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# ANNUAL PROGRESS REPORT FY 2014

FEED THE FUTURE  
INTEGRATING NUTRITION IN VALUE CHAINS PROJECT  
MALAWI

COVERING PERIOD: 1<sup>ST</sup> OCTOBER 2013- 30<sup>TH</sup> SEPTEMBER 2014

## FINAL

October 2014

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## **AUTHORITY/DISCLAIMER**

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## ACRONYMS

ACE	Agricultural Commodity Exchange for Africa
ADC	Area Development Committee
ADMARC	Agricultural Development and Marketing Corporation
AEDC	Agriculture Extension Development Coordinator
AEDO	Agriculture Extension Development Officer
AFO	Association Field Officer
AGRA	Alliance for Green Revolution in Africa
AHCX	Auction Holdings Commodity Exchange
AI	Artificial Insemination
AIDS	Acquired Immune Deficiency Syndrome
AMC	Association Management Center
BCC	Behavior Change Communication
BDS	Business Development Services
BSP	Business Service Provider
BVO	Bid Volume Only
CADECOM	Catholic Development Commission of Malawi
CBO	Community Based Organization
CCAP	Church of Central Africa – Presbyterian
CDCS	Country Development Cooperation Strategy (USAID)
CISANET	Civil Society Agriculture Network
COR	Contracting Officer’s Representative
DAI	Development Alternatives, Inc.
DARS	Department of Agriculture Research Services
DfID	Department for International Development (UK)
DHTTM	District Health Management and Training Teams
DID	Differences-in-differences
DQA	Data Quality Assessment
DSA	Daily Subsistence Allowance
EMMP	Environmental Mitigation and Monitoring Plan
ENA	Essential Nutrition Actions
EPA	Extension Planning Area
ESCOM	Electricity Supply Company of Malawi
FBO	Farmer Based Organization
FISP	Fertilizer Input Subsidy Program
FMB	First Merchant Bank
FtF (FtF)	Feed the Future
FTFMS	Feed the Future Monitoring System
FUM	Farmers Union of Malawi
FY	Fiscal Year
GAC	Group Action Committee
GHI	Global Health Initiative
GMP	Growth Monitoring and Promotion
GoM	Government of Malawi
GP	Groundnut platform
GVH	Group Village Headman
Ha	Hectare
HIV	Human immunodeficiency virus
ICT	Information Communication Technology
IITA	International Institute of Tropical Agriculture
INVC	Integrating Nutrition in Value Chains
IFRI	International Food Policy Research Institute

IIF	Investing in Innovation Fund
IP	Implementing Partner
IPC	Innovation and Productivity Centre
IPM	Integrated Pest Management
IR	Intermediate Results
ISF	Implementation Support Fund
IYCF	Infant and Young Children Feeding
LUANAR	Lilongwe University of Agriculture and Natural Resources
LPO	Local Purchase Order
M&E	Monitoring and Evaluation
MAC	Marketing Action Center
MAPAC	Malawi Program on Aflatoxin Control
MBC	Malawi Broadcasting Cooperation
MBG	Milk Bulking Group
MDI	Malawi Dairy Industries
MIM	Malawi Institute of Management
MIP	Market Information Point
MKW	Malawi Kwacha (symbol for)
MMPA	Malawi Milk Producers Association
MoA&FS	Ministry of Agriculture and Food Security
MOH	Ministry of Health
MOU	Memorandum of Understanding
MSU	Michigan State University
MT	Metric ton
MUAC	Mid-Upper Arm Circumference
MZ	Malawi Zebu (cows)
NASFAM	National Association of Smallholder Farmers of Malawi
NFRA	National Food Reserve Agency
OBM	Opportunity Bank of Malawi (Also referred to as OIBM)
OCA	Organizational Capacity Assessment
OPC	Office of President and Cabinet
OVO	Offer Volume Only
PCI	Project concern International
PSA	Public Service Announcement
QR	Quick Response
RLEEP	Rural Livelihoods Enhancement Program
SBCC	Social and Behavior Change Communications
SOYAMA	Soy Bean Association of Malawi
SSDI	Support for Service Delivery Integration
STTA	Short Term Technical Assistance
Sub-IR	Sub Intermediate Results
SUN	Scaling Up Nutrition
TA [T/A]	Traditional Authority
TWG	Technical Working Group
UNC	University of North Carolina
USAID	United States Agency for International Development
VAC	Village Aggregation Center
VC	Value Chain
VCC	Value Chain Competitiveness
VSL [VS&L]	Village Savings and Loans
WRS	Warehouse Receipt System
ZBS	Zodiac Broadcasting Station
ZOI	Zone of Influence

## FEED THE FUTURE- INVC ACTIVITY OVERVIEW AND RESULTS

This document presents the USAID/Feed the Future Integrating Nutrition in Value Chains (FtF-INVC) project's **Annual Progress Report** covering the period from 1<sup>st</sup> October 2013 through September 30, 2014, the second fiscal year of project implementation.

This Annual Progress Report details the progress made to date toward the approved targets for FtF-INVC. Given that the FtF-INVC project was designed to address the needs of the poor while fostering a drive to economic growth (through value chain development and improved nutritional status) to pull the poor up the income ladder, results illustrating the trends for the indicators measuring progress in these areas are highlighted in the next section. The next section also highlights results detailing the progress made in the area of local partner strengthening. Under FtF-INVC, significant investments (as part of FORWARD initiative) were also made in strengthening local partners so that systems, structures, and practices could be improved in order to build a stronger foundation leading to increased economic and environmental resilience.

The report also presents a brief review of lessons learned and challenges encountered during the implementation process in FY2014 that have informed the project's FY2015 workplan activities. A section on success stories highlights some pertinent FY2014 accomplishments recorded under FtF-INVC project. These successes bring to the forefront the potential of scaling activities and the promise of deepening impacts beyond FY2014.

Below we present an overview of the project as well as the goals and performance targets to provide a brief background and set the context for those unfamiliar with the activity.

### BACKGROUND AND CONTEXT

Awarded on April 25, 2012, Feed the Future-INVC was initially designed to run for three years from April 2012 to April 2015. Programed to help advance the vision of Feed the Future and Global Health Initiative in Malawi, the INVC project focuses its activities to deliver the Initiatives' two over-arching goals:

1. Sustainably reducing rural poverty; and
2. Improving Nutrition

These goals reinforce Malawi's Poverty Reduction Strategy and USAID/Malawi's Strategic Objective: Promote Economic Growth and Food Security. The FtF-INVC activity components all contribute to these goals directly and indirectly.

The Feed the Future Integrating Nutrition in Value Chains (INVC) project, initially a three year effort under the Task Order/Contract no: AID-612-TO-12-00001 is funded under the SFSA IQC no: AID-623-I-10-00003. To achieve the overall goals of the project, FtF-INVC promotes, supports, and facilitates gender equitable market-driven, agriculture-led, and integrated economic growth approaches. The delivery of targeted technical assistance assists not only civil society, but also the private sector and government throughout the seven target districts (zone of influence), to realize the advantages of greater collaboration, commercialization, and competitiveness across three targeted value chains: Soy Bean, Groundnut, and Dairy.

FtF-INVC support over the life of the activity is expected to lead to agricultural transformation across the three value chains resulting in the achievement of the following objectives:

1. Improved productivity (land, water, labor) through soil and water management practices;
2. Increased competitiveness of the legumes and dairy value chains to mitigate food insecurity and increase incomes of the rural poor;
3. Reduced chronic under nutrition;

4. Improved value chain competitiveness and nutrition outcomes through the fostering of innovation in adaptive technologies and techniques that will increase participation of the poor in agriculture-led growth; and
5. Enhanced capacity of local organizations and institutions developed to promote sustainability and climate change resilience.

To achieve the above objectives, INVC will:

1. Invest in the competitiveness of legumes (soy bean and groundnut) and dairy value chains to develop domestic and export markets and improve nutrition options;
2. Link increased market-oriented production of legumes and dairy to household consumption and improved nutritional status;
3. Support community based programs focused on behavior change, food fortification, and capacity building to impact nutritional outcomes; and
4. Strengthen Malawian agriculture-related organizations (both government and non-governmental) to improve institutional capacity to capture and scale up existing models and practices in order to implement one or more components of INVC.

To realize the above results, the FtF-INVC project has fully integrated USAID FtF goals of poverty reduction and malnutrition. INVC also focuses its activities along the following five inter-related components to harness the production and commercial potential of smallholders so that they are better enabled to accelerate their march toward prosperity and healthful living. These five inter-related components form the core of the project, which provide the means to deliver long-term, systemic changes in Malawi’s market and health systems:

- a. Advancing Value Chain Competitiveness
- b. Improving Productivity
- c. Improving Community Capacity to Prevent Under-Nutrition
- d. Promoting Innovation
- e. Developing Local Capacity

In addition to these components, a number of systemic and cross-sectoral topics critical to INVC success including gender, information and communication technology, HIV/AIDS, access to financial services, policy advocacy and climate change are also being addressed.

Over the life of the project, FtF-INVC will also tackle market and firm-level efficiency issues for Malawi’s smallholders, increase farm-level value capture, and promote more mainstream consumption of nutritious foods through behavior change strategies.

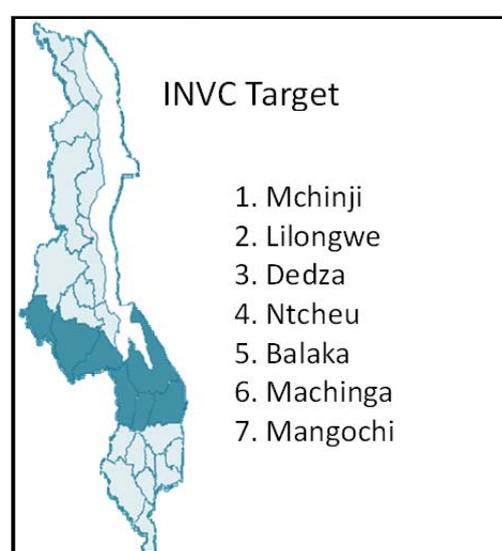
### *INVC Target Beneficiaries*

Malawi smallholders that are eligible for participation in FtF-INVC activities are described as “the poor with assets.” These are smallholders who, while they do not belong to the “ultra-poor” group that fall well below the poverty line, nevertheless lack sufficient resilience to completely escape from the possibility of falling under the line in the future. External shocks beyond their control could easily plunge them into poverty.

This population representing the target beneficiaries shares the following characteristics:

- Cultivate between 1.25 to 3 acres (0.5 to 1.2 Ha) of land,
- Produce sufficient maize for home consumption,

**FIGURE 1: INVC ZONE OF IMPACT**



- Have the potential to increase maize productivity and to free up land for crop diversification to legume production,
- Access extension services and inputs (seeds and inorganic fertilizers), and
- Have the potential for linking to markets.

### INVC Target Districts

The focus on diversification into legume production (groundnut and soy bean) and dairy for their income generation cover seven districts, spanning two regions (Central and South) and affecting 275,000 households, with highest potential for increasing legume and dairy production are: Mchinji, Lilongwe, Dedza, Ntcheu, Balaka, Machinga and Mangochi (Figure 1).

## RESULTS FRAMEWORK

FtF-INVC activities fall under six intermediate results (IRs). These IRs highlight the close linkage between agriculture and nutrition, and the leveraging of resources from across both the Feed the Future (FtF) and the Global Health Initiative (GHI) portfolios further underscore the centrality of the two domains to the success of INVC (Figure 2).

Both domains support the overall USAID FtF and GHI goals, which are:

- Sustainably Reduce Poverty and Hunger in Malawi
- Foster a healthier Populace able to participate in the nation’s economic development

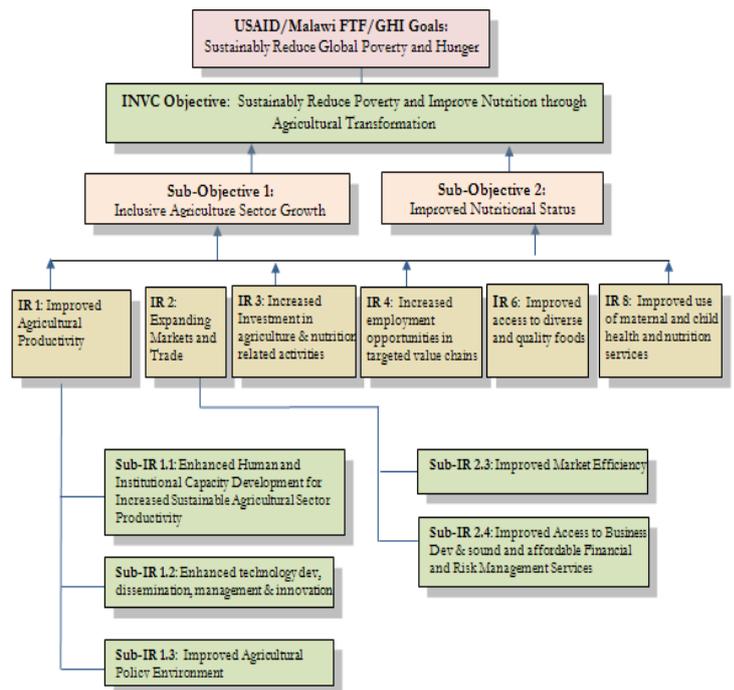
The six IRs and their subsequent sub-IRs are clustered around a framework that supports the achievement of a strategy to deliver the achievement of the Mission-level Objectives of:

- Inclusive Agriculture Sector Growth
- Improved Nutritional Status

The five INVC components contain activities that are prioritized to achieve results in each IRs and Sub-IRs and maximize INVC contribution to the Mission objectives.

Together the IRs and sub-IRs provide the pathway for INVC to achieve its development goals, strategic objectives, and required results. The IRs and Sub-IRs under the two objectives are presented below:

**Figure 2: Malawi INVC Results Framework**



### Sub-Objective 1: Inclusive Agriculture Sector Growth

#### IR 1: Improved Agricultural Productivity

- Sub-IR1.1: Enhanced Human and Institutional Capacity Development for Increased Sustainable Agricultural Sector Productivity
- Sub-IR1.2: Enhanced Technology Development, Dissemination, Management, and Innovation
- Sub-IR1.3: Improved Agricultural Policy Environment

#### IR 2: Expanding Markets and Trade

- Sub-IR2.3: Improved Market Efficiency

- Sub-IR2.4: Improved Access to Business Development and Sound and Affordable Financial and Risk Management Services

IR 3: Increased Investment in agriculture and Nutrition-related Activities

IR 4: Increased Employment Opportunities in Project-Level, Targeted Value Chains

### Sub-Objective 2: Improved Nutritional Status

IR 3: Increased Investment in agriculture and Nutrition-related Activities

IR 6: Improved Access to Diverse and Quality Foods

IR 8: Improved Use of Maternal and Child Health and Nutrition Services

To successfully deliver the results outlined above, FtF- INVC must manage and monitor its activities under the five inter-related components and cross-cutting areas over the life of the project. Table 1 below illustrates how each component and IRs and Sub-IRs are linked to generate the outputs and outcomes leading to achievement of the objectives.

**Table 1: INVC Project Components and IRs**

<b>Sub-Objective 1: Inclusive Agricultural Sector Growth</b>	<b>Sub-Objective 2: Improved Nutritional Status</b>
<i>Component 1: Advancing Value Chain Competitiveness (IR-2;IR-4;IR-2.3; IR-2.4)</i>	<i>Component 3: Improving Community Capacity to prevent Under-Nutrition (IR-6;IR-8)</i>
<i>Component 2: Improving Ag. Productivity (IR-1;IR-1.2;IR-1.3)</i>	
<i>Component 4: Investing in Innovations (IR-3)</i>	
<i>Component 5: Developing Local Capacity (IR-1.1)</i>	

All FtF-INVC activities will contribute toward achieving the following performance targets (Table 3), as measured by the above intermediate result (IR) indicators.

**Table 2: Performance Indicators**

<b>Project Wide Performance Indicators</b>	<b>Life of Project Targets</b>
Households benefiting from INVC facilitation	275,000
Children under 5 years with reduced malnutrition	100,000
Yield/hectare for legumes increased	15%
Yield/cow for milk increased	50%
Land area under legumes production increased	15%
No. of agriculture-related Malawian NGOs and/or governmental organizations with operational capacity and effectiveness increased	5
No. of local partners with effective management practices & financial systems with potential to receive future USG awards	3
Value of new investments by private sector actors increased as a result of innovation fund co-investments	\$500,000

## SUMMARY OF PROGRESS IN FY 2014

This subsection of the Annual Progress Report provides a summary of progress achieved by the implementation team toward FTFMS project indicators and targets during FY2014. Since the FTF-INVC tracks both output and outcome indicators, they are presented in separate tables. Table 3 below presents the project's output indicators for FY14 against the target established for the year; Table 4 on the other hand presents the project's outcome indicators.

Table 3 below also provides cumulative results achieved to date (as of September 30, 2014 since inception). For comparison purposes, the table includes a column with "Life of Project" targets which are scheduled to be achieved by April 25, 2015.

