

ANNUAL PROGRESS REPORT—2006

COMMUNITY PARTNERSHIPS FOR SUSTAINABLE
RESOURCE MANAGEMENT (COMPASS II)



October 2006

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COMMUNITY PARTNERSHIPS FOR SUSTAINABLE RESOURCE MANAGEMENT IN MALAWI (COMPASS II)

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COMPASS II ANNUAL PROGRESS REPORT— 2006

COVERING THE PERIOD 1ST OCTOBER 2005
THROUGH 30TH SEPTEMBER 2006

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CONTENTS

CONTENTS	V
LIST OF TABLES & FIGURES	VI
<i>Tables</i>	<i>vi</i>
<i>Figures</i>	<i>vi</i>
PREFACE	VII
ACRONYMS	IX
COMPASS ACTIVITY OVERVIEW	1
INTRODUCTION AND BACKGROUND	1
USAID/MALAWI CONTEXT: STRATEGIC RESULTS FRAMEWORK	2
<i>Intermediate Result 6.3: COMPASS activity indicators</i>	2
<i>Summary Results for 2006</i>	3
<i>USAID/Malawi Economic Growth Results Framework</i>	4
HIGHLIGHTS OF COMPASS II STRATEGY	5
<i>Sustainability</i>	5
<i>Diversity</i>	5
<i>Integration</i>	6
ACTIVITY DESCRIPTION	6
GEOGRAPHIC FOCUS	8
MONITORING & EVALUATION—METHODOLOGICAL NOTES	9
DETAIL OF PROGRESS IN FY2006	13
INTERMEDIATE RESULT INDICATORS: 2006 PROGRESS	13
<i>Total Revenue Households Receive from Participation in Community-based NRM Activities</i>	13
<i>Number of Communities Adopting CBNRM Practices</i>	14
<i>Number of Households Participating in CBNRM Activities</i>	14
<i>Number of Community Members Trained in CBNRM</i>	15
SUMMARY OF PROGRESS TOWARD COMPASS II PERFORMANCE INDICATORS	16
<i>Results Module #1: More Decentralized Management of Natural Resources in Malawi</i>	16
<i>Results Module #2: Enhanced Community Capacity for Managing Natural Resources in a Sustainable Manner</i>	23
<i>Results Module #3: Increased sales of natural resource-based products by households</i>	27
ANNEX A: ANNUAL PROGRESS REPORT DATA TABLES	33
<i>COMPASS II Data Tables for FY2006 Annual Reporting Period</i>	34
ANNEX B: DEFINITIONS OF SELECTED INDICATOR TERMS	39

LIST OF TABLES & FIGURES

TABLES

Table 1: Progress on Intermediate Result Indicators as of 30 September 2006	3
Table 2: Summary of Progress toward Community Resource Management (30 Sept 06) ..	18
Table 3: Resource Mapping Equipment Distributed to District Assemblies (30 Sept 06)...	19
Table 4: Progress on Task 1.1—Promote greater decentralization of key natural resource decision-making	19
Table 5: Progress on Task 1.2—Increase district-level capacity to support CBNRM	20
Table 6: Progress on Task 1.3—Improve CBNRM stakeholder coordination	21
Table 7: Progress on Task 2.1—Increase capacity for natural resources management at community level.....	24
Table 8: Progress on Task 2.2—Strengthen the capacity of CBNRM service providers	24
Table 9: Progress on Task 2.3—Increase public awareness and understanding of CBNRM roles and opportunities	25
Table 10: Progress on Task 2.4—Strengthen knowledge and accountability of Traditional Authorities and related officials in CBNRM	26
Table 11: Progress on Task 3.1—Enhance market access by entrepreneurs, households, and community groups that produce natural products.....	29
Table 12: Progress on Task 3.2—Identify production and harvesting opportunities for new natural resource-based products and actively exploit on a sustainable basis.....	30
Table 13: Progress on Task 3.3—Develop and strengthen partnerships between communities and the private sector	31

FIGURES

Figure 1: COMPASS II Target Districts	8
Figure 2: COMPASS II Monitoring Pyramid.....	9
Figure 3: Total revenue households receive from participation in community-based NRM	13
Figure 4: Number of communities adopting CBNRM practices	14
Figure 5: Number of households participating in CBNRM activities	15
Figure 6: Number of community members trained in CBNRM	15

PREFACE

Development Alternatives Inc. (DAI) was contracted by the United States Agency for International Development (USAID)/Malawi to implement the second phase of the Community Partnerships for Sustainable Resource Management (COMPASS II) under Contract # 690-C-00-04-00090-00. USAID and DAI signed the contract on April 30, 2004 with effective dates of May 1, 2004 to March 31, 2009.

The contract engages DAI and its implementing partners¹ to assist USAID/Malawi in achieving three objectives: to increase the decentralization of natural resources management in Malawi; to enhance rural community capacity for managing natural resources in a sustainable manner; and to increase sales of natural resources-based products by rural households.

DAI is required by the contract to submit an Annual Report to USAID/Malawi within 30 days of the conclusion of each program year. The Annual Progress Report details the accomplishments achieved over the period covered by the report. This document is the Annual Progress Report for the period from 01 October 2005 through 30 September 2006, the second full year of implementation of COMPASS II (2004-2009). Prior to implementation of COMPASS II, DAI also implemented COMPASS (contract # 690-C-00-99-006-00, activity 612-0248) from March 1999 to February 2004.

The Annual Progress Report consists of two sections. The first is an overview of COMPASS II activities, including a very brief review of the challenges facing CBNRM in Malawi, successes to date in meeting those challenges, and USAID/Malawi's Strategic Objective and Intermediate Results for continuing the progress. An iteration of the various contracted Tasks and Sub-Tasks for the activity is provided for any readers of this report who are not familiar with the activity, as well as a description of the monitoring and evaluation methodologies employed in gathering the data presented.

The second section of the Annual Progress Report summarizes the verifiable field results achieved by CBNRM practitioners in Malawi during Fiscal Year 2006. This section provides a review of performance monitoring indicators for measuring progress toward achieving the Intermediate Result (IR) 6.3: "Household revenue from community-based natural resources management activities increased", and contributing to attaining USAID/Malawi Strategic Objective (SO) 06: "Sustainable Increases in Rural Incomes." The section is organized by technical components, called Results Modules, as elaborated by USAID/Malawi for the COMPASS II activity. The Results Modules provide the contractual framework, while fieldwork conducted by the implementation team is integrated across Modules.

A set of Annexes provide the following: (1) detailed data tables demonstrating how the summary tables within section 2 were calculated; and (2) a glossary of indicators and definitions of other terms used.

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Development Alternatives, Inc.

October 2006

¹ Wildlife & Environmental Society of Malawi and Spectrum Media

ACRONYMS

BDS	Business Development Services
BVC	Beach Village Committee
CBNRM	Community-Based Natural Resources Management
COMPASS	Community Partnerships for Sustainable Resource Management
DAI	Development Alternatives, Inc.
DESC	District Environmental Steering Committee
FY	Fiscal Year
IR	Intermediate Result (USAID)
MAFE	Malawi Agroforestry Extension project
MEET	Malawi Environmental Endowment Trust
NGO	Nongovernmental Organization
NRBE(s)	Natural Resource Based Enterprise(s)
NRM	Natural Resource Management
PMP	Performance Monitoring Plan (USAID)
SO	Strategic Objective (USAID)
TA	Traditional Authority
USAID	United States Agency for International Development
VNRMC(s)	Village Natural Resources Management Committee(s)
WESM	Wildlife and Environmental Society of Malawi

COMPASS ACTIVITY OVERVIEW

This document is the Annual Progress Report of the Community Partnerships for Sustainable Resource Management activity of the United States Agency for International Development (USAID) Malawi country mission. The report covers the period from 01 October 2005 through 30 September 2006, the 2nd full fiscal year of implementation of COMPASS II (2004-2009).

The Annual Progress Report consists of two sections. This first section is an overview of COMPASS II activities, including a very brief review of the challenges facing CBNRM in Malawi, successes to date in meeting those challenges, and USAID/Malawi's Strategic Objective and Intermediate Results for continuing the progress. An iteration of the various contracted Tasks and Sub-Tasks for the activity is provided for any readers of this report who are not familiar with the activity, as well as a description of the monitoring and evaluation methodologies employed in gathering the data presented. The section also contains a brief subsection presenting highlights of 2006 accomplishments.

INTRODUCTION AND BACKGROUND

USAID/Malawi created the Natural Resources Management and Environmental Support Program (NATURE) in 1995 to increase the sustainable use, conservation, and management of natural resources in Malawi. This non-project assistance program supported the Government of Malawi in developing an environmental policy and legislative framework that encouraged community management of natural resources. Accomplishments in the fisheries, forestry, and wildlife sectors, as well as more general environmental management, led to an expanded role for the Malawi Agroforestry Extension Project (MAFE; 1992-2002), and establishment in 1999 of the Community Partnerships for Sustainable Resource Management (COMPASS) program.

COMPASS began as a conservation-oriented effort aimed at sustainable use of natural resources, expanding awareness of community-based natural resource management (CBNRM) and supporting the Government of Malawi to implement a policy framework conducive to expansion of CBNRM. A new Country Strategic Plan for USAID/Malawi for the period 2001—2005 placed the CBNRM support activities under a new Strategic Objective (SO) for “Sustainable increases in rural income.”

By conceptualizing COMPASS as a development initiative, USAID/Malawi hoped to encourage the Government of Malawi and a host of partner organizations to embrace CBNRM not simply as an approach to conservation but also as a way to stimulate broader-based economic growth in rural areas. This overarching goal is embodied by Malawi's Poverty Reduction Strategy (and subsequent Malawi Growth & Development Strategy) and by USAID/Malawi's Strategic Objective 6: Sustainable Increases in Rural Incomes.

By the time the COMPASS activity concluded in January 2004, emphasis on household revenues from engaging in CBNRM had attained prominence within the USAID reporting requirements and the focus of fieldwork by project staff. The conceptual evolution of CBNRM from being conservation-oriented toward an emphasis on household income generation as the reason to conserve is incomplete, however, at village levels and within government departments.

Against this backdrop, USAID/Malawi designed a follow-on activity to COMPASS that is both more solidly focused on achieving sustainable increases in rural incomes and more openly advocating the use of natural resources utilization to first address community needs for livelihoods while still promoting CBNRM as a means to achieve long-term conservation by demonstrating tangible direct benefits.

One could say fairly that COMPASS II is intended to support widespread awareness of the conceptual evolution described above; put differently, **COMPASS II seeks to mainstream CBNRM as a viable rural development strategy for Malawi.** The expected result is that communities which are making significant income from natural resources stewardship have personal and collective incentives to ensure the long-term health of the resource base, which in turn secures the rural economic health.

USAID/MALAWI CONTEXT: STRATEGIC RESULTS FRAMEWORK²

According to the USAID/Malawi Sustainable Economic Growth Strategic Objective “Sustainable Increases in Rural Incomes” (also see chart on page 4):

USAID/Malawi’s Sustainable Economic Growth team believes that increasing rural incomes depends on:

- Increasing agricultural productivity of smallholder farmers, through encouraging agricultural diversification and helping fertilizer and seed markets develop;
- Increasing employment in private sector enterprises that are linked to the agricultural economy;
- Increasing household revenue from community-based natural resource management activities.

1) Promoting agricultural diversification and market development:

USAID/Malawi: (a) provides assistance to smallholder farmers to gain access to lucrative markets for high value products such as chilies, paprika, groundnuts, and aromatic rice; (b) supports development of the Malawian dairy industry since the very small size smallholder farm plots in Malawi make it difficult for many farmers to escape from poverty through crop production alone, with an emphasis on raising milk yields and farmer income from milk sales; and (c) encourages the growth of the private sector fertilizer and seed supply industry, a key to ensuring that smallholders have timely access to inputs at reasonable prices.

2) Encouraging private sector growth: USAID/Malawi is promoting greater access to microfinance services. The focus is on smaller borrowers that typically have been under-served by the large commercial banks that control 85 percent of the financial market in Malawi. USAID’s primary partner is Opportunity International, a bank that serves a broad cross-section of clients. Another activity enhances trade and growth opportunities for Malawian agri-businesses by addressing problems Malawian firms have in selling their products in global markets, focusing on growth possibilities in key sectors such as food processing, textiles, and forestry products.

3) Increasing incomes from natural resource management: USAID/Malawi is building the capacity of communities to improve natural resource management by continuing to work to deepen decentralization of Government decision-making over natural resources, assist communities in adopting improved natural resource management techniques, and provide marketing assistance so rural residents can gain income from sustainable use of natural resources. Key products include honey, wild fruits, and mushrooms.

INTERMEDIATE RESULT 6.3: COMPASS ACTIVITY INDICATORS

The portions of the USAID/Malawi Results Framework that apply to the COMPASS II activity are those under Intermediate Result 6.3: Household revenue from community-based natural resources management (CBNRM) activities increased. This is measured at the IR level by two indicators (often called “Category A” indicators) and by two Sub-IR indicators (“Category B”). These indicators and the Precise Definition for each from the Mission Performance Monitoring Plan are:

1. **Total revenue households receive from participation in community-based NRM activities**—defined as: “Cumulative yearly income³ at household level realized from CBNRM

² The material in this sub-section is taken from the most recent published and publicly available information from USAID/Malawi. In the past several months, ongoing changes in both programming and reporting have been initiated by USAID worldwide. The final outcomes of these discussions, including the USAID/Malawi Operating Plan for FY2007 and beyond, were not available at the time of reporting. Therefore, a supplement to this report may be required within the first few months of FY2007 in order to align the reporting of an ongoing activity such as COMPASS II to the new reporting structure and parameters.

activities. The sum of revenue received by all associations from sales of natural products. The natural products must be produced/harvested in a sustainable manner in the context of CBNRM activities”

2. **Number of communities adopting CBNRM practices**—defined as: “A cumulative figure representing number of communities that “adopt” CBNRM practices. ‘Adoption’ is judged to have occurred when a set of criteria is met. Number of communities that have organized themselves with the purpose of managing renewable communal natural resources in a sustainable way. CBNRM practices may include adoption and/or implementation of a CBNRM action plan, best practice in forest management, or sustainable harvesting.”
3. **Number of households participating in CBNRM activities**—defined as: “Number of households that are involved in CBNRM activities. ‘Involvement’ is defined as any action by an individual that advances community NRM.”
4. **Number of community members trained in CBNRM (M/F)**—defined as: “Number of individuals trained in CBNRM.” This indicator is disaggregated by gender.

Data gathering methodology employed for this FY2006 monitoring and reporting consisted of field data gathering and assessments by COMPASS II staff members and regular reports from various partner organizations throughout the country. The data collection methods are detailed in Annex 2.

SUMMARY RESULTS FOR 2006

The following table summarizes the performance data for these four indicators since the USAID/Malawi Country Strategic Plan was approved in 2001. The preliminary results for FY2006 are shown, with the caveat that the data analysis is ongoing. FY2005 results are considered final. USAID/Malawi officials conducted a data quality assessment in 2006. FY2006 assessment is scheduled for early in 2007.

Table 1: Progress on Intermediate Result Indicators as of 30 September 2006

INDICATOR	BASE LINE		2002	2003	2004	2005	2006	2007
TOTAL REVENUE HOUSEHOLDS RECEIVE FROM PARTICIPATION IN COMMUNITY-BASED NRM ACTIVITIES (MEASURED IN US\$)	6,000 (2001)	TARGET	-	20,000	50,000	180,000	400,000	750,000
		ACTUAL	9,000	15,774	55,431	200,587	532,162	--
NUMBER OF COMMUNITIES ADOPTING CBNRM PRACTICES	315 (2001)	TARGET	300	350	500	650	900	1,000
		ACTUAL	457	599	642	714	1,293	--
NUMBER OF HOUSEHOLDS PARTICIPATING IN CBNRM ACTIVITIES	23,408 (2002)	TARGET		28,088	30,000	45,000	65,000	80,000
		ACTUAL		30,681	33,498	46,255	75,847	--
NUMBER OF COMMUNITY MEMBERS TRAINED IN CBNRM (M/F)	846 (2001)	TARGET	420	570	1,500	2,250	3,250	4,000
		ACTUAL	1,206	M: 1,363 F: 504	M: 1,363 F: 504	M: 2,736 F: 3,019	M: 3,066 F: 3,083	--

³ The SO Team has clarified the definition of “income” to include non-cash (i.e., in-kind) income that households receive.

