

**AIDE MEMOIRE****Malawi****Implementation Support Mission for the  
Irrigation, Rural Livelihood and Agricultural Development Project****P084148****April 28 – May 2, 2014****INTRODUCTION AND ACKNOWLEDGEMENTS**

1. The Joint World Bank and Government of Malawi (GOM) team undertook an implementation Support Mission<sup>1</sup> for the Malawi Irrigation, Rural Livelihoods and Agricultural Development Project (IRLADP). This is the second last formal implementation support mission for the project and will be complemented with a week of field visits and discussions on the planning of project closure and ICR requirements from June 30-July 4, 2014. The mission took place 8 months before scheduled project close on December 31, 2014.

2. The mission reviewed implementation progress of the project, and supported planning activities for next year. Specifically, the mission: (a) reviewed implementation progress, (b) took stock and drew lessons of this year's activities for implementation in the remaining months for the project, (c) reviewed procurement and financial management, (d) concluded the process that started on financial and activity planning for project phase-out, and (e) prepared for lessons learned documentation and the ICR. As before, in an effort to consolidate and harmonize the World Bank's support to the agriculture portfolio, the discussions sought to strengthen synergies between activities under IRLADP and the Agricultural Sector Wide Approach Support Project (ASWAp-SP).

3. The mission held detailed discussions on critical elements of the project jointly with the Government team including key staff from implementing departments such as Planning Division, Agricultural Extension, Land Resources Conservation, Crops, Research (MoAFS), the Department of Irrigation (MoWDI), and the Project Coordination Unit (PCU). The World Bank Team appreciates the support and cooperation it received from Government of Malawi and the Project Coordination Unit during mission discussions. This Aide Memoire presents the key issues discussed and agreed upon during a wrap-up meeting held on May 12, 2014 at the Ministry of Agriculture and chaired by Dr. Jeff Luhanga, Secretary for Agriculture and Food Security.

4. This Aide Memoire focuses on actions based on implementation progress as reported for April 2014 and sets out an action plan to address identified implementation challenges for the remaining eight months under the project. A more detailed description of progress is provided in the Project's progress report, Annex 3. The next and last implementation support mission is tentatively planned for October 2014.

**CONTEXT**

5. Since the additional financing and upscaling of the project approved in July 2012, the PDO was revised and is to (i) increase agricultural productivity of poor rural households in all districts; and (ii) strengthen institutional capacity for long-term irrigation development.

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<sup>1</sup> The mission was led by Pieter Waalewijn (Sr. Water Resources Specialist, TTL) from the World Bank and other members of the World Bank team included Messrs Olivier Durand (Senior Agriculture Specialist, TTL for ASWAp-SP), Steven Mhone (Procurement Specialist), Trust Chimaliro (Financial Management Specialist), Francis Samson Nkoka (Disaster Risk Management Specialist), and Zion Kansinde (Team Assistant).

6. Alongside this change, the number and names of components were revised to provide clarity to project structure, and to add a component on contingency financing, which will allow for rapid response in future emergencies: The revised project has 5 components: (i) Irrigation Rehabilitation and Development and Catchment Conservation; (ii) Farmer Services and Livelihood Fund; (iii) Institutional Development and Capacity Enhancement; (iv) Project Coordination, Monitoring and Evaluation; and (v) Contingency for Disaster Risk Response.

7. The last mission rated overall achievement and implementation progress as satisfactory. Last mission's action plan was reviewed, the drafts for the Annual Work Plan and Budgets were discussed, procurement progress was assessed and importance of sticking to deadlines was emphasized. While the project maintains a satisfactory rating there are some concerns on delays in sub-activities and in general pace of procurement.

## KEY FINDINGS/PROGRESS OF IMPLEMENTATION

### General findings

8. The mission achieved all of its objectives. Implementation progress was acceptable in general, and all major works procurements have been concluded. IFA planning for the next season is well advanced and plans have already been drawn up for a final IFA later in the year. Institutional support is progressing as planned, and the strategic new assignment developing the irrigation master plan and investment framework. Delays were observed particularly in the procurement of studies for Shire Valley Irrigation Project, pipeline feasibility studies for medium and small scale irrigation, technical assistance to FBOs and facilitation of farmers' access to weeders to support row planting and SRI. Also, a number of districts delayed finalization of works under last IFA season. Overall, the PCU has been effectively managing the project's activities.

