



Malawi Agricultural Commercialization Project (P158434)

AFRICA EAST | Malawi | Agriculture and Food Global Practice |
IBRD/IDA | Investment Project Financing | FY 2017 | Seq No: 10 | ARCHIVED on 22-Dec-2021 | ISR49328 |

Implementing Agencies: Ministry of Agriculture, Ministry of Finance, Ministry of Trade, Republic of Malawi

Key Dates

Key Project Dates

Bank Approval Date: 23-May-2017	Effectiveness Date: 30-May-2018
Planned Mid Term Review Date: 30-Sep-2020	Actual Mid-Term Review Date: 21-Sep-2020
Original Closing Date: 31-May-2023	Revised Closing Date: 31-May-2023

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objective is to increase commercialization of agriculture value chain products selected under the project.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

Yes

Board Approved Revised Project Development Objective (If project is formally restructured)

To increase commercialization of agriculture value chain products selected under the Project and to provide immediate and effective response to an Eligible Crisis or Emergency

Components Table

Name

COMPONENT 1: BUILDING PRODUCTIVE ALLIANCES:(Cost \$55.50 M)
COMPONENT 2: SUPPORT INVESTMENT ENABLING SERVICES:(Cost \$15.60 M)
COMPONENT 3: CONTINGENT EMERGENCY RESPONSE COMPONENT (CERC):(Cost \$20.00 M)
COMPONENT 4: PROJECT COORDINATION AND MANAGEMENT:(Cost \$8.90 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Satisfactory
Overall Risk Rating	<input type="checkbox"/> High	<input type="checkbox"/> High

Implementation Status and Key Decisions

This ISR is based on the implementation support mission carried from November 8 to 29, 2021.

The AGCOM project has made impressive progress in recent months. Therefore, both key project ratings are being upgraded to 'satisfactory'. The most notable achievements are the following:

- 85 producer organizations with 28,964 beneficiaries (12,638 men, 16,326 women and 7,146 being youth) have received matching grants and are doing the investments on the ground.



- The total value of the active portfolio of subprojects has increased to approximately US\$12 million, and farmers have already mobilized US\$1.2 million of own contributions to match the grants.
- 25 organizations, which commenced the subprojects earlier, are already showing an increase of 16,000 metric tons in volume traded with off takers, a 13% increase only in the first year. This represents approximately a US\$12 million increase in sales with respect to the previous year. If the trend continues, the Project will largely exceed the targets.
- AGCOM is now benefiting producer organizations in 19 value chains, with half of the subprojects being in dairy and soya. The approach has proved to be effective in promoting the much-needed productive diversification in Malawi.
- On top of the matching grants, the Project is supporting a partial credit guarantee, which helps farmers access private financing. Currently, already one producer organization is accessing a loan supported by that facility and we expect that the uptake will continue to grow.
- The Project is also preparing about US\$15 million in public infrastructure investments linked to the commercial agriculture. This includes roads, bridges, and irrigation schemes, which are strategic for the producer organizations that are doing business, supported by the Project.
- AGCOM has sparked significant interest among farmers and, so far, 997 concept notes have been received. AGCOM provides matching grants based on calls for proposals. Currently 140 proposals from organizations have been approved and 85 have already signed the subproject agreements.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	Substantial	High	Substantial
Macroeconomic	High	High	High
Sector Strategies and Policies	Substantial	Substantial	Substantial
Technical Design of Project or Program	High	High	Substantial
Institutional Capacity for Implementation and Sustainability	Substantial	Substantial	Substantial
Fiduciary	High	High	High
Environment and Social	Moderate	Moderate	Moderate
Stakeholders	Moderate	Substantial	Moderate
Other	--	Low	Low
Overall	High	High	High

Results

PDO Indicators by Objectives / Outcomes

To increase commercialisation of agriculture value chain products selected under the project

► Increase in sales of producer organizations within productive alliances (Metric tons/year, Custom)

Baseline

Actual (Previous)

Actual (Current)

