



# QUARTERLY PROGRESS REPORT—1<sup>ST</sup> QUARTER 2006

## COMMUNITY PARTNERSHIPS FOR SUSTAINABLE RESOURCE MANAGEMENT (COMPASS II)

COVERING PERIOD: 1<sup>ST</sup> OCTOBER-31<sup>ST</sup> DECEMBER 2005

January 2006

This publication was produced for review by the United States Agency for International Development. It was prepared by Community Partnerships for Sustainable Resource Management (COMPASS II) staff.

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Prepared for USAID/Malawi under Contract Number 690-C-00-04-00090-00 awarded 30 April 2004, entitled Community Partnerships for Sustainable Resource Management in Malawi (COMPASS II)

This Quarterly Progress Report was completed in fulfillment of Clause C.5(c) of the reference contract. The views expressed and opinions contained in this report are those of the COMPASS II field team and are not intended as statements of policy of either USAID or the contractor companies.

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**COVERING THE PERIOD 1 OCTOBER - 31 DECEMBER 2005**

## **DISCLAIMER**

The views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.



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# ACRONYMS

Abbreviations and acronyms have been kept to a minimum in the text of this document. Where abbreviations or acronyms have been used, they are accompanied by their full expression the first time they appear, unless they are commonly used and generally understood abbreviations such as NGO, Kg, etc. However, in the many tables in this report, in the interests of brevity, many acronyms have been used, without explanation in the text. Their meaning will be found below.

A&NR	Agriculture and Natural Resources
ADC	Area Development Committee
AI	Appreciative Inquiry
APS	Annual Program Statement
BERDO	Bwanje Environmental and Rural Development Organization
BVC	Beach Village Committee
CBNRM	Community-Based Natural Resources Management
CBO(s)	Community-Based Organization(s)
COMPASS	Community Partnerships for Sustainable Resource Management
DAI	Development Alternatives, Inc.
DEC	District Executive Committee
DESC	District Environmental Sub-Committee
DNPW	Department of National Parks and Wildlife (Ministry of Information & Tourism)
DVD	Digital Video Disk
EDO	Environmental District Officer
ESHUR	Environmentally Sustainable Harvest or Utilization Review
FHI	Family Health International
FY	Fiscal Year
GPS	Global Positioning System
HIV/AIDS	Human Immunodeficiency Virus / Acquired Immunodeficiency Syndrome
IFSP	Info Centre for Fuel and Food Security Promotion
LTTA	Long-term Technical Assistance
MCFW	Malawi College of Forestry and Wildlife
MFI(s)	Microfinance Institution(s)
MMCT	Mulanje Mountain Conservation Trust
NASFAM	National Smallholder Farmers' Association of Malawi
NGO(s)	Nongovernmental Organization(s)
NICE	National Initiative for Civic Education
NRBE(s)	Natural Resource Based Enterprise(s)
NRM	Natural Resource Management
NSDC	National Spatial Data Centre

PCE(s)	Para-civic Educator(s) (NICE volunteer(s))
PFM	Participatory Forest Management
RFA	Request for Applications
RUFA	Rural Foundation for Afforestation
STTA	Short-term Technical Assistance
TAMIS	Technical and Administrative Management Information System
USAID	United States Agency for International Development
VDC	Village Development Committee
VNRMC(s)	Village Natural Resources Management Committee(s)
WESM	Wildlife and Environmental Society of Malawi

# 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 partners<sup>1</sup> to assist USAID/Malawi in achieving progress toward the Strategic Objective of sustainable increases in rural income, and specifically the Intermediate Result of household revenue from community-based natural resources management activities increased.

DAI is required by the contract to submit a Quarterly Progress Report to USAID/Malawi, “updated every quarter” to guide fieldwork. The “Quarterly Progress Report shall include...activities with indicators that relate to partial or complete fulfillment of each module expected results, training and implementation timelines, and expenditure for the period.” This document is the 1<sup>st</sup> Quarterly Progress Report for 2006, covering the period 01<sup>st</sup> October through 31<sup>st</sup> December 2005, the 1<sup>st</sup> quarter in the second year of implementation of COMPASS II (2004-2009).

The Quarterly Progress Report consists of two sections. The first is an overview of COMPASS II activities and progress achieved to date, including a very brief review of the achievement and challenges of CBNRM in Malawi, as well as brief description of the strategies COMPASS is employing to meet those challenges, with emphasis on how we intend to make progress toward the USAID/Malawi Strategic Objective and Intermediate Results cited above. The 2<sup>nd</sup> section details the specific activities undertaken between 1<sup>st</sup> October and 31<sup>st</sup> December 2005 and planned activities by the field team for the second quarter (1<sup>st</sup> January to 31<sup>st</sup> March 2006). Detail on actions planned under each of the various contracted Tasks and Sub-Tasks is provided, as well as the expected resource requirements.