**Table 3: Progress on FTFMS-Tracked Performance (Output) Indicators – FY14**

	Output Performance Indicators	FY2014 (Oct 1 - Sept 30)		Results Cumulative (inception to date)	Life of Project Target
		Target	Achieved		
1	<b>Number of rural households benefiting directly from USG interventions (4.5.2-13)</b>	<b>240,000</b>	<b>286,173</b>	<b>286,173</b>	<b>275,000</b>
	<i>Gendered Household Type</i>				
	<i>Adult female no adult male</i>	9,070	19,031		
	<i>Adult male no adult female</i>	3,082	17,757		
	<i>Male and female</i>	73,265	197,404		
	<i>Child no adults</i>	54,001	18765		
	<i>Disaggregates not available</i>	100,582	33,216		
	<i>New/Continuing</i>		286,173		
	<i>New</i>	160,742	206,915		
	<i>Continuing</i>	79,258	79,258		
	<i>Disaggregates not available</i>				
2	<b>Number of individuals who have received USG supported short-term agricultural sector productivity or food security training (4.5.2-7)</b>	<b>100,000</b>	<b>123,493</b>	<b>176,931</b>	<b>150,000</b>
	<i>Sex</i>				
	<i>Male</i>	75,000	47,645		
	<i>Female</i>	25,000	56,110		
	<i>Disaggregates not available</i>		19,738		
	<i>Type of individual</i>		123,493		
	<i>Producers (Farmers)</i>	75,000	123,168		
	<i>Government staff (Extension, EPA etc.)</i>	5,000	245		
	<i>Private Sector (Processors, service providers)</i>	15,000			
	<i>Civil Society (NGO' CBO, FBO, research, etc.)</i>	5,000	80		
	<i>Disaggregates not available</i>				
3	<b>Number of private enterprises (for profit), producer organizations, water users associations, women's groups, trade and business associations and community based Organizations (CBOs) receiving USG assistance. (4.5.2-11)</b>	<b>8,000</b>	<b>9,228</b>	<b>9,228</b>	<b>10,000</b>
	<i>Organization Type</i>				
	<i>Private enterprises for profit</i>				
	<i>Producer organisations</i>	8,000	9,228		

Output Performance Indicators		FY2014 (Oct 1 - Sept 30)		Results Cumulative (inception to date)	Life of Project Target
		Target	Achieved		
	<i>Women's groups</i>				
	<i>Trade and business Associations</i>				
	<i>CBO</i>				
	<b>Duration</b>		9,228		
	<i>New</i>	5,600	4,718		
	<i>Continuing</i>	2,400	4,510		
	<i>Disaggregates not available</i>				
4	<b>Value of new private sector investment in the agriculture sector or food chain leveraged by FTF implementation (4.5.2-38)</b>	<b>\$500,000</b>	<b>\$1,471,640</b>	<b>\$1,612,140</b>	<b>\$500,000</b>
5	<b>Value of agricultural and rural loans (4.5.2-29)</b>	<b>\$300,000</b>	<b>\$6,293,867</b>	<b>\$6,593,897</b>	<b>\$600,000</b>
	<b>Type of loan recipient</b>				
	<i>Producers</i>	\$180,000	\$35,008		
	<i>Local Traders/assemblers</i>	\$120,000	\$5,898,859		
	<i>Wholesalers/processors</i>				
	<i>Others</i>				
	<i>Disaggregates not available</i>		\$360,000		
	<b>Sex of recipient</b>				
	<i>Male</i>	225,000	\$534,731		
	<i>Female</i>	75,000	\$84,912		
	<i>Joint</i>				
	<i>Companies</i>		\$5,292,557		
	<i>Disaggregates not available</i>		\$381,667		
	<b>Size of Loan Recipient</b>		\$6,293,867		
	<i>Micro</i>		\$1,012,492		
	<i>Small</i>		\$5,281,375		
	<i>Medium</i>				
	<i>Other</i>				
6	<b>Number of children under five reached by USG-supported Nutrition programs (through care group model) (3.1.9-15)</b>	100,000	<b>112,560</b>	<b>112,560</b>	<b>100,000</b>
	<i>Male</i>	50,000	27,202		
	<i>Female</i>	50,000	29,351		
	<i>Disaggregates not available</i>		56,007		
7	<b>Number of children under five reached by USG-supported nutrition programs (through Child Health Days) (5 districts) (3.1.9-15)</b>	-	<b>170,846</b>	<b>170,846</b>	
	<i>Male</i>		83,715		-
	<i>Female</i>		87,131		
	<i>Disaggregates not available</i>				
8	<b>Number of people trained in child health and nutrition through USG-supported programs (3.1.9-1)</b>	<b>48,600</b>	<b>201,692</b>	<b>201,859</b>	<b>64,959</b>
	<i>Male</i>	12,150	18,926		

Output Performance Indicators		FY2014 (Oct 1 - Sept 30)		Results Cumulative (inception to date)	Life of Project Target
		Target	Achieved		
	<i>Female</i>	36,450	182,617		
	<i>Disaggregates not available</i>		149		
9	<b>Number of MSMEs, including farmers, receiving business development services from USG assisted sources (4.5.2-37)</b>	<b>350</b>	<b>415</b>	<b>621</b>	<b>450</b>
	<i>Size of Enterprise</i>				
	<i>Micro</i>	300	183		
	<i>Small</i>	50	25		
	<i>Medium</i>				
	<i>Large</i>		1		
	<i>not available</i>		206		
	<i>Sex of Enterprise Owner</i>				
	<i>Male</i>	262	48		
	<i>Female</i>	88	16		
	<i>Joint</i>		45		
	<i>not available</i>		306		
	<i>Type of Enterprise</i>		415		
	<i>Ag. Producer</i>	100	39		
	<i>Input trader</i>	50	1		
	<i>Trader</i>	200	27		
	<i>Output processors</i>		1		
	<i>Non- Ag.</i>				
	<i>not available</i>		347		
<b>COMMENTS &amp; DEVIATIONS</b>					
<i>Index / reference numbers correspond with the indicators above</i>					
1	FY2014 quarterly achievement is higher this quarter given INVC's accelerated expansion into three new districts. Keeping the LOP target for three years at 275,000 we have exceeded our target set for this indicator. This number will be disaggregated by gendered household type once all of the registration data is in from the field. This includes all beneficiaries that are registered members of partners , includes those non-members that benefited from training, collective marketing, improved seeds and inputs (inoculum).				
2	FY2014 achievement is higher because farmers received training on harvest, post-harvest and storage; new members as well as continuing smallholders are being provided the season's agricultural production training programs starting with land preparation and planting, inoculum application, IPM, Aflatoxin management topics, among others. Training is open both members and non-members in a community.				
3	In the last quarter only NASFAM and CADECOM added new CBOs (farmer clubs) bringing the total number of CBOs/clubs receiving USG assistance to only 9228. Since INVC continues to work with the CBOs throughout the year, the number is cumulative from inception.				
4	The target is surpassed this year due to the unanticipated use (under warehouse receipts) of newly available storage space invested by the private sector players.				
5	The number is higher than expected due to the expanded use of forward contracts by Malawi processing sector to lock in their supply and the smallholders/traders desire to cash out the contract. A large number of farmers and traders participated in the ACE's 3 loan instruments: Bridging finance, Ware house Receipt, and Forward contract. The number reflects the high use of forward contracting for soya and soy products (meal) which has had a spike in interest due to the low supply this year. Ace's loan instruments are all financed through First Merchant Bank.				
6	Many new care groups have recently been formed in the new districts hence a very high number of under 5 children reported.				
7	No targets were established for the projects support for Child Health Days. The project is working with the Ministry of Health to collect gender disaggregated data. The Ministry of Health conducts 2 Child Health Days per year; one in November and one in May. For FY14, INVC reached 237,813 children under 5 in November covering two districts (Lilongwe and Mchinji). INVC reached 170,846 children under 5 in June (this year in June given the general election) covering 5 districts (Mchinji, Lilongwe, Balaka, Machinga, Mangochi). Since the June numbers were gender disaggregated, we are reporting the June numbers.				
8	This indicator captures all training delivered through care group clusters on exclusive breastfeeding, SUN, ENA, WASH, food processing, kitchen gardening etc. The number includes promoters, lead mothers/fathers, mothers/care givers that are part of a care group cluster. This year given the acceleration of the nutrition program, numbers are high.				

Table 4 below provides a summary of outcomes achieved to date (September 30, 2014) compared to the baseline established in FY2012. While a baseline survey was undertaken in FY13, the data from the survey was not utilized. As such, baselines for many of the outcome indicators utilized sources such as the DHS 2010 for stunting, ICRISAT's 2011/2012 data for gross margins and yields (legumes), MMPA for milk yield and gross margin, and FTF-PBS/FEEDBACK for prevalence of children receiving a minimum acceptable diet.

Table 4 presents outcomes for only agricultural indicators; outcomes for the four nutritional indicators will be surveyed and presented after quarter 2 in FY15. At this juncture, only a baseline for the four nutritional indicators, in particular, for the expansion districts (Balaka, Machinga and Mangochi) is presented in the table below given that the decision to expand nutrition integration activities into these three additional districts was only made in mid-FY14. Mchinji and Lilongwe already have active nutritional integration activities going on, however, given the inclusion of these three districts, it seemed reasonable to survey progress of the nutrition program across all 5 nutrition districts in quarter 2 of FY15.

Fiscal 2014 agricultural outcome achievements are presented based on analysis resulting from an Agricultural outcome survey. The Bunda College of Agriculture provided consultancy services to carry-out the agricultural outcome survey, which took place in August and September, 2014. The agricultural survey interviewed a total of 1,612 members from NASFAM, FUM and CADECOM from across the seven districts. Of the 1,612 surveyed, 27.3% of the respondents were affiliated with FUM, 63.2% with NASFAM and 9.5% with CADECOM. All respondents were engaged in production of either soybean or groundnuts or both. Not all respondents received seed from the partner organizations they were affiliated with.

The CBLD score measuring organizational capacity of local partners were arrived at using the OCA to assess partner progress in September 2014. A total of seven partners were assessed as part of the OCA, which was carried by in-house staff. The project's in-house staff (M&E) also conducted the agricultural enterprise/trader survey to measure the following indicator (No: 4.5.2-42):

*Number of private enterprises, producer organizations, women's groups, trade and business associations and community based organizations (CBOs) that applied new technologies or management practices as a result of INVC assistance*

While the results from the survey are not yet fully analyzed, preliminary numbers indicate that approximately 87.7% of the community based organizations and enterprise are utilizing improved technologies promoted by the project. A total of 236 community based organizations (such as clubs, GACs and clusters) and enterprises were surveyed from across the ZOI engaged in agricultural related enterprises.

In addition to the above surveys, FtF-INVC also carried out internally the MMPA final outcome survey to assess key performance parameters in the dairy value chain, for example gross margin and technology application. The survey also served as a close out survey given that the dairy value chain support came to an end with the ending of the INVC grant to MMPA. As such, dairy will no longer be one of FtF-INVC's value chains going forward. The results of the MMPA survey will be discussed in the next section.

Table 4 below also provides, for comparison purposes, a column with “Life of Project” targets which are scheduled to be achieved by April 25, 2015.

**Table 4: Progress on FTFMS-Tracked Performance (Outcome) Indicators – FY14**

Outcome Performance Indicators	Annual (Oct 1 -Sept 30 FY14)		Results to Date	Life of Project Target	
	Baseline	Achieved			
<b>10</b>	<b>Gross Margin per unit of land or animal of selected product (4.5-16, 17)</b>		<b>\$447 (+380%)</b>	\$175	
	<i>Milk (dollars per cow)</i>	\$93			\$ 447
	<i>Groundnut (dollars per hectare)</i>	\$340			\$351
	<i>Soybean (dollars per hectare)</i>	\$151			\$178
	<b>Sex Disaggregate</b>				
	<i>Male</i>				
	<i>Female</i>				
	<i>Joint</i>				
	<i>Association Applied</i>				
<b>11</b>	<b>Score in percent of combined key areas of organizational capacity amongst USG direct and indirect implementing partners (4.5.1-27)</b>		<b>80</b>	80	
	<i>Nkhoma</i>				73
	<i>Cadecom</i>				75
	<i>CISANET</i>				88
	<i>ACE</i>				78
	<i>Pakechere</i>				85
	<i>NASFAM</i>				73
	<i>FUM</i>				88
	<i>All</i>	37.5			80
<b>12</b>	<b>Number of private enterprises (for profit, producer organizations, water users associations women's groups trade and business associations and community based organizations (CBOs) that applied new technologies or management practices as a result of USG assistance. (4.5.2-42)</b>		<b>8,093</b>	3,000	
	<i>Producer Organizations</i>	N/A			8,093
	<i>Private Enterprises</i>	N/A			
	<i>Total</i>	N/A			8,093
<b>13</b>	<b>Number of farmers and others who have applied new technologies or management practices as a result of USG assistance (4.5.2-5)</b>		<b>135,114</b>	134,000	
	<i>Producer</i>	N/A			135,114
	<i>Other</i>				
	<b>Sex of Enterprise Owner</b>				
	<i>Male</i>				52,694
	<i>Female</i>		82,420		
<b>14</b>	<b>Number of hectares under improved technologies or management practices as a result of USG assistance (for soy bean and groundnuts) (4.5.2-2)</b>		<b>42,426</b>	25,000	
	<b>Sex of Enterprise Owner</b>				
	<i>Male</i>				10,607
	<i>Female</i>				15,273
	<i>Joint</i>				16,546
	<i>Association Applied</i>				0
	<b>Technology</b>				
	<i>Crop Genetics</i>				30,716
	<i>Disease Management</i>				25,159
	<i>Pest Management</i>				33,177
<i>Cultural practices</i>		42,303			
<i>Other (Improved Marketing)</i>		42,426			
<b>15</b>	<b>Yield of soybean, groundnut, and milk (Custom)</b>				

Outcome Performance Indicators		Annual (Oct 1 -Sept 30 FY14)		Results to Date	Life of Project Target
		Baseline	Achieved		
	<i>Dairy (litres per cow)</i>	685	2,417	<b>2,417</b>	<b>1,028</b>
	<i>Groundnut (tons per hectare)</i>	0.95	0.9573	<b>0.9573</b>	<b>1.09</b>
	<i>Soybean (tons per hectare)</i>	0.70	0.7372	<b>0.7372</b>	<b>0.81</b>
<b>16</b>	<b>Value of incremental sales (collected at the farm) of milk, soybeans and groundnuts attributed to FtF implementation (4.5.2-23)</b>			<b>5,626,551</b>	
	<i>Dairy</i>	\$133,096	\$438,983	<b>\$438,983</b>	<b>\$200,000</b>
	<i>Groundnut</i>	\$2,540,352	\$2,592,133	<b>\$2,592,133</b>	<b>\$900,000</b>
	<i>Soybean</i>	\$468,992	\$2,595,435	<b>\$2,595,435</b>	<b>\$900,000</b>
<b>17</b>	<b>Value of exports of targeted agricultural commodities as a result of USG assistance (4.5.2-36)</b>			<b>\$420,000</b>	<b>\$5,000,000</b>
	<i>Value of Exports</i>	0	\$420,000		
	<i>Volume of Exports</i>	0	600,000		
<b>NUTRITION OUTCOME INDICATORS FOR EXPANSION DISTRICTS (BALAKA, MACHINGA, MANGOCHI)</b>					
<b>18</b>	Prevalence of children 6-23 months receiving a minimum acceptable diet (3.1.9.1-1)	11%		FY15-Q2	<b>22.5%</b>
<b>19</b>	Women's dietary diversity: Mean number of food groups consumed by women of reproductive age (15 to 49 years) (3.1.9.1-2)	4.1		FY15-Q2	<b>5</b>
<b>20</b>	Percent of 0-5months children exclusively breastfed in target district (3.1.9.1-4)	71.9%		FY15-Q2	<b>85%</b>
<b>21</b>	Prevalence of stunted children under 3 years of age (Custom)	47.3%		FY15-Q2	<b>45%</b>
<b>COMMENTS &amp; DEVIATIONS</b>					
<i>Index / reference numbers correspond with the indicators above</i>					
<b>10</b>	The actual number for gross margin is reported here, the extrapolated and disaggregated numbers for the gross margin indicator will be loaded into FTFMS. The number for Dairy is high due to utilization of improved animal management practices and a substantial increase in sales (informal mainly but also formal) and price increase. Soybean gross margin is high given the high price and increased demand for soybean; groundnut is as expected.				
<b>12</b>	A high number of respondents from the survey applied new technology thus we have exceeded our target.				
<b>13</b>	100% of the members surveyed applied some form of new technology or improved management practice and because this indicator is relatively easy to achieve we have exceeded our target. The information is based on farmer recall.				
<b>14</b>	100% of the members surveyed applied some form of new technology or improved management practice and because this indicator is relatively easy to achieve we have exceeded our target.				
<b>15</b>	The project ZOI had challenges with poor quality seed and according to the ministry of agriculture poor rainfall. They expect a drop in yields due to lack of rain last growing season. The project used ICRISAT 2011/2012 yield figures as a baseline since the IFPRI baseline had so many challenges and the Ministry data seems to be uncertain.				
<b>16</b>	This number is very high because INVC has added a large number of beneficiaries in FY14 & given high prices number is high				
<b>17</b>	This number is low given various macro distortions and policies such as export bans were active during FY12 and greater part of FY 13. This number is expected to rise due to the focus of the project on the upper end of the value chain in FY15 and 16 we should be able to meet this target. Soybean products were exported to Zimbabwe.				
<b>18</b>	Indicators 18-21 are baseline numbers from the expansion district baseline survey. An outcomes survey is planned in the 2nd quarter of the fiscal year for the nutrition districts, which includes 2 districts managed by Nkhoma (Lilongwe and Mchinji).				