9. Disbursement rate including commitment is at 90%, although there is still some 4% as balance in the Project's Designated Account. Next IFA will absorb in procurements alone over US\$ 3 Million. The draft plans for the remaining activities for the Work Plan and Budget were discussed during the mission in quite some detail and projections were made including on "near commitments", "planned activities" and contingencies and availability of funds for the final IFA. If project implementation pace is maintained as planned, it is expected that the disbursement will be 100% by the close of the project. While it was already clear that SVIP preparatory studies cannot be completed during the remaining project period, all other studies and works are scheduled to be completed. In terms of achievement of project outputs and outcomes, the project is well set to achieve all of its objectives, and in many cases quantitatively already overachieved, including on number of beneficiaries, where the project has reached more than 677,000 beneficiaries, significantly above the target of 500,000. The last season IFA benefitted 48,410 households. With the IFA program targeting another 2 cycles before project closure this figure will grow further by about another 120,000. The focus will need to remain on consolidation and sustaining those gains during the remainder of the project and beyond. Against this overall backdrop the Bank rates performance against overall PDO and Implementation Progress as Satisfactory. Updates of the overall performance ratings and indicators for Results Framework are provided in Annex 1 and 2.

10. A number of critical elements need to be resolved urgently or continue to require close attention. This critically includes conclusion of all procurements and close contract management to ensure timely completion of all planned activities. The schedules for procurement that were developed last mission were not attained on a number of critical assignments which now have to be scaled down or run further into the proposed PPA for SVIP. More specific recommendations have been included in the component sections of this Aide Memoire.

### Component 1: Irrigation Rehabilitation and Development and Catchment Conservation

**11. Finalization of all ongoing contracts:** All schemes were finalized as planned, except for 2 SSIs where some corrective works are taking place. All schemes can be commissioned, and of the large schemes hand-over from Muona is being planned.

**12. Development of new SSI schemes and selected works on ex Smallholder Flood Plain Development Project sites:** Contracts were signed for all works on SSI and ex-SFPDP schemes, except for Kaombe in Nkhotakota, which was awaiting deliberations and will now be tendered. Participatory agreements were signed with all WUAs/communities specifying mutual contributions to the works. Contractors are mobilizing and since the longest duration contract is six months and most are shorter, if all goes as planned, all works can be completed well before the next rainy season. This will require close supervision. The supervising consultant has mobilized. The Project will require additional engineering capacity to support the supervising consultant and other ongoing irrigation works. The proposed short term expertise will need to be hired soon.

**13. Irrigation Master Plan and Investment Framework preparation:** The assignment is ongoing and the consultant presented early findings during the mission. This is a very strategic study and during the discussions it was noted that flow of information needs significant improvement. The consultant will need adequate information on current and planned irrigation and developments and key interim deliverables will need to be discussed during technical working groups, for instance on the irrigation typology and the ranking methodology, which are critical for the direction the investment framework will take. The Department is again requested to organize frequent consultations with stakeholders to ensure quality control and usefulness of the output for the broader sector.

**14. SVIP preparatory studies:** A specific preparatory mission was recently conducted for the Shire Valley Irrigation Project, in which institutional set-up, and all the preparatory studies were discussed in detail. These studies are still in various stages of procurement, and have delayed against the plans in the dashboard. While it was already clear these studies could not be completed under IRLADP, the remaining timeframe under the project is getting shorter, meaning that more financing will be required from the proposed PPA, which to date has not been requested. More details on the SVIP are recorded in the Aide Memoire for the SVIP preparation mission.