Annex A is an end-of-quarter financial summary for USAID readers. Annex B provides a summary table of performance monitoring indicators.

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20 January 2006

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<sup>1</sup> Wildlife & Environmental Society of Malawi, and Spectrum Media



# COMPASS ACTIVITY OVERVIEW AND RESULTS

This document is the 1<sup>st</sup> Quarterly Progress Report—2006 of the Community Partnerships for Sustainable Resource Management (COMPASS II) activity of the United States Agency for International Development (USAID) Malawi country mission. The Quarterly Progress Report covers the period from 01 October through 31 December 2005.

This section briefly presents an overview of the activity, as well as some of the main achievements and challenges experienced by COMPASS II during the past three months. It is intended to provide brief information to those unfamiliar with previous activity documents, such as Annual Work Plan - FY 2006

## INTRODUCTION AND BACKGROUND

The purpose of COMPASS II is to enhance household revenue from participation in community-based natural resource management (CBNRM) initiatives that generate income as well as provide incentives for sustainable resource use in Malawi. This is part of a strategy to mainstream community-based management of natural resources within a transformational development framework that progresses toward eventual graduation from developmental foreign aid, one of the USAID global operational goals for broad-based prosperity in stable, democratic countries such as Malawi. Building on solid foundations from previous investments by USAID and others of increased capacity among Malawian government and nongovernmental organizations to adopt strategies that ensure long-term economic and environmental sustainability, COMPASS II seek to accomplish three objectives:

1. To increase the decentralization of natural resource management,
2. To enhance rural communities' capacity to sustainably manage their natural resources, and
3. To increase sales of natural resource-based products by rural households.

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.

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. By conceptualizing COMPASS as a development initiative, USAID/Malawi encourages the Government of Malawi and 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 goal reinforces Malawi's Poverty Reduction Strategy and USAID/Malawi Strategic Objective: sustainable increases in rural incomes.

The conceptual evolution of CBNRM from being conservation-oriented toward household income generation as the reason to conserve is incomplete, however, at village levels and within government departments. So, 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.

COMPASS II is supporting 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 FRAMEWORK

According to the USAID/Malawi Economic Growth Strategic Objective “Sustainable Increases in Rural Incomes”, 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.

### 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 by four indicators, as follows:

1. **Total revenue households receive from participation in community-based NRM activities**—defined as: “Cumulative yearly income 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”
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 FY2006 monitoring and reporting will consist of sample surveys for CBOs in fifteen districts and complete remuneration for the major honey marketed outlets.

### SUMMARY RESULTS FOR 2005

The following table summarizes the performance data for these four indicators since the USAID/Malawi Country Strategic Plan was approved in 2001. FY2005 results are considered final. Data collection and analysis foFY2006 is on going and preliminarily results will be reported at the end of the second quarter; USAID/Malawi officials conducted a data quality assessment in May 2005. FY2005 assessment is scheduled for 2006.

**Table 1: Progress on Intermediate Result Indicators as of 30 September 2005**

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		
NUMBER OF COMMUNITIES ADOPTING CBNRM PRACTICES	315 (2001)	TARGET	300	350	500	650	900	1,000
		ACTUAL	457	599	642	714		

INDICATOR	BASE LINE		2002	2003	2004	2005	2006	2007
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		
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	1,867 M: 1,363 F: 504	1,867 M: 1,363 F: 504	5,755 M: 2,736 F: 3,019		

## 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*<sup>2</sup>, meaning economic development efforts seek to support the transformation of

<sup>2</sup> 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.

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.

### 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.

### 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 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;
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 2 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

As noted above, 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. 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.

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.

**Table 2: Results Modules and Tasks specified in the COMPASS II contract statement of work**

RESULTS MODULE	TASKS
<b>More decentralized management of natural resources in Malawi</b>	
	1) Promote greater decentralization of key natural resource decision-making
	2) Increase district-level capacity to support CBNRM
	3) Improved CBNRM stakeholder coordination
<b>Enhanced community capacity for managing natural resources in a sustainable manner</b>	
	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
<b>Increased sales of natural resource-based products by households</b>	
	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 to be 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:

