

Independent Office  
of Evaluation



Investing in rural people

Malawi

## Rural Livelihoods Economic Enhancement Programme

PROJECT PERFORMANCE EVALUATION





Independent Office  
of Evaluation



**Republic of Malawi**  
**Rural Livelihoods Economic Enhancement Programme**  
**Project Performance Evaluation**

Photos of activities supported by Rural Livelihoods Economic Enhancement Programme in the Republic of Malawi

Front cover: Warehouses built by the programme in Kasungu District to provide space for small enterprises.

Back cover: Community seed production supported by the programme in Kasungu District (left); and a milk collection centre constructed by the programme in Thyolo District (right).

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## **Preface**

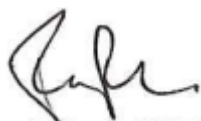
*The Independent Office of Evaluation of IFAD (IOE) conducted a project performance evaluation of the Rural Livelihoods Economic Enhancement Programme in Malawi. The programme was innovative in several respects: It was the first value chain programme implemented by IFAD in Malawi. It took a demand-oriented approach to identify key commodities, production areas and stakeholders. It set up an autonomous programme support unit under the leadership of the Ministry of Local Government. It established a grant facility to engage with a broad range of value chain actors and service providers. Finally, it promoted a number of innovative approaches to link farmers to markets, such as Farm Radio.*

*The evaluation found that the programme has laid a good foundation for pro-poor value chain development. It has built a number of useful partnerships and started some promising initiatives. However, the time and capacities required to establish the implementing structure, mechanisms and processes were underestimated. The programme had insufficient technical capacity to manage and oversee such an ambitious scope, covering seven different value chains, each with its own constraints, in 11 districts through decentralized implementation. It could have been far more effective if activities had focused on fewer value chains in fewer districts. Furthermore, the broader support structures and services remain weak and are often unavailable to small-scale farmers.*

*The evaluation provides important lessons and recommendations for the follow-up value chain programme that IFAD is going to support in Malawi. IFAD needs to adopt an institutional approach to strengthen government buy-in across relevant sectors and down to the local level. IFAD has to solidify partnerships with international development partners, non-governmental organizations and private sector actors to strengthen mutuality and complementarity in the approach to value chain development. The evaluation also recommends that strategic engagement with partners and innovative approaches be required – for example, by involving the private sector in service provision. Finally, the evaluation emphasizes that IFAD needs to sharpen its focus on farmers' empowerment through enhanced capacity-building, access to finance, access to information, and institutional linkages.*

*The project performance assessment was conducted by Johanna Pennarz, Lead Evaluation Officer, IOE in collaboration with senior consultant Stephen Tembo consultant agricultural economist and Teresa Maru consultant business development and rural finance specialist. Valentina di Marco Conte, Evaluation Research Analyst, IOE provided valuable inputs into the analysis. Emanuela Bacchetta and Serena Ingrati, IOE evaluation assistants, provided administrative support.*

*I hope the results generated by this evaluation will be useful to inform and improve IFAD's operations and activities on value chain development in Malawi and other countries.*



*Fabrizio Felloni  
Interim Officer-in-Charge  
Independent Office of Evaluation of IFAD*

**A farmer with her beehive, provided the programme, in Nkhata Bay District.**

**©IFAD/Johanna Pennarz**



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

### **Currency equivalent**

Currency unit = Malawi Kwacha (MWK)

US\$1 = 734 MWK (December 2019)

### **Weights and measures**

1 kilogram (kg)	=	2.204 pounds (lb)
1,000 kg	=	1 metric tonne (t)
1 kilometre (km)	=	0.62 miles
1 metre (m)	=	1.09 yards
1 square metre (m <sup>2</sup> )	=	10.76 square feet (ft)
1 acre (ac)	=	0.405 ha
1 hectare (ha)	=	2.47 acres

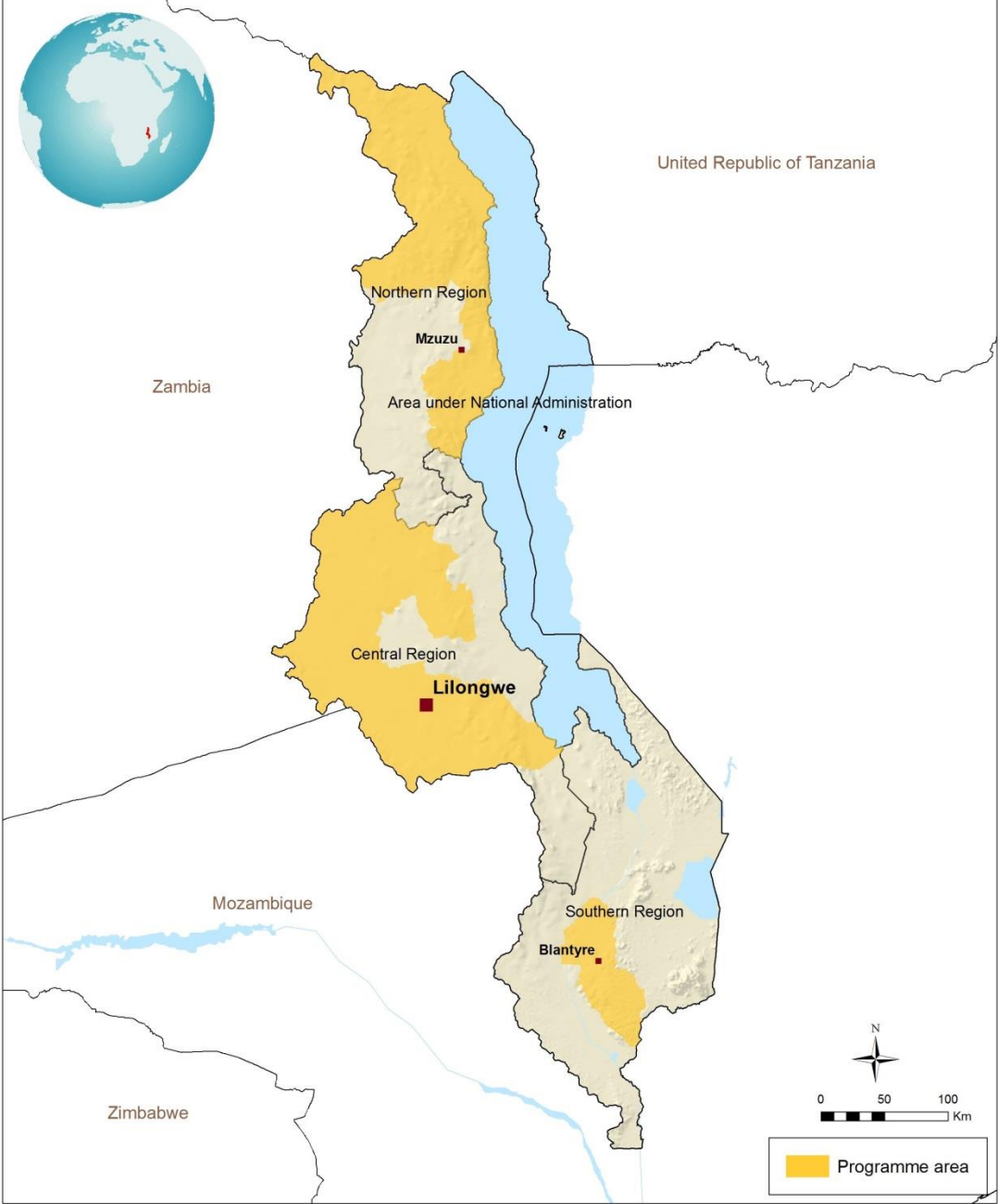



## Abbreviations and acronyms

ACE	Agricultural Commodity Exchange
ACF	Agriculture Commercialisation Fund
AEDO	agricultural extension development officer
AICC	African Institute for Corporate Citizenship
ASWAp	Agriculture Sector Wide Approach Programme
AWPB	annual workplan and budget
CUMO	Concern Universal Microfinance Operations
COSOP	country strategic opportunities programme
DAES	Department of Agriculture Extension Services
EIRR	economic internal rate of return
EPA	extension planning area
FBS	farmer business school
FISP	Farm Input Subsidy Programme
GIZ	German Corporation for International Cooperation <i>Gesellschaft fuer Internationale Zusammenarbeit GmbH</i>
IOE	Independent Office of Evaluation of IFAD
JICA	Japan International Cooperation Agency
KIT	Royal Tropical Institute
KPI	key performance indicator
M&E	monitoring and evaluation
MGDS	Malawi Growth and Development Strategy
MTR	mid-term review
NRM	natural resource management
OFID	OPEC Fund for International Development
PCR	project completion report
PPE	project performance evaluation
PSC	Programme Steering Committee
PSU	Programme Support Unit
RLEEP	Rural Livelihoods and Economic Enhancement Programme
ToC	theory of change
TRADE	Transforming Agriculture through Diversification and Entrepreneurship Programme

# Map of the programme area

**Malawi**  
Rural Livelihood and Economic Enhancement Programme  
*Project performance evaluation*



 The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.  
Map compiled by IFAD | 16-07-2019

## Executive summary

### Background

1. **Programme background.** The Rural Livelihoods and Economic Empowerment Programme (RLEEP) became effective in 2009; it closed in 2018. The total project costs were US\$26.1 million. IFAD provided US\$8.9 million as loan and US\$6 million as grant. International cofinancing was provided by the OPEC Fund for International Development (US\$10 million) for infrastructure, and Royal Tropical Institute of Netherlands (US\$100,000) for capacity building. The lead implementing agency was the Ministry of Local Government and Rural Development. The programme goal was *“To sustainably improve the incomes of economically active poor rural households engaged in the production and marketing of selected agricultural and livestock commodities by advancing their integration with the emerging commercial sector”*.
2. **Project performance evaluation (PPE) objectives and scope.** The objectives of this PPE are to: (i) provide an independent assessment of the achievements and results of the programme; and (ii) draw lessons that can inform the upcoming second phase of the programme, Transforming Agriculture through Diversification and Entrepreneurship (TRADE). The PPE included a mission to Malawi, from 21 October to 5 November 2019. The PPE conducted institutional visits in Lilongwe, covering 12 (out of the 18) recipients of large grants under RLEEP. In addition, the evaluators visited farmer groups and local government staff in six out of the 11 districts covered by RLEEP. The PPE held group meetings with representatives and members from 20 groups, associations or cooperatives, whose membership represented approximately half of the total beneficiaries covered by RLEEP. Within each district, the groups were randomly sampled for visits.

### Main findings

3. **Implementation mechanism.** The programme used a flexible and adaptive implementation mechanism, which enabled a demand-oriented implementation approach linking multiple value chain actors, including private sector and non-governmental organizations. RLEEP had a technically strong and autonomous programme management unit with staff who had been externally recruited. Coordination was facilitated through joint chairing by the directors of planning and development and the district agriculture development officers (as vice chairperson) at district levels. The evaluation confirmed that the implementation structure was innovative and effective. It took a long time to establish, causing delays during the start-up phase. Implementation accelerated after the pilot phase. The majority of activities on the ground were implemented during the short roll-out phase, between 2014 and 2017.
4. **Coordination.** The mechanism for coordination was effective insofar as it involved key stakeholders at decision points and enabled the ongoing exchange of experiences and good practices. However, given the limited time during the rollout, the programme had to implement a large number of activities in parallel and there was little time for adjustments whenever challenges were met. Ownership by district governments was limited, and there was no strong leadership to address implementation gaps. On IFAD’s side, the frequent turnover of country directors added to the perceived lack of leadership.
5. **Targeting.** The programme took a commodity-based approach, targeting key value chains identified through market studies. Criteria for targeting farmer groups were defined at design, but the programme left it to implementing partners (NGOs or private sector) to further elaborate the targeting approach. Service providers with a presence on the ground were sometimes successful in identifying (and further strengthening) those better-functioning farmer groups, which would be more likely to be integrated into value chains. NGOs were clearly more

successful in supporting group formation and strengthening, while the role of the private sector was mainly limited to provision of inputs and marketing.

6. **Gender equality and women's empowerment.** The design of RLEEP defined a minimum quota for the participation of women. Most of the service providers ensured that women benefited from their services, but levels of participation varied according to the value chain chosen. Participation was high in the groundnut and soya value chains. It was low in the dairy, beef and honey value chains. In value chains where women's participation was good, the programme could have done better by deliberately strengthening women's access to assets and their participation in decision-making, and by reducing their workloads.
7. **Service delivery.** The programme used a two-pronged approach for service delivery. The grant facility was an effective mechanism for collaboration with NGOs. It greatly enhanced outreach among farmers and group formation activities, although participation of the private sector was still insufficient. The rollout of the farmers business schools took place through the existing structure for agricultural extension services (at national and district levels). While services were generally delivered, their effectiveness and sustainability were better where complementarities with other development partners occurred on the ground.
8. **Infrastructure.** In addition, the programme provided infrastructure, such as roads and bridges. It also provided warehouses and milk-bulking centres where farmer groups were already existent and working. These structures sometimes led to crowding in of other initiatives and partners working on the ground, although the programme did not take an active approach in planning or managing these complementarities. However, in many cases these structures were oversized (milk collection centres) or underused (warehouses). With the exception of dairy groups, farmer groups have so far not been able to aggregate and sell the larger part of the agricultural produce; hence the benefits from improved access to marketing remain limited.
9. **Overall results.** Probably the biggest achievement on the ground were the increases in overall productivity. Increases in yields were attributed to seed selection, double-row planting, pest and disease management among others. In a few districts, a number of service providers were engaged over several years, which has enabled a more comprehensive implementation approach, including group formation, community seed production, good agricultural practices and rotating funds.
10. Some farmer groups had grown into cooperatives and strengthened market linkages. But in general, farmer groups were still weak in terms of capacity and insufficiently linked to markets. Commodity aggregation did not always happen, nor did it help to improve commodity prices. The role of private sector partners, which were expected to contribute to sustained growth of commercial farming and employment, was limited, and the programme was not able to protect farmers against abusive practices where they occurred.
11. **Impact.** There is scant evidence on programme impact, mainly due to the poor quality of the final impact assessment. The PPE found that the positive changes found with regard to group formation and increased productivity had already started eroding due to weak market linkages and low prices. The lack of sustained changes and impact are primarily attributed to the rushed implementation and overambitious scope. Despite its initial ambitions, the programme has made little headway in addressing the framework conditions for value chain development.

## **Conclusions**

12. **RLEEP has laid a good foundation for pro-poor value chain development.** Small-scale farmers have increased their awareness that farming is a business. A number of useful partnerships were built and promising initiatives started. This

includes the Farm Radio Trust, which was highly effective in providing access to information, the commodity platforms, which are addressing key value chain governance issues, and microfinance organizations, which provide critical access to finance. Towards the end, the programme also introduced tools, such as warehouse receipts, to facilitate farmers' access to markets.

13. **The programme could have been far more effective if activities had focused on fewer value chains in fewer districts.** The main reasons for weak performance were the overambitious outreach targets and the limited time given to service providers to implement activities. Furthermore, the insufficient links between activities on the ground led to rather moderate results. The programme had a minor impact in terms of improved livelihoods through integration into value chains.
14. **The support structures and services remain inadequate and unavailable to small-scale farmers.** The main constraints identified by the value chain studies, such as lack of quality seed, strong partnerships with the private sector, good markets, and affordable services, remain the key challenges and prevent farmers from putting their farmer business school knowledge and skills into practice. As a result, the production levels of the smallholder farmers were nowhere adequate to attract sufficient private sector participation. The role of the private was not clearly defined and remained ambiguous.
15. **The programme's implementation structure was innovative, but the time and capacities required were underestimated.** The programme underestimated the time and capacities required to set up an autonomous coordination structure and therefore experienced serious delays in the beginning. The technical capacity was insufficient to manage and oversee such an ambitious programme, covering seven different value chains, each with its own constraints, in eleven districts through decentralized implementation. With the addition of the infrastructure component, the programme became even more complex and demanding to manage. Infrastructure remained an add-on and insufficiently integrated into the value chain activities.
16. **The programme could have been far more successful if IFAD had managed expectations better and had supported a greater focus on results.** In this regard, IFAD's engagement was characterized by a severe lack of leadership and oversight. Supervision demonstrated a narrow focus on delivery targets and there was little attention to quality on the ground. Engaging a large number of service providers yielded in some interesting approaches; however, the effectiveness of these approaches was not systematically reviewed. Overall results remained patchy, even insulated, and mainly attributable to the performance of individual providers. There was no approach to mainstream issues of gender equality, natural resource management and climate change, across the programme and thus the outcomes remained unsatisfactory.
17. **There was no attempt to resolve structural issues undermining programme results.** Examples include pricing policies in the dairy sector, high costs for farmers registering as cooperatives, and underperformance of extension staff. There was also no attempt to collaborate with other development partners that are working on alternative approaches to improve service delivery in Malawi. Hence, the prospects for scaling up will remain low unless the programme is followed up by appropriate interventions.

## Recommendations

18. As IFAD's East and Southern Africa Division is moving forward with the preparation of the follow-up programme (TRADE), the PPE offers some recommendations for consideration. The overarching recommendation is that TRADE should focus on the "unfinished business" from RLEEP first before expanding into new value chains and districts.
19. **Recommendation 1: TRADE should adopt an institutional approach to implementation that ensures buy-in by government partners while maintaining autonomous service provision.** The PPE supports the continued use of an independent coordination office within a multi-stakeholder implementation structure to enable multiple stakeholder participation and effective service delivery at local level, but with greater focus on implementation quality and sustainability. The RLEEP implementation structure has been effective in delivering selected services and assets. A similar approach could be used for TRADE, with some further fine-tuning. The programme support unit will require strong capacities for project management and coordination, but also private sector expertise and the technical expertise to guide programme interventions. Dedicated staff for monitoring and evaluation (M&E) and gender/social inclusion will also be required. The programme will need to strengthen the mechanisms for coordination and support at district level and mobilize government resources to ensure that these are sufficiently linked and sustained. Buy-in from line ministries also needs to be strengthened, and existing coordination mechanisms at district level must be more effectively used, in particular at decision points and during planning and monitoring. The responsibilities of district councils within the project cycle should be clearly defined. Existing monitoring mechanisms should be enhanced through strengthened technical oversight, timely follow-up and space for adaptive learning, thus improving implementation quality. Consortium arrangements, to streamline the engagement of non-governmental service providers, should be explored.
20. **Recommendation 2: Strengthen principles of complementarity and mutuality through partnerships with international development partners, NGOs and private sector actors.** A range of partnerships had been built under RLEEP, but under TRADE, there needs to be greater focus on the synergies and complementarities of different partners. IFAD will need to show greater presence in the agriculture sector working group and make greater use of existing (or emerging) collaborations. Partnerships with international organizations should build on complementarities and combined strengths, in areas such as sustainable service provision and conducive policy frameworks. Partnerships with NGOs are indispensable to support processes of group formation, but they can also offer valuable lessons for IFAD – for example, on targeting, on-farm technology development and pro-poor service provision. Finally, IFAD, in cooperation with agriculture sector partners, should develop a strategic approach, and clear criteria, for engagement with the private sector, for example, in the provision of inputs and services, marketing and processing. Cooperation with the private sector will require appropriate cofinancing mechanisms (beyond matching grants).
21. **Recommendation 3: Enhance the focus on farmers' empowerment through enhanced capacity-building, access to finance, access to information, and institutional linkages.** The support of different value chains and implementation approaches can be beneficial as part of a decentralized implementation approach, but there must be a common orientation towards impact on the ground. For TRADE, there needs to be greater focus on the empowerment of farmers vis-à-vis other value chain actors. Growth and performance of farmer groups require more support and better monitoring. Social accountability and due diligence need to be mainstreamed into the support of associations and cooperatives. Broad-based benefits for farmers must be ensured through appropriate targeting and governance mechanisms. Farmers' access to market information should be

supported through innovative communication channels (e.g. Farm Radio) and local commodity platforms. Farmers also require access to a range of financial products to resolve their need for both immediate cash and longer-term investments. While links with complementary IFAD programmes seem like an obvious solution, the practicalities need to be established upfront.

22. **Recommendation 4:** Adopt an institutional approach for sustainable service provision through strategic engagement and innovative approaches. Sustainable service provision is a major gap in value chains that needs to be strategically addressed in cooperation with other development partners. Various initiatives to address service provision, for example, through public-private partnerships, are ongoing and supported by development partners such as the Food and Agriculture Organization of the United Nations, the German Corporation for International Cooperation (GIZ),<sup>1</sup> the Japan International Cooperation Agency (JICA), the UK Department for International Development and others. Innovative approaches for engaging private sector players in service provision are piloted by GIZ and may provide important lessons for TRADE. Another interesting approach is the Smallholder Horticulture Empowerment Promotion, which is an agreed area for cooperation between JICA and IFAD. IFAD should aim to utilize the combined strengths and complementarities wherever possible, to ensure that service provision under TRADE is streamlined and likely to be sustained. Sustainable service provision is a longer-term task that cannot be achieved by IFAD alone within the limited duration of a project.
23. **Recommendation 5: Access to infrastructure should be integrated from the outset, starting with a realistic assessment of the needs and absorptive capacities on the ground.** Provision of productive infrastructure needs to address actual needs and align with the absorptive capacities of farmer groups. For example, dairy farmers may require storage for feed rather than milk collection centres, which are usually provided by the processors anyway. Smaller and more widely distributed storage facilities might be easier to manage by farmers groups. Studies will need to be conducted during the preparation phase to identify the types and sizes of infrastructure investments together with the institutional arrangements for financing, operating and maintaining the structures. Implementation should be carried out through dedicated implementation units within the government structure, to ensure fiduciary discipline, technical supervision and follow-up maintenance. Since IFAD will not have the capacity to supervise the infrastructure component, partners with technical capacity for supervision (e.g. the United Nations Office for Project Services) need to be identified.
24. **Recommendation 6: Enhance the focus on results and impact through a robust and learning-oriented M&E system.** TRADE needs to build a robust M&E system tracking the performance and impact of value chains. This requires value chain-specific targets (based on the identified challenges) and impact pathways. The performance of service providers also needs to be monitored. Under RLEEP, capacity development has been dispersed and overly focussed on achievement of targets and outputs instead of impact. TRADE needs to be able to track capacity-building outcomes, institutional linkages and performance of platforms along the envisaged pathways. The graduation of producer groups (to become associations and cooperatives) also needs to be monitored. Impact studies should be conducted for individual value chains rather than for the entire programme. Feedback mechanisms involving farmers, district-level actors and the private sector should be effectively used to inform the programme about emerging gaps and shortcomings as well as good practices.

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<sup>1</sup> Gesellschaft fuer Internationale Zusammenarbeit GmbH.

## IFAD Management's response<sup>2</sup>

1. Management welcomes the overall findings of the Malawi RLEEP PPE conducted by the Independent Office of Evaluation (IOE).
2. Management is pleased to note that the PPE rated overall performance as moderately satisfactory (4), while recognizing that the programme laid a good foundation for pro-poor value chain development in Malawi. Management concurs that the programme could have been more effective if activities had focused on a lower number of value chains in fewer districts.
3. Management is pleased that the PPE found significant increases in overall productivity, but also takes note that the production levels of the smallholder farmers were not adequate to attract sufficient private sector participation.
4. Management agrees that the role of the private sector could have been better defined. Management also concurs that the implementation structure was innovative, but the time and capacities required to implement planned programme activities were underestimated.
5. Management agrees with the PPE recommendations and will ensure that they are considered for ongoing and future projects. In this regard, Management would like to acknowledge the following:

***Recommendation 1: Transforming Agriculture through Diversification and Entrepreneurship Programme (TRADE) should adopt an institutional approach to implementation that ensures buy-in by government partners while maintaining autonomous service provision.***

Agreed. TRADE will ensure implementing arrangements that are adequately tailored to the institutional landscape in Malawi, particularly the decentralized Government institutional framework. At national level, the lead implementing agency for TRADE is the Ministry of Local Government and Rural Development. At local level, the district councils are the primary implementers of TRADE through the Government's decentralized structures. The programme will ensure that activities at district level are fully owned by the district councils and integrated in the districts' planning and budgeting processes, supervision activities and monitoring and evaluation.

***Recommendation 2: Strengthen principles of complementarity and mutuality through partnerships with international development partners, NGO and private sector actors.***

Agreed. Management agrees that strengthening partnerships with international development partners, NGOs and private sector actors is key for implementation success. In this regard, TRADE will build synergies with the relevant programmes and projects financed by other development partners in Malawi, including, African Development Bank, Clinton Foundation, European Union, German Agency for International Cooperation, United Nations Development Programme, and the World Bank . IFAD will continue to engage with other development partners in Malawi through the existing donor coordination framework (e.g. the Donor Committee in Agriculture and the Development Partners Coordination Group for Social Protection) and continued dialogue with the Government to ensure coordinated aid delivery in the count.

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<sup>2</sup> The Programme Management Department sent the final Management response to IOE on 4 March 2020.



**Recommendation 3: Enhance the focus on farmers' empowerment through enhanced capacity-building, access to finance, access to information, and institutional linkages.**

Agreed. The IFAD-financed Financial Access for Rural Markets, Smallholders and Enterprise Programme (FARMSE) promotes the graduation of ultra-poor rural households through: financial literacy, technical training and business planning services; establishment of community-based savings and credit groups and the promotion of a savings culture; coaching and mentoring at household level; and provision of seed capital in the form of assets and/or cash transfers. In parallel, the Sustainable Agricultural Production Programme supports access to extension service and linkages with research institutions to enhance technology and information flow to farmers. TRADE will empower farmers to ensure their active participation in value chain commercialization by supporting them to improve their access to the Agriculture Commercialization and Innovation Fund (ACIF), in the form of matching grants dedicated to farmer organizations; and by providing agribusiness training through farmer business schools.

**Recommendation 4: Adopt an institutional approach for sustainable service provision through strategic engagement and innovative approaches.**

Agreed. The Sustainable Agricultural Production Programme has facilitated the focus on strengthening service delivery through various innovative approaches, including farmer field schools and a village challenge fund, which is a financing mechanism for strengthening support for extension and inputs acquisition by smallholder farmer groups/farmer business groups. TRADE, through its ACIF, which builds on lessons learned from RLEEP, will finance innovative private sector investments in the priority value chains in the form of Public-Private Producer Partnerships.