End Target



Value	0.00	0.00	16,120.95	15,000.00
Date	03-Jul-2017	01-Jan-2021	29-Nov-2021	31-May-2023
<input type="checkbox"/> Supplemental sub indicator: Value of sales (Amount(USD), Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	12,000,000.00	10,000,000.00
<input type="checkbox"/> Value chain products with at least 50% increase in commercialization (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	4.00	5.00
Date	03-Jul-2017	01-Jan-2021	29-Nov-2021	31-May-2023
<input type="checkbox"/> Farmers reached with agricultural assets or services (Number, Corporate)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	8,273.00	28,964.00	40,000.00
Date	03-Jul-2017	01-Jan-2021	29-Nov-2021	31-May-2023
<input type="checkbox"/> Farmers reached with agricultural assets or services - Female (Number, Corporate Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	5,279.00	16,326.00	16,000.00
<input type="checkbox"/> to provide immediate and effective response to an eligible crisis or emergency				
<input type="checkbox"/> Beneficiaries of emergency response (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	391,000.00	391,000.00	391,000.00
Date	03-Jul-2017	31-Dec-2020	29-Nov-2021	31-May-2023

Overall Comments

With the restructuring carried out after the Mid-Term Review, the target of sales was adjusted to an increase of 15,000 metric tons per year equivalent to US\$10 million. The calculation was based on subproject documents of several alliances that had been approved at that time. The first set of real sales data suggest that the target was underestimated, and the Project outcomes are likely to be larger than the projections.

Intermediate Results Indicators by Components



COMPONENT 1: BUILDING PRODUCTIVE ALLIANCES				
▶ Subprojects financed with matching grants (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	3.00	200.00
Date	03-Jul-2017	25-Sep-2020	29-Nov-2021	31-May-2023
Comments:	This indicator tracks number of business plans of PAs financed through matching grants			
☐ Youth-based producer organizations accessing matching grants (Number, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1.00	3.00	20.00
Date	03-Jul-2017	25-Sep-2020	29-Nov-2021	31-May-2023
☐ Subproject agreements signed (Number, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	30.00	85.00	210.00
☐ Women-only producer organizations accessing matching grants (Number, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1.00	4.00	20.00
▶ Producer organizations accessing financing supported by the Partial Credit Guarantee Fund (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	3.00	50.00
Date	03-Jul-2017	30-Nov-2020	29-Nov-2021	31-May-2023
▶ Producer Organizations benefited by last-mile infrastructure subprojects (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	50.00
Date	03-Jul-2017	30-Nov-2020	29-Nov-2021	31-May-2023
▶ Increase in yield of commodities by supported producer organizations participating in Productive Alliance (Metric tons/year, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	0.00	0.00	16,034.58	16,000.00
Date	03-Jul-2017	30-Nov-2020	29-Nov-2021	31-May-2023

COMPONENT 2: SUPPORT INVESTMENT ENABLING SERVICES

► Project supported Agro-business organizations that obtained one or more certifications (disaggregated by type of certification) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	15.00
Date	03-Jul-2017	25-Sep-2020	29-Nov-2021	31-May-2023

► Automated systems, policies and regulatory instruments implemented to support agriculture business and commercialization (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	4.00	4.00	12.00
Date	03-Jul-2017	25-Sep-2020	29-Nov-2021	30-May-2023

► Beneficiaries of the warehouse receipt system (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	3,511.00	3,511.00	2,264.00	4,100.00
Date	03-Jul-2017	30-Nov-2020	29-Nov-2021	31-May-2023

► Number of smallholder households with secure land tenure (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	3,000.00	6,513.00	12,000.00
Date	03-Jul-2017	30-Nov-2020	29-Nov-2021	31-May-2023

COMPONENT 4: PROJECT COORDINATION AND MANAGEMENT

► 12. Smallholders/farmers/beneficiaries (male and female farmers or businesses) satisfied with services provided by the project (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	86.00	80.00
Date	03-Jul-2017	25-Sep-2020	29-Nov-2021	31-May-2023

□ 12.a Female farmers satisfied with services provided by the project, % of all respondents (Percentage, Custom Breakdown)



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	88.00	80.00
Date	03-Jul-2017	25-Sep-2020	29-Nov-2021	31-May-2023

CERC

► Volume of maize delivered to National Food Reserve Agency (Metric ton, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	21,000.00	21,000.00	21,000.00
Date	03-Jul-2017	30-Nov-2020	29-Nov-2021	31-May-2023

► Area under irrigation through rehabilitated systems (Hectare(Ha), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2,000.00	2,000.00	2,000.00
Date	03-Jul-2017	31-May-2023	29-Nov-2021	31-May-2023

