

Scottish Government

Malawi Development Programme 2015-2018

Mid Year Report – Part 1 of 2

This narrative report should be submitted together with your updated logframe and financial report.

PLEASE READ ATTACHED GUIDELINES BEFORE COMPLETING THE FORM

1. Basic Project Information		
Complete the information below for management purposes. Please indicate in the relevant section whether any changes to your basic project information (e.g. partners, geography, project dates or budget) have occurred during this reporting year. Explanations should be provided in section 3.		
1.1	Project Number	Reference M/15/S/017
1.2	Reporting Year	From: 01/04/2016 To: 30/09/2016
1.3	Project Year (e.g. Year 1)	Year 2
1.4	Name of Organisation (Grant Holder)*	Lead (Grant Holder) Oxfam Scotland
1.5	Name of Partner(s)*	Oxfam in Malawi, Churches Action in Relief and Development (CARD) and Catholic Development Commission in Malawi (CADECOM).
1.6	Name of Project*	Improved livelihoods for 3,000 poor farmers and their families in rural Malawi.
1.7	Project Description*	<p>This project aims to address the inter-related challenges of economic insecurity and access to energy, to reduce levels of poverty for a target group of 3,000 rural poor households (1,800 of which are headed by women) based in the districts of Mchinji, Lilongwe and Rumphi. In total the project is improving the lives of more than 13,800 people (8,280 are women and girls).</p> <p>Planned Outputs</p> <ol style="list-style-type: none"> 1. As a result of training on sustainable resource management and installing solar units and irrigation sites, 500 farmers (300 of whom are women) will be able to improve their crops and increase production. 2. Start-up solar power units will enable an additional 1,000 farmers (600 will be women) to start adding value to their produce and become linked to commercial buyers and reliable markets. 3. A further 1,500 farmers (900 being women) will develop small scale business enterprises using solar power. 4. We are working with the Government of Malawi to formulate a legal framework governing the use of

		renewable energy.	
1.8	Project Country/ Region*	Malawi (Lilongwe, Mchinji and Rumphi Districts)	
1.9	Project Start & End Date*	Start: 01/04/2015 End: 31/03/2018	
1.10	Total Project Budget*	£ 598,767	
1.11	Total Funding from IDF*	£ 598,767	
1.12	IDF Development Priorities Please tick the box next to the development priority/priorities that your block grant aims to address	<input type="checkbox"/> Health <input type="checkbox"/> Education <input type="checkbox"/> Civic Governance <input checked="" type="checkbox"/> Sustainable Economic <input checked="" type="checkbox"/> Renewable Development Energy	
1.13	Supporting Documentation Check box to confirm key documents have been submitted with this report	Proposed Revised Logical Framework, if applicable (see Q3.2) *We are not proposing changes to our logframe in this reporting round, but submitting the current logframe revised according to Scottish Government feedback following the Year 1 End Year Report.	<input checked="" type="checkbox"/>
		Annex 2 Mid Year Financial Report	<input checked="" type="checkbox"/>
		Annex 3 Re-profiled Year 2 budget	<input checked="" type="checkbox"/>
		Annex 4 Revised Year 1 End Year Financial Report	<input checked="" type="checkbox"/>
		Annex 5 Proposal budget	
		Please list any further supporting documentation that has been submitted	Other, please detail
1.14	Response to Previous Progress Reviews	<p>Scottish Government's comments on previous reports (state which report): M/15/S/017 End of Year 1 Report.</p> <p>Please note, The Scottish Government have returned several sets of questions following our submission of End of Year 1 report on 30 April. Oxfam has returned responses to questions each time the Government has given further feedback. Some examples are:</p> <p>Logframe: I note that some information is still missing (OCI 3 Baseline, and Milestone 1 achievements and OPI 2.2. all Milestones). Please confirm when this</p>	<p>Action taken since the last report:We have included the missing information in the logframe and we are submitting the revised logframe with this report.</p>

