



Second Agriculture Sector Wide Approach Support Project (P164445)

AFRICA | Malawi | Agriculture Global Practice |

Recipient Executed Activities | Investment Project Financing | FY 2018 | Seq No: 3 | ARCHIVED on 09-May-2019 | ISR35025 |

Implementing Agencies: Ministry of Agriculture, Irrigation and Water Development, Malawi Roads Authority, Ministry of Finance, Economic Planning and Development

Key Dates

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Bank Approval Date: 07-Apr-2018

Effectiveness Date: 25-Apr-2018

Planned Mid Term Review Date: 19-Aug-2019

Actual Mid-Term Review Date: --

Original Closing Date: 31-Dec-2019

Revised Closing Date: 31-Dec-2019

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

To improve the productivity of small-holder farmers and market access of selected commodities for small-holder farmers in Selected Districts of the Recipient's territory

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

No

Components

Name

Sustainable Agricultural Productivity and Diversification:(Cost \$17.21 M)
 Improvement of Roads Infrastructure for Market Access:(Cost \$30.64 M)
 Institutional Capacity Building for the Implementation of the National Agricultural Investment Plan (NAIP):(Cost \$4.49 M)
 Project Coordination and Management:(Cost \$2.66 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Moderately Satisfactory	● Moderately Satisfactory
Overall Implementation Progress (IP)	● Moderately Satisfactory	● Moderately Satisfactory
Overall Risk Rating	● Substantial	● Substantial

Implementation Status and Key Decisions

Generally, implementation of project activities has started on a good note and the project facilitation team has conducted sensitization and awareness campaigns involving all implementing agencies, district councils and beneficiaries. All the necessary preparatory activities to allow the project kick off especially under component 2 (improving rural roads Infrastructure) have been completed. However, the project faced challenges related to delayed disbursement of funds to implementing agencies and late opening of operating accounts for the Agricultural Development Divisions (ADDs) and District Councils. Although there were some improvements in the time it is taking to finalize a payment process, the mission noted that there is still room for improvement to shorten the payment approval process further and improve on disbursement. The delays in payment



processing affected timely distribution of inputs for demonstrations. The project disbursed about USD14.5 million which represents a disbursement rate of 26.4 percent of the project's total cost. To date, USD 7.141 million has been expended and this represent utilization rate of 13 percent of total project cost and 23 percent of the planned budget for the 2018/19 season. The closing date of the project is December 31, 2019.

The key actions agreed during the mission include the following:

1. Government, through Ministry of Agriculture, Irrigation and Water Development, should decentralize procurement of inputs for demonstration not later than July 1, 2019.
2. In order to draw lessons from the 2018/19 FISP programme as an input into the upcoming season, Government was requested to prepare and submit terms of reference for the evaluation of 2018/19 Farm Input Subsidy Programme by March 15, 2019.
3. The project has been supporting the Ministry of Agriculture to review the extension policy and develop a new strategy. This was one of the retroactive activities that started in ASWAp SP I and carried over to this new project. Although the review of the policy and development of the strategy was completed and validated, it has taken time to incorporate the comments. The Ministry of Agriculture was urged to complete, disseminate and launch the National Extension and Advisory Services Strategy by March 30, 2019.
3. Government through the Ministry of Agriculture, Irrigation and Water Development should seriously work on reducing payment processing time to allow timely implementation of the project. The mission was informed that the Ministry developed a strategy to improve delayed payment processing. It was noted during the mission that there were some improvements but not enough to accelerate implementation. The mission urged the Ministry to further review the process and identify areas where they could improve the payment system to be more efficient by May 15, 2019.
4. Government through Roads Authority were urged to complete screening for all roads and finalize all ESMPs/RAPs for review and approval before commencement of works. The exercise was not completed on time due to failure by District Councils to follow agreed road selection criteria which delayed all the subsequent activities. In addition, RA was advised to compensate all PAPs before commencement of road works where PAPs are identified.
5. Under the Component 2 (Improved Road Infrastructure), it was agreed that funds will flow direct to the District Councils but will require that finance staff are trained before funds start flowing. The arrangement was that while the ASWAp SPII will train contractors, the Rural Road Improvement Program (RRImP) financed by EU, will train government staff including staff in the finance departments in the councils. while the accounts are ready, the finance staff have not yet been trained. The Task Team engaged the EU who committed to undertake the trainings as soon as possible to allow funds flow and avoid disrupting implementation.
6. Failure by District Councils to follow agreed road selection criteria delayed processes of road selection, screening and designs which in turn affected the procurement of contractors. This has since been resolved and RA launched tenders and closing date was on March 22, 2019. Implementation of the works is expected to commence in April 2019. In order to avoid further delays, RA was urged to intensify supervision and avoid any slippages. In compliance with the advice to strengthen supervision, the RA have recruited four individual consultants and are procuring supervision consulting firms.
7. The Ministry of Agriculture has now completed production of 322 maps, with major elements for 25 districts (except Likoma and Mzimba districts) and 48 maps for trace elements for 12 districts using data disaggregated at Extension Planning Area (EPA) level. Area specific fertilizer recommendations have been developed and validation trials for area specific fertilizers being conducted. This is a good development considering the time it has taken to produce these maps which will shape the future of agriculture in the country. However, the maps have not been widely disseminated to stakeholders in the sector. The task Team agreed with government that the dissemination road map shared during the mission will guide the finalization of soil maps and this exercise will be completed by June 2019.