**15. Creation of an investment pipeline for future irrigation investments:** This assignment has been significantly delayed, so much that it is very unlikely that a quality output can be delivered. Since procurement has not yet been finalized, the mission recommended reducing the scope of work to feasibility studies only. This exercise will have to start soon if this is to be successfully concluded. Cancellation of detailed designs also means cancellation of the independent environmental and social impact assessments for the same schemes, as these require more detailed designs. Screening of the impacts will still be required by the design consultant at feasibility level.

**16. Catchment conservation:** The Department of Land Resources reported that about 50% of the total area of the identified erosion hotspots upstream of the irrigation schemes have been treated. The coming dry season will focus on implementation of the remaining area, which is an ambitious target. Given low disbursements under this subcomponent in the past, it was discussed that the department should early on and actively manage activities with the districts. In general, the hotspot approach has resulted in a focused approach. The consultancy on the reporting system has been completed, but the system is not yet in use by the Department. Several technical hitches were mentioned, but if the department is set on using this tool, it should ensure it is hosted and available to all staff anywhere. This is a simple step and should be implemented without delay.

**17. Livestock ponds and rainwater harvesting tanks:** These interventions were discussed, as the engineering quality and oversight of these ponds seems to have been inadequate. The department is planning another set of ponds using more cost effective methods. Quality control and proper sighting to reduce the amount of earth works is important. On the tanks, while it was early on in the project decided to no longer pursue the construction of tanks due to their unfavorable characteristics, there are a number of tanks constructed under the project that with little repairs can be used again by communities. The Project is to complete the inventory and support those communities where conditions are promising.

## **Component 2: Farmer Services and Livelihood Fund**

**18. Support to Farmer-Based Organizations (FBOs):** The mission has reviewed the draft report presented by the consulting firm “Millennium Consulting Group” on the impact evaluation of the IRLADP support to MICs and FBOs. The report is providing a good analysis of the sociology of the FBOs supported by IRLADP and is analyzing their strengths and weaknesses. On the impact analysis, the study is analyzing the outcomes of the project on FBOs’ members, on their productivity, incomes and food security situation. This analysis is however fairly theoretical not relying on the internal functioning of the FBO or concrete households measurements but on declarative data and perceptions provided by individual members interviewed by the consultants. The analysis is also looking at outcomes on which FBO approach is expected to have a medium and long term impact but which is out of the reach of the Project in the short term and might be difficult to clearly attribute to IRLADP.

**19.** The report is also missing an important dimension expected to be covered by the study (as described in the ToRs –Scope of work section – Task #2) which is an analysis of the FBO financial results, the viability and sustainability of the FBO activities. It would be interesting to get a detailed analysis of how the IRLADP grants have been used by categories of FBOs and activities (equipment, training, cash flow, etc.). Then the study should analyze what has been the impact of the different categories of grants on improving the financial results of the supported FBOs (Have profits increased and why? Have the quality of the FBOs services and production improved, resulting in better prices obtained on the market? Has the volume of activities increased? Etc.). This analysis should be based on the different categories of activities (dairy production, post-harvest operations, beekeeping, etc.).

**20.** The IRLADP team should revisit this part of the ToRs with the consultants and should check if required data have been collected to complete the analysis accordingly. If the FBO financial data are not available, options should be explored to quickly collect this information that is essential to really and precisely measure IRLADP impact on FBO progress. This more detailed financial analysis should be done by June 30, 2014 to ensure it can contribute to the overall IRLADP impact evaluation.

**21. Technical assistance (TA) to FBOs on management and accounting.** Unfortunately, this activity has not yet started and the procurement method has changed from selection on qualification, as suggested in the last aide-memoire, to selection on cost and quality which is not be the best option to select NGOs or local service providers. However, since the process has started, the mission recommends to proceed under the current QCBS method. This activity has now been seriously delayed and it while it should still be pursued, there will be need for follow up support beyond Project closure. To be viable and to have an impact on the FBOs’ results, the proposed TA should cover at least a one year cycle. Options to extend this activity beyond Project closure, using ASWAp-SP resources for instance, should be explored now.