USAID/MALAWI ECONOMIC GROWTH RESULTS FRAMEWORK

FY 2005 -2007

Context Indicators:

1. GDP growth rate
2. Inflation rate
3. Level of foreign direct investment

STRATEGIC OBJECTIVE 6 Sustainable Increases in Rural Incomes

Indicators:

- 6a: Per capita consumption and expenditure in rural areas (data for 1998, 2002, 2004, 2006)
 6b: Total amount of additional household income that can be directly attributed to USAID activities (data each year)

Critical Assumptions:

1. Political stability maintained before and after 2004 elections
2. Drought and/or flooding conditions are what may be considered "typical" for Malawi for a five-year strategy period.
3. Number of new HIV infections stabilizes then begins to fall.
4. The physical security situation in rural areas does not worsen.

INTERMEDIATE RESULT 6.1 Agricultural productivity increased

Indicators:

- 6.1a: Value of agricultural products marketed by farmers' associations
 6.1b: Ratio of average fertilizer price in Malawi to FOB world price

IR Leader: Martin Banda

Activities:

- National Smallholder Farmers Association of Malawi (NASFAM)
- Land O' Lakes (LOL)
- International Fertilizer Development Center (IFDC)

Sub-IR indicators:

- 6.1.1a: Membership in farmers' associations (M/F)
 6.1.1b: Tonnage of agricultural products marketed through farmers' associations
 6.1.1c: Cumulative number of private sector fertilizer actors that have received training or technical assistance (M/F)
 6.1.1d: Quantity of fertilizer imports by private sector

Intermediate Result 6.2 Employment in agriculturally-linked enterprises increased

Indicators:

- 6.2a: Number of new jobs created in enterprises receiving USAID-funded training or technical assistance
 6.2b: Total value (cumulative) of loans disbursed to agriculturally-linked enterprises by USAID-financed micro-finance intermediaries

IR Leader: Richard Kimball

Activities:

- Opportunity International (micro-finance institution)
- SALES (private sector linkages activity)
- Cassava industry promotion

Sub-IR indicators:

- 6.2.1a: Number (cumulative) of entrepreneurs/enterprises that receive USAID-supported training and/or technical assistance in business development skills
 6.2.1b: Average wage rate of new jobs created with USAID-funded training or technical assistance
 6.2.1c: Cumulative number of loans disbursed by USAID-financed micro-finance intermediaries
 6.2.1d: Number of savers of USAID-financed Microfinance Institutions (MFIs)

Intermediate Result 6.3 Household revenue from community based natural resource management (CBNRM) activities increased

Indicators:

- 6.3a: Total revenue households receive from participation in community-based NRM activities
 6.3b: Number of communities adopting CBNRM practices

IR Leader: Autman Tembo

Activities:

- Community Partnerships for Sustainable Resource Management (COMPASS)
- Malawi Environmental Endowment Trust (MEET)

Sub-IR indicators:

- 6.3.1a: Number of households participating in CBNRM activities
 6.3.1b: Number of community members trained in CBNRM (M/F)

Intermediate Result 6.4 Reduced vulnerability to food price volatility

Indicators:

- 6.4a: Percent of under 5's with moderate or severe acute malnutrition (weight for height) in February
 6.4b: Index of seasonal maize price volatility

IR Leader: Vacant

Activities

- Food safety nets activities (DAP partners)
- Community nutrition activities (DAP partners)
- Market information systems and early warning (FEWS)

Sub-IR Indicators:

- 6.4.1a: Number of participants in Food for-work activities (M/F)
 6.4.1b: Number of children participating in growth monitoring programs

SUPPORT FOR CROSS-CUTTING POLICY ANALYSIS AND INFORMATION NETWORKS

Activities:

- Pro-growth poverty resource (annual program statement small grants)
- National Action Group (participation by USAID)

HIGHLIGHTS OF COMPASS II STRATEGY

Three principal themes underlie the strategy for continuing the progressively more sophisticated concepts behind efforts to see community-based management of natural resources become a genuinely mainstream development strategy.

SUSTAINABILITY

The first of these themes is to build the institutional strength across a wide range of institutions within Malawi for community-based management to continue after COMPASS II concludes. This oft-invoked theme is rarely seen in practice, however. In order to avoid the familiar refrain of saying things will be sustainable, while not taking actions to make them so, the COMPASS team has adopted a “**2010 Test**” to use in assessing sustainability (see box). Simply put, this means that if we cannot find a way for an action or activity to continue beyond USAID support, we keep searching for a different way to proceed.

Sustainability consists of three parts:

1. **ecological sustainability**—that the health of ecosystems – including their ability to provide a long-term supply of goods and services – at a landscape scale is resilient to disturbances, much as a human being is considered healthy if they are able to get well quickly when exposed to illness;
2. **economic sustainability**—that household financial and aggregate economic benefits from CBNRM are sufficient to encourage additional investments by private sector individuals and business, rather than rely on grants or other subsidized support; another aspect of economic sustainability is that the increased economic activity results in an expansion of the tax base, thereby providing the public sector with resources to maintain their support;
3. **social sustainability**—that tangible benefits from CBNRM accrue to a critical mass of households, to reduce or prevent conflicts over natural resource use and management while also encouraging those households to manage resources well; that the communities engaging in CBNRM are empowered to more fully participate in their other development efforts; and that genuinely decentralized governance is progressing closer to management units.

“2010 Test”

The COMPASS II field team devised a way to quickly filter out unsustainable methods of accomplishing a given task.

The activity is scheduled to end in March of 2009. Observed field experience shows that a project unable to continue beyond donor support usually fails within one year of donor sponsorship ending.

Therefore the team surmised that if activities begun under COMPASS II are still going strong throughout 2010, then they are likely to be sustainable.

These elements of sustainability may be summed up into the phrase that USAID/Washington devised: *transformational development*⁴, meaning economic development efforts seek to support the transformation of a country toward “**graduation**” from donor support. COMPASS is working toward the graduation of natural resources management from its current dependency, toward the day when conservation can pay its own way. No one can yet predict when graduation will be; preparations must continue nevertheless.

DIVERSITY

The second major theme of the COMPASS II strategy is to spread the natural resource conservation and economic development efforts to better insure against extraordinary risks that could lead to collapse. The need to diversify is often cited by other CBNRM programs in southern Africa, due to their over-reliance on wildlife hunting and photographic safaris, as a key impediment to their efforts to mainstream CBNRM into rural economies. For the COMPASS team, this is overlain by the wide range of contexts in different parts of the country. Therefore, we are focusing on two types of diversity:

1. **diversity of natural resources**—including within the range of community-based management options the fisheries, forests, and other biodiverse ecosystems, as well as the range of natural

⁴ White Paper “U.S. Foreign Aid: Meeting the Challenges of the Twenty-First Century.” Bureau for Policy and Program Coordination, U.S. Agency for International Development. January 2004.

resource-based products and services that those ecosystems can produce; also includes the range of ownership or custodial regimes for these ecosystems, whether public sector protected areas, customary lands under traditional leadership, or privately held or titled lands;

Strength in Diversity

Malawi is blessed with plateaus and peaks as well as lakes and rivers. This range of geologic diversity provides a wide range of unique ecosystems that leads to high rates of endemism, which contribute to the fragile nature of these ecosystems. COMPASS II recognizes that this fragility demands that a range of approaches be taken to ecosystem management.

For example, different organizations should lead in different situations. Community forest management in Ntcheu is led by a local NGO, while similar efforts in Nkhata Bay are conducted by district forestry office staff. Likewise, fisheries managers around Lake Chilwa are fishermen themselves; while managing wildlife in the Lower Shire involves public and private sector collaboration.

2. **diversity of approaches**—recognizing the differences in both the resource base and the skills sets found among organizations in each of the target districts (see Figure 1 on page 8), apply a wider range of nuanced approaches to development rather than a standardized approach applied universally (see sidebar);

INTEGRATION

The third theme for COMPASS II efforts to mainstream CBNRM as a viable rural development strategy recognizes that successful economic development, no less than successful ecosystem function, requires that each of the components be interlinked with other parts of the economic system.

This does not necessarily mean that skills building of beekeepers must be part of a company processing honey, or that the company must be vertically integrated from beehive to retail shop; rather, that authority to manage a piece of forest land, and the skills needed by a beekeeper to meet the processor's quality standards, and support to growth of the honey industry are thematically and geographically integrated.

For example, if a honey processor in Machinga buys locally from beekeeping clubs, she doesn't necessarily need to "embed" beekeeper training into her own company—an expensive burden that potentially could bankrupt her company while others benefit from her

investment—if an adequately coordinated public or private extension service operated in the Machinga area rather than (or in addition to) Mwanza or Mulanje.

This integration is best achieved in consultation and collaboration with the relevant government departments and private sector members of the industry, so that institutionalizing all aspects of service provision is more complete. CBNRM service provision also must be integrated into the Malawian economy rather than the donor economy, meaning that fees for services are tied to the ability to pay of those procuring services. This last point is a crucial part of achieving genuinely mainstream community-based management of natural resources that can outlive donor support.

ACTIVITY DESCRIPTION

The purpose of COMPASS II is to enhance household revenue from participation in CBNRM initiatives that generate income as well as provide incentives for sustainable resource use in Malawi. Building on the solid foundation established under NATURE, MAFE, and COMPASS towards building capacity of the Malawian government and nongovernmental organizations to adopt strategies that ensure long-term economic and environmental sustainability, COMPASS II seeks to accomplish three objectives:

1. Increase the decentralization of natural resource management,
2. Enhance rural communities' capacity to sustainably manage their natural resources, and
3. Increase sales of natural resources-based products.

Achievement of progress toward these objectives requires a multi-faceted approach toward devolving *authority* to manage natural resources to field levels, along with the responsibility to manage well; ensuring the *ability* to manage by facilitating the acquisition of skills and tools to dispatch management authority responsibly, and brokering the *incentive* to manage sustainably through profiting from sustainable utilization of those natural resources.

The contract Statement of Work (section C) defines the specifications for the team in implementing the COMPASS II activity. In order to have implementation contribute toward the USAID/Malawi SO-6: **Sustainable Increases in Rural Incomes**, and specifically, Intermediate Result 6.3: **“Increased household revenue from community-based natural resources management (CBNRM) activities”**, the following three Results Modules and 10 Tasks provide the contractual framework. Actual fieldwork is conducted in a more integrated manner, as discussed above.

RESULTS MODULE	TASKS
More decentralized management of natural resources in Malawi	
	1) Promote greater decentralization of key natural resource decision-making
	2) Increase district-level capacity to support CBNRM
	3) Improved CBNRM stakeholder coordination
Enhanced community capacity for managing natural resources in a sustainable manner	
	1) Increase capacity for natural resources management at the community level
	2) Strengthen the capacity of CBNRM service providers
	3) Increase public awareness and understanding of CBNRM roles and opportunities
	4) Strengthen knowledge and accountability of Traditional Authorities and related officials in CBNRM
Increased sales of natural resource-based products by households	
	1) Enhance market access by entrepreneurs, households, and community groups that produce natural products
	2) Identify production and harvesting opportunities for new natural resource-based products to be actively exploited on a sustainable basis
	3) Develop and strengthen partnerships between communities and the private sector

As noted above, the COMPASS II activity supports the USAID/Malawi goal of reducing poverty and increasing food security through broad-based, market-led economic growth by addressing the constraints to CBNRM and working to increase household revenues earned from CBNRM. The specific constraints being addressed include those related to policy implementation, community tenure and rights of access, local institutional capacity, and natural resource-based enterprise development.

Key performance indicators and targets specified in the COMPASS II contract Statement of Work for each of these Results Modules are the following:

- 15 districts in which NRM devolution plans are adopted and fully implemented;
- 1,000 communities adopting CBNRM practices;
- 80,000 households participating in CBNRM activities; and
- \$750,000 in total revenue households receive from participating in CBNRM activities.

COMPASS II is expanding sales of natural products by identifying commodities that have the greatest potential to generate employment, increase household income, and support sound natural resource management. This approach promotes cooperation and coordination among the various members of the value chain to reduce transaction costs, enhance product quality, and reduce risks and uncertainty for buyers and sellers. COMPASS identified honey, tree seed oils, processed fruit, wild mushrooms, fisheries, and medicinal plants as high-potential commodities. COMPASS II is verifying the viability of markets for these products, and expanding the menu of options to include other natural resource-based products.

COMPASS II also promotes sound stewardship of the wildlife reserves, national parks, and forests that make up more than one-fifth of Malawi. Lakes Malawi and Chilwa and many large rivers form vital watersheds that are an important part of the food production base for the national economy.

GEOGRAPHIC FOCUS

During 2006, COMPASS II supported the mainstreaming of CBNRM in 13 districts: Chitipa, Rumphi, Mzimba, Nkhata Bay, Nkhatakota, Lilongwe, Ntcheu, Mangochi, Machinga, Zomba, Phalombe, Mulanje, and Chikwawa. The selection process to identify where to start fieldwork included the following criteria:

- **Community commitment and leadership:** Strong community interest, as well as community leadership that is supportive of CBNRM initiatives. Supportive district authorities and the existence or potential for effective service provider partnerships or those districts with the strongest capacity to carry out responsibilities related to decentralization.
- **Ecological importance:** Malawi’s key eco-regions where natural resources of high conservation value exist and where sustainable use is a key to future prosperity are the target of this activity.
- **Income earning potential:** Areas with existing or potential for income generation from CBNRM. Most relevant is commitment from communities and private sector to leverage resources.

During the course of the year, Mulanje district presented an opportunity for collaborating with the Coca-Cola / USAID / Global Environment & Technology Foundation (GETF) Global Development Alliance (GDA) program on Community-Watershed Partnerships, and initial activities were undertaken toward implementing the Mt. Mulanje Community-Watershed Partnership Project in T/A Laston Njema, with a wide range of local organizations providing leveraged resources. Malawi has 28 districts and nation-wide coverage by COMPASS II efforts takes place depending on the presence of potential for natural resource-based enterprise (NRBE) development. (Figure 1).