As part of FtF-INVC requirement, the project contributes to updating the Feed the Future Monitoring System (FTFMS) database quarterly. The FTFMS database indicators are made up of only those indicators that are either required (if applicable) and standard indicators. Tables 3 and 4 above present the FTFMS required and standard indicators and tracks progress made to date for each indicator. In addition to the required and standard indicators, FtF-INVC also tracked custom indicators (such as yields and prevalence of stunted children under 3 years old) to monitor performance progress, which are not listed or tracked in the FTFMS database, but are presented in Table 4 above.

## AGRICULTURAL OUTCOME SURVEY RESULTS BY PARTNER ORGANIZATION

As mentioned, the Bunda College of Agriculture within the Lilongwe University of Agriculture and Natural Resources (LUANAR) provided consultancy services to carry-out the agricultural outcome survey on behalf of FtF-INVC. The survey enumeration took place in August and September, 2014, followed by data cleaning in October 2014. As detailed in Table 5 below, the agricultural survey interviewed a total of 1,612 beneficiaries from NASFAM, FUM and CADECOM from across the seven districts. Of the 1,612 surveyed, 27.3% of the respondents were affiliated with FUM, 63.2% with NASFAM and 9.5% with CADECOM.

All beneficiaries who responded were engaged in production of either soybean or groundnuts or both. While not all smallholder members received improved seeds from partner organizations, some nevertheless directly purchased to engage in legume production. For example, under INVC, smallholders in the CADECOM catchment did not receive any soybean seed, however many members also engaged in soybean production on their own. Furthermore, those members who received soya seed did not receive groundnut seed and vice versa. Although rare, there have been cases whereby different members from the same household receive different seed packages given their separate registration with the partner organization.

Data for the following indicators were gathered:

- Gross margin per hectare or animal of selected product
- Number of farmers and others who have applied improved technologies or management practices as a result of INVC assistance
- Number of hectares of land under improved technologies or management practices as a result of INVC assistance (for soybean and groundnuts)
- Yields of soybean and groundnut
- Value of incremental sales (collected at farm-level) attributed to FtF-INVC implementation

**Table 5: Agriculture outcome Survey Respondents by Partner**

	By Partner			Total
	FUM	NASFAM	CADECOM	
No of Districts covered	3	6	1	7
No of Respondents – Soya only	54	382	4	440
No. of Respondents – G-nut only	142	200	100	442
No. of Respondents – Both	245	436	49	730
Total No. of All Respondents	441	1,018	153	1,612

Preliminary analyses of the outcome survey data indicate that even though FUM did not hand out improved soya seeds, their members fared better in terms of both gross margin and yield than NASFAM, who did provide improved seeds to its members. The higher gross margin is due to FUM members receiving a higher price (6% more) than NASFAM members received for their soybean during the season. In terms of yield performance, FUM farmers did 2% better than NASFAM farmers and almost 29% better than CADECOM farmers.

**Table 6: Gross Margin Calculation for Soybean  
For Direct Beneficiaries during 2013/14 crop year**

	By Partner			Total
	FUM	NASFAM	CADECOM	
Total Production (mt)	62	144	10	216
Total Value of Sales (USD)	11,611	22,926	2,024	36,561
Total Quantity of Sales (mt)	39	82	6	127
Total Cash Input Costs (USD)	3,226	6,255	529	10,011
Total Hectares planted (ha)	82	194	17	293
GM /hectare soy (USD/Ha)	186	175	167	178
Yield of soybean (MT/ha)	0.7561	0.7423	0.5882	0.7372

For groundnuts, preliminary results indicate that FUM members did significantly better in terms of both gross margin and yield performance than NASFAM and CADECOM farmers, both of which provided improved seeds during the agricultural season. That said, groundnut production did not fare well in some districts this season given erratic rainfall and untimely dry spells. As with soybean, for groundnuts too, FUM was able to get a higher per unit price compared to NASFAM and CADECOM farmers, which contributed to the higher gross margin. FUM gross margin was almost 88 percent higher than NASFAM and 67% higher than what CADECOM farmers received during the season. Yield performance on the other hand also did remarkably better for FUM than both NASFAM and CADECOM farmers.

**Table 7: Gross Margin Calculation for Groundnut  
For Direct Beneficiaries during 2013/14 crop year**

	Partner			Total
	FUM	NASFAM	CADECOM	
Total Production (mt)	191	129	39	359
Total Value of Sales (USD)	37,465	17,433	6,340	61,238
Total Quantity of Sales (mt)	91	45	14	150
Total Cash Input Costs (USD)	6,849	6,451	1,463	14,763
Total Hectares planted (ha)	151	173	51	375
GM /Ha of groundnut (USD/ha)	475	252	318	351
Yield of groundnut (MT/ha)	1.2649	0.7457	0.7647	0.9573

## **MMPA DAIRY OUTCOME SURVEY RESULTS**

Data for the dairy outcome indicators was gathered from 41 randomly selected MMPA beneficiaries out of 899 belonging to one of 5 Milk Bulking Groups under MMPA. The purpose of this small survey was to be able to report on results for the Gross Margin and Technology application indicators since FtF-INVC is closing out the dairy component of the project. Information for the incremental sales indicator was also gathered.

FtF-INVC shifted the MMPA Central Region strategy to one of increasing milk supply through a radical shift to bulking milk by upgrading Zebu cows previously excluded by MMPA. The zebu upgrading strategy focused on lower cost, locally-provided feed and forage with milk yield boosting supplements, shortening the calving interval by correcting counterproductive AI technician incentives that were focused on semen sales and visit allowances rather than successful pregnancies and calving, and MBGs who were almost totally dependent on donor handouts and poorly managed relationships

with processors to survive. The MBGs are still relatively fragile because their herd size is still too small to provide the milk volumes needed to fully support their operating costs, establish a reserve fund for emergency repair of primary and/or back-up generators for their bulk cooling tanks, and a sinking fund to permit replacement of fully depreciated equipment. However, the MBGs are moving forward slowly and with support have boosted milk quantity and quality.

Table 8 below illustrates the survey results. It must be noted that the high gross margins and incremental sales are a result of four primary reasons:

- we tried to capture *all* milk sales including informal sales within local communities
- milk production has increased due to the utilization of improved feeding and the Grand supplement (and MMPA will be obtaining more supplies of this supplement from India)
- The zebu upgrading strategy offered opportunity to households to increase number of milking cows thereby increasing the volume of milk available for sale.
- prices of milk have almost doubled since the project began, making milk production a more profitable enterprise

**Table 8: MMPA Final Outcome Survey Results**

Indicator	Baseline	Target	Actual
Gross Margin - Dollars per Cow	93	140	447
Production- Liters per Cow	685	2190	2417
Indicator	Baseline	Total Sales	Incremental Sales
Value of Incremental Sales	\$238,933	\$572,079	\$333,146
Percentage of Farmers Applying improved technology or management practices	N/A	N/A	100%

“Total milk sales” of \$572,079 was calculated by multiplying *average sales per farmer* by *number of beneficiary farmers*. Subtracting the baseline total amount of sales from the actual amount of sales determined by the survey reveals incremental sales amounting to \$333,146.

Other results of this survey are that 100% of the beneficiaries from the five MBGs were applying one of the improved technologies promoted by the project. The types of improved technologies and management practices promoted by the project included: artificial insemination, hormone supplements, improved feeding practices, mineral block making, dip formulation and milk analysis. A further point to stress is that while FtF-INVC’s intention was to work with a total of 10 MBGs with eventual membership totaling to 4000, this did not fully transpire given the termination of the dairy program. In effect, FtF-INVC ended up working closely with only 5 MBGs, while the other 5 MBGs received support for only one quarters during FY14.

## LOCAL PARTNER STRENGTHENING ACTIVITIES

While a significant number of FY2014 indicator targets were achieved and exceeded during the year, Tables 3 and 4 above do not capture the depths of support provided to local partners to enable their strengthening and success, while simultaneously working on technical results delivery. The bundling of technical implementation and partner capacity building has been an interesting and satisfying balancing act, particularly in light of the significant improvements demonstrated slowly but surely by partner organizations. As already mentioned, considerable investments (as part of FORWARD initiative) have been made in strengthening local partners so that systems, structures and practices are further improved in order to build a stronger foundation. A strong foundation and a solid strategy are imperative to enable partner organizations' leadership to chart a strategic way forward that is sustainable and inclusive.

Guided by this understanding and lessons learned from previous years, INVC adjusted its capacity building approach to more directly engage in partners' systemic capacity gaps rather than individual staff capacity gaps. Furthermore, recognizing that organizational development is a process and not an event, FtF-INVC deployed various tools and approaches to help build and strengthen partner capacity. For example, during FY14, a total of 197 training sessions, 53 coaching sessions, and 133 partner meetings were held. Table 9 below provides a list of all the training, workshops, and similar sessions/meetings that FtF-INVC organized and offered either on a one-on-one or on a group basis targeted solely at improving partner capacity. This was deemed critical to help bring partners closer to the level required to proceed forward with successful project implementation.

**Table 9: FORWARD Initiative - Activities for Partner Strengthening – FY14**

	Indicator	LOP Target	Results FY2013	Total FY14 Cumulative	Total To Date cumulative
1	No. of Agriculture-related Malawian NGOs and/or governmental organizations with operational capacity and effectiveness increased	5	8	10	10
2	Program Management, workplan development, Finance/Budget compliance, USAID regulations compliance coaching/meetings, training and Workshops	Sessions	34	122	156
		Participants	61	654	715
3	M&E Focused Meetings, Trainings and Workshops	Sessions	27	10	37
		Participants	172	147	319
4	Governance, Management, Leadership	Sessions	4	46	50
		Participants	66	830	896
5	Nutrition integration in agriculture activities	Sessions	10	19	29
		Participants	139	1,153	1,292
	Partner Meetings	Sessions	56	133	189
	Partner Coaching Sessions	Sessions	27	53	80

Of the 2,784 participants that engaged in the many sessions in FY14, approximately 25 percent came from NASFAM, implying that NASFAM staff involved with FtF-INVC attended almost every capacity building/training event organized by the project. It also means that NASFAM sent more than one participant per event. Staff participation from other partners, including FUM, MMPA, CISANET, CADECOM, Pakachere, Nkhoma CCAP and ACE has also been equally strong.

In FY14 as in previous years, FtF-INVC focused on building local capacity of not only partner organizations at the national level, but also considered it necessary to reinforce the capacity of district level farmer organizations and cooperatives that came through implementing partners. In addition, FtF-INVC also focused on making tools, technologies, and management practices available directly to smallholders to boost the practice of farming triggering rapid change among beneficiaries. The surge structure started in FY14 helped to firmly establish within farmer organizations a service delivery

mechanism to increase outreach, and create a pathway to channel information, new technologies and practices to improve their economic and nutritional wellbeing. The surge structure helped introduce an approach to ensure that every farmer has access to an assistant lead farmer to obtain information and improve farming practices, while also ensuring that agricultural practices and extension support is delivered in a manner that focuses on quality. This approach lowers the work load by reducing the “lead farmer–smallholder producer” ratio from the traditional 1:75/80 to 1:15 at the community level.

As a result of this drive to extend reach to beneficiaries in a sustained manner, over 25,000 AFOs, lead farmers, assistant lead farmers, association members, and similar field staff under FUM, NASFAM, CADECOM and MMPA were trained on such topics as aflatoxin management, land preparation, seed conditioning and storage, harvest and post-harvest management, collection marketing and the like. Table 10 below highlights several examples of such technical trainings offered to largely trainers such as extension officers, lead farmers and assistant lead farmers who are expected, in turn, to cascade down the training to farmers at the club and cluster levels in each district across the zone of influence. In FY14 nearly 70,000 additional smallholders received these trainings and printed materials with messages.

Table 10: FY14 Training of Trainers (TOT) through Partners & INVC

	<b>Subject Area</b>	<b>Participants</b>	<b>Trained by</b>
1	Aflatoxin management training for Dedza CADECOM and FUM TOT and association members	1,973	Food Sec
2	Land preparation, seed conditioning and seed germination testing for Lead farmers and Assistant Lead farmers + Field staff (TOT) under NASFAM, FUM and CADECOM	8,009	Adaran Johnston Consultants & DARS/Chitedze
3	Collective Marketing training for Dedza CADECOM, NASFAM & FUM lead farmers & TOT	7,043	Food Sec/AGM/AJ Consultants
4	G/nuts post-harvest & storage training of TOT	513	IITA
5	Seed production as business	143	IITA
6	Agronomic Practices in planting and husbandry	238	DARS/IITA
7	Training in double-up legume - TOT	60	Africa Rising
8	Dairy Production, Feeding and AI techniques, for dairy farmers and AI Technicians	840	MMPA
9	Governance, Leadership, Project Management	94	Malawi Institute of Management
10	Governance & Business Management Training of Farmer executive committee members of farmer associations under FUM, NASFAM, CADECOM & MMPA	736	Umodzi Consulting/Tradeline Consult/ Target Consulting
11	Trading, Warehouse Receipts, Storage, Financing	4,463	ACE
12	Market Brokers training	42	ACE
13	Training on Care Group Model (Promoters, HSAs & AEDOs)	471	Nkhoma/INVC
14	Training for community based drama group members	274	Pakachere
15	Training care group volunteers in in health and nutrition interventions	3,061	Nkhoma/INVC
16	Child Health Days (CHD) data capture using gender disaggregated forms - enumerators	34	Reach Trust

As shown in Table 10 above, during FY2013, emphasis was placed on ensuring that key production practices were rolled out through the implementing partners’ organizational structures. As part of this push, FtF-INVC emphasized the need for extension officers (AEDOs), field officers, lead farmers and assistant lead farmers to be trained given that these four agents of change are the most leaned upon by both the farmers themselves and the organizations channeling the support.

On the market development/access to market front, a big gain was achieved through ACE's introduction of the "Offer Volume Only (OVO)" auction sale option. In an OVO, a seller fixes quantity of commodity they wish to sell and interested buyers place price bids and the quantity demanded online. Three OVOs were conducted upon request from the National Smallholder farmers of Malawi (NASFAM), Farmers Union of Malawi (FUM) and a Mozambique-based organization. All three OVOs were for soya and represented a total volume of 2,369MT.

The introduction of the OVO provided alternative market outlets for smallholder farm produce and the prices offered at all the three OVOs were better than market prices at the time of the bids. In fact, the linkage of **farmers to OVOs** through NASFAM helped to realize an immediate 17% differential above the prices offered by vendors at the farm gate and, subsequent to the completion of the auction, profits that nearly doubled the return to farmers.

The main reason why OVO bids were higher than those on the national trader and AHCX markets is that regional buyers from much larger markets - Tanzania, Zimbabwe and Mozambique - induced stiff competition during the auction. Their bids revealed the true regional value of soybeans on a Lilongwe-delivered basis. The effect of the OVO on prices brought to light, confirming FtF-INVC's 2013 study on, the excess profits (rents) maintained by current domestic and export licensing requirements and the risks imposed by unclear and varying Government of Malawi policies and regulations along with exchange rate risks in Malawi's volatile currency market.

Another strong feature in FY14 was the progress made during the year to increase the commercial integration of smallholders into the grain markets. This was achieved through increased efforts in collective marketing activities, which helped boost farm gate prices offered to farmers by 25% for soybeans and about 24% for groundnuts.

In the arena of access to credit and finance, FY14 also saw the continued expansion in the availability of bridging finance, which is being spearheaded by ACE, another FtF-INVC partner. Much of this financing mechanism is being tapped through the WRS 70% finance facility and the forward contract facility to help strengthen the sector and develop financial stability and sustainability. Given the improvement in, particularly, soybean production, as well as the continuing rapid evolution of demand for soybeans as a result of processors bringing on-line substantial new processing capacity (estimated private sector investment of about US\$15 million), these have highlighted the win-win nature of sales options such as forward contracts, the demand for which spiked this year.

In the groundnut sector, a big push was made during the year to promote in-shell marketing, collective shelling, and aflatoxin management. Afri-nut, one of the bigger buyers of quality groundnuts, confirms that this year nuts are arriving with lower aflatoxin levels. The improvement in aflatoxin levels are important to processors since it helps them increase the volume of nut sale rather than moving into increasing cooking oil production, a necessary by-product to stay profitable. Another by product sale that is expanding rapidly is the processing of soy pieces - a response led by the private sector - given the continued growth in demand in rural areas for nutritionally-dense, easy-to-prepare foods at affordable prices.