**Recommendation 5: Access to infrastructure should be integrated from the outset, starting with a realistic assessment of the needs and absorptive capacities on the ground.**

Agreed. In the IFAD-funded Programme for Rural Irrigation Development (PRIDE) and TRADE, which both include infrastructure components, community planning and investment agreements will be consistently be developed to ensure that farmers are fully appraised of the outcomes of feasibility studies and are empowered to take part in decision-making processes. The identification of these infrastructures is made in consultation with development partners and the Government to guarantee optimum coverage and coordination. IFAD provides a strong procurement supervision to ensure smooth delivery of these infrastructure works.

**Recommendation 6: Enhance the focus on results and impact through a robust and learning-oriented monitoring and evaluation (M&E) system.**

Agreed. TRADE will develop an innovative M&E system to support effective capture of number of households and beneficiaries directly receiving programme interventions, as well as their outcomes and impacts. This will include assigning beneficiaries with a unique identification number to facilitate outreach tracking, and conducting annual outcome surveys and impact assessments over the life of the programme. As such, the M&E system will include: (i) a management information system based on geographic information system technology to ensure real-time access to information in areas where internet is unreliable; and (ii) an SMS platform for obtaining beneficiary feedback.

Management commends IOE for a thorough and comprehensive evaluation which brings out useful lessons and recommendations for improving the impact of future value chain projects in Malawi and elsewhere.

**A women's group supported by the programme in Dedza District.**

**©IFAD/Johanna Pennarz**



# Republic of Malawi

## Rural Livelihood Economic Enhancement Programme

### Project Performance Evaluation

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

1. **Objectives.** The objectives of this project performance evaluation (PPE) are to:  
(i) provide an independent assessment of the achievements and results of the Rural Livelihoods and Economic Enhancement Programme (RLEEP); and (ii) draw lessons that can inform the upcoming second phase of the programme, Transforming Agriculture through Diversification and Entrepreneurship (TRADE).
2. **Scope.** The scope of the PPE has been identified based on the following criteria:  
(i) areas identified through a desk review where the PPE will provide insights and lessons that were less covered by the existing programme documentation and are of strategic importance for IFAD in Malawi; and (ii) the PPE will be selective in focusing on key issues where value can be added, given the limited time and budget.
3. The PPE provides a detailed and independent assessment of the programme results and lessons learned. It uses the available programme documentation to the extent possible but also highlights inconsistencies and analytical weaknesses in the project completion report (PCR) and other studies. The PPE included limited primary data collection with the main purpose of cross-checking and validating the existing data sources.
4. The PPE focused on three types of issues: innovative features in RLEEP that are relevant for other value chain projects in the region; areas that require further enhancement and learning for the country; and areas that were less addressed by the programme and PCR.
5. The PPE was undertaken in accordance with IFAD's Evaluation Policy and the IFAD Evaluation Manual (second edition, 2015). The PPE applies the standard evaluation criteria of the Independent Office of Evaluation of IFAD (IOE), detailed in annex II.
6. **Theory of change.** The theory of change (ToC) was initially developed in the approach paper and was further elaborated following the field visits and data analysis. Because of the market-oriented and participatory approach, different ToCs have emerged around the specific commodities and mix of activities. After careful review of the existing studies as well as stakeholder discussions in the field, the PPE validated the main impact pathways through which the programme was to achieve its overall goal.
7. **Country mission.** The PPE included a mission to Malawi, from 21 October to 5 November 2019. The purpose of the mission was to meet RLEEP stakeholders and collect evidence to assess project performance. The data were collected through: (i) stakeholder interviews; (ii) meetings with farmer groups; (iii) spot checks of infrastructure built by the programme; and (iv) programme monitoring and evaluation (M&E) data and documentation.
8. The PPE conducted institutional visits in Lilongwe, covering 12 (out of the 18) recipients of large grants under RLEEP. In addition, it met with a number of local (non-government or private sector) organizations that directly or indirectly cooperated with RLEEP.
9. In addition, the evaluators visited farmer groups and local government staff in six out of the 11 districts covered by RLEEP. Field visits covered Blantyre, Dedza, Kasungu, Nchtisi, Nkathabay, Lilongwe and Thyolo districts. The PPE held group meetings with representatives and members from 20 groups, associations or cooperatives, whose membership represented approximately half of the total

beneficiaries covered by RLEEP. Within each district, the groups were randomly sampled for visits.

10. The wrap-up took place at the Ministry of Finance on 31 October 2019 with representatives of the Ministry of Local Government and Rural Development, the Department of Agriculture Extension Services (DAES) and several NGOs that previously cooperated with RLEEP.
11. **Limitations.** The PPE has noted a number of limitations. The geographical scope of programme implementation made it difficult to cover a large number of districts in sufficient depth. Hence, the PPE sampled districts that had the largest number of beneficiaries and value chains. It should also be noted that the field visits for this PPE took place during the dry season, where fields were empty and none of the improved cropping practices could be observed.
12. A limitation to the assessment of effectiveness and impact is the poor quality of data and reports provided by the programme. The PCR drew heavily from the final impact assessment<sup>1</sup> in its review of RLEEP performance. The methodological rigour of the impact assessment is questionable, due to the lack of baselines, the choice of comparison groups, and seasonal biases, as explained further in annex VII. In addition, the impact assessment used the updated logframe indicators, which had inherent challenges, such as an absence of baseline values and flaws in the logical flow, with key performance indicators (KPIs) placed at the wrong levels.
13. Reports are available for the main components and activities. The grant-funded activities are relatively well documented, but the quality of the completion reports varies and is overall unsatisfactory. Grant evaluations are available for the large grants, but again, the quality varies. The thematic studies (Agriculture Commercialisation Fund [ACF], extension services, infrastructure) are useful but somewhat limited in their scope. For example, they do not assess the effectiveness and efficiency of service providers, which remains a critical but missing link within the overall performance of the programme.

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<sup>1</sup> Impact Assessment Survey for the Rural Livelihoods and Economic Enhancement Programme, Final Report, Annex 3, pp. 64-69, 5 February 2018.

## II. The programme

14. RLEEP became effective in 2009; it closed in 2018. The total programme cost was US\$26.1 million. IFAD provided US\$8.9 million as loan and US\$6 million as grant. International cofinancing was provided by OPEC Fund for International Development (OFID) (US\$10 million) for infrastructure, and by the Dutch Royal Tropical Institute (KIT) (US\$100,000) for capacity-building. The lead implementing agency was the Ministry of Local Government and Rural Development. The programme goal was *"to sustainably improve the incomes of economically active poor rural households engaged in the production and marketing of selected agricultural and livestock commodities by advancing their integration with the emerging commercial sector"*.

### A. Programme context

#### Country background

15. Malawi is a small, landlocked and densely populated country in southern Africa. The country has experienced rapid population growth and relatively fast but unstable levels of economic growth in the past two decades, with GDP per capita growth averaging 4.2 per cent between 2009 and 2017<sup>2</sup> and with a high degree of volatility. At the time of programme design, Malawi was in a period of growth acceleration and, as such, had a conducive environment for value chain development. The latter years of the implementation of RLEEP were been characterized by low economic growth.
16. **Agriculture** accounts for one third of national production, employs over 80 per cent of the country's workforce and contributes 90 per cent of the export receipts.<sup>3</sup> Smallholder subsistence farmers cultivate an average of 1.2 ha of land, dominated by maize as the staple food crop and tobacco as the cash crop. Agriculture remains vulnerable to weather-related disasters, as over 90 per cent of agricultural production is rain-dependent, which partly explains the low productivity levels in the country, with considerable gaps between current and potential yields.
17. **Poverty** remains high. The national poverty rate increased slightly from 50.7 per cent in 2010 to 51.5 per cent in 2016, although extreme national poverty decreased from 24.5 per cent in 2010/11 to 20.1 in 2016/17. Poverty is driven by poor performance of the agriculture sector, volatile economic growth, population growth, and limited opportunities in non-farm activities.
18. **Climate change.** Improving agricultural production is key to poverty reduction, but the increased frequency and intensity of drought and flood events hinder progress. The majority of agricultural production is rainfed and focused on maize. Erratic rainfall poses a challenge to maize productivity, as do higher temperatures and droughts, as well as dry spells during the rainy season.<sup>4</sup> In March 2019, Cyclone Idai affected 17 geographical areas with heavy rains and strong winds, affecting an estimated 975,588 people, displacing over 90,000 people and killing 60 people. The socio-economic impact of climate-induced shocks is highest in districts with the poorest people.<sup>5</sup>

#### Policies on rural development and agricultural growth

19. Agriculture is the most important sector in the economy, accounting for 40 per cent of GDP, 80 per cent of the labour force, and 80 per cent of the foreign exchange earnings; crop production accounts for 74 per cent of rural incomes. Despite agriculture's strategic position in the country's economy, it continues to perform below its full potential on account of a number of challenges, including: low uptake

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<sup>2</sup> <https://data.worldbank.org/country/malawi>.

<sup>3</sup> <https://www.afdb.org/en/documents/document/malawi-country-strategy-paper-2018-2022-107987>.

<sup>4</sup> USAID. Climate change risk profile Malawi. January 2017.

<sup>5</sup> Malawi Economic Monitor. June 2019. "Charting a new course". World Bank Office Malawi. <http://www.worldbank.org/mw>.

of farm inputs leading to low crop yields; and weak farmer linkages to markets (due to constraints such as high transport costs, few functional farmer organizations, poor product quality control, and inadequate information on markets and prices). This situation led the Government of Malawi to design and implement development frameworks that would improve the performance of the agriculture sector. The more recent of such development initiatives has been the Agriculture Sector-Wide Approach programme (ASWAp), which is a prioritized and harmonized agricultural investment framework towards the achievement of the Malawi Growth and Development Strategy (MGDS). The framework provides a platform for harmonization of donor support in the agriculture sector. In particular, the document provides a process through which growth and wealth creation, an objective of the MGDS, will be achieved. The main goal of ASWAp is to improve food security and nutrition, increase agricultural incomes, and ensure sustainable use of natural resources.

20. The MGDS is the country's overarching medium-term development tool designed to lead the country towards attainment of the Millennium Development Goals and the nation's long-term aspirations as spelled out in its Vision 2020. The first MGDS (MGDS I) was in operation from 2006 to 2011. It built on consolidated lessons from the Malawi Economic Growth Strategy of 2004 and drew its focus areas from the country's first medium-term development strategy, the Malawi Poverty Reduction Strategy, which was in operation from 2002 to 2005. The second MGDS (MGDS II) aimed to guide Malawi's development and growth path during 2012-2016.
21. The MGDS represents a policy shift from social consumption to sustainable economic growth and infrastructure development. The MGDS placed emphasis on six key priority areas of agriculture and food security; irrigation and water development; transport infrastructure development; energy generation and supply; integrated rural development; and prevention and management of nutrition disorders and HIV/AIDS. It includes a special focus on programmes for women and youth in Malawi. The ongoing MGDS III, themed "Building a Productive, Competitive and Resilient Nation", will run through 2022 and focuses on education, energy, agriculture, health and tourism.
22. The ASWAp (2011-2015) includes two major agriculture-sector development programmes: the Farm Input Subsidy Programme (FISP) and the Green Belt Initiative. These programmes account for 70 per cent of the total ASWAp budget towards food security and risk management. Limited budget resources are devoted under the ASWAp to crucial areas such as private sector development, capacity-building, value chain development, climate change, soil degradation and financing. Also, crop diversification is one of the main goals of the MGDS II and is also a component of the ASWAp. However, the majority of resources are allocated to maize producers through FISP (since 2005).<sup>6</sup>
23. FISP is administered through vouchers or coupons that enable eligible households to purchase fertilizer, hybrid seed and pesticides at reduced prices. The programme targets smallholder farmers who own land and are legitimate residents of their village. Beneficiary selection, which is carried out by village heads and members of village development committees, is supposed to give priority to "vulnerable" groups. However, studies suggest that, contrary to stated FISP criteria, households headed by young females were less likely to receive a complete input subsidy packet than households headed by older males. Furthermore, poor households were less likely than rich households to receive any voucher.<sup>7</sup>

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<sup>6</sup> Food and Agriculture Organization of the United Nations. 2015. Country fact sheet on food and agriculture policy trends.

<sup>7</sup> Christopher Chibwana, Monica Fisher, 2011. The impacts of agricultural input subsidies in Malawi. IFPRI Policy Note 5.

## **IFAD's position and role in the Malawi context**

24. IFAD began operations in Malawi in 1981. Since then, it has provided a cumulative US\$631.2 million in financing for 14 programmes (closed and ongoing). A country strategic opportunities programme (COSOP), approved in December 2016, sets out a framework for the partnership between IFAD and the Government of Malawi to 2022. It builds on lessons from the four programmes included in the previous COSOP 2010–2015.
25. IFAD's approach in Malawi is to: (i) work with and strengthen district-level government services; and (ii) deliver those services via community organizations to smallholder farmers. This combines technological innovations in smallholder farming with social innovations in the relationships between smallholders and agricultural services. The latter take place at both ends – i.e. in the communities and in the service delivery system – and help establish relationships that continue beyond project completion.

## **B. Programme implementation**

26. **Programme objectives.** The overall objective of the programme was to strengthen value chains and improve linkages of farmers to value chains by establishing more efficient production, transport, storage, processing and marketing systems for targeted commodities, thereby expanding local economic activity and employment.
27. The development objective was split into three sub-objectives linking to programme components and thus activities: (i) strengthen value chains and enhance the enabling environment to make it more conducive to rural commercial development; (ii) improve linkages of farmers to value chains by establishing more efficient production, transport, storage, processing and marketing systems for target commodities; and (iii) facilitate and manage the programme in an efficient and effective manner.
28. **Thematic focus.** Until around 2007, development interventions in Malawi predominantly addressed social challenges such as welfare, food security and HIV/AIDS prevention and relief, with additional activities in infrastructure and income generation. RLEEP responded to the growing need for agricultural diversification and commercialization against the background of improving food security. RLEEP specifically focused on the development of agribusiness enterprises through public–private partnerships and value chain development.
29. **Programme area.** RLEEP's targeting strategy was based on the poverty assessment that 80 per cent of the population of poorer rural districts lived under the poverty line, with 22 per cent of the population described as ultra-poor, i.e. those who are unable to meet their minimum food requirements. The largest concentrations of the poor population are in Southern Malawi and in Lilongwe (Central Malawi). There is a similar distribution of the ultra-poor. RLEEP activities were implemented in 11 districts within selected extension planning areas (EPAs) in the Central Region (Dedza, Kasungu, Lilongwe, Mchinji and Ntchisi), the Southern Region (Blantyre, Thyolo) and the Northern Region (Chitipa, Karonga, Nkhatabay and Rumphu).
30. **Financing.** The planned cost was at US\$29.2 million, of which 57 per cent was financed by IFAD (29.8 per cent loan and 27.4 per cent grant). Other sources of funding include contributions from OFID (US\$10 million), the Government (US\$400,000), beneficiaries (US\$2 million) and KIT (US\$100,000).

Table 1  
**RLEEP financing at approval and completion**

	<i>Approval (US\$ million)</i>	<i>% of total approval</i>	<i>Actual (at 31.12.2017) US\$ million</i>	<i>% of actual total cost</i>
IFAD loan	8.3	28.5	8.3	29.9
IFAD grant	8.4	28.6	8.4	30.0
Government of Malawi	0.4	1.4	0.3	1.0
OFID (loan)	10	34.2	10	35.9
Beneficiaries	2	7.0	0.8	3.0
Netherlands	0.1	0.3	0.1	0.3
Total	29.2	100	27.9	100

Source: RLEEP Annual Workplan and Budget (AWPB) 2017-2018; RLEEP PCR; IFAD Operational Results Management System.

31. **Programme approach.** The programme was implemented in two phases – the pilot phase and the expansion phase – over an eight-year period. The programme took a gradual and commodity-oriented approach to rollout, based on an analysis of the existing market demand and value chain gaps.
32. **Programme management.** Programme coordination was under the Director of Planning and Development. An autonomous programme support unit (PSU), consisting of externally recruited staff, managed programme activities and provided technical assistance. Programme activities were delivered through contracted service providers.
33. **Programme components.** The programme comprised four components as follows:
  - (a) **Value chain mobilization and organization.** This component included two subcomponents: (1) participatory value chain and action plans, to be implemented by value chain mapping and analysis of selected priority commodities, capacity-building in value chain mapping, formation of value chain networks, and collaborative learning on value chain development; and (2) enhancement of enabling environment for priority commodities to be carried out by adopting legislative and regulatory reforms to reduce constraints to trade, and by strengthening national institutions in agricultural commercialization. The component included a budget to support studies and technical assistance.
  - (b) **Agricultural productivity enhancement and commercialization.** This component included the debt sustainability framework-funded ACF. Two subcomponents were included under this component: (1) engagement of value chain actors in focal areas by capacity-building for district and NGO personnel, publicity and awareness campaigns in focal areas, formation and capacity-building for farmer groups, and technical and business training for input suppliers, traders and processors; and (2) establishment of an agriculture commercialization fund in order to provide small, large and research grant windows, increase adoption of good agricultural practices, increase access to inputs, strengthen farmer groups, and improve access to finance and reliable markets.
  - (c) **Programme facilitation and management.** This component aimed to facilitate programme implementation and management in an efficient and effective manner. It was designed to ensure proper and effective functioning of the programme including M&E, financial management, and policy



adherence and oversight roles through the Programme Steering Committee (PSC).

- (d) **Infrastructure development.** This component was added after the mid-term review (MTR) and was funded by OFID. Its purpose was to ease transport problems and enable farmers to have easier access to inputs and markets, especially through the rehabilitation of roads and warehouses.

Table 2  
**RLEEP – Actual costs and financing by component**

<i>Components</i>	<i>Approval</i>		<i>Actual at 30/4/2017</i>		<i>Actual - % of approval</i>
	<i>(US\$ million)</i>	<i>% of total – approval</i>	<i>(US\$ million)</i>	<i>% of total actual</i>	
Component 1: Value Chain Mobilization and Organization	2.4	8.1	2.4	8.5	100
Component 2: Agricultural Productivity Enhancement and Commercialization	12.9	44.2	11.5	41.3	89
Component 3 : Programme Facilitation and Management	4	13.6	4	14.3	100
Component 4 : Infrastructure Development	10	34.2	10	35.9	100
<b>Total</b>	<b>29.2</b>	<b>100</b>	<b>27.9</b>	<b>100</b>	<b>95</b>

Source: RLEEP AWPB 2017-2018/RLEEP PCR.

### III. Main evaluation findings

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

##### Relevance

34. **Alignment with national policies.** RLEEP was well aligned to the relevant national policies, namely the MGDS (2006–2011), the MDGS II (2011–2016) and the ASWAp, 2011. RLEEP contributed to MGDS and ASWAp through enhancement of agricultural productivity, value chain mobilization and infrastructure development. Gender and capacity development, which was included in the MGDS II, was also reflected in the RLEEP design (see table 1 in annex VI).
35. **Relevance to IFAD Strategy in Malawi.** RLEEP objectives<sup>8</sup> and identified priority areas<sup>9</sup> were linked to COSOPs.<sup>10</sup> The goal of the 2005–2011 COSOP was to strengthen the livelihoods of the rural poor through agricultural development and economic diversification. RLEEP remained consistent with the 2010–2015 COSOP, which builds on the intentions of its predecessor, emphasizing rural commercialization as an intervention for poverty (see table 2 in annex VI).
36. **Institutional set-up.** The programme used a demand-oriented implementation approach to enable partnerships with multiple value chain actors, including private sector and non-governmental organizations. The implementation structure was innovative. It had coordination and interactive fora for monitoring progress at national, district and subdistrict levels. At national level, an autonomous PSU with externally recruited staff managed the programme. The programme was overseen by a PCS comprised of stakeholders from the Government, the private sector and NGOs.<sup>11</sup>
37. **Quality of design.** The programme followed a “rolling approach” in terms of design, which was sensible but demanding to implement. Value chains were identified through analysis of the existing market demand and value chain gaps, and new implementation areas were added gradually. Selection of priority commodities and value chain mapping were undertaken in a participatory manner involving smallholder farmers as well as all other value chain actors from the public, private and parastatal sectors.
38. The design identified two priority commodities (groundnuts, potatoes) targeted in three districts. In 2013, the programme expanded into two more value chains (soybean and dairy) and three additional districts. Toward the end of the programme (2015), three other commodities (sunflower, beef and honey) were added in five more districts. This final expansion probably overstretched the existing capacities to deliver and led to the dilution of results, noted under effectiveness.
39. The complexity of design and implementation further increased when infrastructure was added as a component in 2013. The design document (2011) envisaged the component as fully integrated into the RLEEP design and targeting the same beneficiaries. The PSU recruited an additional expert to oversee implementation, but the capacity was insufficient to supervise implementation on the ground.<sup>12</sup> Yet none of the supervision missions included an infrastructure specialist to supervise the component, as expected in the design. IFAD supervision finally took note of the technical deficiencies identified by the value-for-money study in 2017.

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<sup>8</sup> Rural Livelihoods and Economic Enhancement Programme, Appraisal Report, Main Report and Annexes, p. 8, 30 November 2007.

<sup>9</sup> Ibid, p. 49.

<sup>10</sup> IFAD, Republic of Malawi, COSOP Completion Review 2010–2015, p. 2; and IFAD, Republic of Malawi, COSOP 2016–2022, p. 6.

<sup>11</sup> Rural Livelihood and Economic Enhancement Programme, Project Completion Report, pp. 8 and 38, 22 November 2018.

<sup>12</sup> See RLEEP Infrastructure Value for Money Audit (2016).

40. **Grant mechanism.** The ACF, as the main mechanism for delivering services, was innovative but took time to set up. The pilot phase was extended in order to finalize the proposal review process and obtain approval by the programme steering and technical committees and IFAD.<sup>13</sup>
41. The pilot phase revealed that the majority of the service providers were not able to meet the requirements in terms of capacity for delivery. According to the ACF Effectiveness Report, the success rate of submitted expression of interests was below 50 per cent; it was 42 per cent in 2013 and 48 per cent in 2015.<sup>14</sup> The risk that qualified service providers might be difficult to find was already identified in the RLEEP Appraisal Report, but the programme did not follow up with the recommended mitigation strategy to build the capacities service providers.<sup>15</sup>
42. It turned out that very few farmer groups, EPA staff and NGOs were able to access funds. The small grants window intended to benefit farmer organizations and small local NGOs ended up attracting only larger NGOs. Private sector players were generally late entrants. Other than Exagris, which came in in 2011, the other four private sector players came in in 2015, two years before programme closure following the MTR.<sup>16</sup>
43. **Quality of logframe.** The programme had used three different logframes (at design, MTR and completion), with revisions made at outcomes and components levels. The design report had three components with related objectives. The fourth component, infrastructure, was added after the MTR. Following the MTR, the programme adopted a revised logframe, which had a development objective and outcomes defined at the level of components. The revision of the logframe led to a disconnect between the components and the newly defined outcomes. For example, the “enhanced regulatory and institutional environment” became outcome 2, but the related activities were part of component 1 (see annex VII).
44. The logical links between some outcomes and the related components became untraceable through the revision. For example, component 3, programme facilitation and management, was linked with outcome 3 “improved linkages of smallholder farmers to value chains”. Component 4, infrastructure, was linked with outcome 4 “expanded economic activity and employment”. The revised logframe included indicators that were not quantifiable; they were composite, incorrectly placed at various objective hierarchy levels, or ambiguous. The absence of baseline values presents an additional challenge for measuring achievements at the point of completion.
45. **Approach to targeting.** At the time of programme design, three different groups of poor were identified: (i) the economically active poor, who were able to work and were in good health but lacked productive assets; (ii) the transient poor, who were at risk of becoming poor due to transitory shocks but also had the ability to move out of poverty; and (iii) the core/ultra-poor, who had no capacity to generate income. This latter group included the elderly, sick, disabled and children, especially orphans.
46. The programme’s targeting approach was clear at design, but not followed up consistently. The RLEEP Appraisal Final Report dealt with pro-poor targeting at three levels: (i) selection of the commodity value chains (based on market research); (ii) choice of the intervention areas (EPAs)”; and (iii) choice of the target groups.<sup>17</sup> The report contains poverty profiles for the two value chains selected during design (groundnuts, potatoes). The design expected the mapping

<sup>13</sup> RLEEP supervision report July 2012.

<sup>14</sup> ACF Effectiveness Assessment Grant Final Report, p. 10, 10 October 2017.

<sup>15</sup> The programme only provided training for proposal writing.

<sup>16</sup> ACF Effectiveness Assessment Grant Final Report, p. 9, 10 October 2017.

<sup>17</sup> Rural Livelihoods and Economic Enhancement Programme, Appraisal Report, Main Report and Annexes, pp. 6-7, 30 November 2007; and Technical Annex 3 – Targeting the Rural Poor in Value Chain Development.

during implementation to reflect poverty, gender and HIV/AIDS in the value chain analysis. However, this type of analysis was not included in the studies reviewed by this PPE.

47. Furthermore, the appraisal report anticipated that the programme would facilitate pro-poor and gender-sensitive implementation by creating awareness and developing capacity among service providers and stakeholders. However, the choice of the target groups was left to the implementers, who redefined the targeting criteria and approach, which ranged from pro-poor to self-targeting. In practice, the service providers applied their usual approach to targeting, which for some NGOs, such as Heifer International<sup>18</sup> and the Sustainable Development Initiative,<sup>19</sup> was more pro-poor and gender-sensitive. Hence the diversity of outcomes noted by this PPE (see effectiveness).
48. **Overall**, RLEEP was aligned with the key national policies (MGDS I and II, and ASWAp) and IFAD's strategy in Malawi (COSOPs 2010–2015 and 2016–2022). The implementation structure was innovative, inclusive of various stakeholders, flexible and decentralized. However, the design was overambitious given its numerous vertical and horizontal partnerships, which were time-consuming to initiate and maintain. The PSU had inadequate capacity to effectively supervise and backstop service providers. The quality of the revised logframe was unsatisfactory, with KPIs that were difficult to measure, ambiguous, composite, and wrongly placed within the hierarchy of results. The targeting strategy was adequate at design, but the programme did not follow up on the suggested approach during implementation. The PPE rates relevance as **moderately satisfactory (4)**.

### **Effectiveness**

49. **Overall**, programme achievements were moderate. According to the results reported in the PCR, RLEEP achieved 56 per cent of its set targets; 43 per cent were underachieved. The main reasons for underperformance were the overambitious outreach targets, poorly defined KPIs and the absence of a plausible ToC linking outputs with outcomes. The limited time given to service providers to implement activities and the insufficient links between activities on the ground had led to rather moderate results. RLEEP could have been far more effective if activities had focused on fewer value chains in fewer districts.