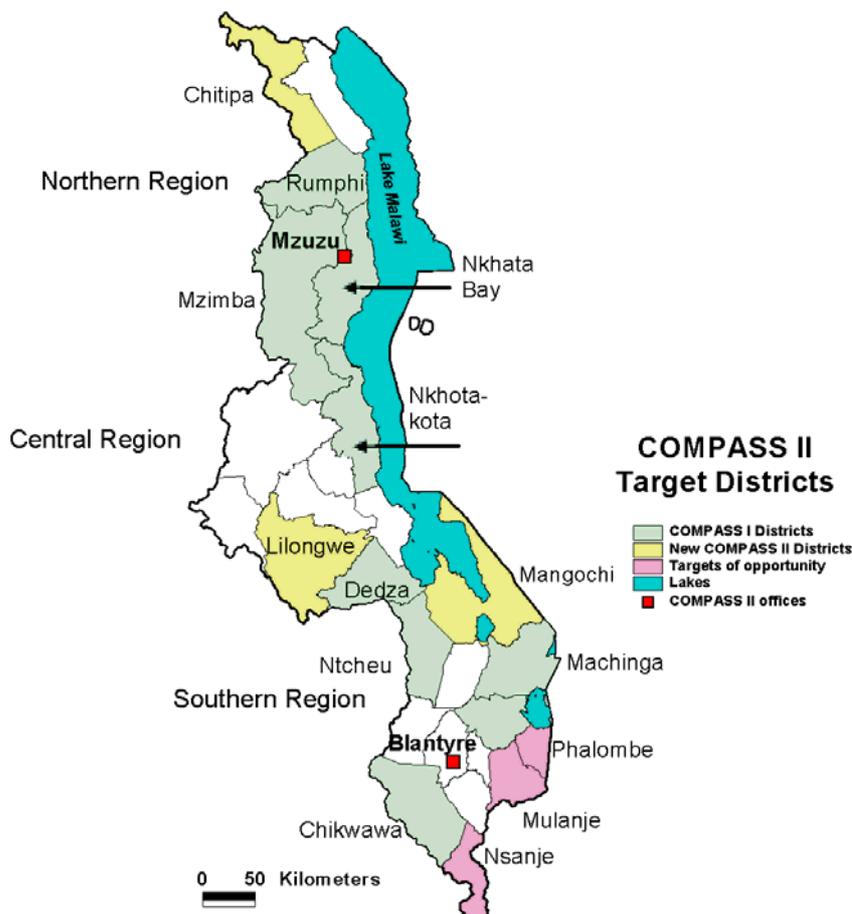


Figure 3: COMPASS II Target Districts

MONITORING & EVALUATION—METHODODOLOGICAL NOTES

The COMPASS Monitoring Plan describes a three-tiered “pyramid” of monitoring efforts (Figure 2):

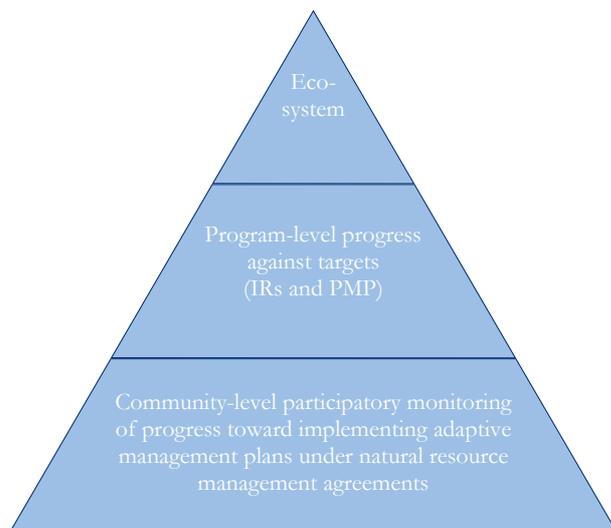


Figure 4: COMPASS II Monitoring Pyramid

1. Landscape-scale monitoring of ecosystem health or natural resource condition,
2. Program-level monitoring of progress toward the various targets listed throughout this Annual Work Plan, and
3. Community-level participatory monitoring as part of the adaptive management plans that are the basis for natural resource management agreements.

The base of the pyramid both relies upon and contributes toward community-level monitoring undertaken during adaptive implementation of natural resource management agreements, with specific focus on the resource harvest rates where applicable under an Agreement. The aim of gathering information about harvests (and other aspects of the particular Agreement) is to provide the VNRMC, BVC, RVC, or VNRC

and government co-signatories to the Agreement with sufficient information to both adaptively improve resource management and ensure progress toward management objectives identified in the Agreement. Often, one of those objectives is to license user groups to harvest resources, and monitor their rates of harvest against reproductive capacity.

The data in this Annual Report draw heavily from the community-level information that COMPASS II field staff gather regularly throughout the year, and consolidations of these data at district level or by other partner organizations such as producer associations, processors, etc. A huge challenge in doing this is the level of skills – including literacy as well as conceptual understanding of M&E – available within the VNRMCs or other community-based organizations, as well as within the government departments, to adequately conduct resource monitoring. COMPASS is investing directly in developing the capacity for participatory monitoring within signatories to natural resource management agreements, as part of technical support to development of those agreements and the adaptive management plans.

COMPASS is also investing in developing capacity among the sector agencies and district government to determine sustainable harvest rates, based on the reproductive capacity of a given resource. This involves working with producer associations and research institutions to assess the present condition of fisheries, forests, wildlife, and water resources, followed by determinations of the annual growth increment of those resources. The purpose of these efforts is to incorporate regular data gathering and analysis into the normal work processes of beekeeping clubs, fishermen’s associations, and other natural resource users and managers. We are striving to have data gathering be conducted not because COMPASS needs the data; rather because the enterprises, communities, and government departments recognize that they need the information in order to become better managers.

Within the middle layer of the pyramid, COMPASS is working with government departments in the key natural resource sectors to develop district- and national-level mechanisms for data gathering and analysis, with the aim of encouraging data management to continue after COMPASS ends. The Department of Fisheries keeps relatively detailed and reliable statistics on commercial fish harvest from the lakes, but does not capture data on all species, nor monitor harvests that are landed during early morning hours. The Department of Forestry has long focused on plantations of pines and eucalypts rather than the indigenous miombo forests and woodlands. Even the national tree, Mulanje cedar, is not monitored adequately to ensure that harvests are not exceeding annual rates of natural regeneration. WESM conducts regular annual game counts of wildlife—including birds—in many of the national parks and reserves, but little reliable information is available about populations of wildlife outside of these areas.

Improvements being made with technical support from COMPASS include incremental increases in data quality, rather than imposition of state-of-the-art systems that cannot be owned by the departments. For example, Fisheries would like to expand efforts to capture data on ncheni and other species that are now listed under “Other” on their monitoring forms. The Dept. will also explore opportunities for improving their ability to capture data about nighttime and early morning harvests, while also gathering more detail about the specific gear being used for each species. BVCs and RVCs have an important role in this effort and an incentive to do so, since their management objectives often require catch and gear monitoring.

Forestry efforts focus on a simple classification system for condition of miombo woodlands and forests, to be followed by development of appropriate tools for field staff and community managers to estimate the reproductive capacity of the woodland, so that sustainable rates of harvest can be calculated. We are also attempting to develop predictive models for productivity of bee pasture.

Wildlife and water efforts depend on discussions with those sectors. Water resource monitoring may be more widely applied as one result of the Mulanje Mountain Community-Watershed Partnership Project being implemented under a USAID-Coca Cola Global Development Alliance subcontract with the Global Environment & Technology Foundation. Water is widely viewed as perhaps the most important environmental service and resource provided by the Mt. Mulanje ecosystem.

The “scaffolding” upon which most of the COMPASS II fieldwork and progress reporting rests is an integrated spatial planning framework. This framework includes elements of suitability classification of landscapes to guide enterprise development efforts toward those areas within the target districts where the critical factors for success show the highest probability of resulting in profitable production systems. The spatial planning framework also provides the ability to scale up or down among community, T/A, district and national levels both as a planning tool for CBNRM Action Plans by districts and for monitoring “top of the pyramid” ecosystem conditions, including the tracking of threats to biodiversity and opportunities that biodiversity provides for economic growth activities.

The COMPASS M&E unit strategy for data gathering and analysis in 2006 was to work with a range of partners using data collection techniques in communities undergoing natural resource management planning, with or without COMPASS support. This comprised the following procedures:

1. **District Data Collection:** Jointly with District officers in Chitipa, Nkhonkhotakota, Nkhata Bay, Lilongwe, Ntcheu, Mangochi, Mulanje, Phalombe, and Chikwawa, data sets required by district assemblies were examined and validated wherever possible. The information collection process thus provided a sample procedure for district data collection which district offices may use for revenue collection among VNRMCs and BVCs.
2. **Natural Products Industry:** The revenues generated by producers and processors of honey, wild mushrooms, capture or farmed fish, and tree-seed oils (i.e., baobab) were accounted for, separating sales from non-sales revenue. Only those sales which could be attributed to CBNRM are included. For example, fishing in Lake Chilwa, where COMPASS has invested heavily in institutionalizing participatory fisheries management, are included, while those from the Nkhonkhotakota waters of Lake Malawi are not due to the inability to distinguish sales that involve communities engaged in CBNRM from those that do not.
3. **Nyika-Vwaza Situational Analysis:** During 2006, a detailed analysis of progress by the Nyika-Vwaza association of 104 VNRCs was undertaken. Data included in this report are only those attributable to implementation of CBNRM by communities within the 18 T/As surrounding the two protected areas. This includes the 30% revenue sharing obtained from gate receipts earned by the Dept. of National Parks & Wildlife, under an agreement brokered by USAID/NATURE.
4. **Mulanje Ecosystem Valuation:** Dr. Joy Hecht completed a valuation study of resources being produced by Mulanje Mountain. These data were divided by the number of households within the study area to obtain an average value of revenue per household, which was then multiplied by the number of households known to be engaged in CBNRM within Mulanje and Phalombe district portions within that study area (7 km buffer of the Forest Reserve).

5. **Chuma Chobisika Survey:** During August and September, COMPASS II conducted a nationwide survey to assess the effectiveness of *Chuma Chobisika* radio and television programs. A total of 2,670 respondents, selected using structured randomization from 48 T/As in all districts (except Likoma), were surveyed. The data from respondents who indicated that they have engaged in natural resource-based enterprise activities as a result of the programs have been included in this report. Extrapolated national estimates from the survey have not been included.
6. **Prior Year Reports:** The data tables found in Annex A are a continuation of those developed under COMPASS I, which relied heavily on data from grant recipients. Many of the “revenue” values in those reports involved non-monetized benefits obtained through increased tree planting for poles and similar products. For 2006, we assumed that trees which are now 4 years old will be harvested at a rate of 1/3rd per year over the next three years. Those which are not “cashed out” in this manner will continue to grow in both volume and value until harvested.

Overall, in terms of methodology for data gathering, the hope is that during 2007, district government officers will continue to gain sufficient skills and tools to implement district data collection activities, including compilation of reports from all community organizations in each district that have signed a CBNRM agreement with the government.

COMPASS II will support and strengthen this reasonably sustainable system—that uses a database designed by the Malawi local government decentralization process—through training of district officers on basic concepts of good monitoring and evaluation, as well as information management systems.

Annex A to this Annual Progress Report is a table presenting the detail of all data used in compiling the information throughout the text.

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DETAIL OF PROGRESS IN FY2006

This section of the Annual Progress Report details the progress made by CBNRM practitioners toward the agreed and approved targets for the COMPASS II activity during Fiscal Year 2006. Rather than repeat the Intermediate Results data table on page 3 of this Report, this section portrays those results in graphic form, to better illustrate the trends for each indicator being measured.

Following these graphics, a summary of the COMPASS II Performance Monitoring Plan results for 2006 are presented. The section closes with tabular presentations of each Task and Sub-Task, along with the status at the beginning of the reporting period (1st October 2005), and status at the end of the reporting period (30th September 2006).

INTERMEDIATE RESULT INDICATORS: 2006 PROGRESS

As described above, the USAID/Malawi country strategy for 2001—2007 places CBNRM activities under Intermediate Result 6.3 toward Strategic Objective 06 (please see chart on page 4 above). At the IR-level, four indicators are used to measure progress and performance. The first two are Category A indicators: (1) total revenue households receive from participation in CBNRM activities, and (2) number of communities adopting CBNRM practices. The two Category B indicators are: (3) number of households participating in CBNRM activities, and (4) number of community members trained in CBNRM. This last indicator is disaggregated by gender.

The following series of charts display the trends in progress for each parameter of interest.

TOTAL REVENUE HOUSEHOLDS RECEIVE FROM PARTICIPATION IN COMMUNITY-BASED NRM ACTIVITIES

This indicator is defined in the Strategic Objective Results Framework as: “Cumulative yearly income⁵ at household level realized from CBNRM activities. The sum of revenue received by all associations from sales of natural products. The natural products must be produced/harvested in a sustainable manner in the context of CBNRM activities.”

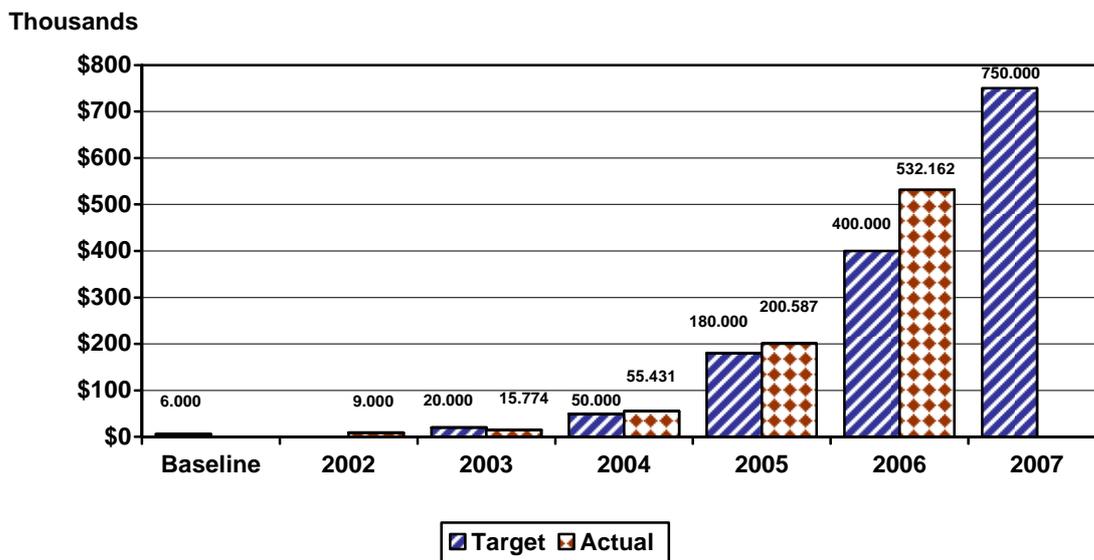


Figure 5: Total revenue households receive from participation in community-based NRM

⁵ The SO Team clarified the definition of “income” in 2004 to include non-cash (i.e., in-kind) income that households receive.

The information on revenues households received was gathered from the data sources described on pages 10-11 of this Annual Progress Report. Details can be found in Annex A.

The total revenue received by households participating in CBNRM as of 2006 is \$532,162. This figure represents a 33% greater result than the target of \$400,000. The household revenue indicator target for 2007 is \$750,000. At this time, COMPASS expects to be able to achieve and perhaps exceed this target. We are not yet prepared to predict what, if any, adjustments or revisions to the targets may be necessary.

NUMBER OF COMMUNITIES ADOPTING CBNRM PRACTICES

This indicator is defined in the Strategic Objective Results Framework as: “A cumulative figure representing number of communities that ‘adopt’ CBNRM practices. ‘Adoption’ is judged to have occurred when a set of criteria is met. Number of communities that have organized themselves with the purpose of managing renewable communal natural resources in a sustainable way. CBNRM practices may include adoption and/or implementation of a CBNRM action plan, best practice in forest management, or sustainable harvesting.”

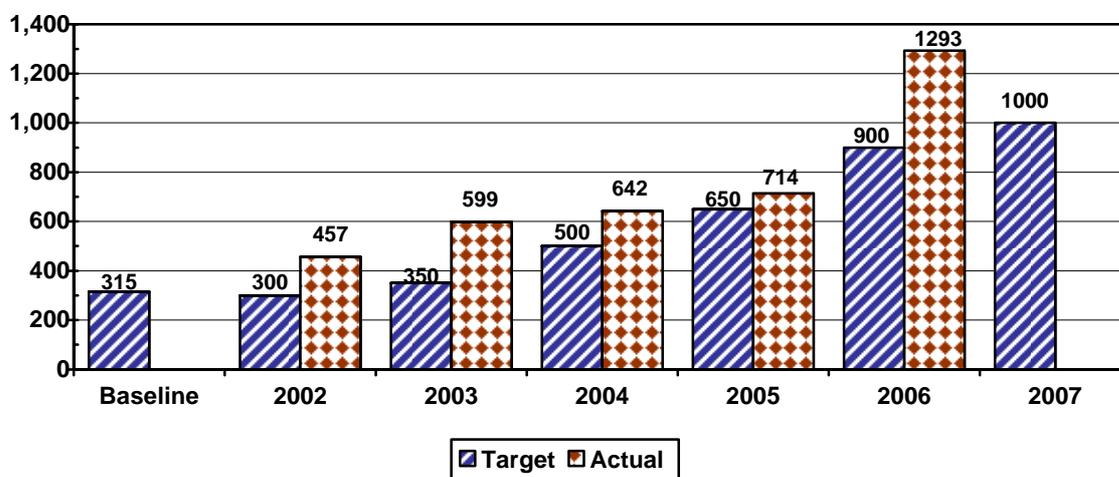


Figure 6: Number of communities adopting CBNRM practices

The number of communities and households participating in CBNRM is taken from district reports which have been validated by field visits by COMPASS II monitoring and evaluation staff members. Some information from a few districts did not pass the data validity test, as they did not meet complete criteria for ‘participation’ or ‘adoption’ (see Annex B for Glossary and detailed definitions with the criteria). These unverified data have not been included.