On the nutrition front, FY14 saw a rapid expansion of outreach to communities to help establish a strong nutrition services delivery mechanism as a pathway to channel nutrition-based information and training. To date, across the 5 districts (which includes the expansion districts of Balaka, Machinga and Mangochi) a total of 537 care groups have been formed. These 537 care groups, made up of 7,319 lead mothers/fathers, reach out to almost 99,000 households with pregnant or lactating women and children under 5 years old. The 537 care groups are supported and monitored by 276 promoters who ensure that lead mothers (who serve as care group volunteers) visit each of their cluster members of 12 or more households at least every two weeks. Consequently as of September 30, 2014, a total of 112,560 children under 5 (with a large proportion of children under 3 years) were being supported by INVC. To date a total of 201,692 people were trained and retrained on such topics as exclusive breastfeeding, SUN, ENA, food processing, etc.

To support care group activities conducted by promoters and care group volunteers (lead mothers/fathers), 439 drama/theater performances have been delivered within communities on dietary diversity, maternal nutrition and exclusive breastfeeding. A total of 63,780 community members were reached during these performances in several EPAs within Mchinji and Lilongwe districts. Two jingles on nutrition-related topics and 8 public service announcements (PSAs) on agriculture dealing with collective marketing, crop harvesting and storage, aflatoxin management were aired 1,318 times through two national and a community radio stations. In addition, counseling cards and handouts to enable improved practices were also widely distributed across the intervention districts.

In addition to nutrition and behavior change activities, FtF-INVC also supported the Government of Malawi's (through the Ministry of Health) efforts to improve nutrition and health at the district level. FtF-INVC partnered with the districts to fund the Government's Child Health Days (CHD) campaigns to improve Vitamin A supplementation, deworming, nutrition screening and promotion of infant and young child feeding, sanitation and hygiene, use of insecticide treated bed-nets, and consumption of iodized salt. Child health days are conducted twice a year (every November and May) in the country. In 2014, the May CHD was held in the month of June due to the May tripartite elections. In FY2014, FtF-INVC supported both CHDs; in November, FtF-INVC reached 237,813 children covering two districts (Lilongwe and Mchinji). The June CHD event reached a total of 170,846 children under 5 covering 5 districts (Mchinji, Lilongwe, Balaka, Machinga, Mangochi). FtF-INVC has decided to report the June numbers (170,846) since these are gender disaggregated.

# REVIEW OF FY2014 LESSONS LEARNED AND SOME SUCCESS STORIES

## LESSONS LEARNED

A core value of the project has been to encourage the process of *reflection*: reflecting on both successes and sub-optimal results. The results of these reflections and the lessons that were learned over the course of the year have been fully documented in the Quarterly Reports. This section therefore provides a high-level summary of the most significant Lessons Learned over the course of the year and, in particular, it summarizes the valuable results of the working sessions held during July and August 2014 designed to create the Annual Work Plan (AWP). As part of the AWP workshops, all Implementing Partners were invited to present an update of their activity and, especially, to reflect upon successes and failures and to identify lessons learned. The FtF-INVC project team used these as the basis for higher level strategic lessons learned which are summarized below.

### *Lessons learned by our Implementing Partners*

#### *Significant benefits were achieved from active collaboration*

- Implementing Partners learned to work more closely with each other where necessary they found increased levels of impact on the beneficiaries
- This collaboration extended to working across the boundaries of the project components (for example the integration of nutrition and agriculture messages)
- This collaboration and alignment of efforts were encouraged and facilitated, in part, by the Annual Work planning sessions and workshops

#### *Impact of delays*

- Delays were caused by a number of factors – either internally-created within the IP or an external influence: for example
  - Delays caused by the procurement or recruitment processes / paperwork / compliance requirements
  - Resolution of issues / disagreements with suppliers (or with FtF-INVC itself)

#### *Aligning capacity building and communication efforts to the calendar*

- Several IPs learned that results from training and farmer contact meetings were far more effective when the interventions were closely aligned to the agricultural calendar.
- Whilst this may seem self-evident at first, it was unfortunately not always the case that training could be delivered at the optimum time.
- Any delay in setting up the training created a mismatch between the topics presented and the Farmer's actual activities.
- Such mismatches significantly reduced the impact of the training

#### *Low productivity and effectiveness of new staff.*

- As a result of unexpectedly high rates of staff turnover, IPs found that they had to devote significant (and unplanned) resources to basic orientation and training of large numbers of new staff before they were able to contribute effectively to the implementation plans.

#### *The value of deploying integrated training packages*

- Partners identified the significant benefits that could be realized by integrating training with support materials and field-level demonstrations
- Follow-up coaching and localized monitoring support were also shown to have a positive impact on the attitudes and behavior of the beneficiaries: mothers, farmers and households.

### ***Balancing available resources with demands of the work load***

- The rapid expansion that has been achieved in the number of beneficiaries imposed significant growth challenges for the partners
  - Therefore many of the partners had to embark on large-scale recruitment efforts to ensure that an adequate number of staff were on board and trained.
  - Any delays in the recruitment or training processes created severe implementation challenges

### ***The value of on-going mentoring and coaching***

- IPs were able to provide mentoring support to Beneficiaries on an on-going basis through the Care Group structure, the network of Lead Farmers and Assistant Lead Farmers and consultants / business service providers specifically engaged to provide technical expertise.
- Such on-going and continuing support enabled beneficiaries to have support and advice when it was most needed.

### ***Lessons learned within the M&E Component***

Feed the Future is a data intensive initiative therefore projects under the Feed the Future umbrella need personnel with the capacity to set up strong M&E systems from the projects inception. This was not the case at the beginning of this project but the project has since bolstered its M&E team with the hiring of an expat M&E team leader. INVC has also asked that our partners take M&E seriously and hire their own M&E coordinators. Early in the project, many partners were relied on to monitor and gather their own data with minimal supervision. Once the DQA was conducted on the INVC project it became clear that local partners were not going to have robust M&E systems without a lot of hand holding. Partners need to receive training early on to gather indicator data with the appropriate disaggregation. This guidance was given to partners after the DQA and now everyone understands the importance of correct disaggregation.

Gathering data is everyone's responsibility especially with "Feed the Future" projects. It cannot be left up to M&E team members alone. This message is being transmitted to all levels of the project. Indicator definitions need to be clear and specific. This is especially important for teams conducting surveys for required project indicators. Without clear definitions survey responses will not tell the correct story about project results. INVC has revisited its indicator definitions to provide more specificity and these definitions will be revisited annually.

### ***Lessons incorporated into the Annual Work Planning process***

In April 2012, FtF-INVC embarked on a partnership with local organizations to work through them as front-line implementers of INVC while enhancing their competencies to become practitioners of USAID/FORWARD's direct procurement of development services to advance aid effectiveness. Implementation experience revealed severe capacity gaps within local partner organizations: this lack of capacity slowed the pace of technical gains that could be achieved. Two-and-a-half years into the Project, partner capabilities have improved significantly, primarily due to the intensive capacity building support that has been facilitated by INVC. In the process, INVC had to build, and in some cases rebuild, service delivery mechanisms, systems and structures. Partner spirits are now revitalized and focused on core competencies and sustainable service delivery. Progress has been made as the drive to scale is advancing across FtF-INVC's agriculture and nutrition components as can be seen from the summary results Tables. While the march to scale has been consistent and impressive, the project team remains mindful of the need to secure – and even improve - the quality of the gains made. Even modest improvements in productivity and competitiveness will have huge implications for smallholder households. While FtF-INVC has reached many children and malnutrition is falling, important availability, access, and utilization issues continue to prevent far too many infants, children, and pregnant women from consuming the minimum balanced, nutritious, diet that will lead to a much stronger and healthier next generation. The sort of challenges experienced by our Implementing Partners and the consequent lessons learned since the inception of the Project have led to the

introduction of improved implementation approaches and techniques that are more nuanced and effective: they will broaden and deepen outcomes that directly contribute to achieving the Project's fundamental impacts and USAID/Malawi's CDCS goals. Many factors – direct and indirect – have affected the project's ability to address the implementation challenges: to realize not just outcomes but *sustainable impacts* that transform markets and civil society and which will allow community structures within the zone of influence (ZOI) to break free from over-reliance on subsidies and donor programs.

### *Lessons relating to the effective management of cross-cutting factors*

Some of the cross cutting themes that can have a significant impact on project outcomes include:

- the risk and opportunity present in traditional gender roles
- prevalence of HIV/AIDS
- climate change resilience
- potentially transformative effect of ICT development solutions.

As a direct result of *lessons learned*, innovative interventions to address and improve these crosscutting themes were identified and incorporated into a revised work plan.

### *Lessons learned about Integration and collaboration*

Integration and collaboration plays a pivotal and increasingly important role in FtF-INVC and remains a consistently important aspect of the implementation approach: collaboration within INVC components, among implementing partners, with other USAID and donor projects and with national and district government units. Congruent with the belief that the whole can be greater than the sum of individual parts, and based on lessons learned throughout the year, INVC's work plan strategies proactively incorporate an action-oriented integration approach. The Project will continue to wring costs out from throughout the supply chain, and promote the benefits of collective marketing over this next year; it will also begin the transition from efficient production and competitiveness *push* activities to markets and marketing *pull* activities. Some of these strategic shifts are predicated on considerable progress made over the past two years; others are based on challenges faced and lessons learned from those experiences.

### *Lessons learned regarding surge expertise*

As a result of the positive impact of utilizing surge expertise - both Malawian and expatriate – this policy will be continued whenever necessary to assist the Project Team, and more directly our Partners, through embedding such surge support in their organizations

### *Lessons learned about coping with institutional capacity deficiencies*

By far the greatest challenge that has been faced by FtF-INVC is the impact of the institutional capacity deficiencies at local Malawian partners – for example leading farmer and nutrition civil society organizations. After two years of effort and struggles, many of our partners have begun to embrace the INVC philosophy of demand-driven sustainability versus a laissez faire, grant-driven dependency. While progress has been made, considerable work remains. One key overarching lesson learned is that ***while we must work with local partners, their constraints must not inhibit Project progress or restrain its growth.*** A critical issue was the tension between the espoused policy of promoting IP independence and sustainability with the reality of inadequate performance by some partners in critical tasks. Some of the modifications initiated during this past year and which will be expanded as the project moves ahead include the direct management or implementation by the FtF-INVC team of certain 'strategic' or high-risk, highly-complex tasks. An example would be the management of major procurement and this type of mission-critical activity was more effectively implemented through direct intervention and action by the FtF-INVC team. Based on this invaluable insight and a rippling of lessons that radiate from it, DAI initiated a ***hybrid implementation approach*** which has proved to be successful. Utilizing the hybrid approach the INVC management team takes a more active management and supervisory approach managing mission critical activities side by side

with partners to insure that activities are not only completed properly but that appropriate training is conveyed to the implementing partner for future implementation. This hybrid model will be used through FY2015 and beyond.

### *Lessons learned: the Hybrid Implementation Approach*

FtF-INVC is a USAID/FORWARD initiative charged with building host country capacity to directly implement USAID projects among civil society organizations, the local private sector, and host country government units. Originally INVC envisaged that DAI as prime contractor would employ a relatively light touch, relying on local grantee implementing partners to deliver on-the-ground activities. To that end, over \$7.5 million in fixed obligation grants have been committed to implementing partners including NASFAM, FUM, CADECOM, and MMPA. Based on lessons learned the revised work plan developed during FY14 replaces the light-touch approach with a hybrid approach that balances the spirit and intent of USAID/Forward with the mandate to achieve project targets. We have learned that no USAID implementer can achieve sustainable results without working with and through local partners. Directly accountable to USAID, we also cannot allow our partner's capacities and constraints to determine the pace, outcomes, and impact of the Project. The FY2015 work plan and the strategic plans for subsequent years are now driven by a well-grounded understanding of the community and market dynamics within which FtF-INVC works. Experiences to date have enabled FtF-INVC to develop an in-depth knowledge of the challenges posed by, for example:

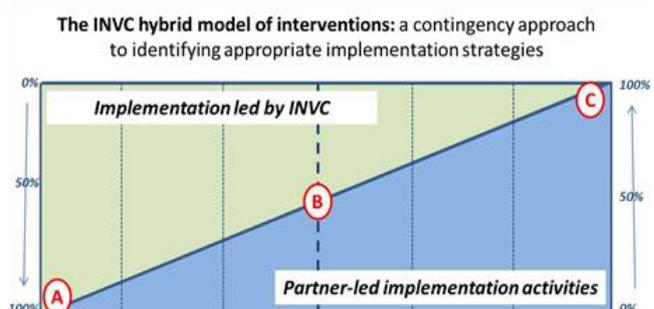
- Implementing Partners that are not yet capable of reliable and consistent delivery
- Partners that can be relied upon to deliver some results effectively
- Those implementation tasks that have a high risk associated with them and so require more direct management by the Project.

This understanding has enabled Project leadership to develop and adopt a contingencies-driven strategy to project planning and implementation: the **hybrid approach**. It is a series of design choices for the project that are responsive to the specific circumstances and situation. The hybrid model conceptualizes a continuum of combinations of project implementation levels

- At one end can be seen a direct hands-on approach by FtF-INVC
  - INVC directly mobilizes the beneficiaries and establishes structures and workforce to deliver project assistance and technical services
- At the other end where the IP takes full responsibility for all aspects of project implementation
  - from beneficiary mobilization, design and organization of service delivery structures, assembling workforce, developing and delivering technical content and services, supervising roll-outs, ensuring scaling, and monitoring progress .

Multiple points exist between these two ends of the continuum. In the illustration below, the upper shaded triangle represents those activities where FtF-INVC takes a strong lead or actively and directly implements. In contrast, the lower triangle represents those project activities that are delegated to IPs for direct implementation. The rationale for this model and some further explanatory notes on risk assessment and the choice of an appropriate implementation strategy can be found in the FtF-INVC 2015-16 Work plan.

**Figure 3: The FtF-INVC hybrid model of implementation**



***As a direct result of lessons learned, a number of substantive adjustments to the INVC Project approach were incorporated in the work plan for FY2015 and beyond.***

## SUCCESS STORIES

### **(1): Ground-breaking ‘Offer Volume Only’ on-line auction successfully integrates smallholder farmers into structured market systems in Malawi**

The successful integration of Malawi’s smallholder farmers into structured market systems took a major step forward in July 2014 when around 550MT of soybean and 150MT of groundnuts were sold under collective marketing arrangements on the electronic trading platforms of the Agricultural Commodity Exchange for Africa (ACE). Smallholder farmers from 3 Districts in Malawi aggregated their crops and made them available via the ground-breaking “Offer Volume Only” (OVO) on-line trading facility.

This was the first such auction facility to be made available in Malawi and attracted 10 active buyers from Malawi, Zimbabwe and Tanzania. Participating farmers were offered significantly higher prices than usually available through the traditional route of selling to local vendors and itinerant traders. Competitive bidding amongst the participating buyers resulted in a final bid price of 204 Kwacha/kg: a significantly higher price than the 140 kwacha/kg offered by local vendors/buyers. The dynamic auction session was witnessed live at the ACE Kanengo offices by USAID/Malawi as well as representatives from the processors, feed manufacturers, and exporters.

The OVO Auction has been developed as a key element of the strategy to strengthen and deepen the legume value chains as well as improve farmer incomes under the USAID-funded **Feed the Future “Integrating Nutrition in Value Chains”** (FtF-INVC). Advancing value chain competitiveness is a major element of this three-year program and establishing sustainable mechanisms for collective marketing are key components of enhancing the competitive and profitable sale of agricultural produce by the smallholder farmers of Malawi.

Two key Implementing Partners for FtF-INVC, the National Smallholder Farmers’ Association of Malawi (NASFAM) and the Farmers Union of Malawi (FUM), have now registered close to 62,000 farmers this marketing season to take an active part in the collective marketing systems promoted by FtF-INVC. As a result of sustained efforts over the first two years of the project, a viable volume of crops was now available that met the quality requirements of local and international buyers. Collective marketing of the soybean and groundnut crops was facilitated through the successful establishment of 343 Village Aggregation Centers and 65 satellite storage / bulking centers. These locally-available facilities for temporary storage upgraded smallholder marketing opportunities by strengthening the backward integration of the value chain to bring the market closer to the farmers. Aggregated crops deposited into certified storage facilities established by ACE are secured through the Warehouse Receipt System (WRS).

Accelerated integration of smallholder farmers into structured marketing arrangements delivers a key strategic goal of FtF-INVC of increasing income for around 275,000 households by 2015 along with other immediate benefits for target beneficiaries. The OVO facility helps to deepen market access for smallholders, enabling them to gain access to national and international buyers. It liberates the small-scale farmers from accepting unrealistically low prices offered by roving vendors and helps prevent revenue losses sometimes experienced when farmers succumb to distressed sales to middlemen.

Additional value capture from enhanced offer prices has delivered increased income to the farmers and increased price transparency for growers reduces the opportunity for potential collusion amongst buyers, processors and exporters to artificially depress prices on offer. Achieving this stage of sustainable market integration came about as a result of the successful completion of complex action programs by FtF-INVC and its partners NASFAM, FUM, CADECOM and ACE.