### **Outreach and targeting**

50. **Outreach**. RLEEP has reached a large number of farmers through the various service providers. According to RLEEP M&E records, the number of farmers reached through the grantees was 37,625. The number of farmers reached through farmer business schools (FBSs) was 20,794. These numbers probably include some overlap. The actual number of farmers reached in target EPAs was 30,146.<sup>20</sup> Ntchisi had the largest proportion in terms of the share of programme beneficiaries – 35 per cent of project beneficiaries (see figure 2 in annex VI).<sup>21</sup>
51. **Targeting**. The programme's targeting criteria were vaguely defined. Therefore, each of the service providers brought in a unique set of skills and criteria for targeting poor farmers, women and youth. For example, Concern Universal, which had experience linking poor farmers to value chains, had clearly defined criteria for identifying target farmers, which included improved levels of production, skills and location. The assumption was that these farmers would be able to play an innovative role within the community and bring other farmers into value chain production. Unfortunately, the programme did not monitor the participation of very

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<sup>18</sup> Interview with Heifer, Lilongwe, 24 October 2019.

<sup>19</sup> Interview with Sustainable Development Initiative, Blantyre, 1 November 2019.

<sup>20</sup> Number of farmers according to validated district-level numbers provided by project M&E. The number of households reached was 22,262. This is largely consistent with the numbers reported in the impact assessment.

<sup>21</sup> Using the PPE consolidated number = 30,146. In the PCR there seems to be a mix-up of number of (individual) farmers (37,674) and households (22,262).

poor people, as assumed by design. The PCR does not report whether the programme had an impact on the very poor.

52. The PPE confirms that the selection of the commodities was pro-poor in the sense that many of the poor farmers were already engaged in their production. Groundnuts are a common cash crop and the distribution of improved seeds has boosted production, which also benefited the poor. For potatoes, the value chain study (2011) notes that this is a crop that requires a high level of investment and therefore can potentially exclude vulnerable groups, such as women and the very poor. Hence, it was positive that in Dedza the programme provided a link with microfinance Concern Universal Microfinance Operations (CUMO) for potato farmers to enable them to buy fertilizer, seed and pesticides.
53. **Women** were targeted through the choice of value chains. Participation of women was high (more than 50 per cent of participants) in groundnuts, potato and soya value chains. It was equal (with men) in sunflower and dairy value chains. One of the service providers (Heifer) in the dairy value chain specifically targeted female-headed households; the others did not. Women's participation was low in beef (10 per cent). Hence, the highest participation by women was noted for Mchinji, at 62 per cent, with considerable groundnut-growing. In Karonga, women constituted only 8 per cent of the beneficiaries because the programme targeted the beef value chain, which is dominated by men (see figure 2 in annex VI).
54. **Youth** were rarely specifically targeted, except through a youth service provider organization, namely the Youth Association for Behaviour Change.<sup>22</sup> Understanding the extent to which RLEEP has benefited youth has been a challenge because of grossly inadequate data. The impact assessment confirms that youth were not adequately included in the programme. It further notes that in particular female youths were excluded. About 11 per cent of the participants in the programme were male youths, compared to 8 per cent female youths. The survey also found that no female youths were involved in the beef value chain, while more female youths participated in the dairy value chain than their male counterparts.

#### **Component 1: Value chain mobilization and organization**

55. The objective of component 1 was to "strengthen value chains and enhance the enabling environment to make it more conducive to rural commercial development". For this component, the evidence-base to support achievements seems weak. For example, the PCR mixes rules and regulations,<sup>23</sup> and uses the data provided by the impact assessment that had asked beneficiaries about their perceptions on improvements in rules and regulations as an indicator under regulations.<sup>24</sup>
56. **Participatory value chain analysis.** The main achievement under this outcome is related to the preparation of studies and action plans for selected commodities. The commissioned studies identified the main value chain constraints that were validated through stakeholder consultation. The constraints were to be addressed for the seven priority commodities.<sup>25</sup> The programme had only limited success in addressing these constraints.<sup>26</sup>
  - (a) **Access to quality seeds** has improved under the programme but remains a major challenge for many farmers. According to the impact survey, 58 per cent groundnut and soya producers, 83 per cent of potato growers,

<sup>22</sup> Interview with the Youth Association for Behaviour Change, Ntchisi, 30 November 2019.

<sup>23</sup> Regulations relate to law and are binding, and also relate to the country normally. Rules, on the other hand, are guidelines and not binding, and relate more to institutions. In this context, therefore, and looking at the design of RLEEP, the reference should be more in line with regulatory support and rules should be more with capacity-building.

<sup>24</sup> Final Impact Assessment Survey for the Rural Livelihoods and Economic Enhancement Programme, Final Report, p. 44, 5 February 2018.

<sup>25</sup> The PPE had only been provided two value chain studies.

<sup>26</sup> The impact assessment reports that constraints such as access to market, access to finance and access to quality seeds remain unresolved.

and 84 per cent of sunflower producers have seen an improvement in access to quality seeds. However, the majority of respondents in the same survey (70 per cent) still felt that access to quality seeds remains a challenge. The PPE mission saw positive examples of community seed production in in Kasungu and Ntchisi. Nevertheless, the majority of groups visited still raised availability of and limited access (due to unaffordable prices) to certified seeds as major issues.

- (b) **Access to markets.** RLEEP has increased farmers' physical access to markets through the construction of warehouses, cattle market points, and milk collection centres and through rehabilitation of rural roads and construction of bridges. The arrival of private sector actors through the ACF has facilitated market linkages in some cases, but even the PCR has raised questions over whether these arrangements will continue in the long term.<sup>27</sup> The programme has been more successful in linking farmers with private sector buyers during the later stage, but the impact assessment found that market access remains an issue for most farmers.<sup>28</sup>
- (c) **Access to finance** was a major constraint for farmers, but not systematically addressed by the programme. Partnership with Malawi Union of Savings and Credit Cooperatives (grant) enabled the establishment of two fully-fledged community savings and credit cooperative societies in Ntchisi and Thyolo/Blantyre districts.<sup>29</sup> Some NGOs, such as Concern Universal and Heifer also supported access to finance through Village and Savings and Loans Association. However, the impact assessment found that that the majority of the farmers surveyed (60 per cent) did not have access to financial services, including savings and credit.<sup>30</sup>
57. **Stakeholder networks.** The approach to support existing value chain platforms was commendable. RLEEP focused on reviving and strengthening three platforms: Legumes development trust; Root and tuber crops innovation platform; and Dairy industry development platform. The dairy platform successfully lobbied and advocated for the removal of value-added tax for raw milk, and the withholding tax for bulking groups that held a tax exemption certificate.<sup>31</sup> Currently the platform is lobbying and advocating for the cancellation of import tax on key livestock equipment and material. In addition, RLEEP, in partnership with the Malawi Bureau of Standards, supported the preparation of potatoes standards to regulate the quality of the commodity on the market.<sup>32</sup>
58. Regarding the capacity built among government staff, the PPE had no evidence of sufficient transfer of skills to the government institutions, particularly the Ministry of Local Government. Nonetheless, the participation of various government institutions in the implementation of RLEEP more generally strengthened their skills-base for enhanced performance in their bid to promote the country's development agenda.
59. **Partnerships with the private sector.** This is one area in which the programme did not perform as well as expected. Starting from the value chain mapping, as reported in the ACF Effectiveness Report, the response from the private sector players was minimal, and this is evident in the fact that over an eight-year

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<sup>27</sup> PCR p. 31

<sup>28</sup> According to the impact assessment, the programme has linked 100 per cent of the beef producers and 47 per cent of the sunflower farmers in the survey with their current buyer. However, the majority of the farmers were not satisfied with the low prices offered by the buyers. The study reports that farmers in Karonga had stopped cross-breeding their zebu cattle with bonsmara breeds because they were not making a profit.

<sup>29</sup> In Ntchisi, the Malawi Union of Savings and Credit Cooperatives served 10,613 members (2,035 males and 8,578 females) in 637 group savings and lending associations.

<sup>30</sup> The highest proportion was found in the sunflower value chain, where as many as 80 per cent of the farmers did not have access to financial services.

<sup>31</sup> Final Project Report African Institute for Corporate Citizenship (AICC) and interview with AICC, 23 October 2019.

<sup>32</sup> RLEEP Mid-Term Final Report, p. 17, February 2014.

programme period only five private sector players participated. Private sector partners interviewed by the evaluation team explained that they were not attracted by the language of the expressions of interest. Some private sector players were also hesitant to participate in a government-owned programme.

60. The insufficient participation of the private sector in the programme indicates a lack of relevant skills within the PSU. The selection process failed to realistically appraise the financial capacity and integrity of partners. For example, the honey company in Nkatha Bay turned out to be unscrupulous and failed to deliver. Neither the design nor the ACF Grant Management system offered a clear definition of who or how the private sector would be defined, and secondly what critical role they would be playing.

### **Component 2: Agricultural productivity and commercialization**

61. The objective of component 2 (at design) was to improve linkages of farmers to value chains. This component has been overall effective and, according to the PCR, most of the output-level indicators were achieved. However, the PPE found that some of these achievements require qualification, as discussed in the following.
62. **Agricultural Commercialization Fund.** The grant facility was effective at increasing outreach through service providers. Local NGOS have contributed the largest share to the outreach (70.1 per cent). Private companies, which received 32.5 per cent of the grant funding, contributed 25.8 per cent to the total outreach. Outreach numbers vary widely among the service providers, as do the extent and depth of their engagement with farmer groups. Some of the service providers (e.g. Exagris, Heifer, United Purpose) supported group formation through an integrated approach, with complementary activities including capacity-building, technical support and networking. Others seem to have reached large numbers of beneficiaries through provision of improved seeds or semen (e.g. Nyama World) and market linkages (Agricultural Commodity Exchange [ACE]). The top four grantees, in terms of outreach, include two private companies (Bio Energy Resources Limited and Nyama World)<sup>33</sup> and two local NGOs (Ntchisi Organisation for Youth Development and the Child Welfare Society Trust).<sup>34</sup> They claim to have reached almost two thirds of the total number of beneficiaries (21,056) benefiting from grant-financed services.
63. Despite their limited number, private sector partners benefited disproportionately from the grants.<sup>35</sup> The five private sector partners received jointly US\$910,320, a similar amount received jointly by 49 medium/large partners (US\$953,061). Unlike for the NGO grants, the issues to be addressed were left to the private sector entity to determine.<sup>36</sup> In some cases, the private sector partners still worked with non-profit organizations to address group formation or productivity issues.<sup>37</sup>
64. Activities under this component were funded through the ACF, the grant facility for engaging service providers. The effectiveness of service providers is hard to assess because of the generally poor quality of the end-of-project reports.<sup>38</sup> However, the end-of-project evaluations available for some of the large grants indicate uneven performance.<sup>39</sup> A bigger concern for this PPE, however, is that the various service

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<sup>33</sup> These were large grants, but the duration was shorter compared to the NGO grants (June 2015 – August 2017).

<sup>34</sup> The grants for the Ntchisi Organisation for Youth Development and the Child Welfare Society Trust were small grants. No completion reports were made available to validate these claims.

<sup>35</sup> The PCR does not comment if the allocation of large funds to a few private sector players was effective.

<sup>36</sup> ACF effectiveness study, p. 15.

<sup>37</sup> For example, ACE partnered with Welthunger, the World Food Programme and Catholic Relief Services.

<sup>38</sup> ACF Effectiveness Assessment Grant Final Report, p. 16, 10 October 2017.

<sup>39</sup> For instance, Exagris' reported achievement of all its five objectives in its Final Report. But both Exagris groups visited by the PPE were partially functional, and both reported access to seeds and markets as main challenges. Similarly, the Lakeshore Agro-Processors Enterprise only managed to achieve one of its three objectives. The proposed community development fund failed due to seed non-payments. Concern Universal only achieved two out of the three objectives. The Farmers Union of Malawi (FUM) also achieved only two out of three objectives. The evaluation of FUM cites as probable causes for poor performance of FUM a lack of clarity of roles between FUM and RLEEP, different perceptions of the agreed approach, and lack of capacity on the part of FUM.

providers contracted did not have a coherent approach to training and capacity-building, even when they worked within the same district. With the exception of the Catholic Development Commission, collaborating with CUMO, the service providers overall operated individually and independently. In some districts, the programme benefitted from existing partnerships between NGOs and the EPA agriculture extension services. For example, in Dedza the end-of-project evaluation noted the coordination between Concern Universal project staff and government frontline staff, mainly the agriculture extension development coordinator and the agriculture extension development officer (AEDO), who fostered a coherent approach in their training and capacity-building efforts.

65. **Training on crop production and technology** was well received. The groups interviewed by the evaluation team were able to describe in brief the nature of training and capacity-building received. Technologies such as double-row planting in groundnuts were widely adopted. These observations are aligned with the findings from the study on extension services that found that the training has led to good levels of adoption for topics such as business management, participation in farm/group enterprise, market orientation, warehousing and production technology. Levels of adoption were low with regard to the commercialization of farming, value addition, capitalization and input and output linkages.<sup>40</sup> The study notes that although DAES designed and trained the lead farmers, the DAES system was not clearly identified and placed in the structure. This meant that the design of the extension services was top-down (from national level) and lacked the contribution from district-level stakeholders.<sup>41</sup>
66. **Farmer business schools.** RLEEP implemented the FBS model, which had been tested by the Ministry of Agriculture, Irrigation and Water Development. At the time of the MTR in 2012/13, the programme had trained 683 lead farmers, of whom 40 per cent were women. The PCR reports that 20,794 farmers were trained. For the districts visited by the PPE, farmers were generally aware of the FBS, but reported different degrees of success. Some of the groups undertook simple market research in order to obtain the best price and consequently profit.<sup>42</sup>
67. Kasungu and parts of Ntchisi reported successful implementation of FBSs. Where the FBS model was working well, the lead farmers had opened parallel schools and trained follower farmers. The farmers reported that through FBSs, they had learned to grow crops not only for consumption, but also for sale. However, in other cases farmers reported that the number of parallel schools had decreased since RLEEP ended. Farmers had attended because they expected free inputs; when this did not happen, they left. In other cases, such as Nkatha Bay, the model failed to work from the outset. The success depended largely on the commitment of extension staff and the availability of funding for continued visits to the community.
68. **Group formation.** RLEEP supported the formation or strengthening of 351 groups.<sup>43</sup> While some of the groups are still functioning, most of the groups visited are partially functional, and continue to report challenges with markets, prices of produce, access to quality seed and access to finance. Training and capacity-building often did not address the critical issues that would have enabled the groups to become commercially viable, such as how to access market and price information, how to broker effective partnerships and relationships with the private sector, and how to deal with vendors.

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<sup>40</sup> RLEEP. Report on thematic extension services. 2017.

<sup>41</sup> RLEEP. Report on thematic extension services. 2017.

<sup>42</sup> The market committee at Lingazi cooperative was able to conduct simple market research for its soya beans produce. Using the data collected from would-be buyers, a comparative analysis of the three would-be-buyers was undertaken, focusing on a number of variables such as: price offered; whether they would provide own transport; timeliness of transactions including payment; and the volume to be purchased - Interview with Lingazi cooperative, Lilongwe, 25 October, 2019

<sup>43</sup> According to the PCR, 2,147 groups were formed/strengthened against a planned 972. According to project M&E data, the validated number of farmer groups working with the programme was 351.



69. Some of the successful farmer groups were able to graduate into cooperatives. By the time RLEEP was phasing out, there were 13 registered cooperatives, 8 that had yet to be registered and 2 savings and credit cooperative societies, totaling 23 strong groups.<sup>44</sup> The cooperatives visited by the evaluation team in Kasungu, Lilongwe, and Ntchisi were found to be stable and strong. All groups visited keep records, but the quality of records was found better for those trained by GIZ. However, the registration of cooperatives is expensive, not all groups can afford to pay allowances for staff from Ministry of Industry and Trade who train and vet those groups that apply for registration.

### Component 3: Programme facilitation and management

70. The objective of component 3 was to facilitate and manage the programme in an efficient and effective manner (design). After the MTR, the outcome for this component became "improved linkages of smallholder farmers to value chains". The PPE noted that the outcome for this component was partially achieved, mainly because several of the KPIs were the same as those for component 2, such as those relating to "majority of farmers using purchased inputs as well as access to markets".<sup>45</sup>
71. The performance of project management is discussed under efficiency.

### Component 4: Infrastructure

72. Component 4 was added after the MTR. The expected outcome was to "expand economic activity and employment creation for selected commodities". The programme had overachieved its set targets on bridges but did not complete the expected number of storage facilities and roads (see table 3 below).

Table 3  
Infrastructure achievements

Cost category	Unit	Programme design target	Physical performance		Financial performance		
			Actual completed to date	% Achieved	(US\$ '000)		
					Budget amount	Actual spent	% Spent
Warehouses/stores/silos/lab/ dairy houses/dip tanks	no	59	51	86	4,3	3,7	86
Concrete bridges	no	47	89	189			
Irish bridges	no	25	27	108			
Culvert lines	no	482	508	105	2.1	4.5	164
Rehabilitation of roads	km	1 000	700	70	1 000	788	79
Design and supervision		100	1 916	954	50		

Source: RLEEP OFID PCR.

73. The Value for Money Audit (2016) noted that roads and bridges had a life-changing impact on benefiting communities, which previously would be cut off for several months during and after the rainy season, a challenge that the PPE observed in particular in Ntchisi district on account of its hilly terrain.<sup>46</sup>
74. Construction of warehouses was intended to help farmers aggregate and store produce while sourcing better prices, but cost-effectiveness and locations would have required more research and consultation of more value chain actors. The ACE

<sup>44</sup> Final Impact Assessment Survey for the Rural Livelihoods and Economic Enhancement Programme Final Report, p. 57, 5 February 2018.

<sup>45</sup> Final Impact Assessment Survey for the Rural Livelihoods and Economic Enhancement Programme Final Report, p. 67, 5 February 2018.

<sup>46</sup> Interview with former District RLEEP Coordinator, Ntchisi, 30 October 2019, and field visit observations on the same date.

grant completion report states that trading through the warehouses has enabled farmers to earn revenues in the form of storage fees for both members and non-members. The PPE noted a clear underuse of the warehouses visited largely due to inadequate levels of sustained production.

75. The cost effectiveness of infrastructure is further discussed under efficiency.

#### **Achievement of project objective**

76. The project objective was “strengthening value chains and improving linkages of farmers to value chains by establishing more efficient production, transport, storage, processing and marketing systems for target commodities, thereby expanding local economic activity and employment”. According to the PCR, three of the five KPIs were achieved; two were not achieved (increase in agribusiness and employment).
77. **Value chains developed.** At baseline, five value chains were envisaged during the RLEEP implementation period. The impact assessment report indicates that seven value chains were developed, owing to the fact that three value chains (honey, beef and sunflower) were adopted towards the very end of implementation. However, the programme had limited achievements in developing functioning value chains. At the production stage, there are challenges with one of the most important inputs of production, namely good seeds, which are in short supply or unavailable altogether. At the level of storage, inadequate volumes are being stored, and in some cases nothing is stored due to low productivity and production levels. At the stage of marketing, the farmers are faced with poor prices dictated by buyers, a finding that was true across all the farmer groups visited by the PPE.
78. For value chains to perform well at each stage, from production to consumption, stakeholders, including buyers, sellers, service providers and regulatory institutions, need to play their part. The programme has been successful insofar as it identified some of those stakeholders. However, linkages were still weak in practice. The national platforms that would need to play a critical role in linking stakeholders were brought in at a very late stage and little has been achieved so far.
79. **Agricultural productivity.** Probably the biggest achievement on the ground were the increases in overall productivity. Increases in yields were attributed to seed selection, double-row planting, and pest and disease management, among others. However, these improvements only seem to have lasted for the duration of the programme. The impact assessment (in 2017) even noted an overproduction for commodities promoted by the programme, such as soya, groundnuts and sunflower, leading to an erosion of market prices. By the time the PPE field visits took place (two years later), production appeared to have declined again in programme areas.
80. One of the most pronounced increases relates to doubling of groundnut yields through the practice of double-row farming,<sup>47</sup> reported in all the groundnut-growing communities visited.<sup>48</sup> Table 4 presents groundnut yields before and after the use of the double-row improved farming practice reported by four members of two clubs in Chikwatula EPA, Ntchisi district who were randomly selected from nine participants of a focus group discussion (four women and five men).<sup>49</sup> The increase by male farmers was greater than that of their female counterparts by a ratio of almost three-to-one. These observations are in line with the findings from

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<sup>47</sup> Interview with AICC (which claimed to be the initial promoters of double-row planting in groundnuts), 23 October 2019. However, Exagris was reported to be the first to introduce this technology, which was adopted by other guarantees as a result of review meetings. ACF Impact Assessment Final Report, p. 16, 10 October, 2017.

<sup>48</sup> Examples: Chigona club, Tiyamike club, Kaira south, Katayika, Chanika (Ntchisi district).

<sup>49</sup> Interview with Chigona and Chitamika groundnut clubs, Chikwatula EPA, Ntchisi, 30 October 2019.

evaluation studies conducted for the Dedza projects (Exagris, Concern Universal and the National Smallholder Farmers' Association of Malawi).

Table 4  
**Groundnut yields (50 kg bags unshelled) based on one acre of land**

	<i>Yield before</i>	<i>Yield after</i>	<i>% change</i>
Farmer 1 (female)	50	70	40
Farmer 2 (male)	50	120	140
Farmer 3 (male)	46	130	183
Farmer 4 (female)	50	90	80
Overall	49	103	109

Source: Focus group discussion, Chigona and Chitamika, Chikwatula EPA, Ntchisi.

81. **Volume of commodities sold.** The impact assessment report shows an increase of 103 per cent of volume of commodities sold. However, the PPE noted considerably low volumes of commodities sold in the farmer groups visited. Some farmer groups were no longer supplying the buyers from outside their district, whom they used to supply during RLEEP because of low volumes of produce for sale.
82. In some cases, the strengthening of farmer groups and the support provided to form cooperatives have enabled farmers to aggregate crops and negotiate prices, which then led to some improvements in sale prices (for Irish potatoes, soya beans and groundnuts).<sup>50</sup> However, for dairy farmers the bulking groups were not able to negotiate better prices because the processors capped milk prices.<sup>51</sup> Field interviews revealed that most dairy farmers were able to make a profit mainly by keeping the costs of feed low.
83. Warehouses were expected to play an important role in market facilitation through agricultural commodity bulking/aggregation, which in turn would improve price negotiation space for farmers.<sup>52</sup> According to the impact assessment, only 39 per cent of farmers reported improved access to markets, primarily because of the use of warehouses, and a rather low proportion (11 per cent) reported improvement in prices.
84. The PPE found that although the farmers appreciated the advantages of aggregation, many of them still prefer to sell at least part of their produce to vendors because they are paid cash, and some complained of long distances to the aggregating points. In two groups, farmers stopped aggregating because the buyer failed to pay for the produce, and in the second group because of fund mismanagement by the group leaders. This led to gross underutilization of the marketing/storage facilities.<sup>53</sup>
85. **Number of micro, small and medium agribusiness enterprises.** The target was to achieve a 50 per cent growth of micro, small and medium agribusiness enterprises by the end of the programme. The impact assessment reports an increase of 15 per cent, suggesting a more than three-fold underperformance compared to what was envisaged at baseline. This result is in line with what the

<sup>50</sup> Examples are: Lingazi cooperative in Lilongwe Rural; Takondwera FBS group in Kasunge; Kakonje cooperative in Kasungu; Mmbomba cooperative in Ntchisi; Nambamba cooperative, Ntchisi; and Katayaika/Chanika cooperative, Ntchisi.

<sup>51</sup> Interviews across all the Milk Bulking groups visited: Bvumbwe, Goliati Mpemba, Mantcheu, and Tafika .

<sup>52</sup> In *Ntchisi* – Mpherere potato club, Sidza cooperative, Kachere 2 Village and Savings and Loans Association, Katayaika/Chanika Groundnut seed multiplication, Nambamba cooperative, soya; *Lilongwe* – Lingazi cooperative; *Kasungu* – Lisitu cooperative.

<sup>53</sup> Interview with Kanyama Cooperative, Dedza, 22 October 2019; interview with Tafika Milk Bulking Centre members, 2 November 2019; and field visit observations on the same dates.

PPE observed on the ground. Little economic activity was observed in relation to new agribusiness enterprises created.

86. The programme aimed to increase by 50 per cent the number of people employed by farmers and agribusiness enterprises. The final impact assessment reports an increase by 400 per cent, an apparent eight-fold over-performance. However, the PPE noted that declining production levels had led to fewer casual workers (*ganyu*) being engaged since project completion.
87. **Overall**, the programme has made moderate achievements: provision of services through the grant facility was largely effective, with some variation in terms of performance. There was good outreach to farmers, including women, and good capacity-building results. Some farmer groups managed to grow into cooperatives and maintained strong market linkages. However, the majority of farmer groups had weak or no linkages to markets. The programme did not address policy gaps hindering effective value chain development and there was minimal response from the private sector partners. The PPE rates effectiveness as **moderately satisfactory (4)**.

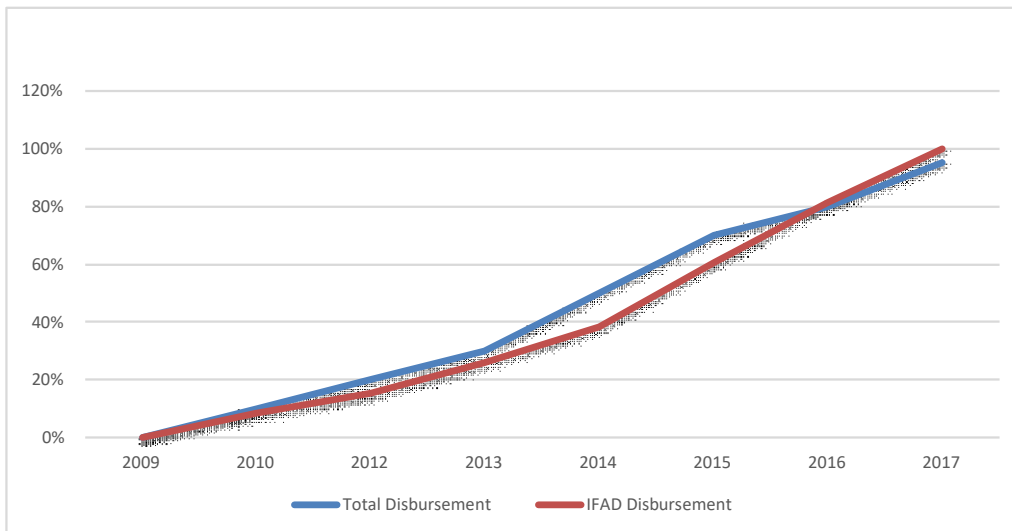
### **Efficiency**

88. **Effectiveness lag.** The process from loan approval to effectiveness was 22 months, longer than the average for projects in IFAD's East and Southern Africa Division (13 months). This was mainly caused by delays in the appointment of staff. The PSU was established in December 2009, more than one year after the programme had become effective. After further delays, the PSU reached full staff capacity in 2012.<sup>54</sup> Late recruitment of technical staff (e.g. the agribusiness and value chain advisor, the commodity specialist and the field coordinators) negatively affected programme implementation. This included delays in preparing the value chain interventions and the postponement or cancellation of some activities, such as training for business development support service providers, provision of support in drafting/amending laws and regulations, and a study tour to a potato-producing county.
89. **Slow start up.** Although the programme became operational in December 2009, the first disbursement of funds was only made in June 2010. The programme was completed as originally scheduled on 31 December 2017 (see figure 1 below).