The statistics from national parks need to be subjected to further data validation, as do the statistics reported from some district forestry and fisheries offices. Data on communities adopting CBNRM were collected in Chitipa, Nkhata Bay, Nkhotakota, Lilongwe, Ntcheu, Mangochi, Mulanje, Phalombe, and Chikwawa, districts.

The number of communities adopting CBNRM for 2006 is 1,293, which is 43.67% greater than the target of 900 communities. The target number of communities for 2007 is 1,000. Since this target has already been surpassed by more than 29%, the **COMPASS II team now recommends that the 2007 target be increased to 1,500 communities adopting CBNRM practices.** We expect to be able to meet this new 2007 target.

NUMBER OF HOUSEHOLDS PARTICIPATING IN CBNRM ACTIVITIES

This indicator is defined in the Strategic Objective Results Framework as: “Number of households that are involved in CBNRM activities. ‘Involvement’ is defined as any action by an individual that advances community NRM.”

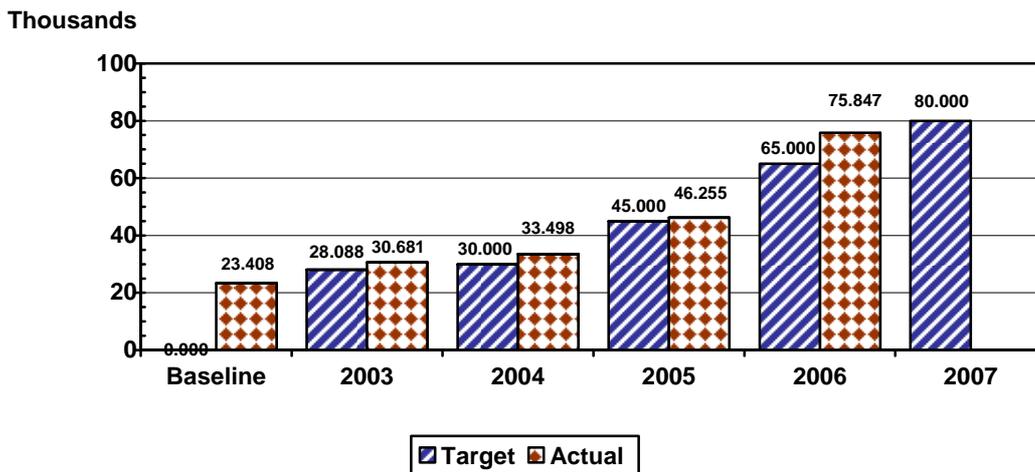


Figure 7: Number of households participating in CBNRM activities

The data on number of households participating in CBNRM are from the same sources, and have the same limitations, is reported above for the number of communities adopting CBNRM.

The number of households participating in CBNRM for 2006 is 75,847, which is about 16.7% above the target of 65,000 households. The target number of households for 2007 is 80,000. We expect to be able to meet this target.

NUMBER OF COMMUNITY MEMBERS TRAINED IN CBNRM

This indicator is defined in the Strategic Objective Results Framework as: “Number of individuals trained in CBNRM.” This indicator is disaggregated by gender.

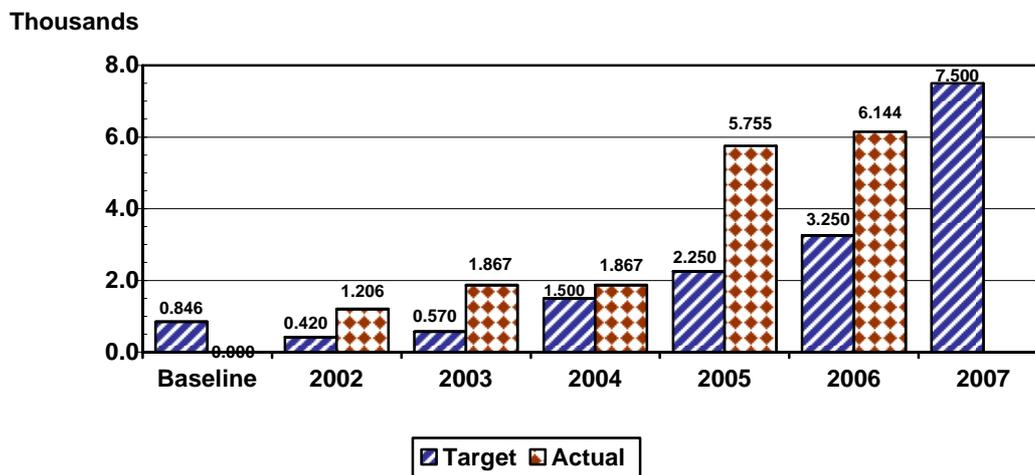


Figure 8: Number of community members trained in CBNRM

The data on number of community members trained came from the district-based service providers, as well as district government data. Only those receiving USAID support for training are included here.

The number of community members trained in CBNRM as of 2006 is 6,144, with approximately 50.2% of these persons being women. This result is more than 189% of the target of 3,250 community

members trained. The ratio of women trained remained steady at about half of all training participants. Both of these results demonstrate the tremendous thirst for knowledge in rural Malawi⁶.

The target number of people trained by 2007 is 4,000. Since the 2007 target has been exceeded by 1½ times, **COMPASS proposes a new target for this indicator of 7,500** for 2007.

SUMMARY OF PROGRESS TOWARD COMPASS II PERFORMANCE INDICATORS

The following three subsections of the Annual Progress Report cover progress made by the field implementation team toward the COMPASS II indicators and targets as defined in Section C: Description / Specifications / Statement of Work from the reference contract. Where no targets were specified in Section C, the performance indicators and targets in the 2006 Annual Work Plan and Performance Monitoring Plan have been used. The Performance Monitoring Plan was incorporated into subsequent revisions to the Annual Work Plan on a quarterly basis, along with quarterly performance reports.

RESULTS MODULE #1: MORE DECENTRALIZED MANAGEMENT OF NATURAL RESOURCES IN MALAWI

As stated in Section 1, the overall COMPASS II performance indicator for this Module is the **number of districts in which devolution plans are adopted and fully implemented**. The target for this indicator is 15 districts by the end of the activity. The contractual objective is to increase the decentralization of natural resources management in Malawi.

Status at beginning of Annual Reporting Period

The target for 2005 was that three districts had begun the process of developing devolution plans. By the beginning of 2006, seven districts had begun this process for participatory forest management (Chikwawa, Mulanje, Mangochi, Ntcheu, Nkhata Bay and Chitipa) and four other districts for participatory fisheries management (Nkhotakota, and Phalombe, Zomba and Machinga – the districts in which Lake Chilwa, Mpoto Lagoon and Lake Chiuta occur). Priority ecosystems for initial fieldwork had been agreed with district technical personnel.

Of concern at the beginning of the reporting period were the dissolution of District Assemblies without arrangements in place for local elections and the continued lack of fiscal devolution from the Forestry and Fisheries departments to district assemblies. These two factors – including the absence of payroll and reporting systems for district-level sector staff being devolved to the District Executive – seemed likely to impact negatively on COMPASS efforts to promote decentralization of natural resource management and devolution of authority from central to district level.

Actions undertaken during Annual Reporting Period

Decentralization efforts continued in the eleven districts with which COMPASS worked in 2005 and in the additional districts of Rumpfi, Dedza, Nsanje and Lilongwe, totaling 15 districts nationally. Emphasis has been on institutional development and creating awareness in the various communities about the opportunities and the conducive policy environment for community participation, capacity building of the communities on forest/fisheries management and for them to gain the legal right to access the resources.

Of particular note is the program to develop participatory fisheries management plans and to reach fisheries management agreements for Lake Chilwa and Mpoto Lagoon, Lake Chiuta, the Nkhotakota lakeshore and Lake Chikukutu, as well as the lower Bua River. These six areas involve 100 communities comprising 7,771 households managing 134,124 hectares of water surface area. So far, 62 management agreements have been prepared for review, revision, and approval by the Department of Fisheries.

⁶ Unlike many other donor-sponsored projects, COMPASS II does not provide financial incentives or allowances for community members to attend training in their home village. A lunch is provided if necessary, in compliance with the Government of Malawi procedures agreed with the multilateral donors and endorsed by all bilateral donors in 2001. Training participation, therefore, is a reflection of interest in the topic, rather than attending merely to receive an allowance.

Across all sectors, significant progress has been made as summarized in Table 2 below. COMPASS II is working with local government in **12 districts** to provide technical backstopping and other support to preparation of **241 natural resource management plans** being developed by at least **29,818 households** in some **396 communities**, covering more than **146,000 hectares**.

In addition to engaging district officials in management planning with communities in target districts, the following materials were produced during 2006 to support wider understanding of the policy frameworks providing legal basis for CBNRM implementation:

1. *Standards & Guidelines for Participatory Forest Management in Malawi*, published jointly with the EU-sponsored Improved Forest Management for Sustainable Livelihoods Programme;
2. a series of five booklets targeting front-line staff (*Know Your Forest Policy* series); and
3. a set of briefing sheets that target parliamentarians, department staff, district government officials, forestry sector field personnel, nongovernmental organizations, and communities.

Integrated spatial planning was launched during 2006 with training of sector technical staff in all 15 target districts, along with distribution of GPS units and computers for those district assemblies without access to these basic mapping tools. The equipment distribution is detailed in Table 3 below.

Adaptive management of natural resources requires a community or other resource managers being able to measure their progress toward agreed objectives and to use that information to adapt management to the results obtained. To support the wider use of adaptive management principles, COMPASS II produced a manual in 2006 on participatory monitoring and evaluation. This "*Measuring Progress for Adaptive CBNRM*" manual is being widely circulated among extension personnel, nongovernmental support organizations, and communities engaged in community-based management planning and implementation. Training was provided in at least eight districts on how to apply the principles.

Status at completion of Annual Reporting Period

Understanding of the need for conservation of natural resources to be driven by the opportunity for income enhancement from well managed resources is becoming well established. This development is at least partly the result of a successful media campaign through print, radio and television broadcasts of *Chuma Chobisika*. This shift in attitude is essential before substantial areas of woodland particularly will come under improved community management.

Within the fisheries sector, momentum is now strong for the completion of participatory fisheries management agreements for substantial areas of Malawi's fisheries. Within the forestry sector, although progress has been slower due to the need to substantially alter the perception of CBNRM held by district forestry personnel (and some of those at headquarters), momentum is picking up. Several management plans are in the final stages of preparation and, most significantly, there is evidence of real and strong demand emerging from rural households for legal access to the resources.

This provides a platform for COMPASS to intensify efforts towards institutional development amongst resource users aimed squarely at improving access to those resources, providing legal rights and the framework by which access can be restricted to those users who agree to abide by the regulations governing resource management.

Active planning for participatory forest management is being done in eight districts, while participatory fisheries management planning is nearing conclusion in four districts. As of 30th September 2006, a total of 146,033 hectares have been mapped as part of CBNRM planning. In almost all cases, COMPASS II staff provided technical backstopping to district and community personnel who are leading the planning. The details of these efforts are presented in the table on the following page.

Table 2: Summary of Progress toward Community Resource Management (30 Sept 06)

DISTRICT	SECTOR	# OF COMMUNITIES INVOLVED*	# OF HOUSEHOLDS INVOLVED**	HECTARES UNDER MANAGEMENT ***	MANAGEMENT PLANS IN PROCESS	MANAGEMENT AGREEMENTS PREPARED
NSANJE	FORESTRY	0	0	0	0	0
CHIKWAWA	FORESTRY	4	500	328	4	0
	WILDLIFE	12	0	45	1	0
MULANJE	FORESTRY	3	1,512	496	3	0
	WATER	27	2,650	0	27	0
PHALOMBE	FORESTRY	3	1,051	618	3	0
	FISHERIES	13	1,328	11,430	13	13
ZOMBA	FORESTRY	0	0	0	0	0
	FISHERIES	20	1,339	35,221	20	20
MACHINGA	FORESTRY	0	0	0	0	0
	FISHERIES	29	2,595	33,143	29	29
MANGOCHI	FORESTRY	20	200	73	6	0
	FISHERIES	0	0	0	0	0
NTCHEU	FORESTRY	36	0	91	36	0
DEDZA	FORESTRY	0	0	0	0	0
LILONGWE	FORESTRY	27	1,232	185	8	1
NKHOTAKOTA	FORESTRY	11	5,292	323	4	0
	FISHERIES	38	2,509	52,866	38	0
	WILDLIFE	1	0	2,750	1	0
NKHATA BAY	FORESTRY	11	621	273	11	0
	FISHERIES	0	0	0	0	0
MZIMBA	FORESTRY	36	45	8,175	36	0
	WILDLIFE	18	1,548	0	0	0
RUMPHI	FORESTRY	0	0	0	0	0
	WILDLIFE	65	5,590	0	0	0
CHITIPA	FORESTRY	1	0	16	1	0
	WILDLIFE	21	1,806	0	0	0
TOTALS		396	29,818	146,033	241	63

Notes:

* Refers to number of villages, BVCs/RVCs involved in developing management plans/agreements

** Entries of "0" indicate that field data have not yet been received from implementing partner; some district subtotals are not based on complete data from all sites within that district

*** Entries of "0" indicate that community mapping & land-use planning are not yet complete; some district subtotals are not based on complete data from all sites within that district

Community resource mapping training has been completed in all 15 districts. District resource maps also have been completed for all 15 districts, which form the basis for spatial resource management planning. The following table highlights which district assemblies have been supported with equipment in addition to the training.

Table 3: Resource Mapping Equipment Distributed to District Assemblies (30 Sept 06)

DISTRICT ASSEMBLY	DESKTOP COMPUTER (WITH UPS AND BASIC DISTRICT SHAPE FILES)	NO. OF GPS UNITS
NTCHEU	1	3
CHIKWAWA	1	3
NKHATA BAY	1	3
MULANJE		3
PHALOMBE	1	3
NKHOTAKOTA	1	4
MANGOCHI		3
MZIMBA	1	3
TOTAL	6	25

Expected actions during upcoming Annual Reporting Period

The target for 2007 is that devolved natural resource management plans are being implemented in at least eight districts. Also, devolved natural resource management plans are being developing in at least four other districts.

Following are the Activities specified in Section C, and current status as of 30 September 2006.