		information will be available.	
		<p>£11,645.05 Underspend</p> <p>I note what you say, and can confirm that I am content that these funds are carried over in order to complete the installation irrigation equipment. Please provide a re-profiled budget taking this into account.</p>	Re-profiled Year 2 budget is attached as Annex 3
		<p>CARD vehicle maintenance costs</p> <p>I note what Oxfam says regarding the need for repairs to the vehicle. However, if the vehicle was supplied by Oxfam Malawi I'm assuming that they knew of the state of repair it was in, so this raises the question of why maintenance costs weren't considered when budgeting for the project. There is also the question of how CARD will finance the maintenance of the vehicle in years 2 and 3, as the budget only allows for £800 per year for these costs. Please provide further information on both these points.</p>	<p>In response to Scottish Government feedback we reviewed financial reporting on CARD vehicle maintenance costs and discovered:</p> <ol style="list-style-type: none"> I. The vehicle had required substantial maintenance and costs of repairs and equipment has risen beyond levels anticipated at proposal stage. II. The vehicle is used by CARD for several different donor funded projects. The Scottish Government contract has been charged excessively in 2015/16 so we suggested charging higher costs to other donor funded projects for the subsequent years, avoiding an overall overspend on this budget line. However Scottish Government responded on 15 October 2016 by saying that this is not acceptable, that costs must be recharged appropriately to the different donor projects and the Year 1 budget revised accordingly. <p>Since the accounts for</p>

			<p>the financial year 2015-16 are now closed down, it will be extremely difficult to alter accounts in retrospect. We request to discuss this further with the Scottish Government at a forthcoming face-to-face meeting.</p>
		<p>Not broken down – Oxfam costs</p> <p>I look forward to receiving this information in the near future, however should say that I'm somewhat surprised that Oxfam does not have this information hand.</p>	<p>The not broken down Oxfam costs were wrongly coded in the End of Year 1 financial report. They relate to partner costs that were supposed to be charged under Output 4 for policy and legal research but instead were coded under running costs. We conducted the research on renewable energy and carried out a few meetings for validation and consultation with some stakeholders. We have revised the End of Year 1 financial report to this effect, and attach it for your reference as Annex 4. Please note this also affects the underspend of £4,500 previously reported under Output 4 in the End of Year 1 report. Since £2,682 was spent under Output 4 in Year 1, only £1,818 was carried forward to the same budget line in Year 2 rather than £4,500 as previously discussed with Scottish Government. Please see the re-profiled budget for Year 2 attached as Annex 3 showing these changes.</p>
		<p>Could I ask whether or not you had contacted ██████ regarding ██████ regarding Malawian Renewable Energy policy, as suggested in my feedback?</p>	<p>Yes, he was one of the stakeholders who was consulted during the research study and the research validation workshop. The Scottish Government was given</p>

			feedback to this question by email on 7 October 2016.
1.15	Date report produced	Produced 30 October 2016 (submitted to Scottish Government 4 November 2016 due to delays in reporting process).	
1.16	Name and position of person(s) who compiled this report	<ul style="list-style-type: none"> • [REDACTED] xfam. • [REDACTED] • [REDACTED] Officer, Oxfam. • [REDACTED] Programme • [REDACTED] Oxfam. • [REDACTED], Catholic Development Commission (CADECOM) • [REDACTED] Churches • [REDACTED] Action in Relief and Development • [REDACTED] Oxfam. • [REDACTED] Oxfam. 	
1.17	Main contact details for project, if changed	No change on the contact details.	

Signed by [REDACTED]

Date 04/11/16.

Designation on the Project [REDACTED]

MANAGER.

2. Progress and Results

This narrative report on project performance and results will be reviewed together with your revised and updated Logical Framework. See Guidelines (Annex 1) for details.

2.1 Changes to Project Status

Has the focus or delivery of your project changed significantly over the last six months? If so, please explain how and why, and attach copies of all relevant correspondence with the Scottish Government.