Risks

Systematic Operations Risk-rating Tool

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



Stakeholders	● Moderate	● Moderate	● Moderate
Other	--	--	--
Overall	● Substantial	● Substantial	● Substantial

Results

PDO Indicators by Objectives / Outcomes

To improve the productivity of small-holder farmers and market access of selected commodities				
▶Number of agricultural marketing centers connected by rehabilitated roads. (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	100.00
Date	31-Oct-2017	24-Sep-2018	12-Mar-2019	30-Apr-2020
Comments:	The road works have not started as RA is evaluating bids for contractors. Works are expected to commence on April 1, 2019			
▶Farmers reached with agricultural assets or services (Number, Corporate)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	81,444.00	300,000.00
Date	31-May-2018	24-Sep-2018	12-Mar-2019	30-Apr-2020
▲Farmers reached with agricultural assets or services - Female (Number, Corporate Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	43,717.00	150,000.00
▶Increased volume of production of selected agricultural commodities from targeted district. (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	20.00
Date	31-Oct-2017	24-Sep-2018	12-Mar-2019	30-Apr-2020

Intermediate Results Indicators by Components

Sustainable Agricultural Productivity and Diversification				
▶Farmers adopting improved agricultural technology (Number, Corporate)				



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	255.00	150,000.00
Date	31-Oct-2017	24-Sep-2018	12-Mar-2019	30-Apr-2020
▲Farmers adopting improved agricultural technology - Female (Number, Corporate Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	85.00	60,000.00
▲Farmers adopting improved agricultural technology - male (Number, Corporate Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	170.00	90,000.00
▶Yield increased for selected commodities in targetted districts. (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	30.00
Date	31-Oct-2017	24-Sep-2018	12-Mar-2019	30-Apr-2020
Comments:	Measurement not done as the crop is still in the field. this will be reported in the next report			
▲Yield increased for improved maize varieties in targetted districts. (Percentage, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	20.00
Date	31-Oct-2017	24-Sep-2018	12-Mar-2019	30-Apr-2020
▲Yield increased for bananas in targetted districts. (Percentage, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	40.00
Date	31-Oct-2017	24-Sep-2018	12-Mar-2019	30-Apr-2020
▲Yield increased for ground nuts in targetted districts. (Percentage, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	35.00
Date	31-Oct-2017	24-Sep-2018	12-Mar-2019	30-Apr-2020
▲Yield increased for sweet potatoes in targetted districts. (Percentage, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	30.00
Date	31-Oct-2017	24-Sep-2018	12-Mar-2019	30-Apr-2020



►Increased soil organic matter content in targetted areas with CSA practices (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	0.00	0.00	1.20
Date	31-Oct-2017	24-Sep-2018	12-Mar-2019	30-Apr-2020
Comments:	Note yet measured as this is the first year of implementation			

Improvement of Roads Infrastructure for Market Access				
►Roads rehabilitated (Kilometers, Corporate)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	1,200.00
Date	31-Oct-2017	24-Sep-2018	12-Mar-2019	30-Apr-2020
Comments:	Civil works not yet started but it is expected to start on April 1, 2019			
▲Roads rehabilitated - rural (Kilometers, Corporate Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	1,200.00
▲Roads rehabilitated using Low Volume Seal technology (Kilometers, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	84.00
Date	31-Oct-2017	24-Sep-2018	12-Mar-2019	30-Apr-2020
▲Roads rehabilitated using Labour Intensive Methods (Kilometers, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	1,116.00
Date	05-Oct-2017	24-Sep-2018	12-Mar-2019	30-Apr-2020
▲Roads rehabilitated - non-rural (Kilometers, Corporate Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	0.00
►Beneficiaries of job-focused interventions (Number, Corporate)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	12,000.00



Date	05-Oct-2017	24-Sep-2018	12-Mar-2019	30-Apr-2020
▲Beneficiaries of job-focused interventions - Female (Number, Corporate Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	6,000.00
▶Percentage change in motorized traffic volume on targeted rural roads. (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	50.00
Date	05-Oct-2017	24-Sep-2018	12-Mar-2019	30-Apr-2020

Institutional Capacity Building for the Implementation of the National Agricultural Investment Plan (NAIP)				
▶Number of staff trained (long term training – diploma and MSc) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	20.00	220.00
Date	05-Oct-2017	24-Sep-2018	12-Mar-2019	30-Apr-2020
Comments:	Students are still in college in their second and final year of study			
▶M&E System for the NAIP in place (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	05-Oct-2017	24-Sep-2018	12-Mar-2019	30-Apr-2020
Comments:	Consultant to develop the system was recruited and full development is expected by end of June 2019			
▶Joint sector reporting mechanism for the NAIP in place (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	05-Oct-2017	24-Sep-2018	12-Mar-2019	30-Apr-2020
Comments:	The first draft JSR report has been prepared and a JSR meeting which was scheduled for end February is now planned in March 2019			