Table 4: Progress on Task 1.1—Promote greater decentralization of key natural resource decision-making

ACTION / TASK	PERFORMANCE INDICATOR	STATUS AT START OF REPORTING PERIOD	STATUS AT END OF REPORTING PERIOD
DEVELOP GUIDELINES FOR COMMUNITY MANAGEMENT OF NATURAL RESOURCES	GUIDELINES COMPLETED AND DISSEMINATED FOR ALL RELEVANT SECTORS	<ul style="list-style-type: none"> Standards & Guidelines for Participatory Forest Management finalized for Dept. approval; Review of Fisheries Extension Handbook underway 	<ul style="list-style-type: none"> Standards & Guidelines for Participatory Forest Mgmt co-published with IFMSLP-EU; distributed in all 15 districts Participatory Fisheries Manual development underway with Dept.
PROMOTE DEVOLUTION OF AUTHORITY TO APPROVE NATURAL RESOURCE MANAGEMENT AGREEMENTS	15 DISTRICT ASSEMBLIES HAVE AUTHORITY TO SIGN CBNRM PLANS	<ul style="list-style-type: none"> 9 districts beginning to prepare natural resource management agreements District Assemblies dissolved 	<ul style="list-style-type: none"> 12 districts engaged in preparing 241 natural resource management agreements District Assembly elections postponed
FACILITATE NATURAL RESOURCE AGREEMENTS BETWEEN COMMUNITIES AND DISTRICT AUTHORITIES	500 AGREEMENTS APPROVED AND IMPLEMENTED	<ul style="list-style-type: none"> Community resource mapping training completed in 5 districts; 100+ communities in 9 districts in process of agreement preparation 	<ul style="list-style-type: none"> Community mapping training completed in all 15 target districts; 42 sites mapped covering 147,497 ha for resource management 63 agreements under final approval review 396 communities in 13 districts in process of agreement preparation

ACTION / TASK	PERFORMANCE INDICATOR	STATUS AT START OF REPORTING PERIOD	STATUS AT END OF REPORTING PERIOD
SUPPORT EFFORTS TO HARMONIZE SECTOR LEGISLATION WITH DECENTRALIZATION POLICY [TASK AMENDED IN 2006 ANNUAL WORK PLAN]	TECHNICAL ASSISTANCE PROVIDED TO RELEVANT SECTOR DEPARTMENTS [TARGET AMENDED IN 2006 ANNUAL WORK PLAN]	Agreements reached with departments of forestry and fisheries to support review of policy and legislation in line with LGA and CBNRM	Department of Forestry approved scope of work for STTA to review Act, policy, and regulations with emphasis on issues of licensing for harvest

Table 5: Progress on Task 1.2—Increase district-level capacity to support CBNRM

ACTION / TASK	PERFORMANCE INDICATOR	STATUS AT START OF REPORTING PERIOD	STATUS AT END OF REPORTING PERIOD
BUILD AWARENESS OF OPPORTUNITIES FOR COMMUNITY-BASED MANAGEMENT OF NATURAL RESOURCES	15 TARGET DISTRICTS HAVE ACCESS TO KEY POLICY BRIEFS IN LOCAL LANGUAGE	<ul style="list-style-type: none"> • CBNRM Policy briefs disseminated in 7 districts through NICE volunteers; • Forestry and parks & wildlife policy briefs completed, distributed in 6 districts; • Forestry policy supplement translated into Chichewa 	<ul style="list-style-type: none"> • "Know Your Forest Policy" series of booklets produced in Chichewa, distributed to front-line staff nationwide • New forestry briefs for central, district, NGO and community levels produced, distributed nationwide • Copies of legislation, policies, and regulations distributed to all district offices and staff
BUILD DISTRICT CAPACITY TO SUPPORT AND DELIVER NATURAL RESOURCES MANAGEMENT SERVICES [TASKS 1.2.B AND 1.2.C COMBINED IN 2006 ANNUAL WORK PLAN]	<p>15 TARGET DISTRICTS HAVE CAPACITY TO SUPPORT CBNRM WITH QUALITY SERVICES (INCLUDING PROCESS FOR INTEGRATING TRADITIONAL AUTHORITIES INTO NATURAL RESOURCE PLANNING AND DECISION MAKING)</p> <p>AT LEAST 50 COMMUNITY-BASED ORGANIZATIONS ARE OPERATING IN SUPPORT OF CBNRM IN 9 DISTRICTS [TARGET AMENDED IN 2006 ANNUAL WORK PLAN]</p>	<p>Two traditional leaders forums held to identify issues for TA Conference scheduled for October</p> <p>Training completed on:</p> <ul style="list-style-type: none"> • appreciative inquiry (100+ participants), • community mapping & land-use planning (67 participants), • participatory forest management (83 district staff); • three regional CBNRM workshops held for 94 district staff and NGOs 	<ul style="list-style-type: none"> • 12 districts have at least begun CBNRM planning processes • 15 districts are able to engage in community resource mapping and land-use planning • six districts trained in participatory forest resource assessment • seven districts trained in adaptive management and participatory monitoring / evaluation • 182 community-based organizations operating to support CBNRM in 10 districts (only includes BVCs/RVCs, VNRMCs or VNRCs holding new elections during 2006)

ACTION / TASK	PERFORMANCE INDICATOR	STATUS AT START OF REPORTING PERIOD	STATUS AT END OF REPORTING PERIOD
BUILD A DATABASE OF CBNRM BEST PRACTICE SITES	70 BEST PRACTICE SITES LISTED IN DATABASE BY 2009	<ul style="list-style-type: none"> • Assessment of all 33 COMPASS I best practice sites completed • Debate on criteria for "best" practice slated for agenda at CBNRM Conference in Dec. 	<ul style="list-style-type: none"> • Resource maps for all 15 districts completed • Resource database for Lake Chilwa basin completed • Best Practice redefined to include enterprise results rather than tree planting, grant funding or other past criteria • 50 activity sites actively engaged in adopting CBNRM best practices

Table 6: Progress on Task 1.3—Improve CBNRM stakeholder coordination

ACTION / TASK	PERFORMANCE INDICATOR	STATUS AT START OF REPORTING PERIOD	STATUS AT END OF REPORTING PERIOD
STRENGTHEN NATIONAL COORDINATING BODIES	NATIONAL CBNRM FORUM ESTABLISHED AND RECOGNIZED BY STAKEHOLDERS [TARGET AMENDED IN 2006 ANNUAL WORK PLAN]	<ul style="list-style-type: none"> • Malawi is a founding member of Regional CBNRM Forum; • Meeting held to discuss establishing a National CBNRM Forum 	<ul style="list-style-type: none"> • Inaugural meeting held of National CBNRM Forum, established with direct links to Regional • COMPASS is collaborating with Forest Governance Learning Group and other relevant organizations
STRENGTHEN DISTRICT COORDINATING BODIES	15 TARGET DISTRICTS HAVE CBNRM ACTION PLANS	<ul style="list-style-type: none"> • Frequent coordination meetings held with sector staff in 6 districts • At least three districts are holding multi-sector coordination meetings 	<ul style="list-style-type: none"> • Frequent coordination meetings held with sector technical personnel in 10 districts • Incomplete government implementation of fiscal decentralization inhibits having functional DESCs
STRENGTHEN LOCAL COORDINATING BODIES	1,250 PEOPLE EXPOSED TO CBNRM BEST PRACTICES THROUGH EXCHANGE VISITS BY 2008	No action this reporting period on exchange visits (see 1.2.c in Table 10)	<ul style="list-style-type: none"> • 14 NGO staff participated in agroforestry home gardens study tour to Zimbabwe on drip irrigation technology • 6 fishermen from Lake Chiuta visited Nkhotakota • 7 leaders of HOMERO in Mzimba visited an eco-tourism facility in Luwawa • Numerous localized visits being conducted within GVHs engaged in CBNRM

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RESULTS MODULE #2: ENHANCED COMMUNITY CAPACITY FOR MANAGING NATURAL RESOURCES IN A SUSTAINABLE MANNER

As stated in Section 1 above, the overall COMPASS II key performance indicators for this Module, and life-of-project targets, are:

1. **Number of communities adopting CBNRM practices.** The target for this indicator is 1,000 communities by the end of the activity.
2. **Number of households participating in CBNRM activities.** The target for this indicator is 80,000 households by the end of the activity.

Status at beginning of Annual Reporting Period

As of 01 October 2005, a total of 714 communities had adopted CBNRM practices.

As of 01 October 2005, a total of 46,255 households were participating in CBNRM activities.

Actions undertaken during Annual Reporting Period

An additional 30 VNRMCs were trained directly by COMPASS II staff during the reporting period. Also, district extension staffs working with technical support from COMPASS II have conducted community training of 59 VNRMCs on participatory management of natural resources in the three key sectors.

This brings the total number of forestry sector VNRMCs trained as of 30 September 2006 to 152. In the fisheries sector, 77 BVCs and 23 RVCs comprising 12 associations have also been trained so far, either directly by COMPASS staff, or with technical support from COMPASS to district extension personnel.

District-level personnel from the sector departments have undergone training during 2006 in Appreciative Inquiry, community-based forest management, community mapping and land-use planning, participatory monitoring and evaluation, CBNRM journalism, and related topics through 17 training events conducted in 13 districts. At least 382 district-level and front-line staff were trained during 2006, including almost 14% females.

A database of potential training service providers is being updated to include the 45 beekeeping extension service providers trained on the Malawi Gold Standard Honey Production System. The database was developed as a tool for linking training needs to qualified providers of the required skills.

Discussions have been initiated for having service providers certified or verified by TEVET as competent in specialized CBNRM subject matter.

Chuma Chobisika weekly radio broadcasts have continued without interruption on 6 radio stations, totaling 212 hours of broadcasting. A survey carried out in the latter part of the year indicates that some 67% of the population of Malawi listens to the program regularly. Television broadcasting of some 14 hours of programming has also been successful. A Chichewa translation of "Living with Slim" film by renowned producer/director Sam Kauffmann was rebroadcast several times to respond to public requests; it was also distributed to at least four NGOs working on HIV/AIDS prevention, treatment, and mitigation.

At least 14,000 copies of the environmental education magazine *Nantchengwa* were produced during 2006 by the Wildlife & Environmental Society of Malawi (WESM), with financial support from COMPASS.

A national conference of Traditional Authorities was held in October 2005, with 65 participants debating and developing resolutions covering the following topics:

1. role of chiefs in decentralized natural resources management
2. integration of traditional leaders into CBNRM activities
3. enhancing economic opportunities from CBNRM
4. traditional leaders' perspectives on CBNRM implementation in Malawi
5. natural resource decision making and information dissemination at T/A level

Monitoring and evaluation staff spent time in the field collecting and validating information on training, communities adopting and households participating in CBNRM

Status at completion of Annual Reporting Period

Estimated number of communities adopting CBNRM practices is 1,293 as of 30th September 2006.

The estimated number of households participating in CBNRM activities is 75,847 as of the same date.

There was large growth in the number of households participating in CBNRM activities: approximately 29,592 more than at the start of the reporting period. This calculates to about 51 households in each of the 579 additional communities adopting CBNRM. The overall average number of households per community is 59, yet another indication that the average of 10 members in a Village Natural Resources Management Committee is not the whole extent of CBNRM adoption within those communities.

The increasing average number of households participating in each community could mean that CBNRM is taking root in rural Malawi and is now positioned for organic growth without additional promotional efforts needed on general awareness. If verified to be the case, COMPASS will continue to focus awareness efforts on communicating messages about enterprise opportunities and financial management of higher incomes, such as cash flow bookkeeping and HIV prevention.

Expected actions during upcoming Annual Reporting Period

Target for completion by the end of FY2007 is that at least 1,000 communities have adopted CBNRM practices nationwide. COMPASS II has surpassed this target by 29.3% and now recommends a new target of 1,500 communities.

The target for completion by the end of FY2007 is that at least 80,000 households nationwide are participating in CBNRM activities. COMPASS expects to reach and perhaps exceed this target.

Following are the Activities specified in Section C, and current status as of 30 September 2005.

Table 7: Progress on Task 2.1—Increase capacity for natural resources management at community level

ACTION / TASK	PERFORMANCE INDICATOR	STATUS AT START OF REPORTING PERIOD	STATUS AT END OF REPORTING PERIOD
<p>TRAIN COMMUNITY REPRESENTATIVES PARTICIPATING IN VNRMCs AND BVCs</p>	<p>350 VNRMCs AND 150 BVCs IN 15 TARGET DISTRICTS SERVED</p>	<ul style="list-style-type: none"> • At least additional 91 VNRMCs trained, not only 10 “VNRMC” member; all community members participated; • Each VNRMC training session had on average around 40 participants; • No BVCs yet trained, pending outcome of fisheries training needs assessment, with SOW still under review 	<p>At least additional 91 VNRMCs trained, not only 10 “VNRMC” member; all community members participated;</p> <p>Each VNRMC training session had on average around 40 participants;</p> <p>No BVCs yet trained, pending outcome of fisheries training needs assessment, with SOW still under review</p>

Table 8: Progress on Task 2.2—Strengthen the capacity of CBNRM service providers

ACTION / TASK	PERFORMANCE INDICATOR	STATUS AT START OF REPORTING PERIOD	STATUS AT END OF REPORTING PERIOD
<p>PROMOTE PARTICIPATION OF QUALIFIED LOCAL FIRMS AND ORGANIZATIONS</p>	<p>DATABASE OF CBNRM SERVICE PROVIDERS FOR LINKAGE WITH NEEDS [TARGET AMENDED IN 2006 ANNUAL WORK PLAN]</p>	<p>Database compiled of 29 CBNRM service provider</p>	<ul style="list-style-type: none"> • Database updated with 45 beekeeping extension providers trained on Malawi Gold Standard • At least 10 institutional service providers utilized

ACTION / TASK	PERFORMANCE INDICATOR	STATUS AT START OF REPORTING PERIOD	STATUS AT END OF REPORTING PERIOD
STRENGTHEN AND SUPPORT LOCAL NGOS	8 LOCAL NGOS WORK ON AT LEAST 5 CONTRACTS [TARGET AMENDED IN 2005 ANNUAL WORK PLAN]	<ul style="list-style-type: none"> • MOUs signed with 6 NGOs: BERDO, IFSP, RUFA, GreenWigs, NICE and MMCT; • Service contracts being implemented by IFSP and BERDO; • 8 NGOs trained in Appreciative Inquiry 	<ul style="list-style-type: none"> • NGO service contracts completed or being implemented in 2006 by local NGOs include: <ol style="list-style-type: none"> i. IFSP (Mulanje) ii. BERDO (Ntcheu) iii. RUFA (Mzimba) iv. NASFAM (various) v. TLC (Lilongwe) vi. FHI (various) vii. Save (Balaka) viii. GOAL (Nsanje) ix. MMCT (Mulanje) x. MCFW (various) • Collaboration with NICE continued with district staff trained on CBNRM • 72 staff and students from Malawi College of Fisheries and Malawi College of Forestry & Wildlife trained in Appreciative Inquiry

Table 9: Progress on Task 2.3—Increase public awareness and understanding of CBNRM roles and opportunities

ACTION / TASK	PERFORMANCE INDICATOR	STATUS AT START OF REPORTING PERIOD	STATUS AT END OF REPORTING PERIOD
EXPAND ENVIRONMENTAL EDUCATION PROGRAM THROUGH SCHOOL CLUBS	ASSESS EFFECTIVENESS OF ENV. ED. EFFORTS AND COMPLETE ACTION PLAN	Identifying consultant to conduct review of school wildlife clubs, Env. Ed.	Identification of qualified, objective consultant(s) ongoing but difficult
DEVELOP A PUBLIC RELATIONS OUTREACH PROGRAM IN TV AND RADIO FOR MALAWI	10,000 COPIES OF <i>NANTCHENGWA</i> MAGAZINE DISTRIBUTED PER ISSUE BY WESM	COMPASS will fund 2006 publication of <i>Nantchengwa</i> magazine	COMPASS sponsored the publication of two issues of <i>Nantchengwa</i> magazine at 10,000 and 4,000 copies
	FOUR HOURS OF NRM / CONSERVATION RADIO PROGRAMS PER MONTH	<i>Chuma Chobisika</i> on air weekly on five radio stations (2 national, 3 community); 41 st edition broadcast by 30 Sept. 2005	<ul style="list-style-type: none"> • <i>Chuma Chobisika</i> on air weekly on 6 stations (2 national, 4 community) • 94th edition broadcast by 30 Sept. 2006 • 212 hours broadcast to date, including 182 hrs during 2006
	ONE HOUR OF NRM / CONSERVATION TV PROGRAMS PER MONTH	<ul style="list-style-type: none"> • Broadcasts produced on: <ol style="list-style-type: none"> 1) Lake Malawi fisherman; 2) environment & religion • 4 posters on fisheries • 6 pamphlets/brochures • 5 newspaper articles 	<ul style="list-style-type: none"> • <i>Chuma Chobisika</i> on TVM includes 14 hours of broadcasts (free airtime) • Broadcast translation of HIV/AIDS film "Living with Slim" <i>Kubadwa ndi Kachirombo</i>

ACTION / TASK	PERFORMANCE INDICATOR	STATUS AT START OF REPORTING PERIOD	STATUS AT END OF REPORTING PERIOD
ESTABLISH A WEBSITE FOR MALAWI ENVIRONMENT AND CBNRM ACTIVITIES	WEBSITE HOSTED AND CONTENT IS ONLINE [TARGET AMENDED IN 06 WORK PLAN]	Preliminary design work completed on portal and geo-referenced graphics	Content development ongoing for site launch in early 2007

Table 10: Progress on Task 2.4—Strengthen knowledge and accountability of Traditional Authorities and related officials in CBNRM

ACTION / TASK	PERFORMANCE INDICATOR	STATUS AT START OF REPORTING PERIOD	STATUS AT END OF REPORTING PERIOD
TRAIN TRADITIONAL AUTHORITIES IN CBNRM	500 RECOGNIZED TRADITIONAL LEADERS COMPLETED TRAINING	112 traditional leaders trained in CBNRM (roles, rights and responsibility)	<ul style="list-style-type: none"> • Additional 57 traditional leaders trained in CBNRM • Ongoing engagement of traditional leaders in 292 communities undergoing CBNRM planning
HOST THE ANNUAL TRADITIONAL AUTHORITY CONFERENCE	ONE CONFERENCE HELD PER YEAR	Conference scheduled for 18-21 October 2005	First conference held as scheduled 18-21 October 2005; 65 participants debated key policy issues

RESULTS MODULE #3: INCREASED SALES OF NATURAL RESOURCE-BASED PRODUCTS BY HOUSEHOLDS

As stated in Section 1 above, the overall COMPASS II key performance indicators for this Module, and life-of-project target, is **total revenue households receive from participating in CBNRM activities**. The target for this indicator is \$750,000 earned by the end of the activity.