Neither the focus nor delivery of the project has changed since the last report. In terms of relevance, the project has been responsive to current challenges affecting local communities. As reported in the May 2016 MVAC assessment results, the effects of climate change including the El Niño weather pattern continues to manifest in the 2016/17 growing season. Furthermore, the Ministry of Agriculture has estimated further reduction in yields of crops under rain-fed agriculture. As such, the idea of helping project participants with irrigation remains the only viable alternative for building resilience for these farmers to cope with household food insecurity, especially during the lean months (December to March). The promotion of natural resource management through the VNRMCs has also come at the right time since communities continue to experience climate change effects and these are exacerbated by poor management of natural resources. In addition, other sources of finance including Village Savings and Loans (VSL) groups and small-scale solar-based businesses like barbershops and

	<p>video screenings, which are being promoted by the project, have helped to provide more opportunities for income generation. This is contributing to improved income levels and sustainable livelihoods of project participants, the majority of whom are women. In Lilongwe and Rumphi, the project has engaged local people as solar agents who are responsible for buying solar gadgets at wholesale price and selling them to the communities at a retail price. These agents are also beneficiaries and focal persons who act as distributors of solar gadgets; they are a link between the communities and the solar suppliers. Engaging solar agents throughout the project impact areas has improved the livelihoods of the project participants through access to solar lighting which has increased the number of productive hours available to project participants and in turn brings returns to those who are agents. The project's advocacy component also remains relevant as communities have shown willingness to engage more with duty bearers and service providers to enhance their access to renewable energy and other services, and effect change for sustainable livelihoods.</p>	
2.2	<p>Changes to the Logical Framework If changes have been made to the logframe since the previous financial year please describe these below. Please also provide evidence (e.g. copies of correspondence) that these changes have been agreed with the Scottish Government. If you would like to make changes to your logframe, but these have not yet been approved by the Scottish Government, please describe and justify in detail the requested changes below – and highlight the proposed changes in the revised logframe.</p>	
	<p>Result Area/ Indicator</p>	<p>Proposed/ Approved Change (please clarify and evidence below)</p>
	<p>The changes remain as indicated in the previous report.</p>	
2.3	<p>Baseline Data (for first 6 month report only) Please confirm that your baseline is now complete (this is a requirement of the IDF). Please attach the full baseline report. If baseline data is not available please provide an explanation.</p>	
	<p>Not Applicable</p>	
2.4	<p>Project Progress and Results In the table below, please provide a summary of the key areas of progress and results achieved over the last 6 months, <u>for each project output and outcome</u>. Describe in brief any delays or other challenges that you have experienced and how these have been addressed, and provide information about any unexpected results.</p>	
	<p>Output/ Outcome</p>	<p>Summary of Progress and Results</p>
	<p>Outcome: Poor households in Mchinji, Lilongwe and Rumphi will have improved livelihoods through the provision of, and training in, renewable technologies for irrigation, value-addition and enterprise development by 2018. 60 per cent of the households will be female headed.</p>	
	<p>1.1 Number of households reporting a percentage increase in annual income as a result of this project.</p>	<p>Detailed information will be collected during a household survey planned for the second half of the financial year (Mid-term Evaluation).</p>
	<p>1.2 Number of households</p>	<p>Detailed information will be collected during a household survey planned for the second half of the financial year (Mid-term</p>

reporting an increased availability of food at household level as a result of the project	Evaluation).
1.3 Number of project committees formed and functional	<p>The project has so far managed to set up and support the following groups:</p> <p>VNRMCs; Total 9 groups (5 in year 1 and 4 in year 2) Value addition: Total 12 groups (9 in year 1 and 2 in year 2) currently only 2 groups have started value addition Business groups total 25 groups (19 in year 1 and 6 in year 2) VSLAs, total 48 groups, 38 groups in year 1 and 10 new groups in year 2.</p>
<p>Output 1 Production and Land Management: 500 households (300 will be female headed households) in Mchinji, Lilongwe and Rumphi have access to solar-powered irrigation, improved natural resource management and better markets enabling increased agricultural yield by 2018.</p>	
1.1 Number of farmers reporting percentage increase in agricultural yield as a result of irrigation through renewable energy.	<p>Since its inception, the project has constructed three irrigation sites: one in each of the three districts of Lilongwe, Rumphi and Mchinji. Two of the schemes are operational with a total of 88 farmers currently benefiting from the irrigation.</p> <p>In Lilongwe, the project has successfully installed solar powered irrigation in Ndawala village under group village headman [REDACTED]. Here, 41 farming households (30 of which are female-headed households) are taking part in irrigation farming. All of these farmers have planted hybrid maize seed which they intend to harvest by December 2016. In total in Lilongwe 2.7 hectares is under irrigation. We will therefore not know the percentage increase in crop yield until later in Year 2.</p> <p>In Rumphi, the scheme is currently being finalised and is expected to be completed in the next two weeks so that farmers can start planting vegetables as they earlier agreed. 85 farming households, (45 of which are female-headed households) are expected to benefit from this irrigation scheme. The delay was primarily because the contractor proposed a change in design from using canals to submersible pumps. This is recommended in this particular part of Lilongwe district to minimise surface water loss. Furthermore maintaining canals carries additional cost.</p> <p>In Mchinji, the project has developed a Kayembe solar powered irrigation scheme which is now in operation. This scheme serves a total of 47 farmers (28 of whom are female). Farmers are growing different types of high-value crops to realise higher incomes. These crops are onions, Irish potato, tomatoes, beans and green maize. Beneficiaries will start harvesting these vegetables from December 2016. Percentage increase in yields will be measured during the Mid-term</p>