**22. Rice productivity:** The Project supported the implementation of demonstrations on rice productivity increase techniques on all IRLADP supported schemes. A large range of techniques were demonstrated covering the use of improved varieties, mechanization for land preparation and weeding, nutrient

management, water management and system of rice intensification. These demonstrations are a positive contribution of IRLADP in addition to the rehabilitation or construction of the irrigation schemes. It confirms the importance of delivering technical support in complementarity with infrastructure development. It is now important for IRLADP to draw lessons from this experience both on the implementation dimension (as some demonstrations faced some issues on the ground) and on the results and relevance of the proposed techniques for farmers. It would be important for the Project to analyze in the coming months what techniques farmers are adopting or not, what are the impacts of these improvements, and what are the constraints to adoption if any.

**23.** On the rice seed strategy, the recommendation of the mission is to simplify the approach and to simply develop a plan of operation. It was suggested at the last mission that DAES should prepare a note to concretely describe the operational modalities for seed multiplication, including payment modalities, the organization and the roles and responsibilities of the various stakeholders involved in the rice seed production, including cooperatives and other FBOs. Some rice seed producers are now well connected with the Lifuwu research station and specializing in rice production. Quality is also clearly improving as confirmed by the very low rate of seed rejection by the seed services unit (<2%). Those seed producers should be at the center of a rice seed production network that would rely on professional cooperatives able to organize seed production, storage and sale to other interested farmers.

**24.** Many farmers confirmed their interest for cono-weeders and their willingness to buy this equipment. The Project has approached potential local manufacturers and will organize meetings with interesting farmers to help firm up contracts. On this equipment production as well, the mission recommends to keep the approach as simple as possible by establishing direct contractual relationship between cooperatives (and not WUAs) and manufacturers. The Project should facilitate the signing of cono-weeder purchase contracts where farmers will have to give a clear signal of their intention to buy with a down-payment so that fabrication by manufacturers can start.

**25.** IRLADP closure is approaching and it will be important to keep the momentum and existing achievements of those technology promotion initiatives. The Department of Research and the Department Extension should start exploring options to continue the most promising activities beyond IRLADP closure under the recently started Agricultural Productivity Program for Southern Africa.

**26.** Household approach pilots: Over the past 3 years this approach has been introduced and piloted on a small scale in Zomba District. The approach is receiving good feedback from beneficiaries and implementers. However, it will be important to document the key lessons learned on the content and the scalability of the approach. Can lessons be learned on longer term impacts, cost effectiveness as compared with other approaches, etc. This will be important information for DAES if it considers extending this approach to other areas.

**27.** Inputs for Assets: The Project is completing the recent rainfed IFA cycle, which benefited 48,140 beneficiary households, and preparations are in full swing for the 2014 dry season cycle. At the same time, in a number of districts there are still works outstanding from the large 2013 dry season IFA and also from last season, especially under the irrigation sub-projects. The focus by the Project has been on completing this outstanding works and districts that have underperformed are getting a smaller allocation in order to combat the backlog and to support good performance. It was agreed that in the impact evaluation the project also assesses the relative success in terms of productivity and diversification for the different input packages that have been tested over the last IFA cycles. The mission discussed the option to include a final IFA in September/October 2014 using savings under different components to further reach an additional 30,000

beneficiaries. This would require timely planning and anticipation in terms of site and beneficiary selection. It should be very well possible, and would further improve the achievement of the project development objective. Details on the proposed next IFA cycles are presented in the Project's discussion report.

### **Component 3: Institutional Development and Capacity Enhancement**

**28.** IMT and WUA support: During the last six months irrigation management at Likangala and Nkhate was officially handed over to the Water User Associations, this leaves Muona where discussions on asset transfer are still taking place. Also for the new SSIs and the ex-SFPDP schemes the training program and formal registration processes are ongoing, aiming at completing hand-over and IMT respectively within the remainder of the project. It is important that this exercise is fully harmonized with the works on the schemes. The legal consultant supporting the Project staff and the Ministry is following similar procedures as for the original sites in the scheme, and since there is now experience in districts and responsible Ministries, it is expected that this process will not see as many delays as the first set.