Status at beginning of Annual Reporting Period

At 1st October 2005, the estimated cumulative revenue households had received from participation in community-based management of natural resources was \$200,587.

Actions undertaken during Annual Reporting Period

Having completely shifted the conceptual model of CBNRM from being principally a conservation tool toward a viable rural development strategy, the COMPASS team focused efforts in 2006 on three primary categories of actions that both demonstrate enterprise as the driver of conservation, and build toward realization of that model in a manner that passes the “2010 Test” described in the Overview section:

1. Generating broad-based awareness of the opportunities presented by natural resource-based products, primarily through the *Chuma Chobisika* radio program, supplemented by consistent messages from COMPASS staff about transforming natural capital assets into products of higher value, as an incentive to manage the resources sustainably;
2. Conducting analyses of natural resource-based products to better understand their market potential and dynamics, as well as impediments to achieving expanded production of higher quality products resulting in higher incomes for producers, processors, and traders in the value chain; and
3. Developing methodologies for enlarging the natural resource-based products sector, including:
 - a. widespread replication of successful production business models—through a series of “Malawi Gold Standard” titles—and mechanisms for decentralized provision of business services to rural enterprises;
 - b. encouraging investments in natural resource-based enterprises, through a Natural Resource-Based Products Enterprise Fund of loans and grants for existing and new products, respectively; and
 - c. documenting the economic value of natural resources, and the links between products derived from natural resources and conservation of those resources.

The first of these, the *Chuma Chobisika* and other awareness efforts, are described in the previous subsection of this report. A national listener survey conducted toward the end of the reporting period has verified that the program has a substantial audience and that many listeners are being encouraged to enter into production, processing and trade of natural products. The program, and follow-up by COMPASS personnel, was responsible for creating market linkages between producers and processors, with honey being one of the most successful of these. For example, a honey processor in Chitipa expanded its base of suppliers in response to a broadcast interview.

The second of the actions, analyses of natural products, built on previous work to concentrate on honey, wild mushrooms, traditional-use plants, and both farmed and capture fisheries. The last of these was restricted to fingerling production and development of designs for cage fish farming in natural water bodies. A sub-sector approach was used for the analyses, customized for each product being assessed.

Methodology development and implementation in 2006 resulted in the following tools:

1. **Extension Materials:** Production and distribution of a series of titles under the *Malawi Gold Standard* imprint designed to encourage widespread replication of successful production models. Each title in the series consists of three pieces: (1) a training manual covering all steps in the production system, in both print and DVD, that demonstrate the management practices that distinguish successful producers; (2) a practitioner’s handbook reference for those undergoing the training, including well-illustrated details on each step in the successful production system;

and (3) a business management plan demonstrating the financial viability of the Gold Standard model, designed to guide producer groups through loan servicing, bookkeeping, production records systems, and other aspects of handling the business side of their production system. Training of loan officers and branch managers from two major financial institutions helped them to better understand the potential borrowers' constraints and business model, so they could make better-informed risk assessments of loan applications.

2. **Financing Mechanisms:** Launch of a Natural Resource-Based Products Enterprise Fund, consisting of both loan products (through provision of risk-reduction products to lending institutions targeting investments in the establishment or expansion of enterprises producing, processing, or trading in existing natural resource-based products) and co-financing for pre-commercial feasibility analyses or pilot commercialization of new natural resource-based products⁷. During 2006, risk-reduction products worth \$350,000 were provided to two lending institutions for development of loan products targeting investments in the establishment or expansion of enterprises producing, processing, or trading in existing natural resource-based products. Co-financing to encourage pilot commercialization of tree-seed oils (baobab oil & powder) also was provided to a private company.
3. **Analytical Systems:** A set of methodological tools designed to provide monitoring capability at the levels of individual enterprises, landscape-scale ecosystems, and both district and national economies. These tools include participatory monitoring and evaluation by community organizations and enterprises, to provide information needed for adaptive management; valuation of ecosystem goods and services (e.g., from Mulanje Mountain), for landscape-scale management decisions to be based on economic opportunities and costs; and data gathering and analysis mechanisms to be applied at district level and consolidated at national economic level. The latter of these is hoped to document both the economic contributions of CBNRM and enterprises derived from natural resources, and the geographic correlations between enterprise success and resource conservation.

Status at completion of Annual Reporting Period

Estimated cumulative household revenues earned from participation in community-based NRM activities by 30th September 2006 is \$532,162.

The cumulative revenues exceeded the target by more than \$132,000 or 33%. This is partially explained by better data gathering, but is primarily due to increased economic activity, especially in the honey, fish and baobab fruit sub-sectors. Annex A provides a table detailing all off the data compiled to generate this total.

Expected actions during upcoming Annual Reporting Period

As COMPASS interventions in the aquaculture, wild and farmed mushrooms, and other sub-sectors roll out in 2007, the target of \$750,000 is expected to be reached or exceeded.

Indications from the *Chuma Chobisika* survey, the increased volume of honey being produced and sold, and the enthusiastic response to preliminary information about fish farming or cultivated mushrooms all point toward verification that enterprise development will become the primary motivation for villages to have an incentive for engaging in the arduous process of obtaining rights of exclusive access to natural resources as the foundation for successful businesses.

COMPASS intends to undertake early in 2007 a more detailed analysis of the remaining issues of rights, licensing, and other present barriers to entry for rural producers of natural products to legally engage in small-scale commercialization of those products. The COMPASS team and a growing number of other stakeholders and influential decision makers are increasingly convinced that genuine mainstreaming of CBNRM in Malawi must be founded on moving natural products from subsistence to commercial scales and qualities of production.

Following are the activities specified in Section C, and current status as of 30 September 2006.

⁷ Defined for the purposes of the Enterprise Fund as those products not yet commercially traded within Malawi.

Table 11: Progress on Task 3.1—Enhance market access by entrepreneurs, households, and community groups that produce natural products

ACTION / TASK	PERFORMANCE INDICATOR	STATUS AT START OF REPORTING PERIOD	STATUS AT END OF REPORTING PERIOD
IDENTIFY CLUSTERS AND COMPLETE SUB-SECTOR ANALYSES FOR KEY NATURAL PRODUCTS	AT LEAST 8 SUB-SECTOR ANALYSES CONDUCTED	Analyses conducted of the following products: <ul style="list-style-type: none"> • Honey • <i>Ncheni</i> (capture fish) • Traditional-use plants • Wild mushrooms • Aquaculture 	Status of key subsectors: <ul style="list-style-type: none"> • Honey demand continues to exceed supply • Fingerling availability inhibits aquaculture • Chambo market unmet • Preliminary designs for cage aquaculture begun • Value addition to wild mushrooms problematic • Lack of spawn inhibits cultivated mushrooms • Drip irrigation field trials ongoing on 990 farms in 14 districts nationally • Traditional-use plants report under NRC review • Analysis of charcoal industry being planned
ORGANIZE NATIONAL AND REGIONAL NATURAL PRODUCTS CONFERENCES	PROMOTE NATURAL PRODUCTS COMPETITIVENESS AND ESTABLISH BUSINESS RELATIONSHIPS AMONG NATURAL PRODUCTS PRODUCERS AND TRADERS	Limited national events held for: <ul style="list-style-type: none"> • Honey • <i>Ncheni</i> (fish) • Traditional-use plants 	<ul style="list-style-type: none"> • Regional trade fair concept presented to Ministry for review • Honey processors event held • Agroforestry home gardens study tour held
PROMOTE SUSTAINABLE BUSINESS DEVELOPMENT SERVICES	1,000 COMMUNITY-BASED ENTERPRISES IN 15 TARGET DISTRICTS MARKET NATURAL PRODUCTS IN REGIONAL CENTERS [ORIGINAL TARGET UNDER 3.3.D]	<ul style="list-style-type: none"> • Inventory of CBNRM service providers generated • BDS needs formulation completed for honey and aquaculture 	<ul style="list-style-type: none"> • 46 beekeeping extension providers trained • Negotiating franchise operation for BDS in small trading centers
IMPLEMENT SMALL GRANTS PROGRAM [COMBINED WITH TASK 3.3.B IN 2006]	[SEE TASK 3.3.B BELOW]	[see task 3.3.b below]	[see task 3.3.b below]
BUILD CAPACITY FOR MONITORING AND SUSTAINABLE HARVESTING	REVISED ESHUR GUIDELINES AVAILABLE TO PRODUCERS IN 15 TARGET DISTRICTS [AMENDED IN 2006 ANNUAL WORK PLAN] HONEY AND AQUACULTURE SUITABILITY MAPPING [TARGET AMENDED IN 2006 ANNUAL WORK PLAN]	<ul style="list-style-type: none"> • Tri-level monitoring at community/enterprise level, programmatic level, and landscape-scale ecosystem level • Ecosystem valuation of Mulanje Mountain underway; • Discussing resource valuation and harvest monitoring needs with Depts. of Fisheries and Forestry; • Supporting training on environmentally-sound design of enterprises 	<ul style="list-style-type: none"> • Engaged ENCAP to conduct training on environmentally-sound design of enterprises • Ecosystem valuation of Mulanje Mountain completed • Biodiversity assessment of critical ecosystems completed • Discussions on resource valuation and harvest monitoring finalized with Depts. of Fisheries and Forestry

Table 12: Progress on Task 3.2—Identify production and harvesting opportunities for new natural resource-based products and actively exploit on a sustainable basis

ACTION / TASK	PERFORMANCE INDICATOR	STATUS AT START OF REPORTING PERIOD	STATUS AT END OF REPORTING PERIOD
<p>CONDUCT NATURAL PRODUCTS INVENTORIES TO IDENTIFY PRODUCTS & TRAIN LOCAL SERVICE PROVIDERS ON INVENTORY TECHNIQUES</p>	<p>AT LEAST 7 NATURAL PRODUCTS INVENTORIES CONDUCTED, WITH FULL LOCAL PARTICIPATION</p>	<ul style="list-style-type: none"> • Inventory for bee pasture completed at year end; • Inventory of Colombo root (traditional-use plant) completed; • Ncheni population dynamics being discussed with Fisheries Dept. 	<ul style="list-style-type: none"> • Inventory for Phunga bee pasture completed in Nyika-Vwaza areas • Baobab inventory conducted by co-financed Tree Crops Ltd.
<p>PROVIDE MARKET ANALYSIS AND OTHER PRODUCT INFORMATION TO ENTREPRENEURS, ASSOCIATIONS AND OTHER POTENTIAL INVESTORS</p>	<p>AT LEAST 7 SUB-SECTOR MARKET ANALYSES IDENTIFY POTENTIAL PARTNERSHIPS AMONG PRODUCERS & BUYERS</p>	<p>See outcome of sub-sector analyses (above); progress also made on market potential of two tree seed oils</p>	<p>Market analyses conducted for the following products:</p> <ul style="list-style-type: none"> • Honey consumer demand • Chambo market appraisal • Hatchery fingerlings • Domestic market for non-export wild mushrooms
<p>CREATE AND SUPPORT PRODUCER ASSOCIATIONS</p>	<p>AT LEAST 3 VIABLE NATURAL PRODUCTS ASSOCIATIONS</p>	<ul style="list-style-type: none"> • Lake Chilwa association of fishers being formed • Honey industry debating merits of an association • Discussions underway with NASFAM 	<ul style="list-style-type: none"> • 12 associations of fishers formed comprising 77 BVCs and 23 RVCs, as follows: <ol style="list-style-type: none"> i. L. Chilwa (6 assns.) ii. L. Chiuta (1 assn.) iii. Nkhotakota shoreline (5 assns.) • Honey industry summit in October may result in formation of industry council
<p>ESTABLISH STANDARDS AND QUALITY CONTROL PROCEDURES</p>	<p>SUPPORT PRODUCERS TO MEET MARKET QUALITY REQUIREMENTS (DOMESTIC AND INTERNATIONAL) PROVIDE TRAINING ON QUALITY CONTROL</p>	<ul style="list-style-type: none"> • Quality control issues figure prominently in the <i>Malawi Gold Standard Honey Production System</i> guidelines • Discussions underway with Malawi Bureau of Standards on developing a honey standard 	<ul style="list-style-type: none"> • <i>Malawi Gold Standard Honey Production System</i> released to increase quantity and quality • Draft honey standard released by Malawi Bureau of Standards • Honey processors resolve to develop grading system for purchasing • PET bottle introduced by one honey processor; well received by consumers • <i>Malawi Gold Standard Aquaculture Production System</i> materials under development • Dept of Fisheries and Malawi Bureau of Standards negotiating farmed fish standards

Table 13: Progress on Task 3.3—Develop and strengthen partnerships between communities and the private sector

ACTION / TASK	PERFORMANCE INDICATOR	STATUS AT START OF REPORTING PERIOD	STATUS AT END OF REPORTING PERIOD
BROKER PARTNERSHIPS	500 PRODUCER-BUYER AGREEMENTS SIGNED	Several wholesale honey brokering deals facilitated	<ul style="list-style-type: none"> • Continue honey deals: 13.5 tons sold through brokered transactions • Linkages between wild mushroom pickers and processors being more solidly established, along with efforts to organize forest communities into VNRMCs to obtain legal, exclusive access to forest • Tracking system for deals under design
EXPLORE AND PROMOTE SUSTAINABLE FINANCING STRATEGIES	NATURAL RESOURCE-BASED ENTERPRISE FUND ENCOURAGES PRIVATE INVESTMENT IN NRBEs [TARGET AMENED]	<ul style="list-style-type: none"> • NRBE Fund launched: • 2005 Annual Program Statement (APS) announced through local and regional press • Request for Applications (RfA) released to banks and microfinance institutions in Malawi 	<ul style="list-style-type: none"> • Risk-reduction products provided to two major commercial banks to encourage investment / loans to NR subsectors • Banks have approved loans worth MK5.8 million (\$41,484) for mushroom spawn production facility; extraction and refining of edible tree-seed oils • Many loan applications under review by banks • Co-finance provided to tree-seed oil producer for capital equipment costs
INCREASE UNDERSTANDING OF THE MARKETING CHAIN AMONG RURAL HOUSEHOLDS	[EMBEDDED WITHIN 500 PARTNERSHIPS ABOVE]	Affective communication messages on small-scale commercial business and entrepreneurship being incorporated into all "Malawi Gold Standard" production guidelines and <i>Chuma Chobisika</i>	<ul style="list-style-type: none"> • Technical assistance provided directly to clubs and associations of honey producers to resolve misunderstanding price • Negotiations underway with potential private sector business service providers to establish network of rural business service centers, including market information • Discussions ongoing with market price information service providers to list natural products among items covered