		<p>Evaluation.</p> <p>In the End of Year 1 report, it was reported that the Mchinji scheme had 125 participating households and the Rumphi scheme had 325. The same figures have not been maintained this year because some beneficiaries dropped out as the available water could not support all the people with irrigation. The El-Niño and subsequent drought in Malawi this year has had a lot of negative effects on availability of water. Water sources have become severely depleted and many have dried up. The available funds within the project budget could not support exploring other water sources such as underground water through drilling boreholes. The irrigation schemes have the capacity to serve larger numbers of farmers, however the conditions this year have been unusually harsh. We would expect larger numbers of farmers to use the schemes in more favourable conditions in future. The farmers mobilised last year continue to take part in other activities such as VNRMCs.</p> <p>Two new irrigation sites have been identified as targets for Year 2 and feasibility study assessments are currently underway. Currently, the project is working on these additional two schemes. The total number of beneficiaries to be reached in these new sites will be fully determined after the feasibility studies have been concluded. By the end of Year 2 there should be five irrigation schemes as a result of project intervention.</p> <p>Capacity building interventions on group dynamics and mobilisation have also been conducted with the irrigation scheme farmers. Specific trainings on agronomical practices, crop layout, conservation agriculture, manure making and other modern agricultural practices training sessions were conducted in all three districts during the reporting period, targeting 197 farmers (126 of whom are women). More training sessions are planned for the next six months and we are on track to reach the target for this year.</p>
	<p>1.2 Hectarage of land under irrigation using renewable energy.</p>	<p>Currently, the project has a total of 7.7 hectares under irrigation against our milestone 1 target of 10 hectares. There are 5 hectares under irrigation in Mchinji and 2.7 hectares in Lilongwe. Once completed, the scheme in Rumphi is expected to cover 10 hectares of land under cultivation and will contribute to achieving our milestone 2 target of a further 20 hectares under irrigation. By the end of Year 2, we expect to have 17.7 hectares irrigated by three schemes, and a further two schemes under development. There is a high chance that the schemes under development will not be under irrigation this year, because the rainy season will start soon. It is unlikely to develop a scheme and irrigate it in the same year due to the extensive construction work that is required during scheme development. The sites which have been identified for construction in Year 2 will irrigate the following hectarage: Mchinji 5 Ha and Lilongwe 5 Ha.</p> <p>In the End of Year 1 report we reported that 5.9 hectares of</p>