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<sup>54</sup> According to the supervision of February/March 2011, this was partly attributable to the inability of the PSU to recruit the necessary professional staff, which resulted from the Government's directive that all project implementation units would be discontinued from the end of 2011.

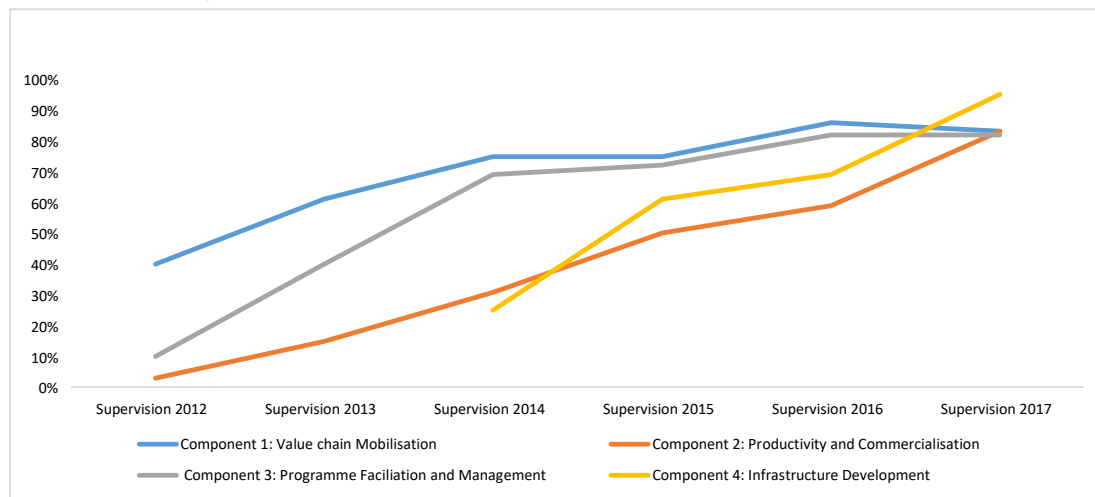
Figure 1  
RLEEP disbursement over time



Source: PPE calculation based on PCR/AWPB data.

90. The pilot phase of the programme was characterized by the slow onset in getting the programme started; hence the pilot phase was extended from June 2012 to June 2014. The extension provided room for the programme implementers to complete outstanding activities under the pilot phase. After the end of the pilot phase in 2014, the disbursement rates of components 2 and 4 accelerated dramatically (see figure 2 below).

Figure 2  
Disbursements by components



Source: PPE calculation based on PCR/AWPB data.

91. Service providers were often not familiar with the process to access funds. The programme had inbuilt flexibility to allow for change in the face of major challenges as evidenced by the transitioning from a cost recovery to an imprest expenditure system when it became clear that the majority of service providers could not implement the cost recovery system due to financial constraints.<sup>55</sup>
92. The supervision mission in 2013 reported the slow utilization of funds in component 2 (grant facility) because of delays by the Accountant General's office in issuing RLEEP's Credit Ceiling Authority, which had blocked drawing down funds from the RLEEP operational account. The Government's contribution to the programme (in

<sup>55</sup> Interview with Circle for Integrated Community Development, Lilongwe, 24 October 2019.

the form of tax exemption) was still low (34 per cent) in 2013. Issues in cash flow led to inter-borrowing between OFID and IFAD funds, which became a point of concern for supervision.

93. **Cumulative expenditures.** Out of an entire programme budget US\$29.2 million, cumulative fund utilization reached 93 per cent by 30 April 2018. Regarding IFAD funds, the programme received 100 per cent disbursement of all funds, of which almost 100 per cent was spent by the programme by April 2018. The programme had also spent 100 per cent of OFID funds by September 2017. Additionally, about halfway through the programme, there were significant improvements in the execution of the AWPBs. Toward the end of the programme, the overall performance of the AWPBs improved due to high disbursements of the medium and large grants.
94. **Grant disbursements.** The first grant contracts were signed in 2011, but the majority of grants took off in 2013 and were completed in 2017. The grants were disbursed to 64 service providers.<sup>56</sup> Out of 64 projects, only three were terminated because of poor performance, while two were delayed in implementation and completion.<sup>57</sup> The average time taken to process grant applications was 15 weeks, against the target of 12 weeks at appraisal. At completion, the grants had been 100 per cent disbursed. The number of ACF grants signed with an evaluation and audit report was 60 (78 per cent of target).
95. **Infrastructure.** The PSU awarded a number of contracts for civil works through competitive bidding (147 lots) between 2013 and 2017.<sup>58</sup> After reallocation of unspent funds from warehouses and roads to bridges, the programme managed to utilize 100 per cent of the funding by completion.
96. The quality of infrastructure was variable, as found by the Value for Money Audit (2016) and confirmed by the PCR. RLEEP implemented the infrastructure component using the decentralized set-up of the Ministry of Local Government and Rural Development in the district councils. Supervision of civil works at district level was found insufficient by the PCR, a finding that was confirmed during the PPE field visits.<sup>59</sup> The capacity of the PSU to supervise design and implementation was also insufficient. The Value for Money Audit (2016) noted quality issues in the completion of bridges and roads, due to a lack of technical supervision, and insufficient follow-up maintenance.
97. The milk-bulking centres were oversized<sup>60</sup> and did not provide value for money.<sup>61</sup> Processors commented that smaller milk-bulking centres built for a fraction of the cost would have served the same purpose. Female farmers complained that some of them had to walk long distances to deliver their milk and that additional collection centres closer to remoter dairy farmers would be needed. The Value for Money Audit (2016) noted that milk-bulking centres were provided without milk tanks and drainage. At the time of the PPE, milk processors or local NGOs Shire Highland Milk Producers Association had provided tanks. However, some facilities were still lacking reliable access to electricity and clean water.
98. The design of the warehouses was standard across all communities visited regardless of the value chain crop being promoted. Thus, warehouses designed for storing legumes (groundnuts and soya beans) were provided to farmers producing

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<sup>56</sup> For details of the ACF (including objectives and activities), see Rural Livelihoods and Economic Enhancement Programme, Appraisal Report, p. 11, 30 November 2007.

<sup>57</sup> ACF Effectiveness Assessment Grant Final Report, p. 4, 10 October 2017.

<sup>58</sup> Bidding involved 40 lots in 2013/2014; 38 lots in 2014/2015; 27 lots in 2015/2016; and 32 lots in 2016/2017. In addition, construction of 10 warehouses as contracted in 2015/2016.

<sup>59</sup> Interview with Kasungu district staff, 29 October 2019.

<sup>60</sup> Goliati milk-bulking centre, Thyolo was a massive structure which was grossly underutilized. For the greater part of the day, there was no activity. An NGO used one of the rooms but only once a week – Interview with Goliati milk-bulking group, Thyolo, 3 November 2019, as well as field visit observations on the same date.

<sup>61</sup> The Value for Money Audit (2016) states, "The cost-effectiveness of the warehouse and milk-bulking facility could be felt if the infrastructure is to benefit a large population of the community in which these structures are built" (p. 45).

Irish potatoes.<sup>62</sup> Farmers also reported quality issues that could have been prevented if farmer groups had been involved in the supervision of the construction processes.<sup>63</sup>

99. **Programme management.** Programme management costs were higher than the usual 10 per cent in IFAD projects. The cost of programme management envisaged at appraisal was 13.7 per cent and 16.1 per cent at completion.<sup>64</sup> However, given the decentralized nature of implementation and the high transaction costs for managing the grants and infrastructure components, these costs seem reasonable. The technical capacity of the PSU was insufficient to ensure supervision and backstopping of service, and overall the quality of implementation suffered.
100. **Cost per beneficiary.** At appraisal, the cost per beneficiary was estimated at US\$801 (without the infrastructure component). The cost per beneficiary at the end of the programme, including the infrastructure component and based on the PCR total beneficiary figure (37,625) would be US\$776. However, the PPE noted that the outreach stated in the PCR seems exaggerated compared with the validated numbers obtained from the impact assessment and the M&E database. Based on the PPE's validated beneficiary figure (30,146), the cost per beneficiary would be US\$969. This includes a US\$106 grant spent per beneficiary, which provided good value for money, given the results achieved.
101. **Economic rate of return.** The economic analysis in the PCR reported a target economic internal rate of return (EIRR) of 16 per cent over a 20-year period. The actual EIRR at completion generated by the programme, based on the actual performance data gathered and reported in the PCR (i.e. years one to nine of the programme) was 25.7 per cent, representing a significant over-delivery of 60 per cent. However, the EIRR is likely to have been grossly overstated at completion because of the absence of baseline KPI values in the impact assessment.<sup>65</sup>
102. The origin of the data used by the EIRR is not stated and the assumptions are not clearly explained. For example, the EIRR does not seem to consider the minimum size of production required for farmers to be profitable. The end of project evaluation for Bio Energy Resources Limited<sup>66</sup> found that according to the gross margin analysis conducted by the project, for farmers to break even they would have to use at least 1 acre to produce sunflower seeds. However, most farmers were cultivating on less than 1 acre due to scarcity of land, thereby missing project targets.
103. The PPE also noted a clear diminishing of programme benefits from what had been reported by the final impact assessment just two years after.<sup>67</sup> In all the communities visited by the PPE, it was noted that the productivity and production levels of farmers had gone down after RLEEP phased out. The main reasons were: inadequate seed quality and/or non-availability of improved seed; reduced productivity and production; and, related to this, reduced marketed produce. Services provided by the grantees had stopped with the end of the programme. In addition, all warehouses/storage facilities were operating at reduced capacity compared to the programme implementation period because there was not enough produce to store. Likewise, all the milk-bulking centres visited by the PPE were handling reduced volumes of milk.

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<sup>62</sup> Interview with Kanyama Cooperative, Dedza, 22 October 2019 and field visit observations on the same date.

<sup>63</sup> Interview with Lisitu cooperative, Kasungu, 29 October 2019.

<sup>64</sup> Data from PCR.

<sup>65</sup> The calculation of EIRR depends on estimated gross benefits (both non-incremental and incremental) as well as economic costs (consisting of capital investment and operational and maintenance).

<sup>66</sup> 2017, p. 13

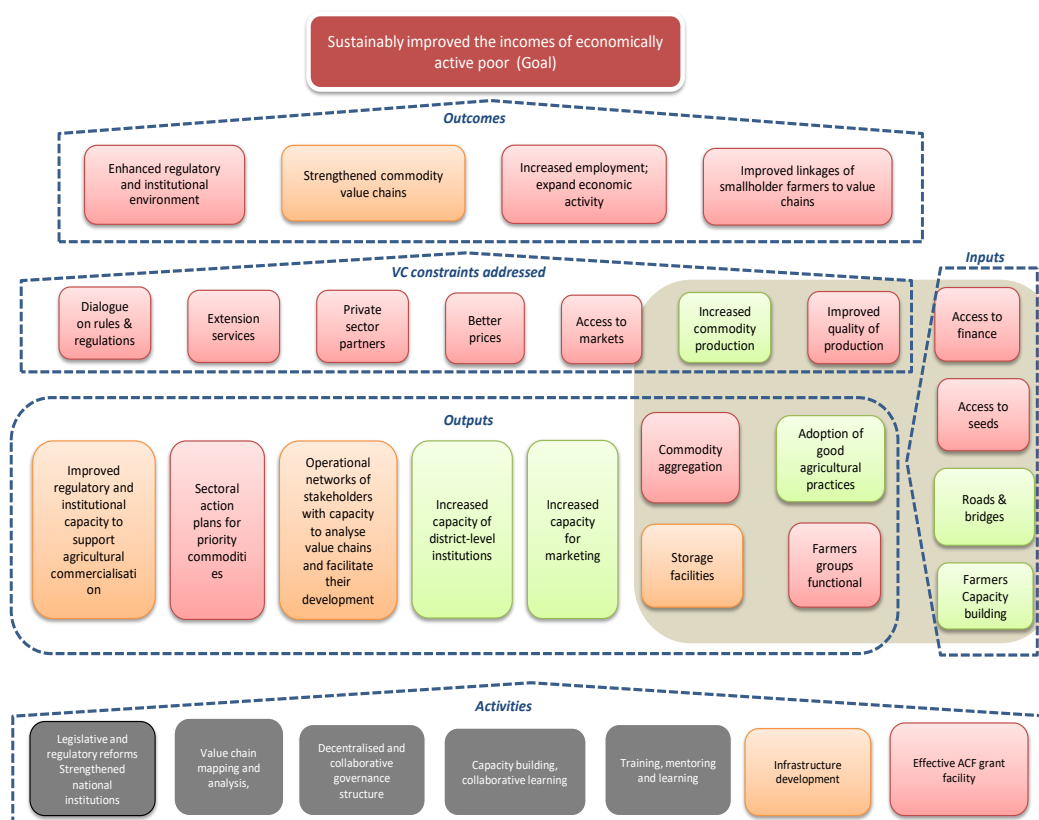
<sup>67</sup> Data collection for the Final Impact Assessment was carried out between October and December 2017, p. 12 of the Final Impact Assessment Report. On the other hand, the PPE was fielded from October to early November 2019.

104. **To conclude**, the programme had a slow start-up, due to the time required to set up an autonomous PSU and establish management processes. However, the programme completed on schedule and had a 96 per cent disbursement rate. The grant facility delivered good value for money, given the outreach and capacity results achieved, but the infrastructure component did not. Management costs were above the recommended 10 per cent for IFAD projects, but seem reasonable given the decentralized nature of implementation. On the downside, the PPE noted considerable diminishing of benefits barely two years following programme completion. Based on the above analysis, the PPE rates efficiency as **moderately satisfactory (4)**.

### Rural poverty impact

105. **Impact pathways for value chains.** RLEEP's ToC was to address constraints in the development of value chains through the three intervention areas: the ACF; training/capacity-building; and infrastructure (warehouses/storage facilities, bridges and roads). As a result, would be able to increase productivity. Higher volumes of marketed commodities and better prices would contribute to higher incomes and improved food security and nutrition. A parallel pathway would come from the growth of agribusinesses, which would provide additional employment opportunities for farmers.
106. The overarching ToC for the programme is depicted in figure 3 below. The green fields indicate the results, as discussed under effectiveness. The ToC illustrates that while the achievement of outputs was mixed, the programme was not able to address the value chain constraints effectively. As a result, the expected outcomes were not achieved.

Figure 3  
Revised theory of change indicating results achieved



Note: Green indicates positive results, orange mixed results, and red weak results.  
Source: RLEEP PCR revised logframe and impact assessment; additional outcomes noted by PPE field visits.



107. The intended impact – sustainable increases in incomes – applied to all value chains supported by the programme. However, since the challenges and constraints that the programme intended to address were different for every value chain, as rightly identified through the mapping exercises, the impact pathways would differ as well.<sup>68</sup> It was a missed opportunity that the M&E system did not monitor progress on addressing these constraints – for example, by synthesizing the value chain-specific results reported for the various grants.<sup>69</sup> Furthermore, field-level implementation had been decentralized to value chain-specific service providers, and the results and lessons should have been assessed accordingly. Data and observations scattered throughout the impact assessment and the various grant evaluations suggest that the extent to which the programme had been able to create some impacts varied between the value chains and service providers.
108. Another methodological weakness is the absence of reliable baseline studies. The programme conducted two baseline evaluations, one for the soya/dairy value chains<sup>70</sup> and the other for the groundnuts/potato value chains.<sup>71</sup> The KPI values for the target sample were consistently higher in at least two thirds of the cases, suggesting that the control sample was inappropriate because it should have had similar conditions as those of the target sample. The impact assessment only used baseline data for soya farmers.<sup>72</sup> In the absence of reliable baseline values, the final impact assessment used a control sample, which had its own challenges. Most importantly, the target and control sample sizes were different by a ratio of more than three to one in favour of the target.<sup>73</sup> Comparing the two samples goes against good impact evaluation practice.
109. **The programme goal was to** “sustainably improve the incomes of economically active poor rural households engaged in the production, processing and marketing of selected agricultural commodities (crops, livestock and fisheries) by advancing their integration with the emerging commercial sector”. According to the PCR, none of the three impact-level indicators was fully achieved. The final impact assessment has a number of methodological weaknesses, such as absence of baselines, challenges in identifying control groups, and insufficient consideration of seasonality for some of the indicator measures, as further discussed in annex VII. Hence, there is no robust evidence to demonstrate programme impact.
110. **Incomes and assets.** The impact assessment does not provide quantitative data on household incomes. It mainly asked for household perceptions, for example on profitability. Nevertheless it reports an increase in revenue – for example, groundnuts had increased by 225 per cent; soya beans by 31 per cent; sunflower by 206 per cent and revenue from the dairy value chain by 174 per cent. However, the PPE noted an erosion of incomes two years after the reported gains (see above section on economic rate of return).
111. The impact assessment also reports a relative higher asset base for project farmers compared to the control group, ranging from bicycles (66 per cent households owning at end line compared to 38 per cent control) to cell phones (58 per cent against 28 per cent control). Since no baselines are available for project and control groups, these data are not conclusive.

<sup>68</sup> For example, the PPE field visits suggest that farmers in the soya value chain had to overcome fewer constraints and hence the benefits had been more forthcoming than, for example, in the potato value chains, where farmers were struggling with poor seed quality, poor access to transport, and inadequate storage facilities.

<sup>69</sup> The impact assessment contains disaggregated data for all value chains. What is missing are value chain-specific causal pathways linking the various findings and observations.

<sup>70</sup> Soya and Dairy Value Chain, Baseline Survey Report, 2014.

<sup>71</sup> RLEEP Baseline Study Final Report, May 2011.

<sup>72</sup> Impact Assessment Survey for the Rural Livelihoods and Economic Enhancement Programme Final Report, p. 26, 5 February 2018.

<sup>73</sup> The target sample size was 377 while the control was 112. Impact Assessment Survey for the Rural Livelihoods and Economic Enhancement Programme Final Report, p. 13, 5 February 2018.

112. **Food security and nutrition.** The impact assessment found that the programme might not have had an effect on the food security situation among these farmers. It concludes that this may reflect the fact that Malawians mostly rely on own production of maize rather than access to markets for their food security. Only for dairy farmers did the study find a slight improvement: 100 per cent of the households had two to three meals a day compared to 97 per cent at baseline.
113. The programme claims to have successfully retrofitted nutrition.<sup>74</sup> Several of the grant completion reports refer to “improved nutrition” in general terms, but there is no evidence to support this claim. The impact assessment reviewed child malnutrition, which was one of the impact-level KPIs. It found that child malnutrition seems to have improved within the project areas, although it is unable to attribute these positive trends to the programme.<sup>75</sup>
114. **Human and social capital.** RLEEP has contributed to group formation in many places, but overall the engagement was too short and limited to ensure the continued functioning of the groups. The PPE visited 18 farmer groups in seven districts. Ten of the groups (56 per cent) were found to be partly functional, five (27 per cent) were found to be fully functional, and three (17 per cent) were not functional at all. Seven groups (39 per cent) were registered as cooperatives (see Table 5).
115. The relatively poor performance of the groups visited may be an indicator of the malfunctioning of the value chains because their development was rushed. Furthermore, there was little attention given to the empowerment of farmers vis-à-vis other value chain actors, in particular vendors, traders and processors. The PCR notes that there is “a lot of room for continued empowerment”.<sup>76</sup> Farmers continue to be “price takers” in many cases (see impact assessment for examples).

Table 5

**Groups visited by PPE and their status**

<i>Group status</i>	<i>Number</i>	<i>% of total</i>
Groups fully functional	5	27
Groups partly functional	10	56
Groups not functional	3	17
Total	18	100

Source: PPE field visits.

116. An innovative approach to build social capital (through access to information) was the collaboration with Farm Radio.<sup>77</sup> Farm Radio introduced radio clubs and distributed radios in groundnut, soya, potato and dairy value chains. The PPE found that farmers highly appreciated having access to up-to-date market information through Farm radio. The end-of-project evaluation of the Farm Radio project reported that 88 per cent of the respondents who indicated to have accessed the radio programmes reported to have greatly increased their knowledge about the targeted value chains through the radio programmes. However, the study also found that the majority of farmers who indicated that they did not listen to the radio programmes belonged to the poor and the very poorest. They said that they did not have the resources to purchase radio sets and batteries.

<sup>74</sup> See supervision report, June 2017.

<sup>75</sup> The report says fewer children in the programme area (18 per cent) were underweight compared to those in the control sample (29 per cent). More children in Mchinji (24 per cent) were underweight during baseline period compared to those during the impact assessment (21 per cent). There was also a decline in stunting over the same period, from 60 per cent to 28 per cent.

<sup>76</sup> RLEEP PCR, p. 30.

<sup>77</sup> Farm Radio Trust received two grants from the programme.

117. **Institutions and policies.** Some farmer groups that were well connected and had become cooperatives continued to market to the capital. Examples are Lingazi<sup>78</sup> cooperative in Lilongwe, which had been marketing its soya beans to Sun Seed Oil; Lisitu<sup>79</sup> cooperative in Kasungu, which was linked to some traders in Lilongwe and to farmers in the area; and Takondwera<sup>80</sup> cooperative, which sold its soya beans to buyers in Lilongwe. However, farmers in remote locations had failed to link with markets. Cases include Kanyama<sup>81</sup> cooperative in Dedza, which stopped selling potatoes as a cooperative because buyers no longer came due to reduced potato production following the phasing out of RLEEP. The other case was Tafika Milk Bulking Centre in Thyolo where Capital Dairy in Lilongwe had stopped collecting the milk after the solar-powered batteries for the milk tank had become dysfunctional.<sup>82</sup>
118. On the policy side, the main achievement is the advocacy undertaken through the platforms, especially the dairy, and roots and tubers platforms, which led to the revision of some tax laws and the introduction of potato production standards. While there was scope to address some notable gaps in the policy and institutional framework for value chain development, the programme had limited achievements in this respect.
119. There was a need to strengthen, enact and implement policies that would be supportive of value chain development in the country, given that this is a new area. The PPE noted the several-decades-old Milk and Milk Products Act, which is not conducive for the dairy value chain ethos and focus.<sup>83</sup> For example, the current law prohibits the sale of raw milk or locally processed milk to consumers. This law favours the big processors, which have no incentive to improve milk prices.
120. Sector players interviewed by the evaluation team pointed out other areas and laws that require revision in order to improve the operating environment for smallholder farmers. The registration of cooperatives is expensive for some groups, and they cannot afford to pay allowances and training for staff from Malawi Ministry of Industry and Trade who train and vet groups requiring registration. The registration for certified seed producers is expensive for groups and they continue to rely on private companies and individuals, which makes seed expensive.
121. Overall, these findings corroborate the conclusion in the PCR that the programme accomplished very little in this regard even though there was potential to do more.
122. **Overall**, there is scant evidence on programme impact, mainly due to the poor quality of the final impact assessment. The PPE found that the positive changes found with regard to group formation and increased productivity had already started eroding due to weak market linkages and low prices. The lack of sustained changes and impact are primarily attributed to the rushed implementation and overambitious scope. Despite its initial ambitions, the programme has made little headway in addressing the framework conditions for value chain development. The PPE rates poverty impact as **moderately unsatisfactory (3)**.

### **Sustainability of benefits**

123. **Production technology.** In the legume and potato value chains, farmers remember and continue to practice what they learned. Yet farmers were often forced to cut corners in spite of their knowledge, especially where funds or certified seed were limited. In the case of the honey value chain, the new approaches and practices were not sustainable. Farmers complained that imported beehives were smaller and hence held less honey, and that they were susceptible to destruction

<sup>78</sup> Interview with Lingazi cooperative, Lilongwe, 25 October 2019.

<sup>79</sup> Interview with Lisitu cooperative, 29 October 2019.

<sup>80</sup> Interview with Takondwera cooperative, 29 October 2019.

<sup>81</sup> Interview with CUMO farmers, Dedza, 22 October 2019.

<sup>82</sup> Interview with Tafika Milk Bulking Centre members, 2 November 2019.

<sup>83</sup> Interview with the Trustees for Agricultural Promotion Programme, 24 October 2019.

by animals. They preferred the locally manufactured beehives. In the case of the dairy value chain, many farmers still prefer the smaller and more robust local breed because of the high costs of building better kraals and buying animal feed required for hybrid breeds.