Project Coordination and Management				
▶Intended Beneficiaries that are aware of project information and project supported investments (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	0.00	40.00	60.00	80.00
Date	05-Oct-2017	24-Sep-2018	12-Mar-2019	30-Apr-2020
► Grievances registered and responded to within agreed specified time (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	No	Yes
Date	05-Oct-2017	24-Sep-2018	12-Mar-2019	30-Apr-2020
Comments:	GRM manual has been prepared but is yet to be rolled out			

Overall Comments

Most of the indicators are still below the targets largely because the project is in its first year of implementation and most indicators will be recorded at the end of the growing season.

Data on Financial Performance

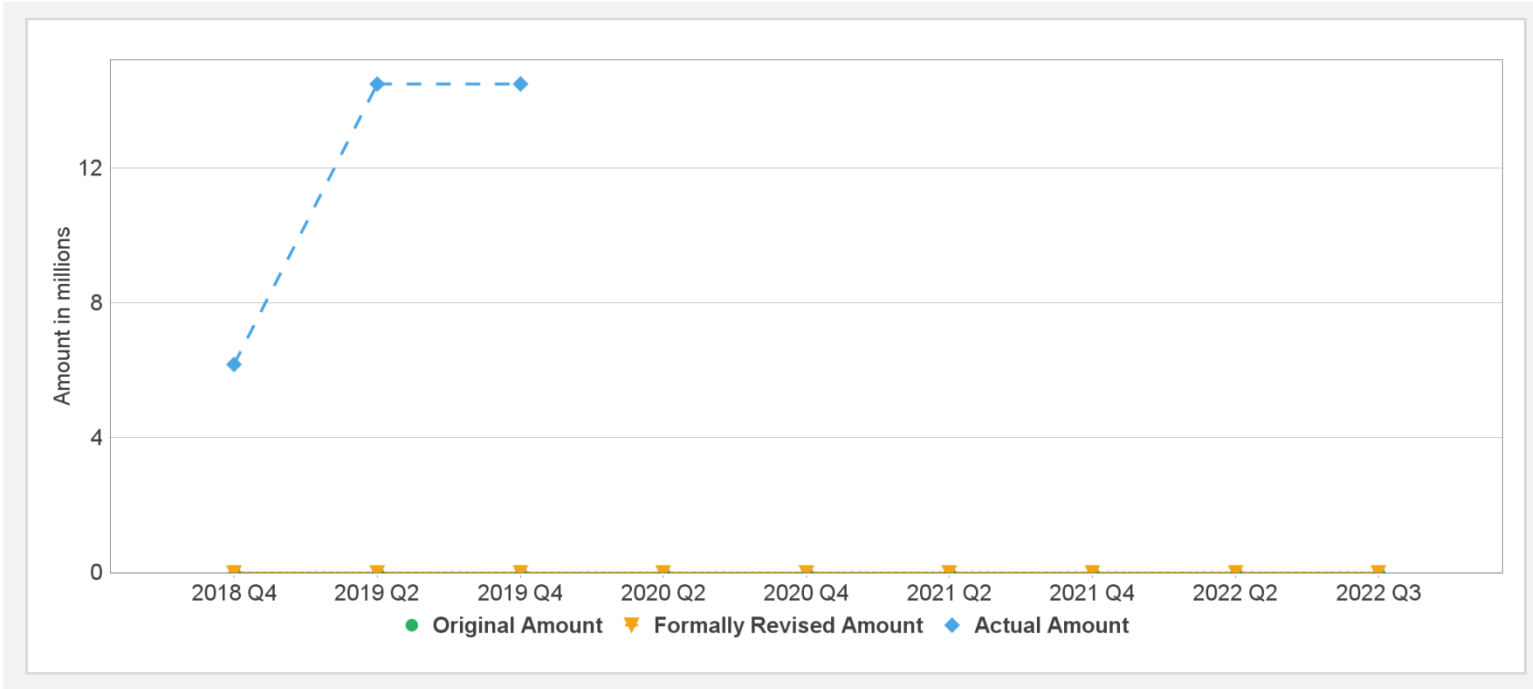
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P164445	TF-A7166	Effective	USD	35.00	35.00	0.00	0.00	35.00	0%
P164445	TF-A7167	Effective	USD	20.00	20.00	0.00	14.50	5.50	73%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P164445	TF-A7166	Effective	13-Apr-2018	13-Apr-2018	25-Apr-2018	31-Dec-2019	31-Dec-2019
P164445	TF-A7167	Effective	13-Apr-2018	13-Apr-2018	25-Apr-2018	31-Dec-2019	31-Dec-2019

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.