ACTION / TASK	PERFORMANCE INDICATOR	STATUS AT START OF REPORTING PERIOD	STATUS AT END OF REPORTING PERIOD
<p>ENCOURAGE INNOVATIVE PARTNERSHIPS AMONG STAKEHOLDERS</p>	<p>[EMBEDDED WITHIN 500 PARTNERSHIPS ABOVE]</p>	<ul style="list-style-type: none"> • Options analysis underway • Discussions with NASFAM ongoing 	<ul style="list-style-type: none"> • Occasional Paper #16⁸ completed and released • Subsector partnerships: <ol style="list-style-type: none"> 1. Honey: <ol style="list-style-type: none"> a. Processors, service providers and bee-keepers to form industry council b. Producer Group Enterprise model developed for 2007 replication c. Processors engaged in dissemination of Malawi Gold Standard Honey Production System to producers 2. Aquaculture: <ol style="list-style-type: none"> a. Presidential Initiative on Aquaculture Development (PIAD) launched in Feb. 06 b. Continue working with World Fish Center and Dept of Fisheries to identify, reduce constraints c. Subsector growth strategies developed <ol style="list-style-type: none"> i. Feeds production ii. Fingerling prod'n iii. Ice plants iv. Fish transport 3. Mushrooms: <ol style="list-style-type: none"> a. Producer Group Enterprise model developed for 2007 replication b. Cultivation being encouraged 4. Agroforestry Home Garden (drip irrigation): <ol style="list-style-type: none"> a. Manufacturers of drip kits identified 5. Traditional-Use Plants: <ol style="list-style-type: none"> a. Pending NRC action 6. Tree-Seed Oils: <ol style="list-style-type: none"> a. Expanded range

⁸ Sherchand, B. 2006. "Enhancing Economic Opportunities: Promoting business linkages, partnerships, and multiplier effects for communities in the honey, mushroom and aquaculture sectors in Malawi." Occasional Paper #16. Community Partnerships for Sustainable Resource Management (COMPASS II). Development Alternatives, Inc.: Blantyre, Malawi.

ANNEX A: ANNUAL PROGRESS REPORT DATA TABLES

COMPASS II DATA TABLES FOR FY2006 ANNUAL REPORTING PERIOD

CBNRM activities & natural products enterprises	Communities Adopting CBNRM	Participating Households	Production Units	Cum. Total Prod'n. volume	Cum. Total H-hold Revenue (MK)	Total value sold (MK)	Total value consumed (MK)	average Unit Price (MK)	Date of most recent data	Data Source / Comments
1	2	3	4	5	6	7	8	9	10	11
Beekeeping/ Honey Production										
Chisasila/Kande (Nkhata Bay)	6	110	kg	500	60,000	60,000	0	120.000	Jul-05	COMPASS grant #09
Tsogolo la Ana (Chikwawa)	14	416	kg	1,968	204,060	147,360	56,700	103.689	Sep-05	COMPASS grant #19
Kayezi CBNRM - World Vision (Mzimba)	8	560	liters	1,212	85,770	72,000	13,770	70.767	Mar-03	COMPASS grant #25
Bwanje Env. Rehab. Dev. Org. (Ntcheu)	15	142	liters	2,379	125,388	49,796	75,592	52.706	Jul-05	COMPASS grant #28
Njimbula VNRMC - NICE (Dedza)	1	18	liters	891	40,795	700	40,095	45.786	Jul-05	COMPASS grant #32
Khanganya VNRMC - NICE (Dedza)	1	40	liters	1,980	91,900	47,450	44,450	46.414	Jul-05	COMPASS grant #32
Chitsanzo Women's Club (Lilongwe)	3	13	liters	760	82,650	82,000	650	108.750	Sep-05	COMPASS grant #33
Chiling'oma VNRMC (Rumphi)	2	13	kg	1,683	122,600	74,000	48,600	72.846	Sep-05	COMPASS grant #39
Mulanje beekeeping - Village Hands/WESM	80	164	kg	7,966	1,155,000	1,155,000	0	145.000	Sep-04	COMPASS II field surveys
Mulanje community beekeepers	8	165	kg	66,000	7,260,000	7,260,000	0	110.000	Apr-06	Mulanje valuation study
Phalombe community beekeepers	3	15	kg	6,000	660,000	660,000	0	110.000	Apr-06	Mulanje valuation study
Misuku beekeeping clubs (Chitipa)	4	45	kg	2,000	300,000	300,000	0	150.000	Sep-06	COMPASS II fieldwork
Kameme beekeeping clubs (Chitipa)	1	12	kg	883	132,353	132,353	0	149.890	Sep-06	COMPASS II fieldwork
Chitipa beekeeping clubs (Chitipa)	2	22	kg	3,051	457,647	457,647	0	149.999	Sep-06	COMPASS II fieldwork
Chisenga beekeeping clubs (Chitipa)	5	50	kg	1,000	150,000	150,000	0	150.000	Sep-06	COMPASS II fieldwork
Karonga beekeeping clubs (Karonga)	n/a	n/a	kg	500	75,000	75,000	0	150.000	Sep-06	COMPASS II fieldwork
Nyika/Theree beekeeping clubs (Chitipa)	1	10	kg	50	6,000	6,000	0	120.000	Sep-05	COMPASS II field surveys
Nyika/Thazima beekeeping clubs (Rumphi)	12	120	kg	13,898	1,976,388	1,976,388	0	142.207	Sep-06	COMPASS II fieldwork
Nyika/Phoka beekeeping clubs (Rumphi)	5	171	kg	14,949	2,153,880	2,153,880	0	144.082	Sep-06	COMPASS II fieldwork
Vwaza Marsh beekeeping clubs (Mzimba)	3	35	kg	1,027	153,240	153,240	0	149.211	Sep-06	COMPASS II fieldwork
Kabunduli/Mzenga beekeeping clubs (Mzimba)	n/a	n/a	kg	19,000	2,850,000	2,850,000	0	150.000	Sep-06	COMPASS II fieldwork
SBDARA beekeeping clubs (Nkhata Bay)	n/a	980	kg	1,547	447,010	447,010	0	288.869	Sep-06	COMPASS II fieldwork
Chikwawa beekeeping clubs (Chikwawa)	n/a	n/a	kg	1,800	270,000	270,000	0	150.000	Sep-05	COMPASS II field surveys
Chuma Chobisika survey beekeepers (various)	n/a	55	kg	25,690	3,082,740	3,082,740	0	119.998	Sep-06	Chuma Chobisika survey
Sub-total	174	3,156		176,734	21,942,421	21,662,564	279,857			
Ecotourism / Community Wildlife Co-management										
Liwonde Nat'l Park VNRCs (Machinga)	68	211	visitors	n/a	0	0	0	n/a	Mar-03	COMPASS grant #12
Nyafulu Gate - Liwonde NP (Machinga)	3	69	km fence	10	0	0	0	n/a	Jun-03	COMPASS grant #18
Nyafulu Comm. Ctr - Liwonde NP (Machinga)	1	39	center	1	0	0	0	n/a	Jun-03	COMPASS grant #41
Hippo Sanctuary - WAG (Salima)	1	1	visitors	340	17,000	17,000	0	50.000	Oct-04	COMPASS grant #42

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1	2	3	4	5	6	7	8	9	10	11
Lake Malawi Nat'l Park (Mangochi)	1	4	visitors	480	48,000	48,000	0	100.000	Jul-05	COMPASS grants #43, 51
Jambo Africa Lodge - Lengwe NP (Chikwawa)	1	1	visitors	66	615,938	615,938	0	9,375.000	Jul-05	COMPASS grant #52
Lengwe, Majete, Mwabvi VNRCS (Chikwawa)	7	210	visitors	0	0	0	0	0.000	Jul-05	COMPASS II field surveys
Mulanje Mtn. ecotourism (Mulanje)	3	n/a	porter-days	1,624	1,298,800	1,298,800	0	800.000	Apr-06	Mulanje valuation study
Mulanje Mtn. ecotourism (Mulanje)	n/a	n/a	guide-days	98	97,800	97,800	0	1,000.000	Apr-06	Mulanje valuation study
Nyika-Vwaza Assn. (Chitipa, Rumphu, Mzimba)	104	1,577	HH avg/mo	444	8,407,933	8,407,933	0	5,331.600	Feb-06	Nyika-Vwaza survey
Sub-total	189	2,112		3,062	10,485,471	10,485,471	0			
Forest Products - timber, poles, and others										
Bwanje Env. Rehab. Dev. Org. (Ntcheu)	10	1,258	trees	461,250	79,043	30,100	48,943	0.065	Mar-03	COMPASS grant #05
Bwanje Env. Rehab. Dev. Org. (Ntcheu)	30	3,000	trees	1,193,850	51,825	25,000	26,825	0.021	Apr-03	COMPASS grant #28
Chisoti Youth - Sani Hill Rehab. (Nkhotakota)	16	500	trees	20,090	9,394	4,538	4,856	0.226	Mar-03	COMPASS grant #06
Livingstonia - RUFA Manchewe (Rumphu)	75	986	trees	251,062	21,665	10,422	11,243	0.042	Mar-03	COMPASS grant #07
Livingstonia - RUFA Pamoza (Rumphu)	122	12,830	trees	62,500	10,038	4,686	5,352	0.075	Apr-03	COMPASS grant #46
Ntenje Afforestation (Mangochi)	3	33	trees	82,520	7,054	3,310	3,744	0.040	Jul-05	COMPASS grant #11
Mpalasa Afforestation (Balaka)	4	40	trees	52,235	4,340	2,000	2,340	0.038	Jul-05	COMPASS grant #15
Nsipe Afforestation (Ntcheu)	10	127	trees	200,666	253,220	112,005	141,215	0.558	Jul-05	COMPASS grant #17
Dedza Env. - NICE (Dedza, Salima, Ntcheu)	24	900	trees	410,425	1,759,175	786,695	972,480	1.917	Jul-05	COMPASS grant #22
Dedza Env. - NICE (Dedza)	16	3,000	trees	760,000	3,423,401	2,411,000	1,012,401	3.172	Jul-05	COMPASS grant #32
Tsogolo la Ana (Chikwawa)	42	2,157	trees	462,491	919,850	302,000	617,850	1.989	Mar-03	COMPASS grant #36
Chiling'oma VNRMC (Rumphu)	12	372	trees	19,300	13,400	0	13,400	0.694	Mar-03	COMPASS grant #39
Chamkondo VNRMC (Lilongwe)	1	62	trees	n/a	217,000	0	217,000	0.000	Oct-04	Best Practice database
Chitipa community forestry	2	1,705	m3/yr	50	7,500	7,500	0	150.000	Sep-05	field VNRMC surveys
Chitipa community forestry	n/a	n/a	poles	641	22,435	20,835	1,600	35.000	Sep-05	field VNRMC surveys
Rumphu community forestry	0	0		0	0	0	0	-	Sep-06	COMPASS II fieldwork
Mzimba community forestry	36	45		0	0	0	0	-	Sep-06	COMPASS II fieldwork
Nkhata Bay community forestry	12	2,721	m3/yr	250	62,500	62,500	0	250.000	Sep-05	field VNRMC surveys
Nkhata Bay community forestry	n/a	n/a	poles	1,230	61,500	56,650	4,850	50.000	Sep-06	COMPASS II fieldwork
Nkhotakota community forestry	12	5,462	m3/yr	450	112,500	112,500	0	250.000	Sep-05	field VNRMC surveys
Nkhotakota community forestry	n/a	n/a	poles	2,500	125,000	123,500	1,500	50.000	Sep-05	field VNRMC surveys
Lilongwe community forestry	28	1,712	m3/yr	245	110,250	110,250	0	450.000	Sep-05	field VNRMC surveys
Lilongwe community forestry	n/a	n/a	poles	22,450	561,852	561,852	0	25.027	Sep-05	field VNRMC surveys
Ntcheu community forestry	36	1,080	n/a	n/a	0	0	0	0.000	Sep-06	COMPASS II fieldwork
Mangochi community forestry	20	2,320	poles	530	13,350	13,250	100	25.189	Sep-05	field VNRMC surveys
Machinga community forestry	n/a	4,000	poles	n/a	0	0	0	0.000	Sep-05	field VNRMC surveys

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1	2	3	4	5	6	7	8	9	10	11
Phalombe forest reserve co-management	3	1,051	thatch grass	20,181	281,319	0	281,319	13.940	Apr-06	Mulanje valuation study
Phalombe forest reserve co-management	n/a	n/a	poles	11,892	154,598	0	154,598	13.000	Apr-06	Mulanje valuation study
Phalombe forest reserve co-management	n/a	n/a	rope	525	793	0	793	1.510	Apr-06	Mulanje valuation study
Mulanje forest reserve co-management	3	1,512	thatch grass	29,033	404,714	0	404,714	13.940	Apr-06	Mulanje valuation study
Mulanje forest reserve co-management	n/a	n/a	poles	17,108	222,409	0	222,409	13.000	Apr-06	Mulanje valuation study
Mulanje forest reserve co-management	n/a	n/a	rope	755	0	0	0	1.510	Apr-06	Mulanje valuation study
Chikwawa community forestry	4	4,500	m3/yr	55	13,750	13,750	0	250.000	Sep-05	field VNRMC surveys
Chuma Chobisika survey CBNRM (various)		743	poles	2,229	66,870	66,870	0	30.000	Sep-06	Chuma Chobisika survey
Sub-total	521	52,116		4,086,513	8,990,744	4,841,213	4,149,531			
Nurseries and Orchards										
Matindi Youth Orgn. (Blantyre)	5	25	seedlings	31,000	275,498	139,500	135,998	17.000	Jul-05	COMPASS grants #03, 30
Chisoti Youth - Grafted Fruit Trees (NKK)	29	516	seedlings	71,700	681,238	424,000	257,238	5.914	Jul-05	COMPASS grant #34
Chitipa community forestry	n/a	n/a	seedlings	unknown	118,000	118,000	0	n/a	Sep-05	field VNRMC surveys
Nkhata Bay community forestry	n/a	n/a	seedlings	10,207	102,071	102,071	0	10.000	Sep-05	field VNRMC surveys
Nkhotakota community forestry	n/a	n/a	seedlings	16,000	560,000	560,000	0	35.000	Sep-05	field VNRMC surveys
Lilongwe community forestry	n/a	n/a	seedlings	95,000	1,425,000	1,425,000	0	15.000	Sep-05	field VNRMC surveys
Mangochi community forestry	n/a	n/a	seedlings	1,777	17,770	17,770	0	10.000	Sep-05	field VNRMC surveys
Machinga community forestry	n/a	n/a	seedlings	37,500	937,500	937,500	0	25.000	Sep-05	field VNRMC surveys
Chikwawa community forestry	n/a	n/a	seedlings	8,000	80,000	80,000	0	10.000	Sep-05	field VNRMC surveys
Sub-total	34	541		271,184	4,197,078	3,803,841	393,237			
Guinea Fowl										
Bwanje Env. Rehab. Dev. Org. (Ntcheu)	6	49	eggs	9,450	243,750	236,250	7,500	25.000	Jul-05	COMPASS grant #28
Bwanje Env. Rehab. Dev. Org. (Ntcheu)	n/a	93	birds	1,490	805,500	670,500	135,000	450.000	Jun-03	COMPASS grant #28
Dedza Env. - NICE / Kantiki (Dedza)	1	14	eggs	8,720	174,396	77,464	96,932	20.000	Jul-05	COMPASS grant #32
Dedza Env. - NICE / Kantiki (Dedza)	n/a	n/a	birds	562	163,700	71,100	92,600	291.281	Jul-05	COMPASS grant #32
Intl Eye Foundation (Chikwawa)	12	350	eggs	300	3,000	3,000	0	10.000	Jul-05	COMPASS grant #26
Tsogolo la Ana (Chikwawa)	26	523	eggs	90,640	1,008,600	156,470	852,130	11.128	Jul-05	COMPASS grant #19
Tsogolo la Ana (Chikwawa)	n/a	n/a	birds	7,876	1,081,230	954,500	126,730	137.282	Jul-05	COMPASS grant #19
Lilongwe CBNRM	n/a	n/a	eggs	2,200	22,000	22,000	0	10.000	Sep-05	COMPASS II field surveys
Lilongwe CBNRM	n/a	n/a	birds	152	38,000	38,000	0	250.000	Sep-05	COMPASS II field surveys
Sub-total	45	1,029		121,390	3,540,176	2,229,284	1,310,892			
Other & Miscellaneous Natural Products										
Ndirande Women Briquettes Group (Blantyre)	3	25	briquettes	150,000	285,701	90,701	195,000	1.905	Jul-05	COMPASS grants #01, 31
Saopampeni Cane Rat Farm (Salima)	3	20	cane rats	15	0	0	0	0.000	Mar-03	COMPASS grant #14
DAPP Communal Herb Gardens (Chiradzulu)	45	1,760	seedlings	13,812	0	0	0	n/a	Jul-05	COMPASS grants #16, 48
Songani Community Care Group (Zomba)	20	221	briquettes	127,750	3,000	3,000	0	0.023	Jul-05	COMPASS grant #20