**29.** A detailed plan of action was developed in conjunction with works for ex-SFPDP sites, and this is an ongoing process. This program is implemented through Ministry staff, and will require close follow up to ensure milestones are being achieved. WUA training following earlier developed training manuals will be used, also for some of the SSI schemes that have not yet undergone this training.

**30.** WUA Services Unit functions: Institutional support to the irrigation sector in Malawi is one of the key objectives of the project, and as such the project supported incorporation of functions within DoI. Over the project period, titles have changed, and it was discussed whether the focus on WUAs has not been diluted. It is recommended that DoI internalizes the implementation of the WUA Monitoring Framework and assigns specific individuals with this regular task, which is important to monitor and safeguard long term performance of schemes under WUA management.

**31.** Hands on irrigation course for staff and graduates: The hands-on irrigation course for DoI staff (mostly district based) is ongoing. The project was not successful in procuring a course development Technical Assistant, but is planning to recruit an expert to evaluate the first course and help develop the second course, which will focus on recent university graduates, rather than officials from the Ministry. The presentation by DoI informed that the irrigation training course is problem based. It was discussed and agreed that the participants should learn something different with more focus to practical and less theoretical knowledge. To ensure problem based approach the participants will be practically involved in feasibility assessment through designing of an irrigation scheme. Participants will be grouped and each team's design will be assessed and the best design will be implemented on the same with the participants participating in the implementation at a later stage. If well implemented, this approach would indeed be very suitable to tackle some of the practical issues observed in the field. The training should be evaluated and the subsequent training be updated.

### **Component 4: Project Coordination, Monitoring and Evaluation**

**32.** Procurement: Apart from some notably delayed procurements, progress has continued to be good in the procurement of goods, services and irrigation contracts under the project and due to this, the project rating has still been maintained as Satisfactory as key contracts have been signed, a procurement plan is in place and the Position of Procurement Specialist has been maintained. As the project is closing at the end of the year, the project has revised the Procurement Plan to take into account new procurements up to project closure. The Mission advised the project only to include activities that will be completed by December 31, 2013

(with the exception of SVIP studies that are bridging IRLADP and the PPA once it is in place) and of serious concern are consultancies on which extra effort is required.

**33.** Progress under various components of the project is as follows: Goods: Bids for supply and delivery of Maize Seed, Urea Fertilizer and NPK Fertilizer (2013 Irrigated crop production) were advertised on March 17, 2014 and April 2, 2014 respectively. Civil Works: Bids for construction of New SSI and rehabilitation of ex-SHFDP sites were advertised in March and April 2014. The Mission urges to closely monitor these contracts as slippage can easily lead to their non-completion by project closure. Consultancy Services: The mission noted that there are delays in processing of various consultancy contracts and there is little time for implementation of some of the studies. The project needs to seriously review scope of work proposed for these contracts and if the contracts cannot be completed during the current project, scope of work is to be reduced and resources can be used for other activities.

**34.** Procurement Post Review: The Bank undertook a PPR on 19 November, 2013 and a report of the findings was shared with the project. It was noted that there is compliance to procurement planning, bidding and evaluation reports are of good quality, record keeping was good with all documents on file, timely payments were made to contractors. However, there is need for timely advertising of awarded contracts. The overall risk rating for the project is low and there was no indication of corruption in the contracts that were reviewed.

**35.** Project Closure: As the project closes on December 31, 2014, the project must start planning for the orderly hand-over of all project equipment (vehicles, motor cycles, computers, office furniture, and documents) so that they continue to be useful to sustain the achievements of the project.

