju | Rumphi | 250 ha irrigated | 7500 |
| **Rehabilitations** | | | | |
| 14 | Bua | Nkhota kota | 340 ha irrigated | 5100 |
| 15 | Wovwe | Karonga | 365 ha irrigated | 5475 |
| 16 | Hara | Karonga | 230 ha irrigated | 3450 |
| 17 | Manthimba | Thyolo | 250 ha irrigated | 4200 |
| 18 | Dickson | Mwanza | 100 ha irrigated | 1500 |
| 19 | Others (Traders, processors etc) | | | 2007 |
| | **Total** | | | **78732** |

# Appendix 7: Cost breakdown of Investments

**Cost Components for 500 ha irrigation scheme (pumping/ gravity scheme)**

| No | Component Description | Estimated Cost, MK | Cost/ha, MK | Cost/ha, US$ |
|---|---|---|---|---|
| 1 | Preliminary &General | 232,000,000 | | |
| 2 | Pump supply and delivery | 6,700,000 | | |
| 3 | Pump station construction | 33,000,000 | | |
| 4 | Delivery line (6km, excavation, installation, backfilling) | 65,000,000 | | |
| 5 | Pump and motor installation (all electrical and mechanical components) | 35,000,000 | | |
| 6 | Booster pump station (supply pumps, pump house construction | 31,000,000 | | |
| 7 | Install pumps, motors, electrical and mechanical components | 36,000,000 | | |
| 8 | Infield irrigation equipment supply and installation | 272,000,000 | | |
| 9 | Earthworks, site clearing | 60,000,000 | | |
| 10 | Earthworks, rough leveling | 50,000,000 | | |
| 11 | Access roads | 70,000,000 | | |
| 12 | Drainage works | 23,000,000 | | |
| 13 | Training of operators and commissioning | 1,000,000 | | |
| 14 | **Sub Total** | 914,700,000 | 1,829,400 | 10,954.49 |
| 15 | **Contingency** | 45,735,000 | | |
| 16 | **Total** | **960,435,000** | **1,920,870** | **11,502.22** |

Source: Government of Malawi, 2011. Preliminary Design Report. Survey, Design and Construction of Chikwawa Irrigation Project in Salima,