During 2015, scaling of volumes traded under these structured market arrangements will increase, underpinned by the introduction of additional options for bridging finance and increased physical

availability of quality-assured crops for auction through the efforts of NASFAM, FUM and CADECOM to work closely with additional groups of smallholder farmers.

**(2): ACE Broker Training: *Developing a new generation of professional traders working on behalf of small scale farmers in Malawi***

The creation by ACE of a transparent, reliable and effective trading system is a major element of the strategic approach of the Feed the Future *Integrating Nutrition in Value Chains* project (FtF-INVC). One objective of the project is increasing market access for small-scale growers as well as established traders. FtF-INVC has supported the creation of the market systems by ACE and during the past growing season the volume of crops being traded through the platforms has increased significantly alongside a similar increase in the volume of crops that are stored in safe and secure ACE certified warehouses. FtF-INVC field officers are working with farmers across the country to sensitize them to the benefits of the Warehouse Receipts System and forward contracting and now, through the training of groups of potential brokers, INVC is facilitating the enlargement and increased maturity of the market. These developments represent a major step forward in establishing more profitable market opportunities for growers of maize, legumes and other crops.

Nearly 50 eager, self-motivated, participants took part in one-week training courses to enable them to become Brokers using the new on-line electronic trading platforms created by the Agricultural Commodity Exchange for Africa (ACE). Individuals who passed the examination at the end of the training course were licensed to act as Brokers on the Exchange and will work closely with local growers to get the best possible price for their crops through the ACE platforms. This trading platform is a safe and secure way for small scale growers to enter the national market and obtain better prices than might be offered by traders and buyers calling at their farms.

The day-to-day activities of the Brokers will focus on identifying potential clients and establishing agreed terms for the Broker to act on their behalf in the market. Brokers will be able to offer advice to farmers on potential future demand for their crops as well as the special conditions associated with particular buyers, especially foreign customers who enter the Auctions administered by ACE. Throughout the training it was emphasized that the brokers will be empowered to play a vital role in the further development of the commodity market in Malawi, ensuring continued prosperity for farmers and small holders.

The courses were held during March 2014 in both Blantyre (17-21) and Lilongwe (24-28) and they attracted trainee brokers from around the country who responded to advertisements in the national press. Trainees had to be willing and able to pay for their own participation. The training program covered the professional behavior required of an effective broker as well as providing a thorough understanding of the legal, contractual and procedural systems for the Exchange. Participants were also introduced to some of the practicalities of grading and storing seeds and crops so that they fully understood the implications of acting on behalf of future clients.

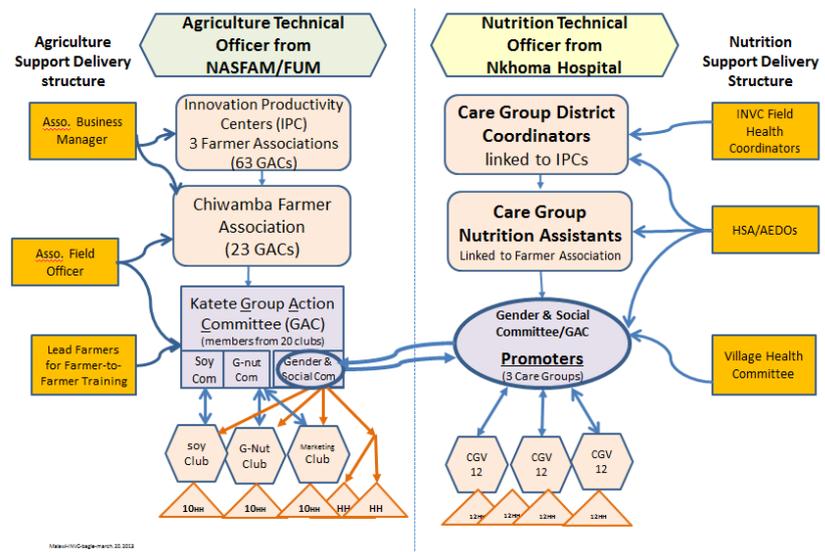
The final part of the training focused on the skills required to play an active role within the ACE trading platforms on behalf of their clients and how to act in order to secure the best possible deal for them. In addition to a course-completion certificate, the 24 candidates who passed the post-training examination are now licensed to work on the ACE platforms. The successful trainees were further motivated when it was explained that their performance as brokers will help to grow this vital market and will influence the future direction of the Exchange. Their behavior is expected to help to shape the way that the Exchange works in the future and help ACE to evolve as the market evolves. These newly-qualified Brokers will be in daily contact with growers and traders and will be able to understand trends and changes in the market. Such a sophisticated open trading system is new to Malawi and is a major step-change from what has gone before. Inevitably a major development like this creates a number of challenges for all the players – growers, buyers and brokers - but these newly qualified brokers now understand how to manage these risks and challenges for the benefit of their clients.

### (3): Scaling the Integration of Nutrition in Agriculture Value Chains through Community Engagement and Partnership

To date, Feed the Future’s *Integrating Nutrition in Value Chains* (FtF-INVC) project in Malawi successfully clustered almost 99,000 households with about 112,560 children under 5 years old in five districts, applying the project’s “Care Group” build-up strategy to prevent child undernutrition in the community. Based on peer-to-peer counseling, “Care Groups” allow FTF-INVC to provide targeted and individual attention to families with children and pregnant and lactating mothers that may require immediate and continued nutrition guidance. Care Groups are facilitated by trained community volunteers, who serve as community-based health and nutrition educators, to raise community awareness, to transfer knowledge and skill, and encourage adoption of positive behaviors.

Through the INVC project, the Care Group model was re-engineered to connect the nutrition education delivery pathway to community-based agriculture organization to better bridge nutrition and agriculture at the community level. By securing the care groups with direct ties to community based farmer organization, the trained community volunteer is able to channel both agriculture and nutrition messages to households. Under INVC, the trained “Care Group” community volunteer, also called “promoter,” serves as a key member of the community-based farmer organization (see figure below).

**Figure 4: FtF-INVC entry pathways for integration of agriculture and nutrition**



This simple alignment of nutrition and agriculture, by linking care groups to farmer clubs, lets mothers in care groups not only source food when needed, but also access agricultural extension assistance to improve agricultural practices, whether they be starting kitchen gardens to cultivate nutritious vegetables or learning how to improve soybean and groundnut production, reduce losses during harvest and postharvest handling, processing, and storage practices

The linkage of nutritional activities to agricultural clubs has now opened up a channel for members of care groups to sell their surplus soybean or groundnuts through collective marketing. Collective marketing reduces the burden of finding markets for rural families, and it also improves the prospects of increasing household income because it offers better alternatives to opportunistic roving vendors.

For the farmer clubs, the flow-back of nutrition information through the trained community volunteer i.e. promoter, linked to the care group model, has helped raise awareness of the importance of nutrition. Empowering a farmer group, solely focused on agricultural production and marketing, with the opportunity to learn about nutrition and health through one of its own members (the promoter trained on nutrition through the “care group” model), has widened the circle of families in each community with knowledge needed to improve their nutritional status. This has resulted in an increasing number of farming households changing their marketing practices to withholding some soybean and groundnut cash-crops from sale to increase household utilization.

The INVC nutrition-agriculture integration strategy is driven by the belief that agricultural production without nutritional knowledge will not result in improved nutritional wellbeing; nor will nutrition knowledge alone lead to improved nutrition without access to sources, and timely availability, of nutrient-dense food such as soybean and groundnuts. The INVC agriculture-nutrition integration model, designed to address precisely the knowledge and attitude gap, is successfully facilitating the

cross-fertilization of information and best practices spanning both nutrition and agriculture with encouraging results thus far. To date, INVC has trained a total of 268 promoters to guide 8,700 lead mothers like Mrs. Eveless Goliati (see text box) to reach out to over 98,000 households with over 112,000 children through the care groups.

By securing or linking the “Care Group” model to the community farmer organization structure, INVC’s agriculture-nutrition integration approach is also helping establish the foundation to reinforce community capacity to build resilience and prevent undernutrition. This unique linkage has significantly improved the potential to sustain the “Care Group” system, while continuing to nurture the relationship with the Government of Malawi’s community-based health service providers such as the Health Surveillance Assistants (HSAs) at community health centers.

The same unique linkage has also opened up a sustainable and cost-effective pathway for the delivery of services from other partnerships beyond the community. To date, partners such as Nkhoma CCAP Hospital for nutrition, Pakachere for behavior change communication, and NASFAM and FUM for agriculture, are collaborating to channel new information, technologies and innovations through these structures across communities.

Key messages on infant and young child feeding, with appropriate modifications during and after illness, basic hygiene and sanitation, and maternal diet and hygiene practices are delivered through the care group structure twice a month. Promoters are trained on nutrition packages that incorporate the essential nutrition actions (ENA) and scaling up nutrition (SUN) protocols. Promoters also conduct cooking demonstrations, giving seasonally-adjusted recipes, food processing demonstrations, screen for conditions that require referrals to health clinics, conduct growth monitoring sessions, and provide training on building energy-efficient cook-stoves using local materials to help promote improved individual eating habits and household practices. Promoters further serve as the link to HSAs to ensure that communities under their oversight continue to receive clinical health support as and when needed. To reinforce the messages delivered by the trained community volunteers/promoters and lead mothers, these “foot soldiers” are supported with radio jingles, radio programs, and local theatre groups.

#### **(4): Empowered women achieve improved family income and health through integration of nutrition and agriculture messages**

Last year Eveless Goliati received 15kgs of CG7 groundnuts through her local Farmers’ Group and after a successful harvest she was able to return 30 kgs to the Club. Fulfillment of her obligation with NASFAM was achieved after already saving 2 bags of nuts for home consumption and selling 15 bags of unshelled nuts. This greatly increased income enabled her to buy essential household items, but Eveless was also able to use part of the money she earned to buy eggs, meat, fruits, and juice which would not normally form part of the family diet.

She has now helped secure the *future* nutritional well-being of her three children by using part of her income to buy 2 bags of fertilizer to achieve another good crop during the coming season. Her success is a demonstration of how women are becoming empowered through education and training to implement substantive behavior change that maximizes nutrition gain at the same time as enhancing income from farming.

These improvements have come about as a result of interventions within the delivery strategy for Feed the Future’s three year *Integrating Nutrition into Value Chains* project (FtF-INVC). The aim of the project is to help advance the vision of Feed the Future and the Global Health Initiative of

**Figure 5: Eveless Goliati a proud lead mother and NASFAM club member**



sustainably reducing rural poverty and improving nutrition in Malawi. Under FtF-INVC, the challenges of chronic under-nutrition – which in Malawi is manifested by widespread childhood stunting - are being met by initiating and supporting community-based programs involving behavior change at the household level, food fortification programs and capacity building to sustain the solutions within the communities. Care groups and NASFAM Farmers' Clubs have been long established in Malawi, but INVC is helping to bring about sustainable behavior change through the successful integration of messaging and reinforcement at community and household levels, fostering innovation and adaptive technologies that improve agricultural value chain competitiveness and nutritional outcomes.

These achievements are sustained and up-scaled through the work of committed individuals like Eveless who is an active member of the local NASFAM club as well as a Lead mother of Tikondane Care Group in Mankhwa GAC, Chiwamba EPA. In her role as a lead mother, Eveless is educating other community members: in her GAC, 29 clusters of 12 households have been formed, each with a volunteer leader, bringing together nearly 350 women who are pregnant, lactating or the mothers of children less than three years of age.

#### **(5): Organizational strengthening in one of the largest farmers' associations in Malawi is already demonstrating benefits for members**

The largest independent, member-owned, organization for smallholder farmers in Malawi is actively implementing a major organization improvement program that has already enhanced institutional capacity and created stronger alignment amongst employees to its core purposes. The close working relationship of the National Smallholder Farmers' Association of Malawi (NASFAM) with USAID-funded **Feed the Future “Integrating Nutrition in Value Chains”** project (FtF-INVC) has resulted in this long-established farmers' organization achieving a step-change in organizational effectiveness, demonstrable improvement in program implementation and enhanced communication with members. This successful transformational initiative fulfills one major objective of FtF-INVC: to strengthen the capacity of selected institutions and organizations to become direct recipients of USAID funding following the completion of the FtF-INVC project. The change program in NASFAM explicitly operationalizes FtF-INVC's goal of advancing the USAID **Forward** agenda of building the capacity of local non-governmental organizations (NGOs) in management practices and financial systems in order for USAID/Malawi to make direct awards to Malawian organizations.

**Figure 6: Conducting the OCA in NASFAM**



NASFAM is democratically governed by its 100,000+ members and was founded in 1998 on the principle of collective action and, as with so many long-established, collectively-run, organisations, changes in the market place and increased demand by members for services have revealed areas within the organization with potential for strengthening and increased effectiveness. As part of the FtF-INVC project an **Organizational Capacity Assessment (OCA)** exercise was carried out in February 2014 to identify areas of opportunity for growth and change. The **Organizational Capacity Assessment Tool (OCAT)** methodology examined NASFAM across eight dimensions of capacity and identified the opportunity to initiate

significant organizational changes to address specific institutional challenges. NASFAM is similar to many other member-led organizations: in the past it had experienced little or no drive for self-generated change and it took the intervention and subsequent collaborative working with FtF-INVC to kick start the change process. The OCA also identified an opportunity to work on closer alignment of staff perceptions of NASFAM's identity and goals as well as reducing the different perceptions amongst stakeholders on the identity and role.

The Chief Executive Officer of NASFAM has been critical to the successful launch and implementation of the capacity building program. The CEO actively participated in the assessment

exercise alongside NASFAM staff representing different functions, organizational levels and geographical locations and the strength of the assessment process was shown by the organizational learning, team building and reflective self-assessment that occurred as part of the process of identifying capacity building opportunities. The *Corporate Development Framework* (CDF) was then used by a CEO-led task team to develop a holistic analysis of the challenges.

FtF-INVC provided professional human resource expertise to NASFAM to facilitate the process of change. Interventions such as the Town Hall Workshop, attended by more than 100 NASFAM staff, and subsequent Core Corporate Identity workshop, involving 20 volunteer Change Champions, have helped to build employee support and commitment for implementing the organizational strengthening program.

It is the first time that such interventions have been adopted by a local Malawi NGO and the encouraging results will be a stimulus to other organizations to seek opportunities for similar change in performance.

#### **(6): Growing groundnuts for enhanced income and diversified nutrition levels**

Changing well-established patterns of farming amongst Malawi's smallholders is never easy but in Dedza district farmers have started to change some traditional ways of working – with impressive results. Recent evaluation work in the field has shown the extent to which diversified planting and the use of new farming practices have been established to achieve higher levels of income together with a better, more diversified, diet. Farmers like *Diana Ndipo* from Ngodo village, GVH Ngondo and belonging to Ngondo GAC are growing groundnuts and Diana is already seeing the benefits of this crop for the nutrition of her family as well as her family income from farming. Diana, 41 year old divorced mother of three, is now the sole breadwinner for her family and understands the economic value of these crops as well as the dietary value they can bring her family. [Picture 1]

Production and marketing of this little known but valuable crop has been promoted by Dedza CADECOM (Catholic Development Commission of Malawi) in conjunction Feed the Future's "*Integrating Nutrition into Value Chains*" project (FtF-INVC). The double benefits of this crop are now being enjoyed by farmers in five EPAs: Chafumbwa, Mtakataka, Golomoti, Bembeke and Kanyama. By working with CADECOM in these EPAs, FtF-INVC has been able to provide 144 metric tons of certified seed to 14,400 smallholder farmers and subsequently introduced improved agronomic practices and trained the smallholders in marketing their crops. This integrated approach to align changes in practices relating to nutrition *and* agriculture is an essential element of the project's strategic goals and the reality of the achievements on the ground were confirmed during a recent high level visit to the area. In April this year, a delegation from the M&E team from FtF-INVC visited the EPA to ascertain if the initiative was reaching out to the intended beneficiaries. As part of the *ground-truthing* process, five lead farmers were selected at random from two EPAs and from each group headed by that Lead Farmer, one or two farmers were selected at random to discuss the project benefits during a visit to their farm.

The essence of Diana's story was repeated by the other farmers, selected at random, who were visited by the INVC team that day. Otilina Helemani [picture 2] was another beneficiary from Khama Club in the same EPA and she was happy to show the team her groundnut garden. Dedza CADECOM has reached 25,189 beneficiaries across the five EPAs out of the target of 30,000. Results seen on the ground in Kanyama have proved that the project is truly reaching the intended beneficiaries and is helping to make significant changes to both the agricultural practices of the smallholders and helped to enhance the nutrition levels. In addition, innovations in collective marketing and market reforms such as the introduction of the Warehouse Receipt system are helping farmers improve their incomes after the harvest.