**36.** Financial management: The FM system of the project is rated Satisfactory and risk is Substantial. The project is current on all reporting requirements. The audited financial statements for the year ended June 30, 2013 were submitted on time and have a clean audit opinion. However there are a number of control and accountability issues summarized in the management letter. The project management should review and address the issues raised as recommended by auditors. Disbursement to date stands at \$97 million (83%) without commitments and \$104 million (90%) including commitments. It is expected that disbursement will be 100% by close of the project. The project is closing on December 31, 2014 and consequently all activities for which related expenses must be paid by IDA should be completed on or before December 31, 2014. The only exception is the cost of the audit which can be paid from IDA resources even though the audit will be taking place after closing date. The eligible cost of the audit does not include costs related to staff that will be preparing for the audit or otherwise assisting in the auditing process. This will mean that the Ministry must plan resources for carrying out the support functions for the audit as well as for the fiduciary staff to account for final payments after project closure.

**37.** The financial overview:

	Original Amounts		Current Provision			
			including gains	Disbursement To Date	Funds Available	%
Financing Sources	XDR	USD	USD	USD		
IDA H1900	27,600,000.00	40,000,000.00	42,752,952.00	42,750,656.60	2,295.40	99.99
COFN 04560	5,500,000.00	8,000,000.00	8,465,435.00	8,059,908.34	405,526.66	95.21
<b>Additional Financing I</b>						
IDA 48060 (AFI)	8,600,000.00	12,700,000.00	13,321,572.00	13,308,305.53	13,266.47	99.90
<b>Additional Financing II</b>						

IDA 51410(AF II)	16,600,000.00	25,000,000.00	25,713,732.00	18,688,406.97	7,025,325.03	72.68
IDA H7930 (AF II)	16,600,000.00	25,000,000.00	25,713,732.00	21,421,796.27	4,291,935.73	83.31
<b>TOTAL</b>	<b>74,900,000.00</b>	<b>110,700,000.00</b>	<b>115,967,423.00</b>	<b>104,229,073.70</b>	<b>11,332,822.64</b>	<b>89.88</b>
IDA Q4440	413,448.28	599,500.00	599,500.00	599,500.00		100.00

**38.** A minor reallocation is proposed for costs under Category 5aii and Category 5b. The project agreed to provide the overview for discussion, and subsequently the Ministry of Finance would need to formally request this reallocation.

**39.** Project Reporting: It is noted that the project was late in its quarterly reporting, and it was reiterated that the project has a legal obligation to provide quarterly reports. As before, it was agreed that quarterly reports will be submitted on time (one month after the reporting period), where a semi-annual report shall be the extensive report normally provided for mission discussion, and the interim report (after 3 months) shall be very concise, focusing on key achievements and challenges.

**40.** Lessons Learnt Exercise: This activity has just started and is expected to generate important lessons for future operations. The quality of such an exercise is dependent on the active engagement of the key implementers in the Project, as this is to document their lessons, and therefore it will be important to closely engage with the consultant on this. This exercise does not replace the need for a thorough impact evaluation that provides the required evidence on the impact of the project's activities (see discussion on the FBO study). The Ministry is encouraged to submit the ToR for review soon, so that this consultant can be procured in time to provide evidence for the project's completion report.

## Component 5: Contingency for Disaster Risk Response

**41.** Contingency Financing Component: Triggering the component was not requested as no national disaster requiring rapid assistance occurred. The disaster risk manual for implementation of the contingency financing component has been finalized. While it is unlikely that the component will be triggered under the remainder of the project, as most rapid onset disasters are climate related, DODMA, IRLADP and WB plan to discuss and clarify on how to improve the triggers for contingency financing, for possible inclusion in future operations. The government feels that the condition that a disaster has to be declared by the Head of State is too restrictive. At the same time, it was discussed that there should be an objective assessment of severity and urgency of the request, as such contingency financing is not designed for localized disasters or slow-onset disasters like drought, where other mechanisms are more appropriate. Therefore, a team comprising IRLAD, DODMA and WB will discuss to come up with reasonable processes and steps which could be considered to activate the component for different levels/types of disasters. After this discussion the manual will be updated shared to stakeholders and WB for consideration for use in subsequent operations.