		<p>land were planted with trees. Out of the trees that were planted last year, there has been a survival rate of 95% in Rumphu and 75% survival rate in Lilongwe. In Mchinji the survival rate has been 50%. In the last season the country received less rainfall. There was a lower survival rate in Mchinji because the drought was severe and the species were not very tolerant to drought. This year, we are looking at sourcing different species which have better survival rates.</p> <p>Though some saplings perished, 3.1 hectares are still covered. 2.2 hectares of land in Lilongwe and Rumphu have been planted with trees (cassia trees, fruit trees such as tangerines, oranges and mangoes and Mtangatanga). An additional 0.5 hectares have been left to regenerate. In Mchinji, 0.9 hectares have been planted with trees, such as fruit trees and other indigenous trees. In total, the project has now planted 3.1 hectares of land with trees, exceeding our activity level milestone target by this stage of the project.</p> <p>Within this implementation period, four new Village Natural Resource Management Committees (VNRMCs) have been established (one in Lilongwe, one in Rumphu and two in Mchinji). These have undergone capacity building in nursery management and how to manage natural tree regeneration woodlots. In addition to the newly established VNRMCs, the project has supported five VNRMCs which were established last year with 20 watering cans, seed and 22,000 polythene tubes. It is expected that 20,000 trees will be sown and out planted this season. The presence of the VNRMCs has increased adoption of natural resources management techniques by the communities and increased regeneration of natural forests. In total, the project has established nine VNRMCs since its inception, and has exceeded the activity level milestone target by this stage of the project.</p> <p>The work on linking farmers with markets is under way and this is mainly done by marketing sub-committees established within the project committees. The committees are currently searching for viable markets for the fresh produce in the field.</p>
	<p>Output 2: Value Addition Technology</p>	<p>1,000 households (600 will be female headed households) in Mchinji, Lilongwe and Rumphu have access to renewable technologies, improved technical skills and suitable markets adding value to their production by 2018.</p>
	<p>2.1 Number of farmers adopting a minimum of one "value addition technology" using renewable energy to add value to their produce.</p>	<p>In Lilongwe, 64 beneficiaries (44 of whom are female) have been supported with value addition technology. This group has been supported with a solar powered soya bean processor. The beneficiaries will be producing soya flour which they will be selling within their localities and exploring market opportunities in the urban locations of Lilongwe. The other two groups formed last year will be supported later in this financial year.</p> <p>In the current reporting period, no group in Rumphu district has been supported with value addition equipment. The six groups (300 people, 180 of whom are female) formed in last financial year will be supported in the second half of this year as during this reporting period the project concentrated on the irrigation</p>

	<p>A further 400 farmers (240 will be female farmers) adopting technologies</p>	<p>activities in this district.</p> <p>In Mchinji, one solar powered value addition machine for production of peanut butter has been installed at Kasekese Cooperative which now has 40 farmers (31 of whom are female). There is a reduction in the number of members from 88 as reported in the last report because a few members did not agree to the rules/constitution that were set by the group, especially on the value of the shares and start up contribution. The complete set for the installed machinery comprises of solar panels, peanut butter processing machine, batteries and an inverter.</p> <p>Two more associations have now been formed in Mchinji which will also be supported with the processing equipments. These are Luso Association: 98 farmers (68 of whom are female) and Tiyanjane Association: 25 farmers (15 of whom are female).</p> <p>Total number of farmers currently participating in value addition technologies across all districts by the end of September 2016 is 104. Later in Year 2 the associations formed in Mchinji (123 farmers) and the six groups in Rumphu (300 farmers) will be equipped with value addition technology bringing us on track to achieve our milestone target of 600 farmers by the end of Year 2. The numbers are behind for this activity because partners experienced delays in procuring value addition equipments as they were also more focused on establishing the irrigation sites during this reporting period.</p> <p>In terms of training, the two groups in Mchinji and Lilongwe have been trained on how to use the value addition equipment. In Lilongwe 75 members (55 of whom are female) have undergone a series of training sessions in business management to prepare them as they start the agri-business using the solar powered processing machines. In Kasekese Farmers Cooperative, 40 members have been trained in business management in order for them to effectively operate and manage their solar powered Peanut Butter unit.</p>
	<p>2.2 Quantities of commodities which have been produced using renewable energy and "value addition technologies</p>	<p>Kasekese Cooperative has started producing peanut butter and have already brought their product to market. 109 bottles of peanut butter have already been produced, each weighing 500 grams, meaning 54.5 kilograms have been produced in total. To showcase their product, they participated in the National Agriculture Fair 2016 which took place in Blantyre from 8-10 September 2016 and another fair which took place in Mchinji District in late September 2016.</p>