124. **Infrastructure.** The Director of Works under the district authority was not much involved in infrastructure supervisions, and this negatively affected the sustainability of the infrastructure projects. The Value for Money Audit (2016) noted that there was no agreement in place for the district councils to take over maintenance of the road network.
125. Sustainability issues were also noted with regard to the ownership and management of the warehouses.<sup>84</sup> At the time of the evaluation, there were still issues regarding the warehouse in Chikwatula EPA, Ntchisi district. The National Smallholder Farmers' Association of Malawi was holding on to the ownership of the warehouse (jointly with the traditional leadership), depriving community members in the use of the facility.<sup>85</sup>
126. **Institutions.** The main reason for the limited sustainability of farmer groups was that the support and services provided at field level came to an immediate and sudden stop with the end of the grant contracts in 2017. None of the service providers interviewed were able to implement an exit strategy.<sup>86</sup> In the dairy value chain, the artificial insemination technicians are not as active, constrained by lack of funding.
127. The PCR noted that the continuation of the FBS still requires commitment from the Government to ensure that all extension service officers are adequately trained and provided with necessary resources, but given the low operating budgets, this might not be feasible.
128. **Group formation.** There were positive examples of sustained group formation and growth. In Lilongwe, Ntchisi and Dedza, the PPE found that long after RLEEP had finished, Sunseed Oil Industries and GIZ continued to work with the groups that were established by RLEEP.
129. All sector platforms previously supported by RLEEP still exist but do not meet as frequently as before. The platforms are reportedly in the process of developing and implementing self-sufficiency approaches, which will improve their chances of sustainability.
130. **Exit strategy.** The preparation of the RLEEP exit strategy was a good avenue for promoting sustainability. The strategy focused on five pillars: building effective partnerships; building capacity of value chain actors and supporters; scaling up; handing over to the Government; and integrating in IFAD programmes and those of other organizations. Implementing the strategy earlier on in the programme life would have allowed adequate time to achieve the exit strategy objectives as well as monitor their performance in order to make necessary adjustments.
131. However, the PPE notes that the effective operationalization of any value chain is heavily dependent on active private sector participation at all levels of the value chain from the very beginning and in sufficient numbers. In the case of RLEEP, the private sector institutions came on board too late and they were too few. Implementing the exit strategy two years before programme completion was too late for an eight-year programme.
132. **Overall,** the programme made good attempts to incorporate sustainability issues into the design, including implementation of RLEEP through government structures,

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<sup>84</sup> Also discussed in the PSU, see minutes of 20<sup>th</sup> and 2<sup>nd</sup> meetings.

<sup>85</sup> Focus group discussions with farmers at Chikwatula EPA, Ntchisi district, 30 October 2019.

<sup>86</sup> This was the case for all service providers interviewed except Heifer International, which still had a presence in the communities where they were working and had continued funding some of the activities. Interview with Heifer, Lilongwe, 24 October 2019.

with the overall programme coordination under the Ministry of Local Government. Involvement of the private sector in value chain interventions is inevitable, and value chains by their nature promote sustainability. The emphasis placed on capacity-building contributed to the prospects for sustainability. When the programme came to a sudden end, it tried to put in place an exit strategy; however, the strategy was not implemented. Based on the analysis above, the PPE rates sustainability as **moderately satisfactory (4)**.

## **B. Other performance criteria**

### **Innovation**

133. RLEEP was an innovative programme as per its design and as described in different reports. At the time it started, the value chain approach was a new concept in Malawi, and so the programme played a pioneering role in bringing together several value chain actors.
134. The grant facility was an innovative approach to recruit service providers and, based on their comparative advantage, support a wider outreach. The programme demonstrated that strategic alliances, if structured well, can work and more people can be reached, even in the remotest areas.
135. The coordination approach was also innovative. Programme coordination by the Ministry of Local Government, involving various parties and actors, positioned the Government to play its facilitation function in the country's development. The subdistrict-, district- and national-level periodic reporting fora brought together players with varied expertise and experience to enhance lesson-learning.
136. The programme introduced innovative approaches for linking farmers and value chain actors. The farmer exchange programme to different districts provided an opportunity for farmers to learn new farm techniques.
137. Farm Radio was an innovative and cost-effective channel for disseminating information to scale up interventions. Farm Radio filled in an important gap left by extension staff, who were too few to provide extension services on regular basis and throughout the year.
138. The programme introduced innovative technologies, on-farm and off-farm. The programme introduced low-cost and low-technology practices such as positive and negative seed selection for potato, double-row planting for groundnuts and soya, and feeding and water-drinking regimes for dairy cows.
139. Innovative technology also included solar panels for the milk-bulking centre in Thyolo. However, the cooling systems (such as agitators and compressors) were too old and inefficient for the equipment provided. By the time of this PPE, all 20 batteries had been destroyed during an electrical accident.
140. **Overall**, RLEEP was an innovative programme. At the time of its design, the value chain approach was new in Malawi. The value chain requires the participation of various players at various stages of the value chain, which in the case of RLEEP was facilitated through the coordination platforms and the grant facility. In addition, the programme introduced a number of technical innovations. The PPE rates innovation as **satisfactory (5)**.

### **Scaling up**

141. The exit strategy document articulates key areas for scaling up, which include good agriculture practices, promotion of good husbandry practices, seed selection and storage. The PPE finds the document and proposition sound but lacking depth in the "how, where and who". Because of this weakness, no one really owns the "scaling up" despite the good potential as players wait for "the next RLEEP" to pick from where the previous RLEEP left off. Another reason the scaling-up might have failed to take off is linked to a lack of consistent knowledge management from the

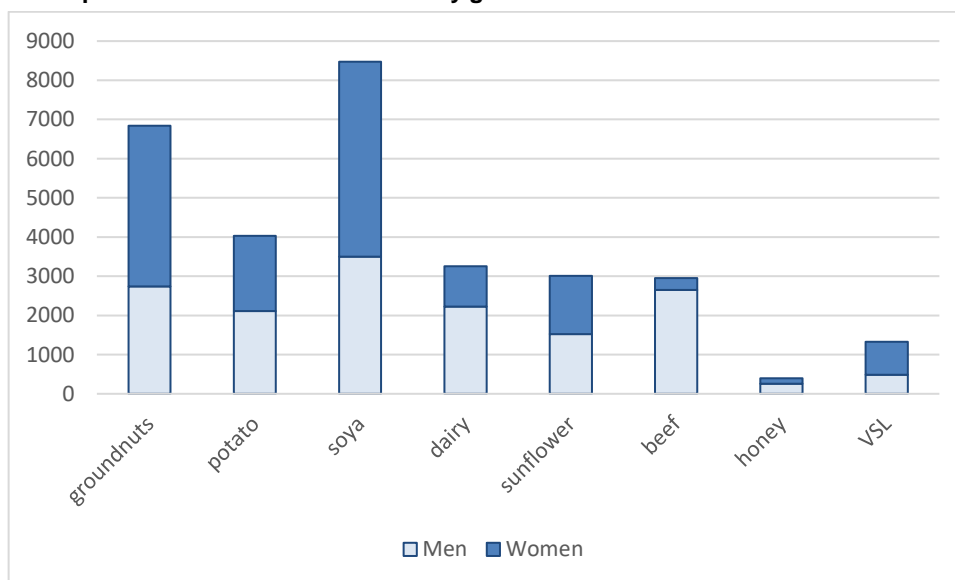
beginning of the programme in identifying practices fit for scaling up and identifying players or actors to champion the scale-up.

142. The exit strategy identified intervention areas for scaling up. However, the document does not cover who would do it, and how and when it would be done. Ordinarily, activities that are targeted for scaling up should meet certain basic criteria, including: generation of tangible results on the ground; easy to carry out the activity; activities that reach many beneficiaries; cost-efficiency of the activity; appropriateness of the technology; and sustainability.
143. During implementation, the assumption was that by working through the government district coordinating body, RLEEP would be able to introduce value chains even in areas where the pr had no physical presence. District staff would play key supervising and monitoring roles in those areas. However, the findings from the field did not corroborate this conclusion. In fact, those interviewed reported that district staff were detached, or detached themselves unless they were provided with transport or allowances.
144. The efforts taken to publicize the RLEEP “success stories” are commendable. However, they remained a programme-owned product, lacking government involvement. Judging by the low level of documented lessons by the Government to inform its future strategies and programmes, it appears that the existing coordination and periodic reporting fora were not taken full advantage of.
145. Based on the narrative above, the PPE rates scaling up as **moderately unsatisfactory (3)**.

### Gender equality and women's empowerment

146. The design of RLEEP defined a minimum quota for the participation of women. Most of the service providers ensured that women benefited from their services, but levels of participation varied according to the value chain chosen. Participation was high in the groundnut and soya value chains. It was low in dairy, beef and honey value chains. In value chains where women’s participation was good, the programme could have done better by deliberately strengthening women’s access to assets and their participation in decision-making, and by reducing their workloads.

Figure 4  
Participation in value chain activities by gender



Source: PPE analysis based on project M&E data.

147. Although sex-disaggregated indicators were monitored, most of the studies do not contain a gender analysis. Where gender issues were raised (e.g. in some of the mapping studies), they were not followed up by programme management and IFAD supervision.
148. **Equitable access to assets.** The PPE noted an absence of a deliberate focus on promoting equitable access to assets in the RLEEP Appraisal Report. Even the logframe does not have gender-disaggregated KPIs with respect to equitable access to assets.<sup>87</sup> Therefore, the impact assessment did not assess the extent to which the programme promoted equitable access to assets.<sup>88</sup>
149. Field visits by the PPE also revealed an absence of a deliberate focus on promoting equitable access to assets by gender. Overall, the men in the dairy value chain outnumbered the women. An exception was the Mpemba Milk Bulking Group, where the majority of members were women (and hence more of them owned dairy animals) because a local NGO Shire Highland Milk Producers Association was targeting women.<sup>89</sup>
150. The Farm Radio evaluation noted that more male than female farmers used the radio for information. Ownership of radios was higher among male farmers and so was the control of family assets such as radio sets. The study recommended that the programme come up with strategies to increase female farmers' access to ICT-based extension services such as participating in community information hubs and using mobile platforms. This recommendation does not seem to have been followed up.
151. **Participation in decision-making.** The RLEEP Appraisal Report included two elements regarding women's participation in decision-making: ensure representation of women in grassroots organizations and participation in decision-making;<sup>90</sup> and ensure women's representation and participation in enterprise and community decision-making bodies.<sup>91</sup> However, the logframe had no KPIs to measure these, as in the case above. Both the MTR and the Final Impact Assessment did not report on women's participation in decision-making. The MTR noted that some of the service providers such as the Catholic Development Commission, Umodzi Community Development and World Relief were active in promoting gender awareness and the role of women in collective decision-making.
152. **Equitable (or reduced) workloads.** The Appraisal Report did not mention a deliberate focus on equitable (or reduced) workloads for women because of RLEEP. The PPE noted that neither the MTR nor the impact assessment reviewed this issue. During field visits, the PPE found that women's workloads had in some cases increased because of increased productivity and production. For instance, in the case of groundnuts, a predominantly women's crop, the increase in groundnut productivity and production on account of double-row planting meant more work for women in terms of harvesting and threshing groundnuts.<sup>92</sup>
153. **In summary,** although women participated in great numbers in some value chains, the programme did not pay sufficient attention to gender equality issues. Based on the discussion above, the PPE rates gender as **moderately unsatisfactory (3)**.

<sup>87</sup> Appendix 1, Summary Logical Framework, RLEEP Appraisal Report, 30 November 2019.

<sup>88</sup> Final Impact Assessment, Table 19, p. 37, February 2018 presents data by target population vs. control sample. However, these two categories are not disaggregated by gender.

<sup>89</sup> Interview with Mpemba Milk Bulking Group, Blantyre, 3 November 2019.

<sup>90</sup> RLEEP Appraisal Report, Table 2: Target Priority Needs and Proposed Programme Response, 30 November 2007.

<sup>91</sup> RLEEP Appraisal Report p.2.

<sup>92</sup> This point was brought up by groundnut farmers in Ntchisi district. Interview with Chigona and Chitamika groundnut clubs, Chikwatula EPA, Ntchisi, 30 October 2019.

## **Environment and natural resource management**

154. The RLEEP Appraisal Report identifies natural resource management (NRM) as a priority area, given the limited availability of agricultural land and limited use of organic methods for improved soil fertility.<sup>93</sup> Similarly, the Appraisal Report identifies climate change as a potential challenge to increased agricultural productivity and production through reduced rainfall because of drought conditions. A review of both the MTR and the Final Impact Assessment shows that NRM was not considered at all. The PCR does not mention NRM, as was the case with previous supervisions.
155. The PPE field visits confirmed this finding. The honey value chain had high potential to promote NRM given that honey production requires quality forests, which would have been promoted through natural regeneration of forests as well as planting community and individual woodlots. However, the honey value chain was a late entrant and the choice of the service provider was inappropriate (as discussed elsewhere). Therefore, very little was achieved, although farmers had raised NRM and climate change issues even during the PPE field visit.<sup>94</sup>
156. In addition, the FBS training could have been broadened to include land management techniques such as conservation agriculture, zero tillage and water/soil fertility promotion. Such emphasis would have positively affected the profit margin of farmers through reduced application of costly inputs while emphasizing techniques that would maximize land productivity and production through enhanced water and fertility promotion.
157. **Overall**, the PPE judges that the programme's response to NRM issues was grossly inadequate, even though the Appraisal Report had identified this area as priority. The PPE rates NRM as **unsatisfactory (2)**.

## **Adaptation to climate change**

158. The appraisal report addresses climate change in the context of carbon dioxide emission by RLEEP as well as the impact of climate change on reduced rainfall. The document concludes that "...there is no clear evidence that climate change poses a threat to the programme".<sup>95</sup> In hindsight, this seems to have been a gross misjudgement.
159. Farmers met by the PPE field visits frequently commented that droughts in particular are a challenge. In Nkhata Bay District, the two farmers groups, which had been equipped with new beehives by the programme, had observed a decline in the bee population, which they also attributed to climate change.<sup>96</sup>
160. The PCR notes that that climate-smart agriculture initiatives were introduced in some of the groundnut value chain (Exagris) and dairy value chain (Heifer) projects, such as drought- and disease-resistant varieties, and moisture conservation technologies. Nevertheless, it seems that these technologies were not systematically integrated throughout the programme and thus not reflected in all initiatives (see for example the Youth Association for Behaviour Change report). For example, the programme supported surface irrigation for potato farmers in Dedza, but not in Mchingji, which also suffered from droughts. Therefore, the impact assessment highlighted the overall inadequate attention to climate change and recommended that future interventions pay more attention to this area.<sup>97</sup>

<sup>93</sup> RLEEP Appraisal Report, Table 1: Rural Livelihoods and Agricultural Sector Issues for the Rural Poor, "poor natural resource management" p. 1, 30 November 2007.

<sup>94</sup> Unfortunately, there is no completion report available for the honey value chain.

<sup>95</sup> RLEEP appraisal report, p. 14.

<sup>96</sup> Farmers explained that extensive rains had reduced the amount of pollen available to feed the bees. However, the mission observed that intensive commercial farming, and the associated use of insecticides, might have been an additional factor.

<sup>97</sup> RLEEP Final Impact Assessment Report, pp. 61 and 67, February 2018.



161. The PPE rates the programme's attention to climate change as **moderately unsatisfactory (3)**.

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

162. The PPE found moderate achievement of results. Outreach among male and female farmers was strong. Some farmer groups had grown into cooperatives and strengthened market linkages. There was a general increase in productivity and production across all targeted value chain commodities. However, farmer groups were still weak in terms of capacity and were insufficiently linked to markets. Commodity aggregation did not always take place, not did it help to improve commodity prices. The response from private sector partners, which were expected to contribute to sustained growth of commercial farming and employment, was minimal.
163. The main reasons for underperformance were the overambitious outreach targets, poorly defined KPIs, and the absence of a plausible ToC linking outputs with outcomes. The limited time given to service providers to implement activities and the insufficient links between activities on the ground led to rather moderate results. RLEEP could have been far more effective if activities had focused on fewer value chains in fewer districts. Hence, the programme had a minor impact in terms of improved livelihoods through integration into value chains. The programme underperformed with regard to pro-poor targeting, gender equality, NRM and climate change.
164. Overall project performance is rated as **moderately satisfactory (4)**.

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

#### **IFAD**

165. IFAD's regional goal is "to support the emergence of viable, sustainable, commercial relations between smallholder farmers and private sector market intermediaries that are to the benefit of both parties".<sup>98</sup> The realization of this goal requires IFAD to work with its national partners to design programmes that: (i) support smallholders directly (e.g. through capacity-building, training and organization development); (ii) provide mechanisms for smallholders to better engage with and link up to the markets; (iii) support the private sector intermediaries themselves; and (iv) promote dialogue among the main stakeholders in order to generate the policy, institutional and regulatory context required for enhanced market linkages.<sup>99</sup>
166. The programme reasonably met the first three requirements. However, the fourth requirement was not followed up.
167. The PPE found that the programme design was innovative and overall appropriate. The rolling approach to implementation, which included a pilot phase, and the independently recruited coordination unit were strong features of the design. However, IFAD grossly underestimated the time and capacities required to implement this approach. IFAD also did not appreciate the added complexity brought in with the infrastructure component and failed to supervise this component properly. IFAD also did not give enough attention to the design of a TA component.
168. The absence of a country director during much of the implementation period caused some challenges for the sub-projects – for example, in obtaining 'no objection' from IFAD.<sup>100</sup> The PCR explains that delays ceased towards the end of the programme when the programme was able to channel requests for no

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<sup>98</sup> RLEEP Appraisal Report, p. 3, 30 November 2007.

<sup>99</sup> See PCR p. 3.

<sup>100</sup> IFAD's delayed responses to requests for no objections was an issue raised by stakeholders met by this PPE and the PCR.

objections for large procurement of goods and services through the IFAD procurement specialist.

169. The country directors were also insufficiently involved in supervision. Supervision was infrequent during the pilot phase, where learning and adaptation would have been essential. IFAD carried out 12 supervision missions over the eight-year RLEEP implementation period.<sup>101</sup> In 2011 and 2012, there was one mission conducted per year, while from 2013 to 2017, there were two missions per year. The MTR and PCR were outsourced to consultant companies. Support from Policy and Technical Advisory Division enabled IFAD to maintain regular supervisions from 2014.
170. The IFAD mission-reporting format was comprehensive enough to cover key issues. At the end of each section, there was a table of "summary of actions to be taken".<sup>102</sup> The key areas reported on were overall programme progress, programme implementation, outputs, and fiduciary aspects.<sup>103</sup> However, the areas reported on were not always consistent.<sup>104</sup> The composition of supervision missions changed frequently, and with this the technical focus of the reporting. Inconsistencies in supervision findings and feedback were also noted by programme implementing parties.
171. The composition of supervision missions revealed a strong focus on institutions, financial management and procurement, which were needed given the set-up of implementation. However, in order to cover critical areas of programme delivery, the programme would have benefited from additional supervision expertise – for example in infrastructure, microfinance, targeting, gender and the environment and NRM. As a result, these areas became "blind spots" in the programme.
172. **Overall**, the PPE notes a lack of leadership and continued commitment on the side of IFAD. IFAD's performance is rated **moderately unsatisfactory (3)**.

### **Government**

173. According to the Appraisal Report, the Government of Malawi made four commitments as part of the "loan conditions and covenants". These were: (i) a commitment to engage with the private sector under public-private partnership arrangements in order to accelerate the development of rural commerce with the active participation of the programme's target group; (ii) a commitment to implement free-market policies, especially creating an enabling environment for rural commercial development, recognizing that the Government is already formulating an exit strategy for the seed and fertilizer subsidy schemes; (iii) support for the interactive processes of the programme designed to ensure that outputs truly reflect stakeholder needs in the target groups; and (iv) a commitment to support programme knowledge management, with successes and failures fully and transparently documented as a guide to the ongoing economic liberalization process and contribution of these to policy analysis and planning processes.<sup>105</sup>
174. The MTR expressed concern over the Government's sporadic export bans on commodities such as maize and soya beans because it "acted as a disincentive not only to producers, but also to traders, processors and exporters".<sup>106</sup> This goes against the ethos of the loan conditions and covenants that the Government made, particularly the first and second covenants on engagement with the private sector and the commitment to implement free-market policies.

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<sup>101</sup> The first IFAD mission was in 2011 (February to March) and the last mission was in 2017 (November).

<sup>102</sup> From 2011 to 2013, this was summarized in Appendix 2. However, from 2014, it became Appendix 3.

<sup>103</sup> RLEEP Supervision Report, September 2013.

<sup>104</sup> For instance, the mission report for December 2015 had the following as the main areas that were reported on: outputs and outcomes; RLEEP implementation progress; fiduciary aspects; sustainability; other; and conclusion.

<sup>105</sup> RLEEP Appraisal Report, p. 20, 30 November 2007.

<sup>106</sup> RLEEP MTR Final Report, p. 26, February 2014.

175. The Final Impact Assessment Report observes another area of concern and states that “lack of clear understanding of the roles of the farmers, government staff and service providers led to mistrust among the parties.”<sup>107</sup> In effect, this goes against all four loan conditions and covenants, given that Government would not fulfill its conditions and covenants without a clear understanding of the roles of each party, including itself. Field visits undertaken by the PPE noted a less than satisfactory performance of the Government in relation to the four loan conditions and covenants.
176. **Government cofinancing.** Government cofinancing was lower than expected. The Government had committed to 1.4 per cent of the total programme funding (including component 4), but ended up providing only 1.1 per cent (75 per cent of the commitment). Government cofinancing was particularly slow to arrive around the time of the MTR (2013–2014), which was also the time when the change of country directors was taking place.
177. **Financial management.** The PCR found that RLEEP was compliant with most terms of the financial agreements. There was no indication of fraud or corruption but in some cases there was a failure to adhere to the expected procurement procedures. RLEEP’s internal control framework was found appropriate to ensure the reliability of financial reports, the safeguarding of programme assets, and adherence to government regulations. The PCR identified two areas of non-compliance: pre-financing of value-added tax (VAT), and inter-borrowing between OFID and IFAD funds. The programme was able to resolve issues around VAT in the last year, and the VAT backlogs were refunded.
178. **Monitoring and evaluation.** The PSU included a strong M&E function. The PPE found the performance of M&E in RLEEP above average. The office collected a wealth of data to document activities and commissioned numerous studies to review results and experiences. Yet, there were some major shortcomings, as noted earlier with regard to the quality of the logframe, disaggregation of beneficiary data and quality of grant studies. Overall, it seems that the system was geared towards accountability (towards IFAD) rather than learning. In particular, the programme could have done better reviewing the performance and results delivered by service providers and contractors, and responding to any gaps identified. The programme also could have capitalized better from the wealth of information available to demonstrate what works and what does not in the different value chains.
179. **Performance of the PSC.** During the eight years of programme implementation, the PSC held 22 meetings on a quarterly basis. The attendance of the 12 PSU members was good. The PPE notes the good quality of the PSC deliberations. The PSC provided professional input to grantee proposals, touching virtually all aspects, including the identification of gaps and areas of weakness as well as providing recommendations, which they would then monitor to ensure their implementation.<sup>108</sup> It provided overall guidance towards the implementation of the programme, which included the extension of the pilot phase by one year, to 2013/2014, to facilitate “enough implementation of programme activities to necessitate evidence-based lessons for learning.”<sup>109</sup> The PSC provided guidance on what the annual work plans and budgets needed to emphasize in order to move the programme forward.<sup>110</sup> Finally, the PSC in its meetings addressed issues of sustainability (either directly or through its discussion of the exit strategy).
180. **District-level coordination.** The programme was coordinated through district councils in each of the districts. RLEEP also introduced the District Planning and

<sup>107</sup> RLEEP Final Impact Assessment Report, pp. 60 and 67, February 2018.

<sup>108</sup> As a case in point, see 7<sup>th</sup> PSC meeting minutes, pp. 3 and 4, 25 September 2012.

<sup>109</sup> PSC meeting minutes, 25 September, p.10.

<sup>110</sup> As a case in point, see 14<sup>th</sup> PSC meeting minutes, pp. 9-11, 23 January 2015.

Implementation Team, which was responsible for identifying value chain development interventions, providing technical backstopping to field teams, monitoring and reviewing RLEEP implementation progress, and ensuring that RLEEP activities were reflected in the overall district plans. The PPE found that the engagement of district-level staff was not consistent; in some districts, they were very detached. Following the introduction of component 4, RLEEP engaged district directors of public works and district roads supervisors in the supervision and design of roads in each district. The performance varied because the former were often overloaded with work, which limited their involvement in the supervision of the infrastructural work.

181. **Overall**, the Government's role was clearly articulated in the loan conditions and covenants, but they were not followed adequately. The Government was slow to fulfill its commitment to cofinancing, resulting in a lower than expected share of contributions. The involvement of district government was insufficient at times. Yet, given the context and the complexity and novelty of the approach, the performance was positive, in particular because the PSU and PSC performed very well. Their roles were instrumental in delivering activities and targets according to the plan. The PPE rates partner performance as **moderately satisfactory (4)**

#### **Other partners**

182. The programme was cofinanced by KIT with a share of 0.4 per cent. KIT's main role was to design the training for service providers and government staff. The focus was various topics related to commodity value chain development. Those partners interviewed could not confirm that they went through such training, and could describe neither the content nor the appropriateness of the training. When this finding was brought to the attention of some of the ex-RLEEP staff, they explained that staff in several districts had changed and the current staff did not know about RLEEP. The same finding was true for some of the district offices, where key staff could not recall anything about RLEEP.
183. In addition to developing the value chain training material, KIT is reported to have cofunded with RLEEP the development of a four-year agribusiness curriculum at Bunda College (now the Lilongwe University of Agriculture and Natural Resources). Even though it was reported that KIT funds were more than RLEEP's contribution, the exact figures of the co-share could not be established. According to information in the MTR, the AEDOs and the service provider staff were trained by RLEEP in grant procedures and smallholder farmer problem analysis. Study tours were also undertaken to Kenya, to visit sustainable seed systems and post-harvest handling facilities. AEDOs and NGO staff visited during the evaluation mission did not corroborate information regarding these interventions.

#### **E. Assessment of the quality of the project completion report**

184. **Scope.** The PCR is well written in terms of flow and clarity, and the assessment of relevance with respect to external context was well done. It has reviewed the main studies prepared and covered major aspects of programme performance. Analysis of the EIRR was very detailed. However, aspects of gender, NRM and climate change were not appropriately covered, despite their importance within the country context and for IFAD. The PCR team had conducted stakeholder interviews and focus group discussion, covering seven out of the eleven programme districts. The PCR scope is rated **satisfactory (5)**.
185. **PCR method, participatory process and data quality.** The PCR team consulted with a broad range of stakeholders and met stakeholders in most of the districts covered by the programme. The PCR process concluded with a half-day workshop, attended by private sector and cooperative members, and district officials. The PPA noted the limited representation from national government and the absence of the main implementing partner, the Ministry of Local Government, at the workshop.