### AGREEMENTS REACHED AND PENDING ACTIONS/NEXT STEPS

	Action Description	Timeframe	Comp.	Responsible Entity/Official
	Ensure frequent consultations on interim deliverables for the IMPIF	recurrent	1	DoI
	SVIP actions – see aide memoire SVIP preparatory mission.	Various	1	DoI/PCU

	Conclude procurement for irrigation pipeline study	May 16, 2014	1	DoI/Proc. Spec.
	Conclude procurement of irrigation engineering consultant – short term – to support IWMU	May 31, 2014	1	PCU
	Install, launch and use the catchment conservation toolkit (including hosting of website)	May 30, 2014	1	DLRC
	Plan and roll out activities for the remaining hotspot areas	June 30, 2014	1	DLRC
	Rainwater harvesting tanks/livestock pond inventory and remedial works	July 31, 2014	1	DLRC
	Complete Task 2 of FBO impact assessment	June 30, 2014	2	PCU, DAES
	Complete procurement of TA on FBOs	June 30, 2014	2	PCU, DAES
	Conclude on future TA support to FBOs beyond project closure	June 30, 2014	2	PCU, DAES, ASWAP-SP coordinator
	Document lessons on rice productivity activities, including adoption rates, preferred packages, etc.	September 30, 2014	2	DAES, DARS
	Develop Rice implementation note for future seasons	July 31, 2014	2	DAES, DARS
	Facilitate signing of cono weeder contracts between suppliers and cooperatives	June 30, 2014	2	DAES
	Propose future of rice productivity support and liaise on APPSA	July 31, 2014	2	DAES, DARS
	Household approach impact and efficiency lessons learned	August 31, 2014	2	DAES
	IFA – detailed planning and management with a focus on completing outstanding works, and rewarding good performance for last IFA	Plan as presented by PCU	2	PCU
	Assign specific responsibility to officers for WUA Monitoring	May 31, 2014	3	DoI
	Prepare detailed plan of action for hands-on course for recent graduates (including evaluation of first course with TA)	June 30, 2014	3	DoI, IWMU
	Finalize recruitment of TA and facilitator for hands-on course	June 15, 2014	3	DoI, IWMU
	Develop asset plan for project closure	September 30, 2014	4	PCU
	Provide overview for financial reallocation	May 16, 2014	4	PCU
	Process reallocation request	June 16, 2014	4	PCU
	Conclude financing plan for fiduciary support for 3 months in 2015	June 30, 2014	4	MoAFS/PCU
	Project interim report (brief updates)	June 30, 2014	4	PCU
	Procure impact evaluation (with ToR reviewed by WB)	June 30, 2014	4	PCU
	Contingency Financing component future design discussion	August 31, 2014	4	PCU

## DISCLOSURE

The Government of Malawi and World Bank confirm their understanding and agreement to publicly disclose this Aide Memoire (excluding Annex 3). The disclosure of this Aide Memoire was discussed and agreed to with the Ministry of Agriculture and Food Security, at the wrap-up meeting.

## Annex 1 - Performance Assessment

Component	Apr 2013 rating	Oct 2013 rating	Apr 2014 rating	Comment
Irrigation Rehab and Development Catchment Cons.	MU	MS	S	While there is a lot of work ahead, progress under the component has been better than before, with the notable exception of critical studies on future schemes and the SVIP preparatory studies.
Farmer Services and Livelihood Fund	S	S	MS	A number of critical activities did not progress much, such as the FBO support, the rice strategy, support to mechanization. Such elements need to improve to ensure sustainability of improved rice systems and FBOs after project closure.
Instit Devt & Capacity Enhancement	MS	S	S	Activities on WUA and IMT support are ongoing, and critical milestones as the actual IMT for the rehab schemes have been carried out. Earlier delays have been largely overcome.
Project Management M&E	S	S	S	The project is well managed and addresses implementation issues properly. M&E is generally good, but timely overall project reporting needs to improve.
Contingency for Disaster Response	S	S	S	The manual was finalized and discussions on future design of the instrument are ongoing. The component has not been triggered or required.
Safeguards	S	S	S	The project maintains satisfactory performance for both environmental and social safeguards, and this will be further assessed in the next mission and field visit.
Procurement	S	S	S	Most procurements delayed against the dashboard and this has caused problems for some of the assignments. On procedures, procurement has been rated satisfactory.
FM	MS	S	S	Many of the FM issues found in the first upscaled IFA have been combated, and reporting has improved. FM systems are generally adequate.
Overall IP	MS	S	S	While there are some elements of concern, overall implementation progress is Satisfactory. Close follow up on ongoing contracts and procurements will be critical to achieve the project objectives.
Overall PDO	S	S	S	Many of the original and upscale project targets are already or likely to be met. Notwithstanding the above concern on project progress, the project is on track to achieving its PDO. However, the challenges as flagged in the Aide Memoire need to be pro-actively addressed.