**(7): Women farmers in Dedza district change their farming practices and enjoy improved nutritional standards and improved income**

Mrs. Jenelesi Joni is one of the small scale farmers and housewives who have experienced a significant improvement in her family's nutrition and income since she adopted new farming practices. In her case, she has started to grow groundnuts following training and support from Dedza CADECOM. Dedza District is one of the areas in Malawi where groundnuts grow well and farmers should be able to expect good yields because of favorable weather and soil conditions. However, production in the district has been limited due to a lack of knowledge and skills to support groundnut production, coupled with factors such as the lack of reliable supply of good certified seed and poor agronomic practices at the harvest and post-harvest stages. Yields per hectare had been low in the past and, compounded by market challenges that adversely affected their income, many farmers were not attracted to grow groundnuts.

**Figure 7: Mrs. Joni's first groundnut crop growing in her field near Dedza**



**Figure 8: Mrs Joni proudly displays some bags from her first harvest of groundnuts**



However, FtF-INVC teams have shown in the district that improved agronomic practices can increase total production and improve productivity. Dedza CADECOM, with financial assistance from USAID through Feed the Future's "Integrating Nutrition in Value Chains" project, implemented initiatives to improve production, household income and health. Mrs. Jenelesi Joni was one of the farmers at Golomoti EPA who had never grown groundnuts before but is now a happy beneficiary of the project and her success is representative of what has been achieved in the District. Mrs. Joni has three children and hails from Kalumo Village, GVH

Pitala, T/A Kachindamoto where she is a lead farmer from Tiyanjane farmer's club of Pitala GAC. She and her family traditionally grew maize for food and her husband grows 1-1½ acres of cotton every year as a cash crop. During the 2013-14 season, the family grew groundnuts for the first time and they were able to benefit from the supplementary nutritional value as well as enjoying the additional income on top of their earnings from growing cotton.

From the certified groundnuts seed provided by Dedza CADECOM she planted a ¼ acre. Though germination was not good initially, Mrs Joni bought some CG7 seed from the market and filled the gaps. The resulting crop was very good and the family harvested seven bags of unshelled groundnuts. The family also ate freshly harvested boiled groundnuts and now the family is able to garnish vegetable dishes with groundnut flour or fry groundnuts for snacks. Porridge for the children is also enriched with groundnut flour. Overall, the health of her family has improved greatly and she plans to increase her acreage under cultivation for groundnuts from the current 0.25acre to 0.75acre in 2015 and eventually 1 acre in 2016.

**(8): Chisomo Care Group becomes an agent of change in their community**

Esther Antonia is one of the fortunate rural Malawians who have experienced the life-changing effects of participating in a newly-formed Village Savings and Loan Group (VS&L) at her home district near Mchinji. As a low-income homemaker, Esther had not been able to access formal banking or finance channels and has tried to use her limited daily earnings to meet the myriad expenditures of daily life.

But after her village formed a VS&L group she was able to borrow capital to expand her options. She explains: “I borrowed 3,000 kwacha [about \$7] from the group which I used to start buying and selling fish. From this little business I have managed to buy a phone and a wrapper. Now I am able to communicate with relatives who are very far from here and I am also able to buy fish worth 6,000 kwacha [\$14] to use as my stock for sale”.

**Figure 9: Ester Antonia shows off her new mobile phone bought after the success of the VS&L scheme in her village**



Chisomo Care Group was formed in early 2011 and now has 12 care group volunteers from Navikali MAC in the area of Group Village Headman Chiwaula under Traditional Authority Mlonyeni. Facilitating the Group’s activities is a promoter, Clement Kasalika, who hails from the same area of Mchinji District. Clement belongs to the National Association of Smallholder Farmers (NASFAM), as do the majority of the care group members. NASFAM is an active implementing partner of the USAID-funded Feed the Future *Integrating Nutrition in Value Chains* project (FtF-INVC), and NASFAM is actively promoting the profitable production of soy and groundnuts in the district. Care group volunteers like Clement

have been trained by field workers from Nkhoma Hospital on the principles of the care group model and ways to optimize the scaling up of “essential nutrition actions” and the core skills for “food processing”.

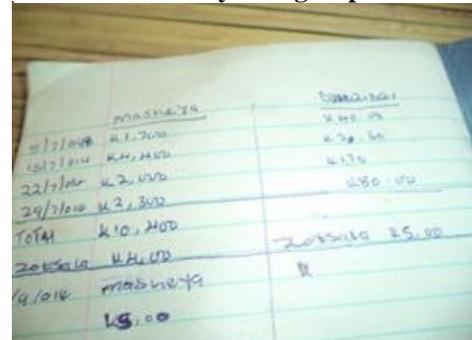
**Figure 10: Clement Kasalika with Chisomo care group members in one of the sessions.**



Soon after the group started implementing their care group activities, they realized that they lacked sufficient resources for effective delivery. For example, they could not afford to buy adequate amounts of foodstuffs for cooking demonstrations and members also lacked money to support their families. Moreover, the group members wanted to be supporting one another during emergencies but this also required money which they could not raise from their household income or savings. The promoter advised members to include Village Savings and

Loans (VS&L) activities in the care group. With the knowledge that Clement had, he oriented the members on how to set up a VS&L group including formulation of regulations for the group and on 8<sup>th</sup> July 2014 the care group conducted their first VS&L session. The group started with just MKW1,400 (about US\$3) which grew to MKW10,400 by the end of July after lending out to members at 10% interest compounded monthly. Each member bought shares ranging from MKW100-500 which formed the initial capital. Another way of collecting money for the group is through fines whenever a member has contravened the agreed regulations. The group meets once every fortnight for care group trainings and in between it holds information sessions on the group.

**Figure 11: Financial records developed and maintained by care group members**



Other members of this care group have similarly encouraging stories to relate: Edda Moses, chair lady of the group, took a loan of MKW2,000 which she used to start a small business of selling doughnuts. “I have seen changes within my household since I was able to start a mandasi business. I am now able to buy some household necessities which I could not afford to in the past”. Another member who is also running a small business is Diana Mbendere. “I started my business with 1,000 kwacha

which I borrowed from the group. The group has benefited me a lot in that I am now able to save money. In the past I had no savings”

As well as making loans, the group has identified a field for soybean cultivation. After harvesting, the soybeans will be used during cooking demonstrations and community-based supplementary feeding sessions while the surplus will be sold. Despite their rapid and significant success, the group still finds it very challenging when some members default in paying back their loans. However, it is encouraging to see a group of local women farmers that had not undergone any formal training on savings and loans before, achieve so much in just two months.

**(9): Implementing strategic responses to the challenge of aflatoxin in the groundnut value chain**

**Table 12: INVC project strategies to reduce pre-harvest risks**

Threat	INVC actions and results to date
Presence of the aflatoxin fungus in the soil	<ul style="list-style-type: none"> <li>Helping farmers to detect possible infestation and treatment regimes</li> <li>Training small scale farmers in optimal soil-tilling and soil-preparation to reduce the risks</li> </ul>
Rodent attack on pods, thereby opening them for attack by aflatoxin	<ul style="list-style-type: none"> <li>Farmers are trained on Integrated Pest Management (“IPM”) techniques</li> </ul>
Damage to pegs and pods by termites, ants grasshoppers and some birds	<ul style="list-style-type: none"> <li>Training of famers in IPM, plus sharing and implementation of best-bet agronomic practices and the use of small-scale solutions such as scare-crows</li> </ul>
High temperatures and drought near harvest time	<ul style="list-style-type: none"> <li>Promotion of better practices such as early planting to ensure adequate maturity of the crop prior to unfavorable conditions arising</li> </ul>
Low soil fertility and weed infestation reduces the plant’s ability to fight off the disease	<ul style="list-style-type: none"> <li>Farmers have been trained to inspect available land and to make appropriate selection of soil for planting of groundnuts</li> <li>Reinforcement of training of farmers to ensure consistent avoidance of planting in impoverished soils</li> </ul>
Pod wounding during weeding allows the fungus to grow into the damaged pods	<ul style="list-style-type: none"> <li>Farmers have been trained and coached in improved weed management</li> <li>Better weeding practices have been introduced and reinforced</li> </ul>

It has been estimated that 25% of the world’s food crops are affected by aflatoxin, a problem that can be clearly seen in Malawi groundnut crops. Not only is aflatoxin prevalent in Malawi, but it continues to be a significant problem across the whole of sub-Saharan Africa, causing significant health risks and creating enormous economic consequences. If Malawi were prevented from selling groundnuts into key local export markets such as South Africa due to suspected contamination, a

potentially major loss of income would result. Although more advanced markets for agricultural produce have regulatory controls in place, the unregulated retail trade of contaminated ground nuts within Malawi has created the risk of widespread health problems in both humans and domestic animals, including liver cancer, immune system suppression, growth retardation, and even death. Feed the Future’s flagship project *Integrating Nutrition in Value Chains* has embedded strategic responses to these threats: responses that not only deal with current infestations, but also help to prevent future occurrences.

Aflatoxins are highly toxic, cancer-causing fungal metabolites known to cause immune system suppression, growth retardation, liver disease, and death in both humans and domestic animals. They grow over a wide range of ambient temperatures (between 10-40<sup>0</sup>C) and thrive at relatively high humidity and kernel moisture content (10-30%). Malawi faces a particularly severe threat since these conditions are typical and unless aflatoxin levels in crops and livestock are effectively managed, agricultural development efforts to achieve greater food security and improve health and trade, especially among small farmers, will be undermined.

**Table 11: Strategies to prevent post-harvest losses**

Threat	INVC recommended actions and results to date
Softening of groundnut pods through excessive moisture	<ul style="list-style-type: none"> <li>Farmers have been trained not to add water to groundnut pods and to ensure complete drying of the pods before storing</li> </ul>
Dirt absorbed during drying or storage	<p>Farmers are now aware of the key messages:</p> <ul style="list-style-type: none"> <li>Avoid drying the crop on dirty floors</li> <li>Dry the crop using <i>Mandela cork</i> solution</li> <li>Ensure cleanliness of the storage areas</li> </ul>
Rodent and bird damage	<ul style="list-style-type: none"> <li>The project has trained farmers on techniques to prevent insects, birds, rodents getting to the crops through better storage</li> </ul>
High temperatures and dampness	<ul style="list-style-type: none"> <li>Keep stored crops away from extremes of temperature or dampness: use well-ventilated, dry storage facilities</li> </ul>
Physical wounding at or around harvest increases the risk of growth and infestation	<ul style="list-style-type: none"> <li>Farmers have been shown how to avoid wounding during weeding, harvesting and transportation</li> <li>Do not throw groundnut bags during packing to avoid causing damage to the pods</li> <li>Avoid compression of the groundnut bags when loaded in the vehicle</li> </ul>

Underpinning the FtF-INVC project design is a clear understanding of the factors that predispose the onset of the fungal disease and the creation of coherent strategies for both managing the existing problems and building long-term, sustainable, approaches for elimination of the fungus. The predisposing factors that help to accelerate the onset of aflatoxin infestation include: drought stress, the weather conditions during pod maturation and during drying; the timing of the harvest; the

methods used for harvesting and drying; the timing of pod removal and the conditions under which the crop is stored. Additional risk can exist from insect or physical damage. Therefore the FtF-INVC project is educating farmers in how to deal with these threats. FtF-INVC is working through the year to ensure that during the growing and pre-harvest season, farmers are also aware of the potential dangers to their crops and can take appropriate actions to militate against them.

## HIGHLIGHTS OF PROGRESS IN FY2014

This section of the annual report briefly summarizes progress made by the FtF-INVC project toward completing the tasks under the five components listed in Table 1. Highlights of the year include:

### PROJECT MANAGEMENT

Project remained results focused throughout the year despite experiencing challenges due to the complexity, the short timeframe, and multifaceted nature of the project. The balancing act required to ensure that grantees become FORWARD ready while simultaneously assuring delivery of technical results and guaranteeing scaling takes place across both agriculture and nutrition components have provided some interesting learning opportunities. During the year, several milestones were successfully reached and positive results achieved.

#### *Grantee/Partner Capacity Improved:*

- Grantees/partners have emerged stronger and are now eager to take on the role of change agents. This turnaround has not been easy, but it has been fruitful especially given that they are now beginning to understand the technical approach, and feel a sense of ownership of the need to build targeted organizational capacity in order to succeed.
- To strengthen their capacity, INVC designed a multi-faceted package of capacity building assistance, including one-on-one coaching, group workshops, meetings and training events. Overall, in FY14, no less than 53 coaching sessions, 197 training session, 133 partners/grantees meetings and over 100 field monitoring visits were conducted.
- To further support their responsibility to deliver community-level technical services, FtF-INVC help mobilized almost 20 short-term subject matter experts covering multiple technical areas, including collective marketing, agronomy, storage, land preparation, crop management, harvest and post-harvest management, aflatoxin management, strategic planning and organizational support, seed conditioning, etc.. These technical service providers focused mainly on training grantees TOTs to facilitate the cascading of skills down to smallholders.
- INVC also mobilized three business service providers to assist the partners to strengthen their associations and cooperatives at the district level.

#### *Grantee/Partner Service Delivery Mechanism Strengthened to Ensure Effective Support*

- INVC helped partners implement a more effective service delivery system within their organizational framework by introducing the position of “assistant lead farmer” one for every club to lower the “lead farmer – smallholder producer” ratio from the practice of 1:75/80 to 1:15 farmers at the community/village level.
- INVC also worked with partners to implement a more quality-focused approach away from their standard quantity-based practice, which tended to overload the work responsibilities of the agricultural extension or agricultural field officers (AFO). The INVC recommendation being enforced is one AFO per EPA so that AFOs can provide better oversight and monitoring. In larger EPAs such as those in Lilongwe, 2 AFOs have been recommended.
- Under the Nutrition component, INVC has ensured that promoters also not be overburdened given that they are all volunteers. As such, the INVC model recommends not taking on more than 3 care groups consisting of 36 lead mothers/fathers. To date, on average, INVC promoters each monitor 2 care groups.

#### *Sub-grant Management Approach vis-à-vis Partners Procurement Process Improved:*

- INVC took a more direct engagement approach by bringing on board a procurement specialist to train partners on best practices in USAID procurement. This is due to the fact that partners (grantees) were reluctant to comply since they found contracts-related accountability practices to be “excessive.” Understanding accountability and compliance vis-à-vis contracts vs grants has confounded many grantees.

- INVC developed and shared tools on annual procurement plan, quarterly procurement activity forecast, standard solicitation template, anti-fraud system tools and guidance, model TOR for procurement committee, quick guides on for eg. enhanced control measures in procurement.
- INVC conducted weekly follow-ups on progress with grantees' live procurement processes.
- Trained partners at the national level on establishing and strengthening internal controls and systems based on forensic review of partner documentation.
- Conducted training on basic forensic auditing techniques for grantee accountants focusing on prevention and detection of fraud.

***Rolled Out the Expansion of FtF-INVC Project Nutrition Activities Into Three New Districts:***

- Quarter 2 (Jan-Mar) of FY14 saw the rapid acceleration of the expansion of INVC Nutrition activities into three new Districts. To support the rollout, 19 sensitization meetings were held which verified the existence of GACs in all 18 EPAs under NASFAM.
- To secure district council buy-in, 6 consultative meetings were held with the DEC, local assemblies (esp. agriculture and health) and ADCs to inform them of FtF-INVC nutrition integration activities across the 18 EPAs.
- FtF-INVC staff made field visits to monitor and back-stop the training activities done by the lead farmers and partner field staff.
- Five M&E related meetings, training and workshops were held
- As a result, at the close of FY14 (September 30), a total of 47,500 households with 57,000 children under 5 had already come together to form care groups guided by 156 promoters and 3,800 lead mothers.

***INVC Technical Working Groups Launched to Better Share Information and Harmonize Practices***

- INVC launched several technical working groups (TWG) this year to better harmonize technical approaches and interventions. The objectives of the TWGs are to provide a space to form a community to share information and exchange experiences given common objectives related to the technical area. The TWGs comprise technical area specific representatives from each INVC partner/grantees, including INVC's own program managers.
- This year three technical working groups (M&E, Marketing and Agricultural Productivity/production) were established and are successfully functioning.

***INVC Quarterly Consultative Program Review Meeting Operationalized***

- INVC introduced the quarterly consultative program review meeting in order to assess quarterly, implementation progress, explore solutions to programmatic challenges, and enhance relationship for better partner communication. All partner CEOs, Program managers, M&E officers and key staff are part of the group.

***INVC Financial Expenditures Improved:***

- To facilitate increased invoicing, INVC hired three grants accountants to conduct partner specific visits once a week
- INVC introduced simplified and standardized tools for partners to help them navigate, more easily USAID financial and accounting procedures and compliance requirements.
- Grantee field staff were trained in financial documentation and expense reconciliation to make it easier for national office to improve documenting expenses and submitting invoices.
- Conducted rapid assessment and review of partner financial systems.
- Developed a rapid financial evaluation form to track partner monthly financial performance.

***INVC Participation in Donor Coordination Meetings Increased to Foster Synergy:***

In order to foster synergy, reduce duplication, increase coordination, and contribute to collaborative development, FtF-INVC participated in over 65 workshops and meetings organized by government ministries, NGOs, partner projects and other donors such as the World Bank, IFC, UN WFP, UNICEF, EIB, AGRA, G8, CAADP, DFID, and DCAF supported technical working groups, among others.