186. The PCR largely relies on data and findings provided by the Impact Assessment Survey, without questioning its methodological rigour. Consequently, the PCR does not undertake a deliberate review of the methodology the impact assessment used, which is problematic because of the poor quality of the impact assessment data. This is notwithstanding the provision in the terms of reference to assess the reliability of the secondary data available where necessary.<sup>111</sup> As discussed elsewhere (see annex VII), the PPE queries the general approach and methodology used by the impact assessment. In addition, the PPE found a number of inconsistencies in the data presented in the PCR (as discussed in various sections of the report). The quality of data is rated **moderately unsatisfactory (3)**.
187. **Lessons.** The PCR includes an extensive section (section G) on lessons, knowledge and recommendations, which covers many important points. The section overall lacks clarity and prioritization. Many of the lessons state the obvious, for example “the need for increased involvement of the private sector in value chain development” or “implementation of programmes through grant-based service providers requires strong grant management systems”. The lessons are mixed with general observations and recommendations. The shortcomings and challenges of the project – and how they could have been addressed – seem to be underrepresented. The lessons on working with the private sector are clearer. The PCR does not explain to what extent the lessons were validated by stakeholders, for example, the PSC. The four case studies included in the PCR were well written.<sup>112</sup> The lessons provided by the PCR are rated **moderately satisfactory (4)**.
188. **Candour.** The PCR provides an overall positive picture of the programme, which is not what this PPE found. The PCR failed to present aspects of underperformance (e.g. weakly coordinated approaches on the ground, poor quality and underuse of infrastructure), even where they are indicated in the results frame, well known to the implementers and already reported by some of the studies. It also does not discuss the ambiguous role of private sector partners. In a few places, important shortcomings are mentioned in passing only (e.g. weak capacity and motivation of extension staff or unclear roles among stakeholders). In other cases, it fails to mention issues highlighted in the impact assessment (e.g. low buying prices). Candour is rated **unsatisfactory (2)**.

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<sup>111</sup> In part, the terms of reference read: “In case sufficient or reliable impact data may not be available, the PCR process might consider undertaking a mini survey while in the field in order to collect basic information from a small sample of respondents (to be selected using the most appropriate sampling method)”; RLEEP Completion Report, 22 August 2018, p. 59.

<sup>112</sup> Appendix 8, RLEEP Completion Report, pp. 79- 82, 22 August 2018.

## IV. Conclusions and recommendations

### A. Conclusions

190. **RLEEP has laid a good foundation for pro-poor value chain development.** Small-scale farmers have increased their awareness that farming is a business. A number of useful partnerships were built and promising initiatives started. This includes the Farm Radio Trust, which was highly effective in providing access to information, the commodity platforms, which are addressing key value chain governance issues, and microfinance organizations, which provide critical access to finance. Towards the end, the programme also introduced tools, such as warehouse receipts, to facilitate farmers' access to markets.
191. **The programme could have been far more effective if activities had focused on fewer value chains in fewer districts.** The main reasons for weak performance were the overambitious outreach targets and the limited time given to service providers to implement activities. Furthermore, the insufficient links between activities on the ground led to rather moderate results. The programme had a minor impact in terms of improved livelihoods through integration into value chains.
192. **The support structures and services remain inadequate and unavailable to small-scale farmers.** The main constraints identified by the value chain studies, such as lack of quality seed, strong partnerships with the private sector, good markets, and affordable services, remain the key challenges and prevent farmers from putting their FBS knowledge and skills into practice. As a result, the production levels of the smallholder farmers were nowhere adequate to attract sufficient private sector participation. The role of the private was not clearly defined and remained ambiguous.
193. **The programme's implementation structure was innovative, but the time and capacities required were underestimated.** The programme underestimated the time and capacities required to set up an autonomous coordination structure and therefore experienced serious delays in the beginning. The technical capacity was insufficient to manage and oversee such an ambitious programme, covering seven different value chains, each with its own constraints, in eleven districts through decentralized implementation. With the addition of the infrastructure component, the programme became even more complex and demanding to manage. Infrastructure remained an add-on and insufficiently integrated into the value chain activities.
194. **The programme could have been far more successful if IFAD had managed expectations better and had supported a greater focus on results.** In this regard, IFAD's engagement was characterized by a severe lack of leadership and oversight. Supervision demonstrated a narrow focus on delivery targets and there was little attention to quality on the ground. Engaging a large number of service providers yielded in some interesting approaches; however, the effectiveness of the different approaches were not systematically reviewed. Overall results remained patchy, even insulated, and mainly attributable to the performance of individual providers. There was no approach to mainstream issues of gender equality, NRM and climate change across the programme, and thus the outcomes remained unsatisfactory.
195. **There was no attempt to resolve structural issues undermining programme results.** Examples include pricing policies in the dairy sector, high costs for farmers registering as cooperatives, and underperformance of extension staff. There was also no attempt to collaborate with other development partners that are working on alternative approaches to improve service delivery in Malawi. Hence, the prospects for scaling up will remain low unless the programme is followed up by appropriate interventions.

## B. Recommendations

196. As IFAD's East and Southern Africa Division is moving forward with the preparation of the follow-up programme (TRADE), the PPE offers some recommendations for consideration. The overarching recommendation is that TRADE should focus on the "unfinished business" from RLEEP first before expanding into new value chains and districts.
197. **Recommendation 1: TRADE should adopt an institutional approach to implementation that ensures buy-in by government partners while maintaining autonomous service provision.** The PPE supports the continued use of an independent coordination office within a multi-stakeholder implementation structure to enable multiple stakeholder participation and effective service delivery at local level, but with greater focus on implementation quality and sustainability. The RLEEP implementation structure has been effective in delivering selected services and assets. A similar approach could be used for TRADE, with some further fine-tuning. The PSU will require strong capacities for project management and coordination, but also private sector expertise and the technical expertise to guide programme interventions. Dedicated staff for M&E and gender/social inclusion will also be required. The programme will need to strengthen the mechanisms for coordination and support at district level and mobilize government resources to ensure that these are sufficiently linked and sustained. Buy-in from line ministries also needs to be strengthened, and existing coordination mechanisms at district level must be more effectively used, in particular at decision points and during planning and monitoring. The responsibilities of district councils within the project cycle should be clearly defined. Existing monitoring mechanisms should be enhanced through strengthened technical oversight, timely follow-up and space for adaptive learning, thus improving implementation quality. Consortium arrangements, to streamline the engagement of non-governmental service providers, should be explored.
198. **Recommendation 2: Strengthen principles of complementarity and mutuality through partnerships with international development partners, NGOs and private sector actors.** A range of partnerships had been built under RLEEP, but under TRADE, there needs to be greater focus on the synergies and complementarities of different partners. IFAD will need to show greater presence in the agriculture sector working group and make greater use of existing (or emerging) collaborations. Partnerships with international organizations should build on complementarities and combined strengths, in areas such as sustainable service provision and conducive policy frameworks. Partnerships with NGOs are indispensable to support processes of group formation, but they can also offer valuable lessons for IFAD – for example, on targeting, on-farm technology development and pro-poor service provision. Finally, IFAD, in cooperation with agriculture sector partners, should develop a strategic approach, and clear criteria, for engagement with the private sector – for example, in the provision of inputs and services, marketing and processing. Cooperation with the private sector will require appropriate cofinancing mechanisms (beyond matching grants).
199. **Recommendation 3: Enhance the focus on farmers' empowerment through enhanced capacity-building, access to finance, access to information, and institutional linkages.** The support of different value chains and implementation approaches can be beneficial as part of a decentralized implementation approach, but there must be a common orientation towards impact on the ground. For TRADE, there needs to be greater focus on the empowerment of farmers vis-à-vis other value chain actors. Growth and performance of farmer groups require more support and better monitoring. Social accountability and due diligence need to be mainstreamed into the support of associations and cooperatives. Broad-based benefits for farmers must be ensured through appropriate targeting and governance mechanisms. Farmers' access to market information should be

supported through innovative communication channels (e.g. Farm Radio) and local commodity platforms. Farmers also require access to a range of financial products to resolve their need for both immediate cash and longer-term investments. While links with complementary IFAD programmes seem like an obvious solution, the practicalities need to be established upfront.

200. **Recommendation 4: Adopt an institutional approach for sustainable service provision through strategic engagement and innovative approaches.** Sustainable service provision is a major gap in value chains that needs to be strategically addressed in cooperation with other development partners. Various initiatives to address service provision, for example, through public-private partnerships, are ongoing and supported by development partners such as Food and Agriculture Organization, GIZ, Japan International Cooperation Agency (JICA) and others. Innovative approaches for engaging private sector players in service provision are piloted by GIZ and may provide important lessons for TRADE. Another interesting approach is the Smallholder Horticulture Empowerment Promotion, which is an agreed area for cooperation between JICA and IFAD. IFAD should aim to utilize the combined strengths and complementarities wherever possible, to ensure that service provision under TRADE is streamlined and likely to be sustained. Sustainable service provision is a longer-term task that cannot be achieved by IFAD alone within the limited duration of a project.
201. **Recommendation 5: Access to infrastructure should be integrated from the outset, starting with a realistic assessment of the needs and absorptive capacities on the ground.** Provision of productive infrastructure needs to address actual needs and align with the absorptive capacities of farmer groups. For example, dairy farmers may require storage for feed rather than milk collection centres, which are usually provided by the processors anyway. Smaller and more widely distributed storage facilities might be easier to manage by farmer groups. Studies will need to be conducted during the preparation phase to identify the types and sizes of infrastructure investments together with the institutional arrangements for financing, operating and maintaining the structures. Implementation should be carried out through dedicated implementation units within the government structure, to ensure fiduciary discipline, technical supervision and follow-up maintenance. Since IFAD will not have the capacity to supervise the infrastructure component, partners with technical capacity for supervision (e.g. the United Nations Office for Project Services) need to be identified.
202. **Recommendation 6: Enhance the focus on results and impact through a robust and learning-oriented M&E system.** TRADE needs to build a robust M&E system tracking the performance and impact of value chains. This requires value chain-specific targets (based on the identified challenges) and impact pathways. The performance of service providers also needs to be monitored. Under RLEEP implementation has been dispersed and overly focussed on achievement of targets and outputs instead of impact. TRADE needs to be able to track capacity-building outcomes, institutional linkages and performance of platforms along the envisaged pathways. The graduation of producer groups (to become associations and cooperatives) also needs to be monitored. Impact studies should be conducted for individual value chains rather than for the entire programme. Feedback mechanisms involving farmers, district-level actors and the private sector should be used to inform the programme about emerging gaps and shortcomings as well as good practices.



## Basic project data

			Approval (US\$ m)		Actual (US\$ m)	
Region	East and Southern Africa	Total project costs	29.2		26.1	
Country	Republic of Malawi	IFAD loan and percentage of total	8.7	29.8%	8.9	34.7%
Loan number	IFAD Loan 738/MW Grant DSF 8013-MW	IFAD Grant and percentage of total	8.0	27.4%	6	22.2%
Type of project (subsector)	Value Chain	Government of Malawi	0.4	1.4%	0.3	1.1%
Financing type	Loan and Grant	Beneficiaries	2.0	6.8%	0.8	3.2%
Lending terms	Highly Concessional	Other sources (KIT Netherlands)	0.1	0.3%	0.1	0.4%
Date of approval	13/12/2007	OFID	10.0	34.2%	10.0	38.5%
Date of loan signature	23/01/2008	Number of beneficiaries (if appropriate, specify if direct or indirect)	158,025	Direct 37,625	Indirect 120,400	Women 80,592
Date of effectiveness	1/10/2009	Loan closing date			30/06/2018	
Loan amendments	None	Mid-term review			February 2014	
Country programme managers	M. Bradley (8/05-9/06), M. Okongo (9/06-1/12), A. Benhammouche (1/12-12/14), T. Rath (1/15-2/17), S. Jatta (2/17-3/18), A. Barros (5/18-6/18)	IFAD loan disbursement at project completion (%)			100%	
Regional director(s)	I. de Willebois, P. Saint Ange, S. Jatta, S. Mbago-Bhunu	Date of the project completion report			22/8/2018	

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

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

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

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

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

<i>Criteria</i>	<i>Programme Management Department (PMD) rating</i>	<i>Project Performance Evaluation rating</i>	<i>Rating disconnect</i>
<b>Rural poverty impact</b>	4	3	-1
<b>Project performance</b>			
Relevance	5	4	-1
Effectiveness	5	4	-1
Efficiency	5	4	-1
Sustainability of benefits	4	4	0
<b>Project performance<sup>b</sup></b>		4	
<b>Other performance criteria</b>			
Gender equality and women's empowerment	5	3	-2
Innovation	5	5	0
Scaling up	5	3	-2
Environment and natural resources management	5	2	-3
Adaptation to climate change	4	3	-1
<b>Overall project achievement<sup>c</sup></b>	<b>5</b>	<b>4</b>	<b>-1</b>
<b>Performance of partners<sup>d</sup></b>			
IFAD	5	3	-2
Government	5	4	-1
<b>Average net disconnect</b>			<b>-1.25</b>

<sup>a</sup> Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.p. = not provided; n.a. = not applicable.

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

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

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

### Ratings of the Project Completion Report quality

	<i>PMD rating</i>	<i>IOE rating</i>	<i>Net disconnect</i>
Scope		5	
Quality (methods, data, participatory process)		3	
Lessons		4	
Candour		2	
<b>Overall rating of the Project Completion Report</b>		<b>3.5</b>	

Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.a. = not applicable.

## Evaluation framework

<i>Evaluation Criteria</i>	<i>Issue</i>	<i>Questions</i>
Relevance	<i>Alignment with national policies</i>	<i>To what extent was the project relevant to the Government of Malawi strategies for rural development and agricultural growth, in particular the Malawi Growth and Development Poverty Reduction Strategy 2010-2015 (MGDS) and the Agriculture Sector-Wide Approach programme (ASWAp) for 2011-2015?</i>
	<i>Relevance to IFAD strategy in Malawi</i>	<i>To what extent was the project aligned with IFAD's focus in Malawi as articulated in the Malawi Country Strategic Opportunities Programme (COSOP) 2010 - 2015 and the COSOP 2016 - 2022.</i>
	<i>Quality of design (coherence, etc.)</i>	<i>How was the quality of the RLEEP design in terms of appropriateness to deliver on its goal and objectives? Was the project adjusted during implementation to any changes in context to retain continued relevance? What factors contributed to RLEEP's successes? What factors contributed to the challenges faced? What are the lessons to be learnt?</i>
	<i>Quality of logframes</i>	<i>Was the log-frame consistent with the overall focus of the programme? Was there casual-effect relationship across various levels of the objective hierarchy from activities to impact level? Were indicators relevant to measure project performance? Were indicators appropriately placed at the various levels of the objective hierarchy?</i>
	<i>Approach to targeting (pro-poor, gender, youth)</i>	<i>Were the right beneficiaries targeted? Were the criteria and processes for selecting beneficiaries followed? What worked well and why? What did not work well and why? What lessons can be drawn from the approach used for targeting?</i>
Effectiveness	<i>Overall results achieved (according to outcomes)</i>	<i>To what extent have the objectives been attained? Which objectives performed best and what factors contributed to such performance? Which were the worst performing objectives and what accounted for the poor performance? What lessons can be drawn from the results?</i>
	<i>Infrastructure (quality; link with value chains, benefits generated) (outcome 4)</i>	<i>What was the quality of infrastructure in terms of the following aspects: The extent to which the infrastructure was linked to the targeted value chains? If yes, how? If no, why not? The extent to which the infrastructure facilitated participation of the targeted smallholders in the market? As well as active participation of the targeted households in the targeted value chains at large? The key benefits to the target households that resulted?</i>
	<i>Grants (selection of grantees; results achieved, partnerships with private sector) (outcome 3)</i>	<i>What was the process followed in the selection of grantees? How did the various grantees perform? What did they do well and what factors contributed to that? What did they not do well and what factors contributed to that? What nature of partnerships were formed between beneficiary households and the private sector? Which of these partnerships were best performing and why? Which partnerships had challenges and why is that so? What tangible benefits did these partnerships bring about to the target beneficiaries?</i>

Evaluation Criteria	Issue	Questions
	Capacity building (farmers groups, institutions) (outcome 3)	<p>What kind of capacity building did farmer groups receive? What was the frequency of the capacity building over the implementation period</p> <p>What value did the capacity building bring about to farmers?</p> <p>Which institutions were capacity built? What were they capacity built in? Were there any benefits that accrued as a result of such capacity building? If what were they?</p>
	Agricultural and business training provided (outcome 1)	<p>What nature of agricultural and business training was provided? Who provided the training? For how long? What was the frequency of the training? Who were the main beneficiaries?</p> <p>In your view, what benefits accrued from the training received?</p>
	Sectoral action plans; regulatory and institutional capacity; institutional networks (outcome 2)	<p>How did the process of formulating commodity action plans go? Who was involved? What worked well and why? What did not work well and why?</p> <p>What legislative and regulatory reforms took place? Do you know the process that was followed for such reforms? To what extent did the target beneficiaries participate?</p> <p>Which institutions benefited from capacity building? What nature of activities constituted capacity building? What benefits accrued to the institutions concerned arising from such capacity building? Are there any institutional networks that have resulted? If yes, how are they operating?</p>
	Targeting	<p>Were the right crops were targeted by the programme? If yes, why? If no why not?</p> <p>Did the programme target the right beneficiaries? If yes, why? If not why not?</p>
Efficiency	Economic rate of return	<p>Review the economic rate of return and how it was calculated (including the assumptions that were used)</p> <p>How does the economic rate of returns compare with that at design? If there are variances, what accounts for those variances?</p>
	Project management	<p>What were the total project management costs at appraisal and what are they at evaluation? If there is a variation between the two, what accounts for that? How do the management costs compare with other similar programmes?</p> <p>Were the planned activities implemented on time as planned? If yes, explain; If not why?</p> <p>Did the implementing partners fulfill their roles and obligations adequately and in a timely manner? If so, why? If no, why not?</p>
Poverty impact	Household impact and assets	<p>What is the evidence that the programme brought about improved livelihood of its beneficiaries in terms of: household income? Household assets? Others (specify)</p>
	Food security and agricultural productivity	<p>Comment on household food security: did it improve or deteriorated? Explain; Track the performance of food security indicators from baseline to date.</p> <p>To what extent has smallholder agricultural productivity improved? Track the performance of agricultural productivity indicators from baseline to date.</p>
	Impact pathways for different value chains	<p>Review and validate the impact pathways supported by RLEEP, using M&amp;E data and findings from the Impact Assessment Study conducted by the project.</p> <p>Through the review of the existing impact studies and in collaboration with project stakeholders, identify and validate the main impact pathways through which the project achieved its overall goal.</p> <p>Using the analysis, explain why certain impact gaps identified in the PCR, such as the insufficient empowerment of farmers groups and women and insufficient outreach to private sector, have occurred and how they could be better addressed in the future.</p>

<i>Evaluation Criteria</i>	<i>Issue</i>	<i>Questions</i>
<i>Sustainability</i>	<i>Sustainability of benefits</i>	<p>Given that sustainability issues are well covered in the PCR and component specific studies, validate these during field visits.</p> <p>Questions to be asked to include: Have programme benefits continued after the programme ended? If so, which ones have continued? How have they continued? Who are the recipient of those benefits?</p>
<i>Gender</i>	<i>Gender equality and women empowerment</i>	<p>To what extent have the project's interventions contributed to better gender equality and women's empowerment? What has worked well and why? What did not work well and why? What lessons can be drawn?</p> <p>What has been the effectiveness of the gender strategies and the existing gaps with regard to women's empowerment? Which strategies performed best and why? Which strategies performed the least and why?</p>
<i>Natural Resource Management</i>	<i>Environment and natural resource management</i>	<p>What environment and natural resource management interventions were planned to be implemented in the RLEEP? To what extent were they implemented?</p> <p>What were the key successes? What were the key challenges? What could have been done to address the key challenges?</p>
	<i>Climate change</i>	<p>What climate change considerations were streamlined into the project design (e.g. climate change adaptation measures including technologies and practices)? To what extent have these been successfully implemented?</p> <p>What has worked well and why? What has not worked well and why?</p>
<i>Partner performance</i>	<i>Government</i>	<p>To what extent did the government fulfil its roles and obligations in terms of providing an enabling environment to facilitate effective programme implementation (e.g. policy and regulatory framework)?</p> <p>Did government adequately meet its reporting requirements?</p> <p>Was there timeliness in informing of any unforeseen problems, changed budget items, or changed circumstances which affected implementation of the programme to a substantial degree, and informing in advance of any major alterations to the original project design?</p>
	<i>IFAD</i>	<p>To what extent did IFAD fulfill its roles and obligations in terms of:</p> <p>Timely disbursement of funds;</p> <p>Providing technical and backstopping support?</p> <p>Timely responding to any issues, requests and concerns by government and other implementing partners?</p>
<i>Quality of PCR</i>	<i>Quality of PCR</i>	<p>Review the terms of reference (ToRs) of the PCR</p> <p>Assess the extent to which each item under ToRs was adequately and sufficiently dealt with</p>
<i>Conclusions</i>	<i>Conclusions</i>	<p>Review the main objectives of the RLEEP</p> <p>Based on the main findings of the evaluation, make judgement in terms of the extent to which each objective has been realized. Draw out the implications of the status of the implementation performance of each objective</p>
<i>Recommendations</i>	<i>Recommendations</i>	<p>Based on conclusions in terms of the positive performance of some RLEEP interventions, formulate recommendations targeted at how to sustain the positive performance</p> <p>Based on poor performance of some of the RLEEP interventions, formulate recommendations on future programming of similar interventions.</p>
<i>Lessons for trade</i>	<i>Lessons for trade</i>	<p>Lessons will be drawn from what worked well to facilitate replication and future programming</p> <p>Lessons will also be drawn from what did not work well in order to avoid such in future programming</p>

## List of key people met

### Government

#### Ministry of Agriculture, Irrigation and Water Development

Andrew Chamaza, Senior Agriculture Officer

Godfrey Liwewe, Senior Agriculture Officer

Daniel Kafua, Junior Officer

Jonathan Baloyi, Agriculture Business Officer

Michael Nkhonjila, Agriculture Gender Officer

Lumbani Ng'ambi, Agricultural Extension Development Officer, Chulu EPA

Luke Nyirongo, Agricultural Extension Development Officer, Mzenga, EPA

Nambuzi, Agricultural Extension Development Officer, Manyani EPA

Brison T. Themba, Agricultural Extension Development Officer

George Mkwangwanya, Agricultural Extension Development Officer

Chris Somanya, Kanyama EPA

Mansa Mussa, Sanga EPA

#### Ministry of Finance

Moses Chirwa, Director

Richard Zimba, IFAD Desk Officer

#### Ministry of Local Government and Rural Development

Charles Kalemba, Secretary

Anne Salama, DPP

#### Ministry of Trade

Doreen Phiri, Trade Officer

#### Programme staff

Manuel Mang'anya, M&E Specialist, Financial Access for Rural Markets, Smallholders and Enterprise Programme (previously RLEEP)

Dixon Ngwende, Programme Coordinator, FARMSE (previously RLEEP)

Linda M. Munthali, Legumes (former Dairy Lead)

Brown S. Phulusa, Former Dairy Lead

Makoko Munday, Programme for Rural Irrigation Development

Charles Changala, Former District Coordinator

#### IFAD Country Office

Ambrosio Barros, Country Director, Malawi and Zambia, Johannesburg

Zainab Semgalawe, Institutional Regional Technical Specialist, Institutions, Nairobi

#### International and donor institutions

Zhijun Chan, Representative, Food and Agriculture Organization of the United Nations

Luis Fernando Mamaya-Ortiz, Food and Agriculture Organization of the United Nations

Ueli Mueller, Team Leader, GIZ

Yosuke Kato, JICA, Malawi

Zackiaman Makwale, JICA, Malawi

#### Non-governmental organizations and associations

##### African Institute for Corporate Citizenship

Leonard Chimwaza, Capacity Building



Diana Lwanda, Head of Programmes

Henry Luvinde, M&E Officer

**Catholic Development Commission**

Nick Phamba, Field Officer

**Circle for Integrated Community Development**

Edward Thole, Programme Manager

Peter Mathaya

**United Purpose Malawi (ex Concern Universal)**

Adam Davies, CEO

**Concern Universal Microfinance Operations, Dedza**

Ezekiel B. Phiri, CEO

Henry Maduka, Regional Manager

Gilbert Jangasiya, Operations Manager

**Farm Concern International**

Vincent Makyi

Limbani Kaluwa

Blessing Zembani, Market and M&E Officer

**Farm Radio Trust**

George Limbika, CEO

Clement Shema, Programme Manager

**Heifer International**

Mwai Chitete

Nyengo Chowa

Lusayo Mwalilino

**Malawi Union of Savings and Credit Cooperatives**

Leroy Banda

Fumbani Nyangulu

**Ntchisi organisation for youth and development**

Habil Kalumo, Field Officer

**Participatory Development Initiative**

Simion Sila, Field Facilitator

**Shire Highland Milk Producers Association**

Bryan Lewis, Advisor

Zione Chiphaka, Project Officer

**Sustainable Rural Growth and Development Initiative**

Maynard Nyirenda, Executive Director

**Sun Seed Oil Industries**

Chipiliro Kantikana, Project Manager

**Suncrest Dairy**

Michael Ochieng, Operations Manager

**United Purpose**

Barton Mwale, Programme Manager

Sapenda Nyirenda, Facilitator

**Youth Association for Behaviour Change**

Allih Shaibu, Coordinator

**Trustees for Agricultural Promotion Programme**

Winfred Chanza

Bernadette Chiwa

**Private sector**

Edwin Chilundo, General Manager, Lilongwe Dairy

Bob Dzombe, Malawi Dairy Industry

**Research and training institutions**

Abel Sefasi, Head, Horticulture Department, Lilongwe University of Agriculture and Natural Resources

Fredrick Munthali, Chief Researcher Services Officer, National Commission for Science and Technology

**Beneficiary farmer groups (by district)**

*Dedza district*

Mayani

Kanyama

*Nkathabay district*

Mzenga

Sanga

*Kasungu district*

Lisitu cooperative

Kakonje cooperative

Takondwa FBS

*Ntchisi district*

Chigona club

Chandumba potato irrigation

Mpherere potato club

Katayika seed multiplication

Chanika seed multiplication

Kalira South

Mbombwa EPA

Nambamba cooperative

*Blantyre district*

Mpemba

*Thyolo district*

Goliati

Bvumbwe

Tafika

Takondweranawo

## Additional tables and figures

### Tables

Table 1  
RLEEP's Alignment with National Policies

<i>National policy / development framework</i>	<i>Objectives / policies / focus areas of the main national development frameworks</i>	<i>RLEEP's main objectives, priority areas, components</i>
MGDS (2006-2011)	To reduce poverty through sustained economic growth and infrastructure development	To sustainably improve the incomes of economically active poor rural households.
	Agriculture and food security	Component 2: Agricultural Productivity Enhancement and Commercialization Component 1: Value Chain Mobilization and Organisation
	Infrastructure development	Component 4: Infrastructure Development
MGDS II (2011-2016)	The overarching objective remained similar to that of MGDS (2006-2016) Sustainable economic growth	To sustainably improve the incomes of economically active poor rural households Component 2: Agricultural Productivity Enhancement and Commercialization Component 1: Value Chain Mobilization and Organisation Component 4: Infrastructure Development
	Infrastructure development	Component 4: Infrastructure Development
	Gender and capacity development	Components 1, 2 and 4 of RLEEP all mainstreamed gender and capacity building
Agricultural Sector Wide Approach (ASWAp), 2011	To increase agriculture productivity, improve food security, diversify food production at household level, and increase agricultural income of rural people	Component 2: Agricultural Productivity Enhancement and Commercialization Component 1: Value Chain Mobilization and Organisation

Source: PPE analysis.