(S=Satisfactory, MS=Moderately Satisfactory, MU=Marginally Unsatisfactory)

## Annex 2 - Updated results matrix

### Updated Key Performance Indicators (Revised after AFII)

Indicators	CORE	Unit of measure	Baseline 2006	Project Target	Progress to-date Apr 2014
<b>PDO Level Results Indicators</b>					
Increase in crop yield for maize - % increase and tons/ha	Yes	Ton/ha	1.6	3.2	3.5
		%	0	100	109
Increase in crop yield for rice - % increase and tons/ha		Ton/ha	1.0	2.0	3.0
		%	0	100	150
Increase in farm sales in targeted rural households (for major crops: horticulture, maize and rice) - % increase in LCU.		%	0	40	43
Adoption of Harmonized investment framework for irrigation sector by DoI, linked to ASWAp	No	No.	N/A	Y/N	N
<b>Beneficiaries</b>					
Direct Project Beneficiaries		No.	0	500,000	677,502
-Of which female (beneficiaries)		%	0	40	48.5
<b>Intermediate Results Indicators (outcomes)</b>					
<i>Intermediate Result 1: Irrigation Rehabilitation and Development and Catchment Conservation (Component 1)</i>					
Area provided with irrigation and drainage services (ha) – new	Yes	Ha	0	3,000	4,188
Area provided with irrigation and drainage services (ha) - rehabilitated	Yes	Ha	0	1,820	1,820
Number of water users provided with irrigation and drainage services – disaggregated by % female	No	No.	0	17,000	38,734
		%	0	40	48.2
Area under Prioritized hotspots conserved (ha)	No	Ha.	0	3,000	1849
Technologies demonstrated by the project in the project areas (Number – CORE RD)	Yes	No.	0	16	15
<i>Intermediate Result 2: Farmer Services and Livelihood Fund (Component 2)</i>					
Number of FBOs supported under the project, and still functional and generating benefits to members	No	No.	0	125	134
	No	%	N/A	80	85
Number of farmers directly benefiting from the Inputs for Assets Voucher Program (# disaggregated by % female)	No	No.	0	442,000	532,645
	No	No.	0	40	49
Rural roads constructed/rehabilitated – (km)	Yes	km	0	5,000	10,101
<i>Intermediate Result 3: Institutional Development and Community Mobilization (Component 3)</i>					
Number of operational WUAs	Yes	No	0	75	56
Number of people trained, of which % female	No				
- Extension services		No	0	25,500	49,898
		%	0	40	43
-Operations and maintenance of schemes		No	0	39,000	27,000
		%	0	40	43
-Technical staff training		No	0	1,500	1,570
		%	0	40	33

-Marketing and agri-business training		No	0	30,000	18,252
		%	0	40	47
Irrigation Masterplan and Investment Framework Develop for use by DoI (Y/N)	No		N/A	Y/N	N
<i>Intermediate Result 4: Project Coordination and Monitoring and Evaluation (Component 4)</i>					
Timely and acceptable reports generated by M&E System	No	No.	0	22	19
Procurement and Financial Management Functions of the Project rated at least Satisfactory	No	Y/N	N/A	Y	Y
Timely and acceptable project impact evaluation report	No	No.	0	4	3
<i>Intermediate Result 5:Contingency for Disaster Risk Response (Component 5)</i>					
Funds available for emergency response within 6 weeks of declaration of emergency	No	Y/N	N/A	Y	N/A

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