***INVC Project Site Visits for USAID/Malawi Facilitated:***

As one of USAID/Malawi's key projects, FtF-INVC is mindful of its role in sharing project performance information and showcasing project activities. During the year, 21 site visits and field trips were organized for USAID/Malawi or visiting dignitaries as listed below:

**Project Site Visits Conducted this Quarter**

No	Visiting Team	Dates	Activity	Partner Site
1	Acting Mission Director- Stephanie Funk, Cybill Sigler, John Edgar	November 8, 2013	Machite MBG, Lilongwe District; Market Info Point-Dedza District	MMPA; ACE & CADECOM
2	John Edgar, Matthew Raboin	20 <sup>th</sup> Dec 2013	Lilongwe North	Nkhoma Hospital
3	Deputy SEG Office Chief, and COR for INVC, John Edgar; Agriculture Specialist and A/COR for INVC, Martin Banda	Jan. 7, 2014	Kanyama and Bembeke EPA, Dedza	CADECOM
4	COR for INVC, John Edgar; Agriculture Specialist and A/COR for INVC, Martin Banda, Agriculture Officer, Matthew Raboin	Jan. 9, 2014	Chiwamba EPA, Dedza	CADECOM
5	USAID Malawi Desk Officer, Ms. Shannelle Chambers; USAID/Malawi Mission Officers	Feb. 3, 2014	Chiwoko GAC/ Nthenje EPA, Lilongwe	NASFAM/Nkhoma
6	Agriculture Specialist and A/COR for INVC, Martin Banda	Feb.4 -6, 2014	Balaka, Ntcheu, Machinga, Mangochi	NASFAM
7	Deputy SEG Office Chief/COR for INVC, John Edgar	Mar.6, 2014	Golomoti, Dedza	CADECOM
8	Limited Financial Review - USAID/Malawi Acquisition and Assistance Specialist, Rajab Banda; Financial Analyst, Mr..Misomali	Mar. 24-25, 2014	FtF-INVC	INVC office
9	USAID Nutrition Specialist, Violet Orchardson; USAID, Env. Officer M. Chisale	Mar. 28, 2014	Chiwamba, Lilongwe	NASFAM, Nkhoma
10	USAID/Malawi COR for INVC, Lynn Schneider; SEG M&E specialist Abel Nyoni	April 2014	Partner DQA	NASFAM
11	Deputy SEG Office Chief, Carol Jenkins; SEG M&E specialist Abel Nyoni	May 12, 2014	Chiwamba, Lilongwe	NASFAM
12	USAID/Malawi COR for INVC, Lynn Schneider; Ag. Specialist and A/COR for INVC, Martin Banda	May 22, 2014	Mchinji and Lilongwe, Basic Tikolore Seed production Sites	IITA
13	USAID/Malawi COR for INVC, Lynn Schneider;	June 10, 2014	Brokers Award Event	ACE
14	USAID/Malawi COR for INVC, Lynn Schneider; SEG M&E specialist Abel Nyoni	June 26, 2014	Child Health Days (CHD) Lilongwe	Nkhoma NASFAM
15	USAID/Malawi COR for INVC, Lynn Schneider	July 9, 2014	Workplan Integration with 4 DADOs, Lilongwe	District councils
16	USAID/Malawi COR for INVC, Lynn Schneider	July 11, 2014	Offer Volume Only (OVO) auction,	ACE
17	USAID's Global Development Lab (GDL), the Rhode Island School of Design and USAID/Malawi's Catherine Kazmirski and Jean Msosa-Maganga	July 29-31, 2014	Machinga	NASFAM
18	USAID/Malawi Local Capacity Development Specialist, Patrick Phoso	Aug. 6-7, 2014	Farmer Associations Corporate Governance & Business Mgmt Training, Ntcheu	NASFAM
19	USAID/Malawi Local Capacity Development Specialist, Patrick Phoso	Aug. 26-27, 2014	Farmer Associations Corporate Governance and Business Mgmt Training, Mangochi	NASFAM
20	USAID/Malawi COR for INVC, Lynn Schneider; Ag. Specialist and A/COR for INVC, Martin Banda	Sept. 02, 2014	Chafumbwa EPA, Dedza West	CADECOM
21	USAID/Malawi A/COR for INVC Martin Banda and SEG M&E specialist Abel Nyoni	Sept. 12, 2014	INVC Agricultural Outcome (Beneficiary) Survey, in Chioshya and Msitu, Mchinji	LUANAR

## MONITORING AND EVALUATION

### ***Data quality improved significantly over the year:***

- USAID performed a DQA on INVC and partners which was completed in October of 2013.
  - Several issues were pointed out regarding data quality and the project engaged Dr. Laura Arnston, M&E expert and DQA specialist to provide support in the refinement of INVC M&E tools and processes, including guiding partners in revising their M&E systems for internal project use and reporting.
  - Dr. Arnston also conducted DQA “clinics” to assist partners to enable assimilation of DQA information, procedures and practice.
- In April 2014 INVC brought in Jim Phillips as the component lead to guide the development of the projects M&E systems.
- The action items from the Oct 2013 DQA have been followed up on and have been completed by all partners.
- INVC has also begun conducting internal DQAs in order to strengthen discipline in M&E systems and improve data quality.
- A lot of time was spent cleaning and validating partner data.
- An improved database is under development
  - Templates have been developed for data entry for partners and we have written a data entry protocol to streamline the management of the electronic data which will be important for good data management and version control.
- Although there are still challenges due to some staff turnover, partner M&E systems are improving and all staff are beginning to understand the importance of data quality.

### ***Project M&E Plan successfully submitted***

- In April INVC submitted its PMP to USAID with revised PIRs.
- Each year this will be updated with new information as BFS comes out with new indicators, changes indicator definitions and the project changes its areas of focus.
- This overall M&E plan will feed directly into partner M&E documents so that we all can keep a consistent focus on appropriate indicators and targets.
- The INVC M&E plan will be redone in earlier in FY2015 due to the extension of the INVC contract.

### ***Introduction of Partner Filing Systems and Protocols***

- A partner filing system was developed to simplify data gathering and monitoring.
- In addition each partner was given a data gathering protocol that outlines roles and responsibilities for gathering data and the importance of a well-documented QC process

### ***Improved data collection tools have been successfully launched***

- The bound booklet of lead farmer forms with carbonated copies has been produced and distribution has begun at NASFAM in Mchinji and Lilongwe and Cadecom in Dedza.
- Each booklet has been numbered so that AFOs can keep track of which numbers are assigned to which lead or assistant lead farmers – this will show which farmers are active and which are not and will help ensure that forms are turned in and accounted for.
- A similar booklet will be developed for the nutrition component.

### ***M&E Technical Working Group was established and is working effectively***

- The TWG for M&E met three times during the year to address significant issues

### ***Widespread Capacity Building took place to strengthen partner M&E capabilities***

- In January 2014 an orientation for 33 NASFAM AFOs was held covering M&E tools and reporting formats

- The nutrition M&E team trained Nkhoma field staff – including all 158 new promoters and 17 nutrition assistants in Balaka, Machinga and Mangochi.
- Lead farmer training has progressed slowly as INVC staff focus on training AFOs, registering new beneficiaries, data cleaning and surveys.

#### ***Development of Unique Beneficiary ID***

- The INVC project M&E team has developed a unique beneficiary ID that is 13 digits that works as a geocode and ties a beneficiary to a district, EPS, GVH, Village, Household and individual.
- Once the agriculture IDs are fully distributed the nutrition IDs will be assigned. \
- This process assists FtF-INVC to identify duplicate beneficiaries - especially between agriculture and nutrition.

#### ***Internal DQAs and Quality Checks***

- The INVC M&E team began the process of conducting internal DQAs with partners each quarter.
  - In each case the DQA checklist was filled out and a list of recommendations were sent to the partner to raise their awareness of the importance of data quality.
  - Quarterly DQAs are instilling discipline in the M&E teams and are another step toward good data quality.

#### ***Nutrition Baseline Survey Conducted***

- A Nutrition baseline survey was conducted in the three expansion districts of Balaka, Machinga and Mangochi.
- A total of 2,657 respondents were interviewed and preliminary data for the overall results on the four indicators are shown below

#### ***Agricultural Outcome Survey Conducted***

- An agricultural outcomes survey was conducted in September 2014.
  - When the survey began soybean harvesting had been completed and most soybeans had been sold; groundnut harvesting was complete but many farmers had still not sold groundnuts yet.
  - 1,612 beneficiaries were interviewed in the seven project districts.

#### ***Survey of Organizations Showed Very Good Uptake of New Technologies.***

- A separate survey of 235 organizations and enterprises was conducted to assess the number of private enterprises, producer organizations, women's groups, trade and business associations and community based organizations (CBOs) that applied new technologies or management practices as a result of INVC assistance
- Results showed that almost 90% of the 234 surveyed organizations/enterprises were using some form of improved management practices.

#### ***MMPA Closeout Survey Showed Positive Results***

Data for Outcome indicators was gathered from each of the 5 Milk Bulking Group for 41 MMPA beneficiaries. Information for the incremental sales indicator was also gathered.

- Results showed that 100% of the beneficiaries were applying one of the improved technologies promoted by the project.
- The gross margins and incremental sales came in higher than expected
- The project surpassed its annual production goal of 2,190 liters per cow.
- These positive results can be attributed to the utilization of the Grand supplement

#### ***Data for the Feed the Future Monitoring System (FTFMS) Fully Reported***

- FtF-INVC continued to collect data for 8 routine output indicators that feed into the FTFMS Bureau of Food Security (BFS) reporting.

### ***Ministry of Health Child Health Days Planning***

- INVC supported the biannual National Child Health Days Campaign (CHDs) in FY 2014
  - Targeted support in Lilongwe and Mchinji (November 2013 and June 2014) and Balaka, Machinga, and Mangochi (June 2014).
- INVC presented gender disaggregated data collection tools developed in partnership with the Mangochi DHO to the National Child Health Days Task Force, which was approved for use as a “pilot” in INVC districts. The task force agreed that the success of the pilot could lead to adoption of the data collection tool nationally in the November 2014 CHDs.

### ***USAID Microenterprise Results Reporting (MRR)***

- As a USAID funded project, INVC is required to share and submit any microenterprise-related results achieved through the project. The Microenterprise Results Reporting (MRR) is USAID's official system for collecting and reporting to the U.S. Congress on Agency-wide funding and results in terms of economic development at the micro-level and FtF-INVC duly completed the MRR data call

## **COMPONENT 1: ADVANCING VALUE CHAIN COMPETITIVENESS**

### ***Commercial Integration of Smallholders in Structured Trade Strengthened***

- Significant progress was made in boosting the commercial integration of smallholders into structured trade and grain markets, by establishing close to **325** village aggregation centers and roughly **65** local satellite storages/bulking centers within targeted GACs in rural areas in an attempt to bring markets closer to farmers while increasing efficiency at the same time. For the first time, implementing partners have established linkages with **30** local transporters as partners in a bid to facilitate smallholder commercialization.

### ***Offer Volume Only (OVO) Auction Successfully Launched***

- The ground-breaking **Offer Volume Only (OVO) Auction** hosted by ACE was very successful in attracting keen buyers willing to pay more attractive prices. A total of ten local and regional buyers participated in the OVO.
- The introduction through ACE of **Offer Volume Only** auction sales aligned national soybean prices with their true regional value and the **linkage of farmers to OVOs** through NASFAM helped to realize an immediate 17% differential above the prices offered by vendors at the farm gate and, subsequent to the completion of the auction, profits that nearly doubled the return to farmers. The results (prices received) from the three OVOs confirm FtF-INVC's 2013 study on the excess profits (rents) maintained by current domestic and export licensing requirements and the risks imposed by unclear and varying Government of Malawi policies and regulations.

### ***Forward Contract Successfully Launched***

- The rolling out of Forward Contracts has generated excitement among small holder farmers and traders (both small and large). Larger traders included Auction Holdings Limited (AHL), CAPS Limited, TROPHA Estates, TRANSGLOBE and PROPAC Limited. First Merchant Bank (FMB) made MK1.3 billion available to ACE for this new finance facility.
- Use of Forward Contracts on WRS is further enhancing structured trade in Malawi and providing additional, and increased, security to all the parties concerned. Producers are protected against price fluctuations and processors are shielded from the extremely high interest rates that are currently prevailing. To benefit from this winning financial instrument, a total of 5 commercial banks have pledged to set aside approximately US\$11 million for ACE supported forward contracts financing (credit guarantee facility). This level of engagement of commercial banks in smallholder agriculture is unprecedented and shows great promise to increase liquidity for smallholders.
- At year's end, a total of about 220 contracts were facilitated under forward contract with volume of 17,371 MT amounting close to US\$4 million.

### ***Warehouse Receipts System (WRS) Expanded***

- Warehouse receipt system under ACE continued to expand during the year. At year's end, a total of 184 depositors had registered to deposit a total of 14,694 MT of commodities of which 7.8 MT was soybean. Of the 184 depositors, 126 were from the ZOI depositing approximately 2,224 MT of commodities. Some of the WRS deposits were forward contracts.
- In FY14, total financing facilitated under WRS amounted to US\$5.9 million

### ***Collective Marketing Training conducted***

- Significant effort was made to encourage smallholders to participate in collective marketing and warehouse receipts program so that they are better able to time the sale of their produce to maximize revenue and income.
- Approximately 8,000 AEDOs, AFOs, Lead farmers and motivated farmers trained in collective marketing. Collective marketing, done right, can empower farmers to access better markets and acquire negotiation skills to achieve better prices. Key messages were conveyed on the importance of farmers selling their commodities in groups in order to realize the potential benefits. A total of 95 sessions were conducted in over 40 associations under NASFAM; similarly large numbers were recorded for both FUM and CADECOM.

### ***Private Sector Storage Investment Boosts Warehouse Receipts System***

- Six new private sector operators joined ACE to list their storage facilities under the ACE certification to make it available for the first time ever to third-party depositors. These six private sector operators made available a total of 22,900 MT of storage space with investment value of **US\$2.7 million**. This investment brought in by the private sector is expected to boost the future of warehouse receipts, structured trade and the agricultural sector.
- The six (6) new private sector operators are Bio-Energy Resources Limited (BERL), Sunseed Oil Limited, Export Trading Group, Agora, Propac and CP Feeds. All six investments/storage space were inspected and certified by an expert as being ready to issue warehouse receipts and store warehouse receipted commodities.

### ***Brokers Successfully Trained and Licensed***

- INVC and ACE successfully trained 42 participants (27 male and 15 female) in Blantyre and Lilongwe to become "brokers." At the end of each training session participants completed a written examination that was designed to assess understanding of the concepts and the candidates' potential to become brokers under the exchange.
- It should be noted that the role of "Broker" is a new concept for most participants and of those 42 trained, only 24 participants successfully passed the examination at their first attempt and are now licensed to operate as brokers on the ACE platform. To provide a second chance to the participants who only failed marginally, ACE intends to enable participants to re-write the examination before the next marketing season kicks off.

### ***Export to Zimbabwe Successfully Initiated***

- For the first time in a long while, Malawi successfully exported 600 MT of soy products to Zimbabwe valued at US\$420,000.

## **COMPONENT 2: IMPROVING PRODUCTIVITY**

***Access to quality seed and inputs*** was developed along a number of streams of activity:

- The procurement strategy implemented by FtF-INVC for 100MT of high-quality, certified, soy seed (*Serenade*) was a major advance in the search for reliable seed quality
  - Advertisements placed in the Malawi Press specified that companies would only be eligible to provide the seeds if they were able to document the source of basic seed, report on germination test results and other critical data.

- This was almost certainly a breakthrough in seed quality requirements and probably the first time in Malawi that such high standards have been demanded as part of a seed solicitation process.
- Likewise, the delivery from an international supplier of 2MT of soy inoculum - needed to realize the full potential of the certified Serenade soybean seed - can also be regarded as another breakthrough.
- Analysis of quality traits of available improved soya bean varieties initiated to determine which are most suited to Malawi and to assess the protein levels and oil extraction rates.
- Increased production of Tikolore soybean basic and certified seed for the 2014/15 season.
- A 150 MT Basic seed storage facility was constructed at IITA and is currently being used for Tikolore seed that will be sold to the private seed sector in Malawi for further multiplication.

***Training and capacity building of extension workers and farmers*** continued throughout the year

- Widespread training and outreach had an impact on a large number of farmers
  - Training on post-harvest storage (for the current growing season) and land preparation practices (for the following season) were given to nearly 10,000 extension workers and farmers
  - In addition nearly 1,300 dairy farmers were trained on improved dairy management practices; focused crop residue preservation training helped these farmers to produce 220 MT of animal feed.
  - Training 20 seed producers trained in soybean seed production and post-harvest handling in the seven project districts.
- Training manuals were produced on soybean seed and grain production and post-harvest handling and distributed to lead farmers.
  - CADECOM distributed 5,000 copies of flyers on groundnut production management technologies.
  - NASFAM distributed 90,000 copies of handouts on soybean and groundnuts management

***Organizational reform/ change and Institutional strengthening*** progressed a great deal:

- Establishment of Technical Working Group on Agriculture
- FUM Executive Board trained in governance issues at MIM.
- An “audit” of 20 farmer organizations within FUM was carried out to assess the sustainability of these organizations by examining their strengths and weaknesses and identifying the gaps.