Table 2  
**RLEEP's alignment to IFAD's focus in Malawi**

<i>IFAD's focus development framework</i>	<i>COSOP's policies, main objectives and components</i>	<i>Alignment with RLEEP's main objectives, priority areas, components</i>
Malawi Country Strategic Opportunities Programme (2010-2015)	Improve access for the poor to appropriate technology and services for sustainable natural resource management (Natural resource management)	Poor natural resource management resulting in a number of issues including: limited availability of quality agricultural land due to high population density; Limited use of organic methods to improve soil fertility; High demand for fuel wood to meet domestic and agricultural usage.
	Improve access to sustainable agricultural input and produce markets (Sustainable agricultural input and produce markets)	Strengthen value chains and enhance the enabling environment to make it more conducive to rural commercial development  To improve linkages of farmers to value chains by establishing more efficient production, transport, storage, processing and marketing systems for target commodities, thereby expanding economic activity and employment
Malawi Country Strategic Opportunities Programme (2016-2022)	Smallholder farmers become resilient to natural shocks and enhance food and nutrition security	Poor natural resource management resulting in a number of issues including: limited availability of quality agricultural land due to high population density; Limited use of organic methods to improve soil fertility; High demand for fuel wood to meet domestic and agricultural usage
	Smallholder farmers access remunerative markets and services	Strengthen value chains and enhance the enabling environment to make it more conducive to rural commercial development  To improve linkages of farmers to value chains by establishing more efficient production, transport, storage, processing and marketing systems for target commodities, thereby expanding economic activity and employment

Source: Source PPE analysis.

Table 3  
Achievements against logframe included in PCR

Narrative summary	Key performance indicators	Cumulative results (December 2017)
<p><b>Goal:</b> Sustainably improve the incomes of economically active poor rural households engaged in the production, processing and marketing of selected agricultural commodities (crops, livestock and fisheries) by advancing their integration with emerging commercial sector</p>	<ul style="list-style-type: none"> <li>Increase in social and productive assets of rural households to 20% (RIMS)</li> </ul>	<ul style="list-style-type: none"> <li>Ownership of bicycles increased by 9%, cell phones by 2%, and solar equipment by 6%</li> </ul>
	<ul style="list-style-type: none"> <li>% of children chronically malnourished decreased to 20% (RIMS)</li> </ul>	<ul style="list-style-type: none"> <li>% of children chronically malnourished decreased to 18%</li> </ul>
	<ul style="list-style-type: none"> <li>90% of households with 3 meals per day</li> </ul>	<ul style="list-style-type: none"> <li>46% of households with 3 meals per day</li> </ul>
<p><b>Development Objective:</b> Strengthen value chains and improve linkages of farmers to value chains by establishing more efficient production, transport, storage, processing and marketing systems for target commodities, thereby expanding local economic activity and employment</p>	<ul style="list-style-type: none"> <li>5 value chains developed</li> </ul>	<ul style="list-style-type: none"> <li>7 value chains developed</li> </ul>
	<ul style="list-style-type: none"> <li>50% increase in volume of commodities sold in priority commodity value chains</li> </ul>	<ul style="list-style-type: none"> <li>103% increase achieved</li> </ul>
	<ul style="list-style-type: none"> <li>24,000 targeted households achieving sustainable incomes and living standards</li> </ul>	<ul style="list-style-type: none"> <li>37,674 households reached</li> </ul>
	<ul style="list-style-type: none"> <li>50% increase in number of micro, small and medium agribusiness enterprises</li> </ul>	<ul style="list-style-type: none"> <li>15%</li> </ul>
	<ul style="list-style-type: none"> <li>50% increase in number of people employed by farmers and agribusiness enterprises</li> </ul>	<ul style="list-style-type: none"> <li>40% achieved</li> </ul>
<p><b>Outcome 1:</b> Strengthen commodity value chains</p>	<ul style="list-style-type: none"> <li>20 key constraints in value chain action plans substantially resolved</li> </ul>	<ul style="list-style-type: none"> <li>17 constraints substantially resolved</li> </ul>
	<ul style="list-style-type: none"> <li>75% enterprises handling priority commodities still operational after 3 years</li> </ul>	<ul style="list-style-type: none"> <li>78.5% enterprises still operational after 3 years</li> </ul>
	<ul style="list-style-type: none"> <li>75% of enterprises reporting profitable operations after 3 years</li> </ul>	<ul style="list-style-type: none"> <li>78% of enterprises reporting profitable operations after 3 years</li> </ul>
	<ul style="list-style-type: none"> <li>Strong likelihood of sustainability of enterprises (RIMS)</li> </ul>	<ul style="list-style-type: none"> <li>Strong</li> </ul>
	<ul style="list-style-type: none"> <li>75% proportion of all processing facilities still operational after 3 years</li> </ul>	<ul style="list-style-type: none"> <li>75% proportion of all processing facilities still operational after 3 years</li> </ul>
	<ul style="list-style-type: none"> <li>Strong likelihood of sustainability of processing facilities (RIMS)</li> </ul>	<ul style="list-style-type: none"> <li>Moderate</li> </ul>
	<ul style="list-style-type: none"> <li>75% proportion of all marketing facilities still operational after 3 years</li> </ul>	<ul style="list-style-type: none"> <li>82% proportion of all marketing facilities still operational after 3 years</li> </ul>
	<ul style="list-style-type: none"> <li>Strong likelihood of sustainability of marketing facilities (RIMS)</li> </ul>	<ul style="list-style-type: none"> <li>Strong</li> </ul>
	<ul style="list-style-type: none"> <li>75% proportion of all storage facilities still operational after 3 years</li> </ul>	<ul style="list-style-type: none"> <li>87.5% achieved</li> </ul>

Narrative summary	Key performance indicators	Cumulative results (December 2017)
	<ul style="list-style-type: none"> <li>Strong likelihood of sustainability of storage facilities (RIMS)</li> </ul>	<ul style="list-style-type: none"> <li><b>Strong</b></li> </ul>
<p><b>Outputs</b> 1.1: Sectoral action plans with constraints for priority commodities prepared and implemented</p>	<ul style="list-style-type: none"> <li>5 value chain action plans prepared and adopted</li> <li>77 grant agreements signed</li> <li>23 staff of service providers trained (53% women)</li> <li>125 Government officials and staff trained (30% women)</li> <li>Value of ACF grants disbursed equivalent to \$6,352,375</li> </ul>	<ul style="list-style-type: none"> <li><b>7 plans prepared and adopted</b></li> <li>68 grant agreements signed</li> <li>10 staff of SPs trained (30% women)</li> <li>66 Government officials/staff trained (18% women)</li> <li>US\$5,758,054 disbursed</li> </ul>
<p>1.2: Operational networks of stakeholders with capacity to analyse value chains and facilitate their development</p>	<ul style="list-style-type: none"> <li>5 networks and alliances established</li> <li>120 network members (33% women)</li> <li>75 staff of service providers trained (6 women)</li> <li>45 network workshops and meetings held</li> <li>120 Government officials and staff trained (18% women)</li> <li>29 knowledge management products prepared</li> <li>7 apex organisations formed/strengthened</li> </ul>	<ul style="list-style-type: none"> <li>6 networks and alliances established</li> <li>129 network members (22% women)</li> <li>77 staff of service providers trained (12 women)</li> <li>26 network workshops and meetings held</li> <li>152 Government officials and staff trained (30% women)</li> <li>28 knowledge management products prepared</li> <li>3 apex organisations formed/strengthened</li> </ul>
<p>1.3: Improved regulatory and institutional capacity to support agricultural commercialisation</p>	<ul style="list-style-type: none"> <li>5 knowledge management products produced</li> <li>5 key workshops held</li> <li>75% of beneficiaries report improvement in the type and quality of support services</li> </ul>	<ul style="list-style-type: none"> <li>3 knowledge management products produced</li> <li>5 key workshops held</li> <li><b>97% achieved</b></li> </ul>
<p><b>Outcome 2:</b> Enhance the regulatory and institutional environment to make it more conducive to rural commercial development</p>	<ul style="list-style-type: none"> <li>Effectiveness: improved performance of service providers (RIMS) rated satisfactory</li> <li>75% of proposed changes to the regulatory/legislative framework enacted</li> <li>75% of beneficiaries who report improvement in the rules, regulations and administrative systems they have to deal with</li> <li>Effectiveness: promotion of pro-poor policies and institutions (RIMS) rated satisfactory</li> </ul>	<ul style="list-style-type: none"> <li>Highly satisfactory</li> <li>55% achieved</li> <li>22% achieved</li> <li>Unsatisfactory</li> </ul>

Narrative summary	Key performance indicators	Cumulative results (December 2017)
	<ul style="list-style-type: none"> <li>80% of farmers using purchased inputs (groundnuts)</li> <li>90% of farmers using purchased inputs (potato)</li> </ul>	<ul style="list-style-type: none"> <li>90% achieved for groundnut farmers               <ul style="list-style-type: none"> <li>77% achieved for potato farmers</li> </ul> </li> </ul>
<p>Outputs</p> <p>2.1 Increased capacity of district – level institutions to support market- oriented agriculture</p>	<ul style="list-style-type: none"> <li>61 staff of service providers trained (16 women)</li> <li>320 Government officials and staff trained (40 women)</li> </ul>	<ul style="list-style-type: none"> <li>86 Staff of service providers trained (24 women)</li> <li>318 Government officials and staff trained (40 women)</li> </ul>
<p>2.2: Increased capacity of farmers to produce and sell market oriented commodities</p>	<ul style="list-style-type: none"> <li>972 market groups formed/strengthened</li> <li>24,000 people trained in crop production and technology (30% women)</li> <li>24,000 people trained in business and entrepreneurship skills (30% women)</li> <li>6,000 people attending adaptive trails and demonstration conducted</li> <li>1,000 farmers participating in farmer exchange learning visits</li> </ul>	<ul style="list-style-type: none"> <li>2,146 market groups formed/strengthened</li> <li>37,625 people trained in crop production and technology (51% women)</li> <li>20,794 people trained in business and entrepreneurship skills (58% women)</li> <li>6,699 people attending adaptive trails and demonstration (47% women)</li> <li>501 farmers participating in farmer exchange learning visits (28% women)</li> </ul>
<p>Output 2.3: Increased capacity of market operators to trade with farmer groups</p>	<ul style="list-style-type: none"> <li>52 storage facilities constructed/rehabilitated</li> <li>162 processing facilities constructed/rehabilitated</li> <li>27 marketing facilities constructed/rehabilitated</li> </ul>	<ul style="list-style-type: none"> <li>57 storage facilities constructed/rehabilitated</li> <li>189 processing facilities constructed/rehabilitated</li> <li>27 marketing facilities constructed/rehabilitated</li> </ul>
<p><b>Outcome 3:</b> Improve linkages of smallholder farmers to value chains</p>	<ul style="list-style-type: none"> <li>50% increase in volume of produce sold by farmer groups (all produce)</li> <li>50% increase in sales prices (nominal) of priority commodities sold by farmer groups</li> <li>75% proportion of new farmer groups still operational after 3 years</li> </ul>	<ul style="list-style-type: none"> <li>12% increase in volume of produce sold by farmer groups (all produce)</li> <li>15% increase in sales prices (nominal) of priority commodities sold by farmer groups achieved</li> <li>85% achieved</li> </ul>
<p>Output 3.1: Effective implementation support and programme administration</p>	<ul style="list-style-type: none"> <li>102 implementation contracts/agreements signed and completed</li> <li>100% disbursement rate</li> <li>140 expressions of interest received</li> </ul>	<ul style="list-style-type: none"> <li>186 implementation contracts/agreements signed and completed</li> <li>99% disbursement rate</li> <li>127 expressions of interest received</li> </ul>
<p>Output 3.2: Operational and well managed ACF</p>	<ul style="list-style-type: none"> <li>77 ACF grants signed with evaluation report and audit report</li> <li>12 weeks as average time taken to process grant applications</li> </ul>	<ul style="list-style-type: none"> <li>60 ACF grants signed with evaluation report and audit report</li> <li>15 weeks as average time taken to process grant applications</li> </ul>

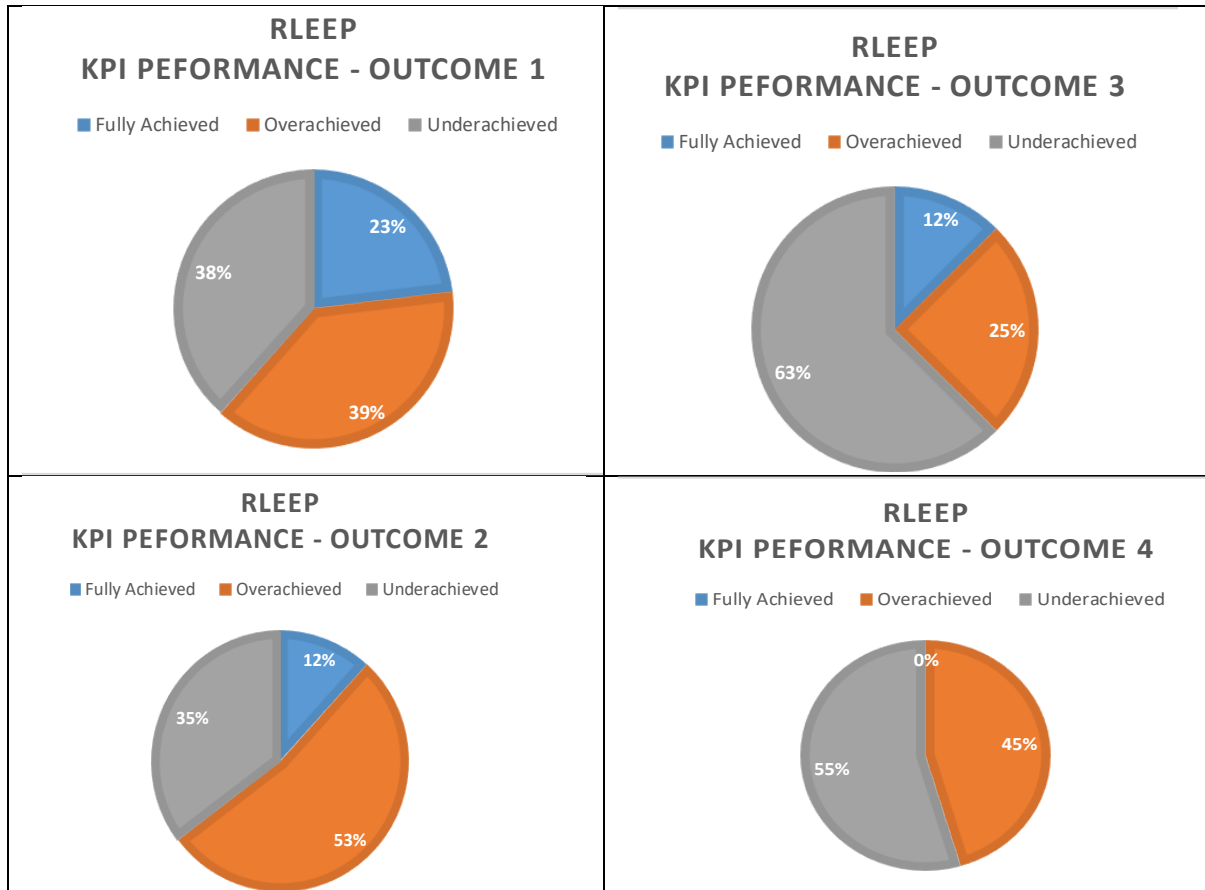
Narrative summary	Key performance indicators	Cumulative results (December 2017)
<b>Outcome 4:</b> Expand economic activity and employment for selected commodities	<ul style="list-style-type: none"> <li>• 100% increase in commodity yields due to improved farm practices</li> <li>• 50% Increase in total volume of priority commodities produced in programme districts</li> </ul>	<ul style="list-style-type: none"> <li>• 77% increase in commodity yields due to improved farm practices</li> <li>• 30 % increase in total volume of priority commodities produced in programme districts</li> </ul>
	<ul style="list-style-type: none"> <li>• Effectiveness: improved agricultural, livestock and fishery production (RIMS) rated satisfactory</li> </ul>	<ul style="list-style-type: none"> <li>• Moderately satisfactory</li> </ul>
	<ul style="list-style-type: none"> <li>• At least 50% Increase in use of hired labour (ganyu) by members of farmer groups</li> </ul>	<ul style="list-style-type: none"> <li>• 70%</li> </ul>
	<ul style="list-style-type: none"> <li>• At least 50% increase in use of hired labour (ganyu) by members of farmer groups</li> <li>• At least 40% Increase in number of people employed by traders and processors</li> </ul>	<ul style="list-style-type: none"> <li>• 63% Increase in use of hired labour (ganyu) in groundnuts</li> <li>• 75% Increase in use of hired labour (ganyu) –potato</li> <li>• 30% increase in number of people employed by traders and processors in groundnuts</li> <li>• 31% increase in number of people employed by traders and processors in potato</li> </ul>
	<ul style="list-style-type: none"> <li>• Effectiveness: creation of employment opportunities (RIMS) rated satisfactory</li> </ul>	<ul style="list-style-type: none"> <li>• Moderately satisfactory</li> </ul>
<b>Outputs</b> 4.1 Rural infrastructure developed	<ul style="list-style-type: none"> <li>• 1,000 km roads rehabilitated</li> <li>• 47 rural bridges constructed</li> <li>• 25 Irish bridges constructed</li> <li>• 482 rural road culverts completed</li> </ul>	<ul style="list-style-type: none"> <li>• 700 km roads rehabilitated</li> <li>• 89 bridges constructed</li> <li>• 27 Irish bridges constructed</li> <li>• 420 rural road culverts completed</li> </ul>

Note: Shaded fields indicate underachievement according to PCR; indicators marked in red are indicators where PPE field observations or analysis did not confirm the PCR reporting.  
 RIMS = Results and Impact Management System.



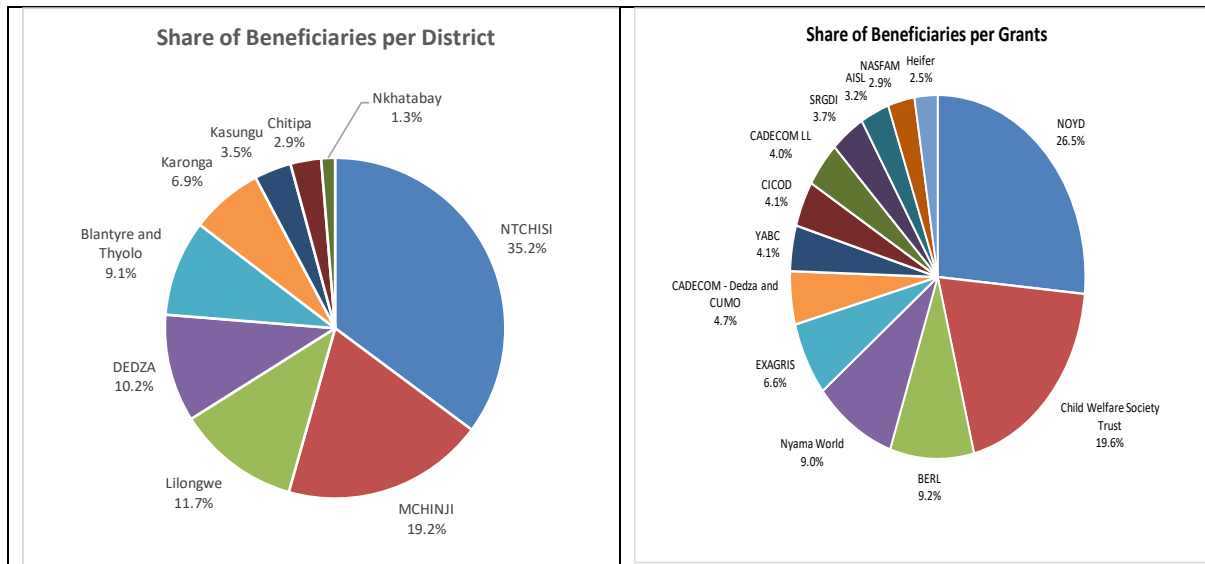
## Figures

Figure 1  
Achievement of outcome and impact-level KPIs



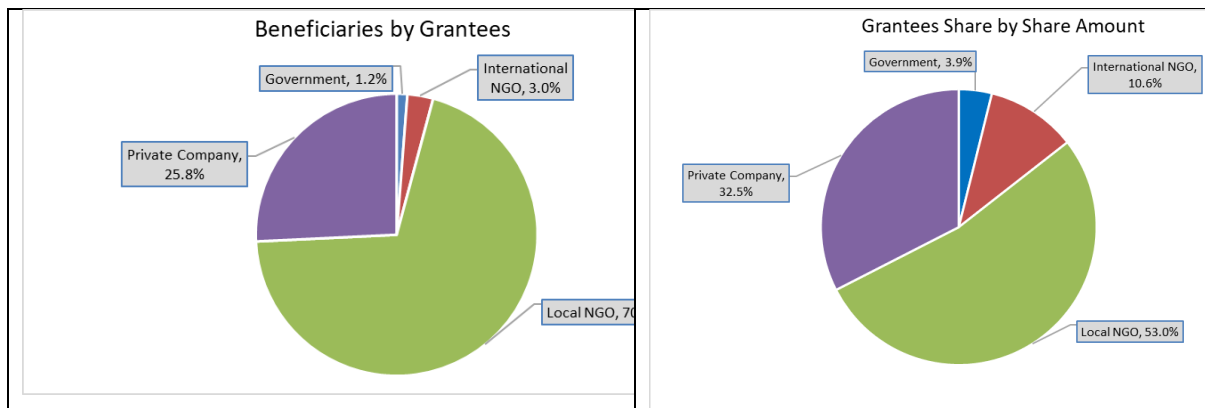
Source: Revised logframe included in RLEEP PCR.

**Figure 2**  
**Share of beneficiaries per district and per grantee**



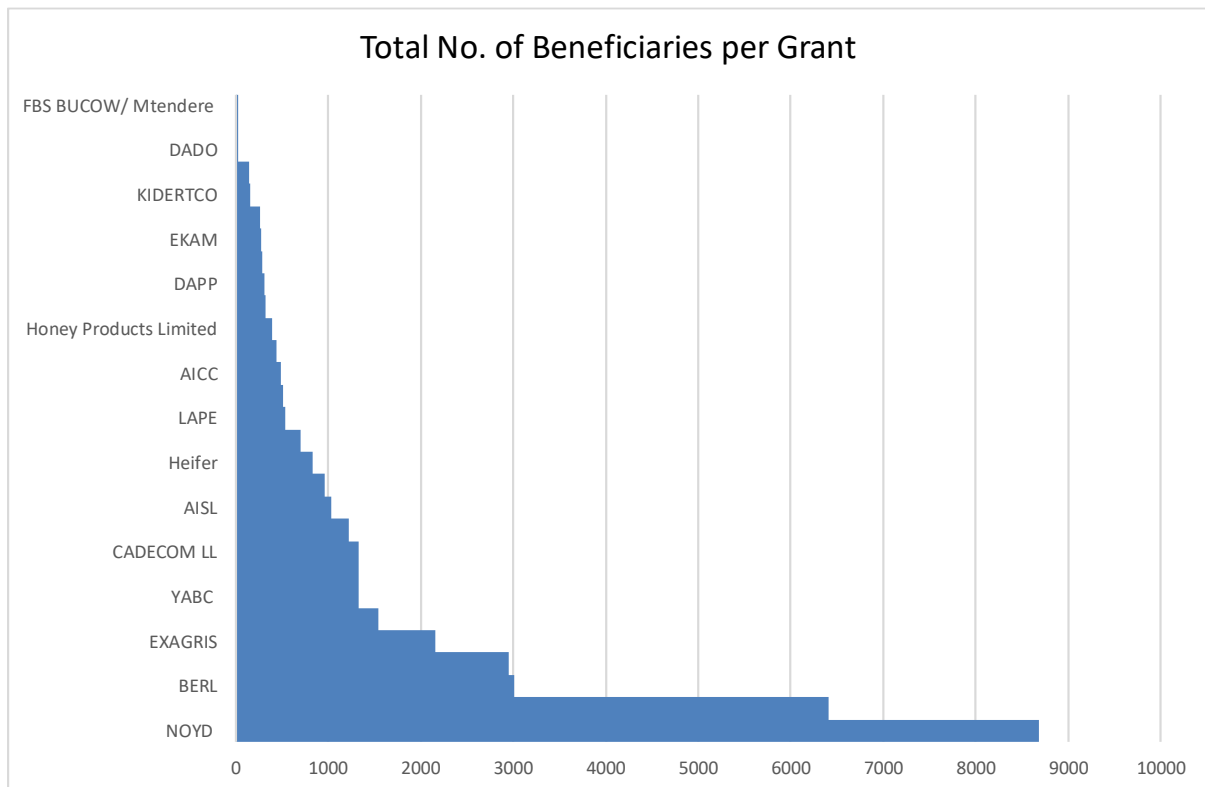
Source: Calculation based on RLEEP M&E data.