► Distance improved with rehabilitated transport works (Kilometers, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	100.00	100.00	100.00
Date	03-Jul-2017	30-Nov-2020	29-Nov-2021	31-May-2023

Performance-Based Conditions

Data on Financial Performance

Disbursements (by loan)

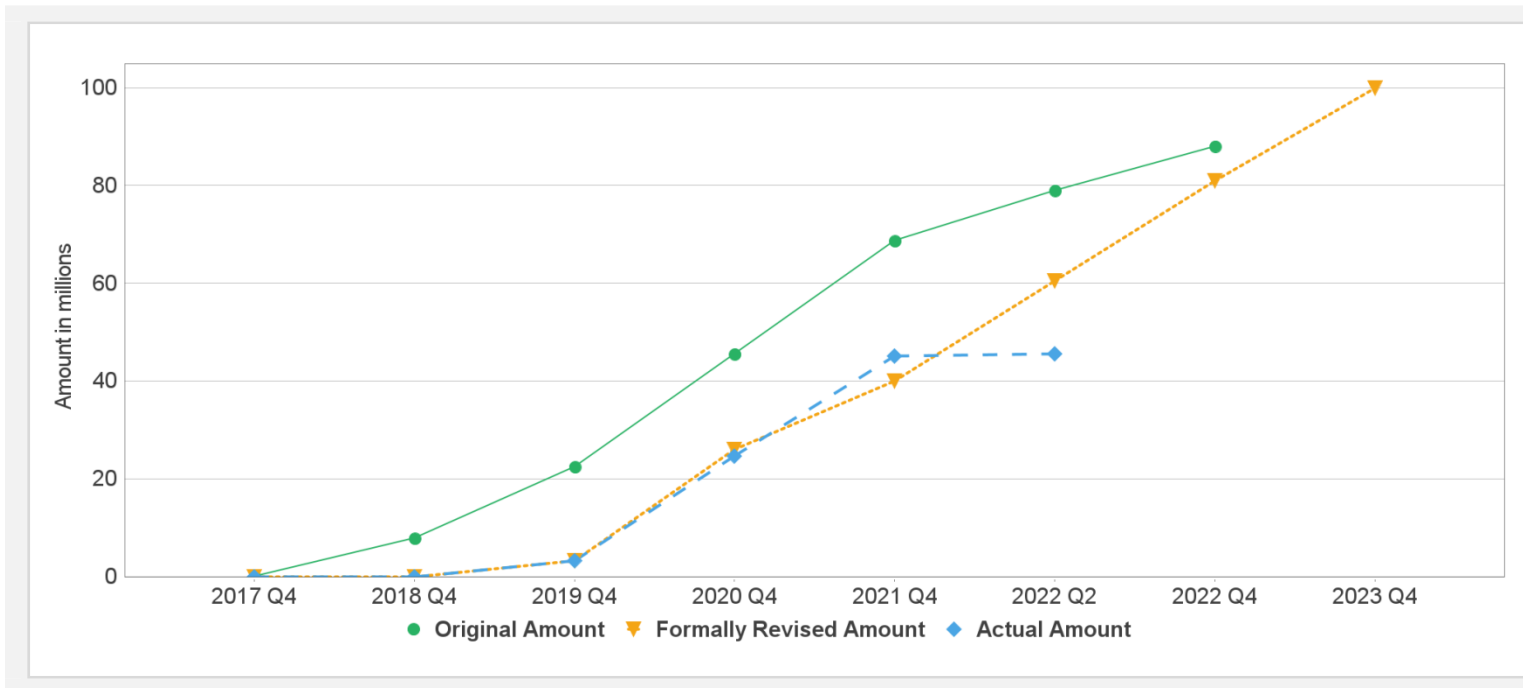
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P158434	IDA-60480	Effective	USD	95.00	95.00	0.00	45.55	52.22	47%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P158434	IDA-60480	Effective	23-May-2017	02-Feb-2018	30-May-2018	31-May-2023	31-May-2023



Cumulative Disbursements



PBC Disbursement

PBC ID	PBC Type	Description	Coc	PBC Amount	Achievement Status	Disbursed amount in Coc	Disbursement % for PBC
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Restructuring History

Level 2 Approved on 26-Feb-2021

Related Project(s)

There are no related projects.