***Integration and alignment of activities*** was a key focus:

- FUM went on a joint field visit with USAID to evaluate how well farmers were adopting new technologies following trainings and capacity building initiatives, carried out using funding from USAID.
- ICT usage was further developed when the MoA&FS used SMS to share minimum process for key crops

***BCC Approaches Applied to Promote Agricultural Best Practices***

- Production of eight public service announcements (PSAs) on soy bean and groundnuts harvesting and post-harvest management and marketing were aired on Zodiak Broadcasting Station and community radio stations.
- PSAs on aflatoxin management and in-shell marketing of groundnuts were also aired. The continued success in the marketing of in-shell groundnuts received by processors appears to confirm the presence of lower aflatoxin levels.

## COMPONENT 3: IMPROVING COMMUNITY CAPACITY TO PREVENT UNDER-NUTRITION

**Outreach and impact** expanded dramatically this year:

- Reached 98,931 beneficiary households with child health and nutrition interventions.
  - 51,408 households reached in Mchinji and Lilongwe.
  - 47,523 households were reached in Balaka, Machinga, and Mangochi.
    - Of this sub-total 29.6% are NASFAM members, meaning that these individuals are also accounted for under Component 2.
- Reached 112,560 under five children through care group activities.

**Technical capacity building** continued at a high level of intensity throughout the year, covering many different target groups and thematic areas:

- 142 People were trained: 120 Care group promoters (72 male and 48 female) plus 22 Partner staff members from NASFAM, Nkhoma Hospital, and FUM. The themes were:
  1. Care group model
  2. Essential Nutrition Actions (ENA) and Scaling Up Nutrition (SUN) interventions
  3. Food processing and utilization focusing on legumes and dairy food products being promoted in FtF-INVC.
- Trained 195 Government extension workers (118 male, 77 female) from agriculture and health sectors on ENA and SUN and food processing
- Trained 201,859 (13,964 male, 154,924 female) people in health and nutrition interventions. Including:
  - Trained 4,215 care group volunteers (4,212 lead mothers and 3 lead fathers) in health and nutrition interventions such as food processing and utilization, complementary feeding, dietary diversity; and 888 of them have also been trained in the use of fuel-efficient stoves.
- Trained 30,699 caregivers in exclusive breastfeeding, kitchen garden management, early antenatal service access and participation for pregnant women, and maternal nutrition and complementary feeding.
- Completed training for 85 community based drama group members (39 male and 46 female) from 17 EPAs in Lilongwe and Mchinji districts in the 15 prioritized behaviors.
- 114 promoters (54 male and 60 female) received refresher training, which introduced the newly prioritized 15 key behaviors as identified and promoted by FtF-INVC in line with SUN/ENA initiative, reviewed the usage of counseling cards as a visual aid and guide for household counseling, and proper use of data collection tools.
- 156 promoters (90 male and 66 female) trained in child health and nutrition with an emphasis on care group approach and monitoring care group activities in Balaka, Machinga, and Mangochi.

**Social and Behavior change communication (SBCC)** addressing nutrition messages was extended:

- Formative research report was finalized by Pakachere Institute of Health and Development Communication
  - Findings were shared with DAI Principal Global Practice Specialist and Save the Children International (SCI) Senior Nutrition Advisor and were used to revise SOW for STTA on rolling out SBCC on nutrition.
- SBCC activities included review and streamlining of 15 key nutrition behaviors being promoted in the project
- 439 Drama performances, reaching 63,780 community members (21,050 male, 32,630 female, and 10,100 during Q1 that are not gender disaggregated) were held to improve awareness and understanding of key nutrition and health related messages
  - Performances addressed issues of exclusive breastfeeding, growing soy beans and groundnuts, dietary diversity, sanitation and hygiene, ANC especially on early access,

and importance of consuming soy beans and groundnuts especially among pregnant women and lactating mothers.

- 2 Jingles on exclusive breastfeeding were produced and aired 1, 318 times on MBC Radio 1, Zodiak Broadcasting Station and Mudziwathu Community Radio 8 Public service announcements (PSAs) on pre-harvest, harvest, post-harvest handling, storage and collective marketing were produced and aired on MBC Radio 1, Zodiak Broadcasting Station and Mudziwathu Community Radio.
- In addition, 4 PSAs on land preparation were also produced.

**Structures and organizational processes** were also enhanced in Lilongwe and Mchinji:

- Recruitment of 276 promoters (156 in the new expanded districts of Balaka, Machinga and Mangochi; and 120 in existing districts of Lilongwe and Mchinji).
- Establishment of care group structures at community level
- Recruitment of 4,215 Care Group Volunteers Nkhoma Hospital recruited 1 Program Manager (male), 3 District Nutrition Coordinators (1 male and 2 female), and 8 Nutrition Assistants (2 male and 6 female) who are responsible for supervising promoters and care group activities.

**Expansion of nutrition interventions** to Balaka, Machinga and Mangochi.

- Major activities conducted as part of the expansion to the three districts included meetings with the three Local Council representatives and District Health Management and Training Teams (DHMTT), sensitization of NASFAM district office leadership on upcoming nutrition activities and preliminary verification of the existing structures for nutrition integration.
- Recruitment of additional 156 promoters in Balaka, Machinga and Mangochi (90 male and 66 female). Additional promoters will be recruited in the coming year to cover all of the NASFAM GACs in the three districts.
- After completion of the above activities, the nutrition component was rolled out fully, meaning that Care Group Clusters were formed by the 156 promoters (each forming 3 care groups after a series of meetings and activities within communities and with local leaders).

**Measurement and reporting tools** were developed and revised:

- Agreement with third party (UNC/FEEDBACK) on impact evaluation design for FtF-INVC.
- Successfully piloted data collection tool for gender-disaggregated data for the National Child Health Days Campaign
- Revised data collection tools and translated into Chichewa for use by care group volunteers (lead mothers/fathers) and promoters at field level.
- Developed positive deviance inquiry tools and audience reception tools for assessing behavior outcomes and how SBCC messages are being disseminated and accepted through mass media, drama and care groups.

**Child Health Day** campaigns were supported two times this year.

- The first campaign was held under the banner of Integrated Measles Vaccination (November, 2013) and was supported in two districts, Lilongwe and Mchinji, where 237,813 children were reached with Vitamin A supplementation and de-worming medication.
- The second campaign was held in June 2014 and FtF-INVC provided support to five districts; Lilongwe, Mchinji, Balaka, Machinga, and Mangochi.
  - 170,846 children were given Vitamin A supplementation and 151,235 received de-worming medication.
  - 48% of these children were male and 52% female as reported on the gender disaggregated forms captured by Reach Trust Enumerators.
- The project reported numbers from the second campaign since data was of higher quality.

**Other activities in Lilongwe and Mchinji:**

- Established 28,258 home/backyard gardens to support efforts to improve dietary diversity for women of child bearing age and children under three.

- 1,250 MUAC kits were sourced from the Ministry of Health and distributed to care group volunteers support optimization of the management of potentially malnourished children.
- 3,834 counseling cards were printed and distributed to care group volunteers and promoters.
- 120 bicycles were procured and distributed to promoters.
- Procurement of project vehicle.

***Other activities in Balaka, Machinga, and Mangochi:***

- 17 Motorbikes for District Nutrition Coordinators and Nutrition Assistants were distributed
- 7,500 counseling cards were printed for distribution to care group volunteers and promoters.
- 250 Golf shirts for promoters were distributed.
- 7,500 T-shirts for care group volunteers (lead mothers/fathers) were produced and handed out.
- 14,500 pieces of branded cloth were distributed to promoters and care group volunteers.

## COMPONENT 4: INVESTING IN INNOVATION

***Engagement with Grantees*** expanded and deepened over the course of the year

- FtF-INVC now deals directly with Dedza CADECOM rather than through the CADECOM Secretariat in Lilongwe
- 9 Grants are active and will run up until end December 2014.

***Fund disbursement*** was in line with activity levels

- Funds amounting to US\$2,572,263 were disbursed to grantees during the year.
- This represents 65% of total funds disbursed

***Grants were modified*** in the light of changing circumstances

- CADECOM's grant increased in value by US\$516,388 to assist them to launch their phase 2 programs while NASFAM's increased by US\$ 1,945,999.
- FUM, Pakachere, ACE and Nkhoma grant modifications increased their grants by US\$ 1,603,635.
- All grants, barring MMPA and MIM are now active up to 31 December 2014 . MMPA's grant concluded on 30 September 2014 while MIM's Fixed Obligation Grant was closed out on 31 October 2014.
- Total grants signed now amount to US\$ 7,563,481

***Grantee compliance*** with USAID / FtF-INVC-INVC requirements was strengthened

- 241 grantee staff members were trained – resulting in a marked improvement in expense documentation submitted.
- A total of \$2,559,166 of grantee expenses were liquidated over the year, equivalent to 74.45% of the total expenses liquidated.

***The expansion of FtF-INVC project activity*** was actively supported by the Grants Management team as detailed under the other components.

## COMPONENT 5: DEVELOPING LOCAL CAPACITY

***Organizational assessments*** were carried out in a number of key Implementing Partners

- Conducted organizational capacity assessments (OCA) for seven partners in February 2014 and repeated the process in September 2014, to assess progress
- The partners were
  - National Smallholder Farmers Association of Malawi (NASFAM)
  - Farmers Union of Malawi (FUM)
  - Nkhoma Public Health
  - Pakachere

- Catholic Development Commission of Malawi (CADECOM)
- Malawi Milk Producers Association (MMPA)
- Agriculture Commodity Exchange (ACE)
- Civil Society Agriculture Network (CISANET)
- The assessment provided a basis for developing a capacity building plan for addressing the identified capacity gaps in each partner
- This plan was implemented successfully over the course of the year including organizational capacity development workshops in selected organizations
- The subsequent OCA exercise showed an overall improvement in the self-administered rating – a result endorsed by visits by INVC team to the IPs
- Deployment of the OCA earlier in FY14 was followed by more specific financial capacity assessment in 8 organisations

***Institutional strengthening*** was expanded over the course of the year

- A systematic process of business planning was facilitated by Target Consulting, Umodzi Consulting and Tradeline Consultants for farmers’ cooperatives and AMCs under NASFAM, FUM and MMPA, resulting in business plans finalized for:
  - Nathenje Milk Bulking Group
  - Tidziwane Farmer Cooperative
  - Nkhunguyembe Farmer Cooperative
  - Lilongwe North Association Management Committee
  - Mchinji Association Management Committee
  - Namwela Association Management Committee (AMCs).
- Bankable business plans are now in place in 10 Associations / Cooperatives
- FtF-INVC supervised support provided by BSPs for the implementation of the business plans
- The BSPs also provided active on-site mentoring of partners in grants management and financial reporting and this was supplemented by ‘refresher meetings’ that were held between FtF-INVC and CADECOM, FUM, IITA, Nkhoma, Pakachere, MMPA and ACE
- Target Consulting also provided corporate governance and marketing training for farmer associations and cooperatives under NASFAM and Dedza CADECOM.
- A major organisational change program was facilitated within NASFAM
  - FtF-INVC provided professional human resource expertise to NASFAM on the change management process to build on the results of OCA.
  - Organisation Development (OD) and capacity building tools were deployed, including setting up some of the critical OD critical events.
  - The Town Hall workshop was attended by more than 100 NASFAM employees and succeeded in gaining support and enthusiasm from the staff for the change process.
  - The Core Corporate Identity workshop engaged 20 staff who volunteered to champion the process of change in NASFAM.
  - Most importantly, the NASFAM CEO enthusiastically embraced the Change Process and has volunteered to actively lead the changes within NASFAM.

***Training and Development for key staff in Implementing Partners***

- Senior partner staff trained in Leadership and Management Skills.
  - Course was held at Malawi Institute for Management (MIM) and facilitated by MIM.
- Facilitation of a Partners’ Consultative Workshop with senior representatives from all eight FtF-INVC partners including the Chief Executive Officers, Program Managers and M&E Officers.
  - The goals were to elicit feedback on programmatic achievements and challenges and to develop a working plan for improving the partnership.
- STTA expertise are now providing hands-on guidance and training on procurement management and compliance to all the eight partners.
- Grant program management workshop, coaching and workshops were conducted, where 36 participants from partner organizations benefited.

## SUMMARY OF CHALLENGES IN FY2014

Over the course of the year situations inevitably arose that created temporary, or short-term challenges. Those have been described in the Quarterly Reports and in the main have been resolved or the project implementation plans have been modified. However, there were other, more significant and persistent circumstances and external events during the year that continued to create challenges for the implementation of the project.

### *Challenges affecting the project generally included the following*

- The Government of Malawi held the first-ever Tri-Partite Elections in May 2014 and the election process had a considerable impact on project implementation
  - Market interventions and political risks from the May elections, and delay of the budget vote until September combined to delay announcement of government procurement levels by the National Food Reserve Agency.
    - This delayed clearing of long-term stocks in storage and slowed maize market clearing overall.
  - The tripartite elections for GoM caused frequent interruptions of project activities
    - A major impact caused by the holding of large political meetings affected the participation of farmers and other stakeholders in INVC work.
- Under-performance by implementing partners
  - This issue was explored at length in the section on *Lessons Learned* and relates to the lack of progress against plans due to, *inter alia*:
    - Lack of institutional capacity
    - Poor, slow, delayed implementation of agreed plans
    - Loss of focus and /or high levels of staff turnover in the partners
- The time taken to achieve sustainable behaviour change amongst the targeted beneficiaries (for example, small holder farmers)
  - Low commitment from partners to distribute the extension and technical materials to all the trained lead farmers.
  - Relatively poor adoption of recommended groundnut drying practice (Mandela cork) in some Districts due to a fear of theft of the groundnuts.
  - Inconsistent support from government extension workers (AEDCs/AEDOs) who had to support other projects beside their own activities
  - Cascade training was slow in reaching the targeted household beneficiaries and hence the new approach of direct training of both extension workers and farmers together was adopted
  - Use of WRS was not as widespread as expected
    - Many farmers sold their commodities at VAC outside the WRS
    - Mostly caused by their need for immediate cash
  - Some farmers were wary of WRS as a result of previous experience where some had lost aggregated produce to the unethical behaviour of some unscrupulous traders.
  - The prices offered by private traders in the soybeans market were not good enough for the farmers to break even.

### *Challenges relating to Value Chain Competitiveness included:*

- The delayed clearing of long-term stocks in storage and slowed maize market clearing overall affected ACE's structured commodities since there should have been substantially greater volumes of maize trades in September that would have accessed more of the negotiated bank finance, establishing the basis for greater scaling in next year's April 2015 marketing season.

- The Malawi Kwacha lost a substantial amount of its value against other currencies during the quarter and projections are that a continued steep slide in Kwacha value will continue throughout the calendar year.
  - While this would appear to improve the prospects for Malawian exports, it will soon start to increase the costs of harder currency denominated goods, such as petroleum goods needed for power and transportation, packaging materials, fertilizers and crop protection products, and other manufactured intermediate raw materials needed by food processing industries.
  - The decrease in the Kwacha's value has also increased the incentives for informal and illegal cross border trade in maize which is currently banned from export despite what is reported to be a more than 90,000 mt surplus.
- Recovery of soft seed loans by NASFAM and CADECOM declined compared to FY2014.
  - High soybean prices cleared available stocks in zones of strong production.
  - Farmer incentives to repay the soft loans are low and the quality of recovered soybean grain and groundnut grain appears to be lower than last year.
  - The increased domestic price for soybeans will only offset a small portion of the recovered grain shortfall in quantity.

***Challenges relating to Improving Productivity included:***

- Poor recovery of seed as a result of:
  1. Farmers believing that seed does not need to be repaid (or returned) as a result of political campaigns.
  2. Poor germination in some areas reducing yields and the ability of farmers to recover seed.
  3. Poor storage in farmers' homes resulting in significant amount of seed grade-outs from the existing stocks and reducing the ability to return seed.
  4. Farmers taking advantage of the high price being offered at the farm gate this season.

***Some of the challenges relating to Monitoring and Evaluation included:***

- Household data for the expansion districts is not gender disaggregated because many of the registration forms are still out in the field.
  - The M&E team hopes to rectify this over the next few weeks.
- Not all partners have implemented a lockable cabinet for hard copy data due to "procurement challenges"
  - The M&E team intends to raise this issue so that it is addressed as soon as possible.
- Lead farmer training forms continue to *not* show up in the EPA and IPC offices.
  - The M&E team is distributing a lead farmer form booklet with three part carbonated forms that will hopefully address this issue.

***Some challenges persisted in the area of Grants Management***

- Grantees continued to be slow in submitting their monthly financial reports.
  - However there was a marked improvement in the last quarter when 88% of the grantees submitted their expense reports by the 15th day of the next month.
- Grantees' expense documentation do not always corroborate with each other, factually.
  - This results in documents having to be continuously given back to grantees and that has a negative effect on the burn rate as well.
- Grantees were slow to clear expense issues returned back to them.
  - This appears more due to inadequate follow-up on their part.