**Figure 3**  
**Share of beneficiaries per grantee type and share of grant amount per grantee type**



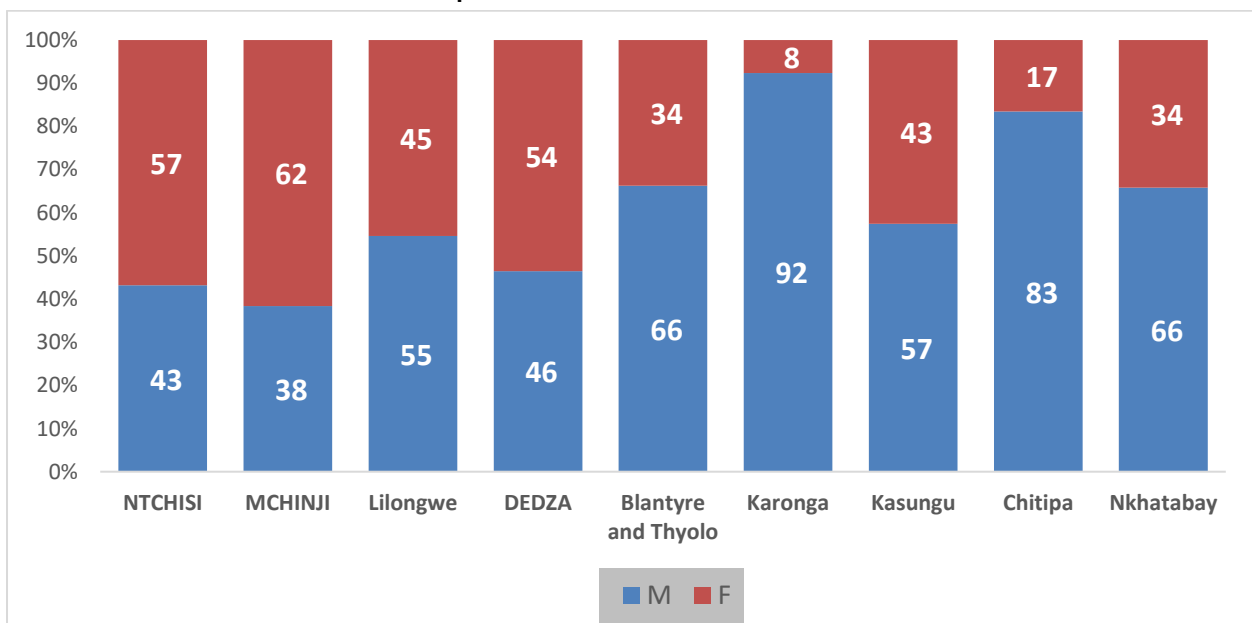
Source: Calculation based on RLEEP M&E data.

Figure 4  
**No of beneficiaries reached per grant**



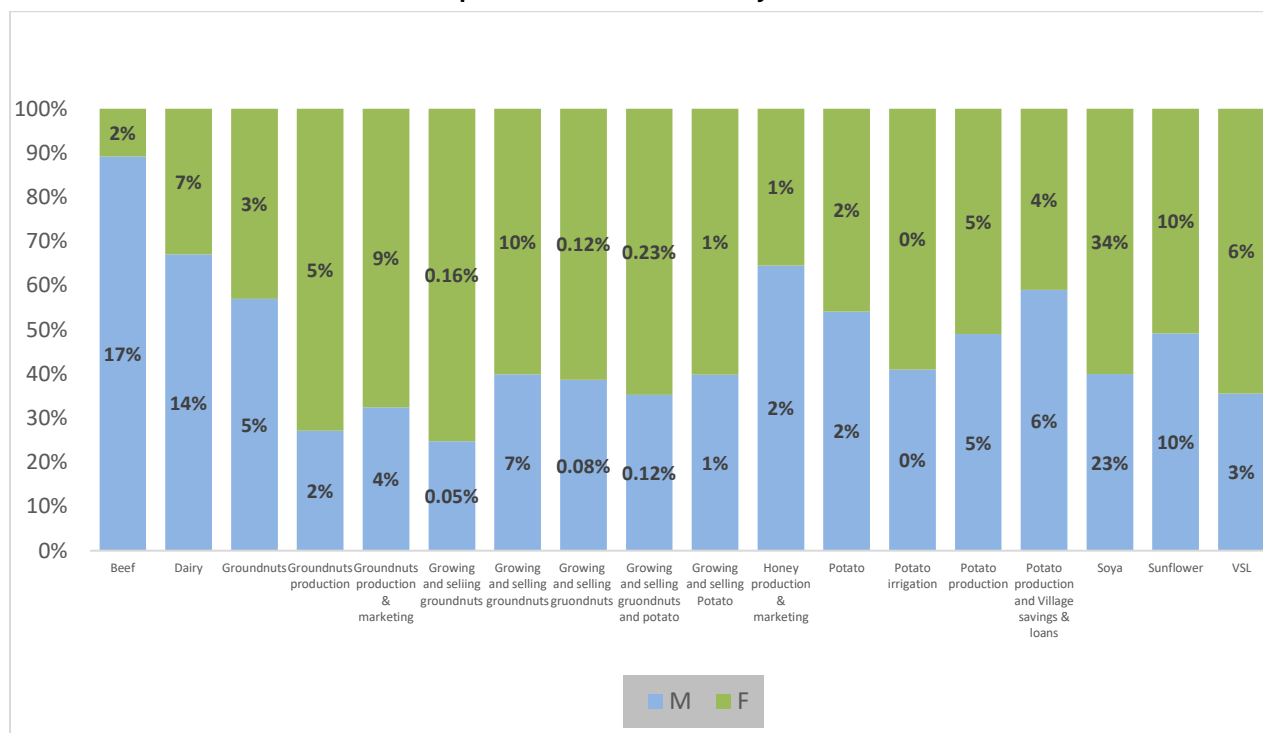
Source: Calculation based on RLEEP M&E data.

Figure 5  
**Share of male and female beneficiaries per district**



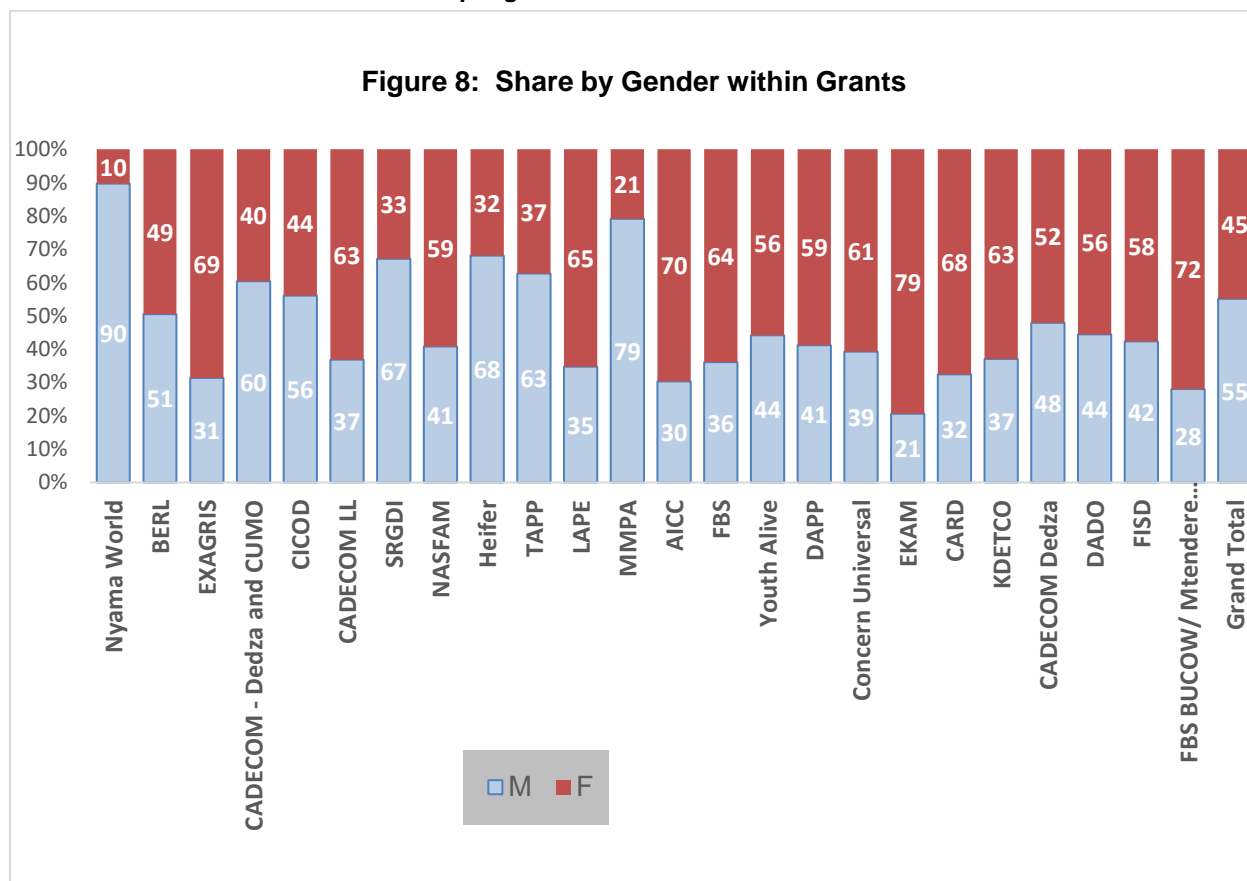
Source: Calculation based on RLEEP M&E data.

Figure 6  
Share of female and male beneficiaries per value chain commodity



Source: Calculation based on RLEEP M&E data.

Figure 7  
Share of female and male beneficiaries per grantee



Source: Calculation based on RLEEP M&E data.

## Comments on logframe and impact assessment

Table 1  
Logframes compared

	Design	PCR
<b>Programme goal</b>	The programme goal is to sustainably improve the incomes of economically active poor rural households engaged in the production and marketing of selected agricultural and livestock commodities by advancing their integration with the emerging commercial sector.	
<b>Development Objective:</b>	(not included)	Strengthen value chains and improve linkages of farmers to value chains by establishing more efficient production, transport, storage, processing and marketing systems for target commodities, thereby expanding local economic activity and employment
<b>Component 1: Value Chain Mobilisation and Organisation</b>	<p><b>Objective:</b> Strengthen value chains and enhance the enabling environment to make it more conducive to rural commercial development</p> <ul style="list-style-type: none"> <li>Participatory Value Chain Analysis and Action Plans</li> <li>Enhancement of the Enabling Environment for Priority Commodities</li> </ul>	<p><b>Outcome 1:</b> Strengthen commodity value chains</p> <ul style="list-style-type: none"> <li>Sectoral action plans with constraints for priority commodities prepared and implemented</li> <li>Operational networks of stakeholders with capacity to analyse value chains and facilitate their development</li> <li>Improved regulatory and institutional capacity to support agricultural commercialisation</li> </ul>
<b>Component 2: Agricultural Productivity Enhancement and Commercialisation</b>	<p><b>Objective:</b> Improve linkages of farmers to value chains by establishing more efficient production, transport, storage, processing and marketing systems for priority commodities, thereby expanding local economic activity and employment</p> <ul style="list-style-type: none"> <li>Engagement of Value Chain Actors in Focal Areas</li> <li>Agricultural Commercialisation Fund</li> </ul>	<p><b>Outcome 2:</b> Enhance the regulatory and institutional environment to make it more conducive to rural commercial development</p> <ul style="list-style-type: none"> <li>Increased capacity of district – level institutions to support market- oriented agriculture</li> <li>Increased capacity of farmers to produce and sell market oriented commodities</li> <li>Increased capacity of market operators to trade with farmer groups</li> </ul>
<b>Component 3: Programme Facilitation and Management</b>	<p><b>Objective:</b> Facilitate and manage the Programme in an efficient and effective manner</p>	<p><b>Outcome 3:</b> Improve linkages of smallholder farmers to value chains</p> <ul style="list-style-type: none"> <li>Effective implementation support and programme administration</li> <li>Operational and well-managed ACF</li> </ul>
<b>Component 4: Infrastructure</b>	(Not included)	<p><b>Outcome 4:</b> Expand economic activity and employment for selected commodities</p> <ul style="list-style-type: none"> <li>Rural infrastructure developed</li> </ul>

1. **Quality of the logframe.** Three different logframes were found in various evaluation reports and documents. The RLEEP appraisal main report final version had a "Summary Logical Framework".<sup>1</sup> However, none of the key performance indicators (KPIs) in the logframe had baseline values or targets. In addition, the KPIs were ambiguous (e.g. "reduced incidence and severity of rural poverty"), and were composite<sup>2</sup> (e.g. "number of households with reduced hunger gaps, improved nutrition and higher welfare status") – both under the goal.<sup>3</sup>
2. Second, there were two baseline reports, the one targeting groundnuts and Irish potatoes value chains and the other focusing on soybean and dairy value chains. The groundnuts/Irish potatoes baseline report had a "RLEEP Provisional Objectives and Indicator Framework"<sup>4</sup> that presented "quantitative indicators" and "possible data collection" source. The PPE noted that the indicators were not quantitative,<sup>5</sup> were composite, were incorrectly placed at various objective hierarchy levels<sup>6</sup> and were ambiguous. Three indicators under outcome 1 (strengthened commodity value chains)<sup>7</sup> are illustrative of the four deficiencies: (i) "farmer training" – this indicator is not quantitative; (ii) it is wrongly placed at outcome level although it is an output indicator and is ambiguous (vague); (iii) "post-harvest handling" is also non-quantitative and ambiguous; (iv) "Aflatoxin handling" similarly does not meet the SMART criteria, hence it is vague.
3. Third, the final impact assessment and the programme completion reports include an updated log-frame.<sup>8</sup> However, the updated log-frame still has a number of issues of concern: (i) the log-frame has no baseline values. What it has instead are essentially target values, hence the use of the language "...increase ...to... and ...decrease... to...". Two examples of KPIs both under the "goal" will suffice in illustrating this point: (i) "increase in social and productive assets of rural households to 20%", and; (ii) "% of children chronically malnourished decreased to 20 per cent".<sup>9</sup> Given that these are essentially target and not baseline values, the next column in the updated logframe is indicated as "cumulative values (Dec. 2017)".
4. The absence of baseline values presents a challenge in measuring the level of performance/progress of KPIs and, consequently, progress made in realizing the RLEEP objectives.<sup>10</sup> For instance, the KPI "increase in social and productive assets to 20 per cent" may represent a marginal increment, for example by 1 percentage point, from 19 per cent to 20 per cent, or even by less than 1 percentage point. Alternatively, the increase may be substantial, for example by 25 percentage points. However, the KPIs in the form in which they were constructed do not say which of these options apply (and hence are unable to demonstrate the extent to which RLEEP would influence change or implementation performance). Consequently, the absence of baseline values renders a logframe grossly deficient.

<sup>1</sup> Rural Livelihoods and Economic Enhancement Programme (RLEEP), Appraisal Report, Main Report and Annexes, p.37, 30 November 2007.

<sup>2</sup> Composite in this case does not mean consolidating several indicators into an index (which is allowed, particularly when dealing with household assets). Composite rather means a situation where you have several indicators mentioned in the same statement. This is contrary to the best practice in M&E.

<sup>3</sup> Ibid

<sup>4</sup> Rural Livelihoods and Economic Enhancement Programme (RLEEP) Baseline Study, Final Report, p.69, May, 2011.

<sup>5</sup> The indicators did not meet the SMART criteria (i.e. they were not Specific, Measurable, Attainable, Reliable and Time bound).

<sup>6</sup> An objective hierarchy is also called an "Intervention Logic" and consists of four levels, from bottom up; inputs, outputs, outcomes and impacts.

<sup>7</sup> Ibid.

<sup>8</sup> Impact Assessment Survey for the Rural Livelihoods and Economic Enhancement Programme (RLEEP) Final Report, p.64, 5th February 2018, and; Rural Livelihoods and Economic Enhancement Programme (RLEEP), Programme Completion Report, p.68, 22 August 2018.

<sup>9</sup> Ibid.

<sup>10</sup> An indicator is defined as an "objective marker" - <https://psychologydictionary.org/objective-indicator/>

5. **Baseline studies.** The programme conducted two baseline evaluations, the one for the soya/dairy value chains<sup>11</sup> and the other for the groundnuts/potato value chains.<sup>12</sup> The KPI values for the target sample were consistently higher in at least two thirds of the cases, suggesting that the control sample was inappropriate because it should have had similar conditions as those of the target sample. The impact assessment only used baseline data for soya farmers.<sup>13</sup> The PPE notes that the focus on comparing target and control KPI values in the groundnuts/potato baseline was misplaced as such a comparison would have made more sense during follow-up evaluations (e.g. midterm and end-term) given that change would have been expected then.
6. The PPE observes that there was no consistency in observing the internationally recommended evaluation processes relating to baseline, midline and endline. Specifically, there was no consistency in: methods used; sampling, and; key performance indicators (see figure 1 below). First, under **methods used**, only qualitative methods were used for the midline while the baseline and endline had both qualitative and quantitative methods. In addition, there was no deliberate attention given to consistency regarding the month data collection was done.<sup>14</sup> Second, there were also challenges with **sampling** across the three evaluations. For instance, the number of EPAs and the sample size should have been the same at baseline and midline for potato and groundnut value chains. Instead, at baseline the EPAs were six (three districts) while at midline they were two (two districts). On the other hand, the number of focus group discussions were 20 and 2 at baseline and midline respectively. Lastly, the **key performance indicators** (for potato and groundnut value chains) were not always consistent across the three evaluations nor were the same data collection methods used. Given that RLEEP had two phases, there should have been consistency in the application of the three parameters across the three evaluations with regards to potato and groundnuts value chains. During midline, baseline data should have been collected for the additional five value chains which were brought on board in phase 2 of RLEEP. There should have been consistency in the three parameters for the five additional value chains at baseline and endline.

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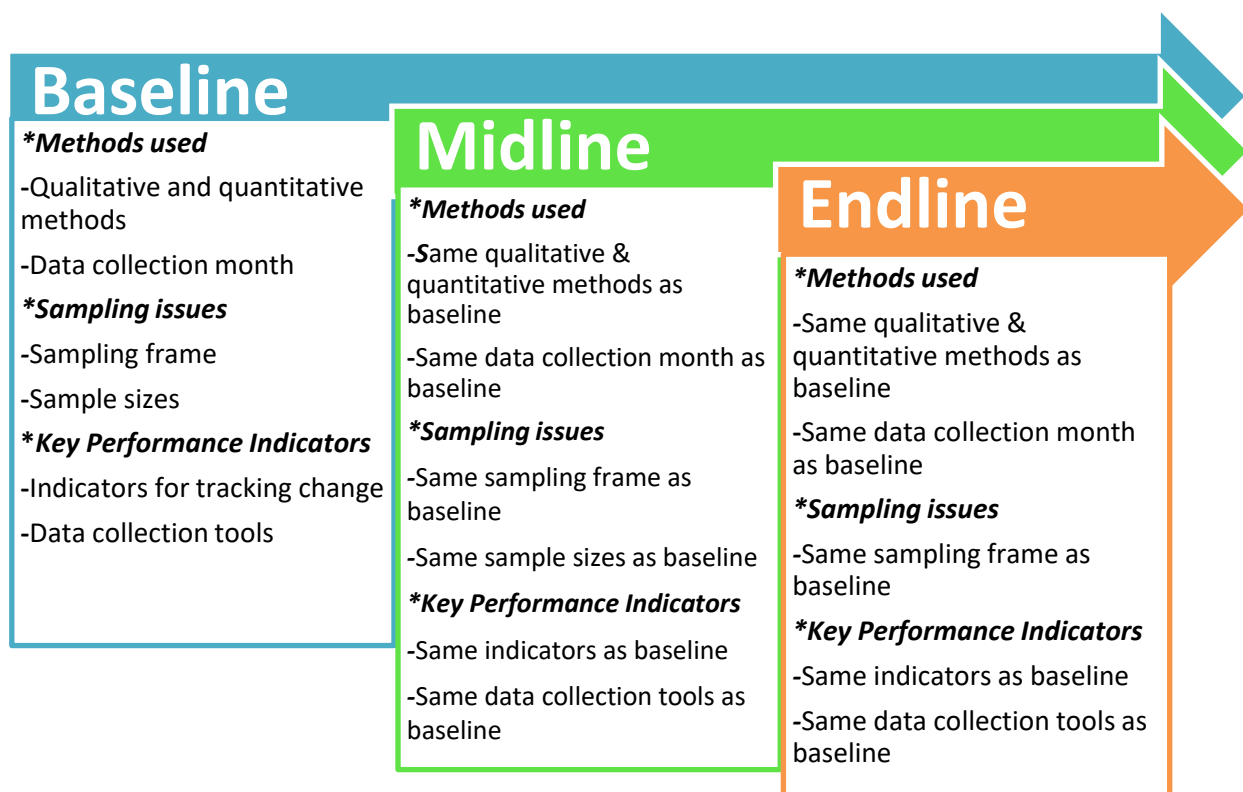
<sup>11</sup> Soya and Dairy Value Chain, Baseline Survey Report, 2014.

<sup>12</sup> RLEEP Baseline Study Final Report, May 2011.

<sup>13</sup> Impact Assessment Survey for the Rural Livelihoods and Economic Enhancement Programme (RLEEP) Final Report, p.26, 5<sup>th</sup> February 2018.

<sup>14</sup> Progress in some KPIs such as the number of meals eaten per day are highly affected by seasonality. For instance, there is a difference in the number of meals eaten per day during harvesting period compared to the beginning of the planting season when food resources are very low or non-existent altogether.

Figure 1: Consistency Evaluation Processes



7. **Impact assessment.** In the absence of reliable baseline values, the final impact assessment was justified to use a control sample in order to strengthen analysis. However, the use of a control sample had its own challenges, the key ones being: (a) the target and control sample sizes were different by a ratio of more than three to one in favour of the target.<sup>15</sup> Comparing the two sample sizes goes against the best M&E practice; (b) government staff at district level and those at EPA have had high attrition rates and hence could not have had sufficient institutional memory to advise the final impact assessment<sup>16</sup> on choosing communities that did not have similar interventions as those of RLEEP in the past several years.<sup>17</sup> Consequently, it was difficult to monitor interventions in the control communities which could have influenced production, productivity and other related variables that were focused on by RLEEP.
8. If the impact assessment had had the flexibility and room (including adequate financial resources, time and influence over preceding evaluations) the difference in

<sup>15</sup> The target sample size was 377 while the control was 112 [Impact Assessment Survey for the Rural Livelihoods and Economic Enhancement Programme (RLEEP) Final Report, p.13, 5<sup>th</sup> February 2018.

<sup>16</sup> Ibid, p.17 – the Final Impact Assessment states that the Survey Team depended on the guidance from Government staff at district level and those at EPA in the choice of control communities.

<sup>17</sup> All districts visited had high staff turnover. For instance, a meeting with the District staff in the Office of the Director of Planning and Development, Nkhatabay, reviewed that all the 5 key district officials who should have been involved with RLEEP (District Forest Officer; Director of Public Works; District Trade Officer; Agricultural Business Officer and; the Director of Planning himself) none of them had been part of the implementation of RLEEP. All of them had been in their current positions for less than 2 years - District stakeholder meeting, Nkhatabay, 28<sup>th</sup> October 2019.



difference methodological approach would have provided a better option for assessing RLEEP performance on the ground.<sup>18</sup>

9. Justifiably so, *“as quantitative data was collected through the programme’s Impact Assessment, the PCR was highly qualitative...”*<sup>19</sup> It follows then that the key documents (impact assessment and PCR) which provide an appreciation of RLEEP performance were both informed by the updated log-frame whose inherent challenges have been highlighted above. In this regard, the PPE would like to advise the readers of this document to treat the results which have been cited from the impact assessment with caution.
10. **Measuring nutrition.** The PPE notes that the performance of the nutrition indicator is heavily influenced by the seasonality factor. In this regard, the baseline and impact assessment data collection needed to have been undertaken during the same month of the year in order to compare “apples with apples”. As it is, data collection for the impact assessment was conducted in October<sup>20</sup> 2017 while data collection for the soya and dairy value chains baseline was done from 30 July to 16 August<sup>21</sup> 2014. We know that in Malawi, staple food harvests (both cereals and legumes) are done from around end of April for the next three to four months or so. In this regard, food availability was greater when the baseline was conducted (and by extension better nutrition) than when the Impact Assessment was conducted. This is on account of the fact that the baseline data collection was conducted closer to the food harvesting period than was the case with the impact assessment data collection. Both the impact assessment report and the soya and dairy baseline report do not have the questionnaire which would have informed the PPE on the manner the questions on food security were asked.<sup>22</sup> Nonetheless, it is the PPE’s view that comparing the baseline and impact assessment nutrition values under these conditions is improper.

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<sup>18</sup> Difference in differences (DID or DD) is a statistical technique that attempts to mimic an experimental research design using observational study data, by studying the differential effect of a treatment on a 'treatment group' versus a 'control group' in a natural experiment. It calculates the effect of a treatment by comparing the average change over time in the outcome variable for the treatment group, compared to the average change over time for the control group. ([https://en.wikipedia.org/wiki/Difference\\_in\\_differences](https://en.wikipedia.org/wiki/Difference_in_differences)).

<sup>19</sup>Final Impact Assessment Survey for the Rural Livelihoods and Economic Enhancement Programme (RLEEP) Final Report, Appendix 2, Methodology of the PCR p.61, 5th February 2018.

<sup>20</sup> RLEEP Final Impact Assessment Report, p.56, February 2018

<sup>21</sup> Soya and Dairy Value Chains, Baseline Survey Report, p.9, 2014

<sup>22</sup> According to the best M&E practice, the question on number of meals eaten per day focuses on the previous day to the day of the interview. This deals with the error associated with the recall period.

**Grant completion reports received**

<i>Grantees</i>	<i>Completion report received</i>	<i>evaluations received</i>
Exagris Ltd	yes	yes
National Smallholder Farmers' Association of Malawi	yes	yes
Concern Universal	yes	yes
Lakeshore Agro Processors Enterprise	yes	yes
Farm Radio Trust	yes	
Malawi Union of Savings and Credit Cooperatives	yes	
Women in Agribusiness in Sub Saharan Africa	yes	
Trustees for Agricultural Promotion Programme	yes	yes
Agri Input Suppliers	yes	
Heifer International	yes	yes
Bunda College of Agriculture	no	
Inter Church for Development Cooperation (ICCO)	yes	
Sustainable Rural Growth and Development Initiative	yes	
African Institute of Corporate Citizenship	yes	
Circle for Integrated Community Development	yes	
Farm Concern International	yes	
Farmers Union of Malawi (FUM)	no	
Catholic Development Commission, Dedza	yes	
Agricultural Commodity Exchange	yes	
Honey Products	no	
Nyama World	yes	
Bio- Energy Resources Limited	no	

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