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1	2	3	4	5	6	7	8	9	10	11
Chimwembe Dam Mushrooms (Blantyre)	1	6	kg	229	60,313	57,313	3,000	263.088	Mar-03	COMPASS grant #27
Magomero Fruit Processing (Chiradzulu)	5	10	liters juice	2,337	130,140	130,140	0	55.687	Jul-05	COMPASS grant #40
Magomero Fruit Processing (Chiradzulu)	n/a	n/a	bottles jam	798	59,850	59,850	0	75.000	Jul-05	COMPASS grant #40
Nyafulu Chili Pepper Prod'n. (Machinga)	7	92	kg	6,020	665,700	665,700	0	110.581	Jun-03	COMPASS grant #41
Lipangwe Organic Farm (Lilongwe)	23	1,546	kg	unknown	391,000	391,000	0	n/a	Jul-05	COMPASS grant #42
Southern Viphya Craft Assn. (Mzimba)	9	19	kg	unknown	60,000	60,000	0	n/a	Aug-06	COMPASS grant #44
Likhabula & Chitikale crafts prod'n. (Mulanje)	2	42	craftsmen	42	1,587,600	1,587,600	0	37,800.000	Apr-06	Mulanje valuation study
Sub-total	118	3,741		301,003	3,243,304	3,045,304	198,000			
Aquaculture - Fishponds										
Chigumula Fish Farm (Blantyre)	1	7	kg	480	101,625	101,625	0	211.719	Mar-03	COMPASS grant #04
Kalino Fish Farm (Zomba)	3	11	kg	150	39,885	39,885	0	265.900	Jul-05	COMPASS grants #23, 50
Mchengawede Fish Farming Club (Zomba)	1	19	kg	unknown	324,000.00	243,000.00	81,000.00	64.000	Jul-05	COMPASS grant #37
Tsogolo la Ana (Chikwawa)	10	75	kg	unknown	42,000	21,000.00	21,000.00	n/a	Jul-03	COMPASS grant #49
Tidziwane Fish Farming Club (Mwanza)	1	15	kg	63	8,806	4,403.00	4,403.00	70.000	Jul-05	COMPASS grant #54
Chitipa community fish ponds	n/a	179	kg	1,520	53,200	53,200	0	35.000	Sep-05	COMPASS II field surveys
Nkhata Bay community fish ponds	n/a	n/a	kg	unknown	560,000	560,000	0	n/a	Sep-05	COMPASS II field surveys
Nkhotakota community fish ponds	n/a	n/a	kg	unknown	496,203	496,203	0	n/a	Sep-05	COMPASS II field surveys
Mulanje/Phalombe community fish ponds	n/a	400	kg	5,080	899,719	404,368	495,351	199.000	Apr-06	Mulanje valuation study
Chikwawa community fish ponds	n/a	n/a	fingerling	unknown	128,363	93,188	35,175	n/a	Sep-05	COMPASS II field surveys
Bawi fish ponds (????)	n/a	n/a	kg	unknown	213,000	161,000	52,000	n/a	Sep-05	COMPASS II field surveys
Mpalasa Fish Farming (Balaka)	5	20	kg	287	10,750	4,300	6,450	37.456	Jul-05	own initiative
Chingali Fish Farm (Zomba)	1	40	kg	47	11,700	11,700	0	248.936	May-06	former World Vision site
Sub-total	22	766		7,627	2,889,251	2,193,872	695,379			
Lake Fisheries Management										
Mwaiwathu Fisheries Cmte (Zomba)	52	420	kg	unknown	18,600	18,600	0	n/a	Mar-03	COMPASS grant #24
Nkhono BVC (Nkhotakota)	10	3,503	kg	unknown	9,000	9,000	0	n/a	Jul-05	COMPASS grant #38
Lake Chikukutu Fisheries Assn. (NKK)	9	409	kg	unknown	0	0	0	n/a	Jun-06	COMPASS II fieldwork
Liwaladzi Fisheries Assn. (NKK)	6	457	kg	unknown	0	0	0	n/a	Sep-06	COMPASS II fieldwork
Bua North Fisheries Assn. (NKK)	6	635	kg	unknown	0	0	0	n/a	Aug-06	COMPASS II fieldwork
Bua South Fisheries Assn. (NKK)	6	540	kg	unknown	0	0	0	n/a	Aug-06	COMPASS II fieldwork
Kambindingu Fisheries Assn. (NKK)	11	450	kg	unknown	0	0	0	n/a	Aug-06	COMPASS II fieldwork
Lake Chiuta Fisheries Assn. (Machinga)	14	903	kg	903	31,605	31,605	0	35.000	Jul-06	COMPASS II fieldwork
Machinga East Fisheries Assn. (Machinga)	7	481	kg	310	12,400	12,400	0	40.000	Jul-06	COMPASS II fieldwork
Machinga West Fisheries Assn. (Machinga)	8	614	kg	1,874	74,960	74,960	0	40.000	Jul-06	COMPASS II fieldwork
Zomba East Fisheries Assn. (Zomba)	7	564	kg	1,005	40,200	40,200	0	40.000	Oct-06	COMPASS II fieldwork
Kuntumanji Fisheries Assn. (Zomba)	5	333	kg	650	26,000	26,000	0	40.000	Oct-06	COMPASS II fieldwork

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Mwambo Fisheries Assn. (Zomba)	8	457	kg	45	1,800	1,800	0	40.000	Oct-06	COMPASS II fieldwork
Phalombe Fisheries Assn. (Phalombe)	13	1328	kg	2,300	92,000	92,000	0	40.000	Aug-06	COMPASS II fieldwork
Sub-total	162	11,094		7,087	306,565	306,565	0			
Tree Seed Oils										
Kwambiri baobab suppliers (Mangochi)	1	63	kg	0	0	0	0	n/a	Sep-06	Tree Crops Ltd.
Kapiri baobab suppliers (Mangochi)	1	50	kg	6,344	174,185	174,185	0	27.457	Sep-06	Tree Crops Ltd.
Phanga baobab suppliers (Mangochi)	1	74	kg	17,282	478,310	478,310	0	27.677	Sep-06	Tree Crops Ltd.
Maldeco baobab suppliers (Mangochi)	1	19	kg	8,917	253,485	253,485	0	28.427	Sep-06	Tree Crops Ltd.
Chironga baobab suppliers (Mangochi)	1	14	kg	3,202	92,995	92,995	0	29.043	Sep-06	Tree Crops Ltd.
Makokola baobab suppliers (Mangochi)	1	67	kg	16,379	465,050	465,050	0	28.393	Sep-06	Tree Crops Ltd.
Malembo baobab suppliers (Mangochi)	1	9	kg	2,380	63,800	63,800	0	26.807	Sep-06	Tree Crops Ltd.
Yesaya baobab suppliers (Mangochi)	1	46	kg	9,065	263,345	263,345	0	29.051	Sep-06	Tree Crops Ltd.
Sub-total	8	342		63,569	1,791,170	1,791,170	0			
Agroforestry Home Gardens & Drip Irrigation										
Mulanje NASFAM field trials	1	90	kg	unknown	0	0	0	n/a	Sep-06	crops yet to be harvested
Mangochi NASFAM field trials	1	100	kg	unknown	0	0	0	n/a	Sep-06	crops yet to be harvested
Balaka NASFAM field trials	1	60	kg	unknown	0	0	0	n/a	Sep-06	crops yet to be harvested
Mchinji NASFAM field trials	1	70	kg	unknown	0	0	0	n/a	Sep-06	crops yet to be harvested
Lilongwe NASFAM field trials	1	80	kg	unknown	0	0	0	n/a	Sep-06	crops yet to be harvested
Mzimba NASFAM field trials	1	100	kg	unknown	0	0	0	n/a	Sep-06	crops yet to be harvested
Nsanje FHI field trials	1	60	kg	unknown	0	0	0	n/a	Sep-06	crops yet to be harvested
Chikwawa FHI field trials	1	30	kg	unknown	0	0	0	n/a	Sep-06	crops yet to be harvested
Mangochi FHI field trials	2	60	kg	unknown	0	0	0	n/a	Sep-06	crops yet to be harvested
Blantyre FHI field trials	3	60	kg	unknown	0	0	0	n/a	Sep-06	crops yet to be harvested
Dowa FHI field trials	1	30	kg	unknown	0	0	0	n/a	Sep-06	crops yet to be harvested
Dowa TLC field trials	1	50	kg	unknown	0	0	0	n/a	Sep-06	crops yet to be harvested
Lilongwe TLC field trials	1	64	kg	unknown	0	0	0	n/a	Sep-06	crops yet to be harvested
Blantyre TLC field trials	1	36	kg	unknown	0	0	0	n/a	Sep-06	crops yet to be harvested
Balaka SAVE field trials	2	40	kg	unknown	0	0	0	n/a	Sep-06	crops yet to be harvested
Nsanje GOAL field trials	1	20	kg	unknown	0	0	0	n/a	Sep-06	crops yet to be harvested
Sub-total	20	950		0	0	0	0			
TOTAL of ALL NATURAL PRODUCTS	1,293	75,847			57,386,178.94					
US\$ equivalent of total revenues					\$ 532,162.01					
exchange rate used = oanda.com rate for date of most recent data										
n/a = data not available or not applicable										

ANNEX B: DEFINITIONS OF SELECTED INDICATOR TERMS

Adopting CBNRM Practices [IR 6.3b] – Community members participate in planning, implementing, and monitoring sound natural resource management policies and practices.

Agreements implemented [Task 1.1.3] – Natural Resource Agreements are a binding contract signed by a Government official (Director, Minister, or District Assembly/Commissioner) and a representative of the community (usually the Chairperson of the relevant natural resource committee). Agreements are considered implemented when the community begins to actively manage the resource in accordance with the contract provisions, under the supervision of the local committee.

Annual Increment [SEG 6B] – program/project results generated in a given year.

Baseline data – indicator data collected at the beginning of the project to establish a reference point against which changes/results can be measured. When compared to subsequent monitoring data, it helps document *what* has changed, *when*, and by *how much*.

Best Practice site [Task 1.2.4] – Best practice sites are initiatives that achieve intended results and exhibit successful approaches to community based natural resources management and natural resource based enterprises. Monitoring data collected for these projects document sound environmental management, economic viability, and social sustainability principles in practice.

Beach Village Committee (BVC) [Tasks 1.3.3 and 2.1.1] – The BVC comprises all people on a beach (or group of beaches sometimes) engaged in the fishing industry. The 10-member committee is an *executive, sub-committee* of the BVC elected by the BVC members. SEE the Fisheries Conservation and Management (Local Community Participation) Rules, 2000. A 10-member executive committee that provides a forum for dialogue and debate within the fishing community to identify problems and solutions, organize implementation activities, evaluate progress, and adapt solutions as needed. The BVC also acts as a liaison between the fishing community, Fisheries Department, other government and traditional authorities, and the Area Fisheries Association (if one exists). Membership of the BVC extends to all individuals operating on the beach

Capacity building – Strengthening knowledge and skills within a group or organization to increase effectiveness and sustainability. Examples include basic skills (literacy and math), technical skills (preparing natural resource management plans, financial management), and skills to enhance leadership and public participation.

Community Based Natural Resources Management (CBNRM) – Initiatives that empower individuals, communities, and/or local organizations to manage and use local natural resources in a sound manner. Ideally, the communities are granted legal rights and responsibilities over local resources and manage these resources in accordance with a natural resource management plan. Management activities are identified, planned and implemented by democratically-elected committees, guided by a clearly defined constitution agreed by the members.

CBNRM Guidelines [Task 1.1.1] – A set of instructions for each sector (forestry, fisheries, and wildlife) that describes decentralization policies, rules, and regulations and implementation arrangements (i.e. procedures, roles and responsibilities). These include methods to promote stakeholder participation in clarifying CBNRM goals, selecting appropriate indicators, monitoring and assessing outcomes, and adaptive management. They also include USAID's environmentally sustainable harvest and use guidelines (ESHURS) for the sector.

Community-based Organization (CBO) – A group of individuals within a village or area that work together to achieve common objectives. The organization may or may not be formally registered.

Cumulative - The sum of all results from the base year (project start date) to date.

Disaggregated data – Data that has been separated into sub-categories to identify potential differences. Examples include disaggregating project beneficiaries by gender or change in forest cover by location.

District CBNRM Action Plan – Action plan for Community Based Natural Resources Management at district level.

Guidelines Disseminated (Task 1.1.1) – Copies of guidelines provided to user groups and training-of-trainers (service providers) completed.

Service Provider [Tasks 1.1.1, 2.2, 3.2.1] – An organization that provides technical assistance or training to strengthen organizations or enterprises involved in managing natural resources and/or producing, processing, and marketing natural products. The service provider may be a government extension worker, NGO, or firm.

Task: An activity specified in the COMPASS II Work Plan, agreed by the project team and USAID/Malawi mission.

Target – The measurable goal (typically an annual target number) established for each project indicator and agreed by the COMPASS II project team and USAID/Malawi mission.

Trained [Tasks 2.1.1 and 2.4.1] – Project beneficiaries are considered trained when relevant knowledge and skills have been successfully transferred. Training methods include formal instruction and learning-by-doing, and may be augmented with visits to best practice sites.

Village Natural Resources Committee (VNRC) [Tasks 1.3.3 and 2.1.1] – A 10-member committee elected by a village or group of villages to represent their interests related to wildlife management and act as a liaison with extension workers and other Government officials. As a sub-committee of the Village Development Committee, it has the lead role in planning and management and participates in training.

Village Natural Resources Management Committee (VNRMC) [Tasks 1.3.3 and 2.1.1]. Similar to the VNRC, except that it focuses on community forest management.

Website hits & visits [Task 2.3.3] – “Hits” refer to the number of times internet users enter the project website: www.compass-malawi.com. “Visits” refers to the number of times internet users spend a significant amount of time at the site (an indicator that they actively used it to access information). The website is programmed to automatically count the number of hits and visits and average length of each visit.