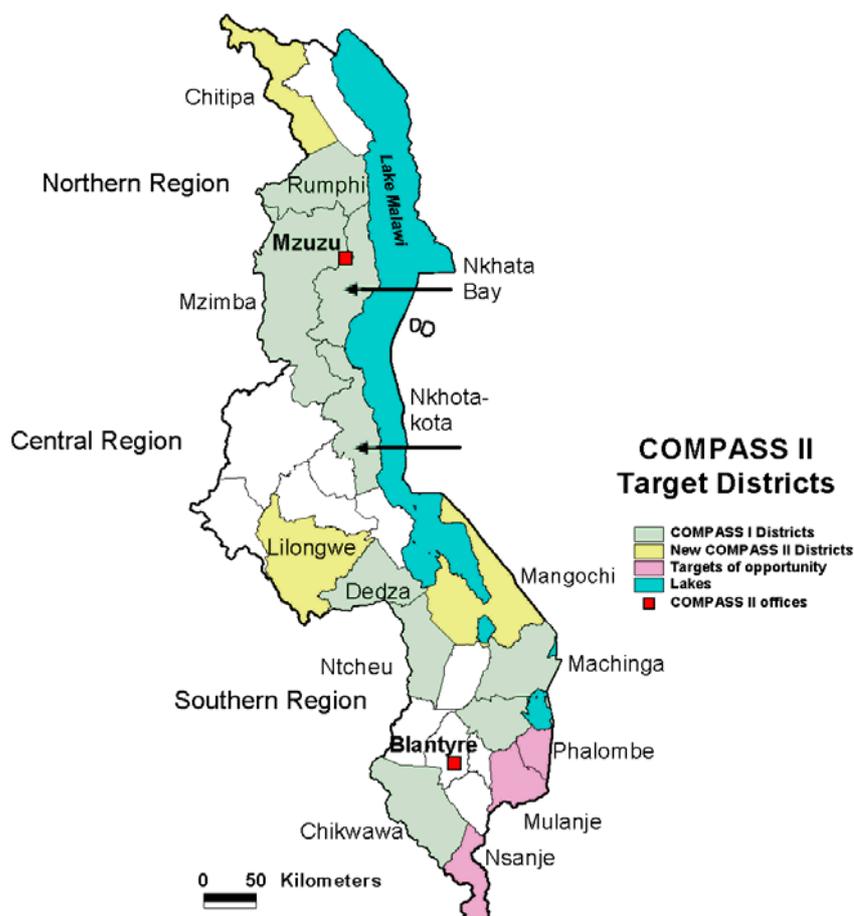
- 15 districts in which NRM devolution plans are adopted and fully implemented;
- 1,000 communities adopting CBNRM practices;
- 80,000 households participating in CBNRM activities; and
- \$750,000 in total revenue households receive from participating in CBNRM activities.

## GEOGRAPHIC FOCUS

During 2005, COMPASS II began supporting the mainstreaming of CBNRM in six districts: Chitipa, Nkhata Bay, Ntcheu, Mangochi, 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.

Figure 1: COMPASS II Target Districts



During the course of 2005, Nkhota-kota district presented an opportunity for collaborating with the Chia Lagoon Global Development Alliance (GDA) project, and initial activities were undertaken in the districts of Machinga, Phalombe, and Zomba for the Lake Chilwa management planning process.

COMPASS II is expanding to cover the full 15 target districts during 2006 (Figure 1). Included among those remaining for field concentration are Rumphi, Mzimba, Lilongwe, Dedza, and Nsanje. Malawi has

28 districts and it is expected that nation-wide coverage may take place depending on the presence of natural resource-based enterprise (NRBE) development.

## OVERVIEW OF COMPASS STRATEGIC APPROACH IN FY06

The Annual Work Plan—2006 provides the strategic framework, based on the results of the studies conducted and field experiences during 2005, for COMPASS activity during 2006. The strategies were developed during an annual work planning workshop in early October 2005 attended by more than 50 stakeholder representatives. The emphasis of that planning session was not so much what should COMPASS do in 2006; rather, what are the priorities for CBNRM in Malawi. The following provides highlights of those discussions, specifically where the COMPASS team could provide technical and other support to the efforts of the different stakeholders—including national line agencies, district offices of the natural resource sectors, various nongovernmental organizations, CBOs, and others.

### CONSERVING BIODIVERSITY AS THE UNDERPINNING OF SUSTAINED ECONOMIC GROWTH

In a poor and densely populated country such as Malawi, conservation of natural resources leading to improved health of ecosystems and their biodiversity will continue to be threatened by the immediate needs of the population and unsustainable exploitation of those resources in order to satisfy those needs, at least until the country's economic position improves significantly. COMPASS II recognizes that to counter this threat, effective strategies must be developed and implemented that are **receptive to people's needs and perceptions** while at the same time offering opportunities for longer-term benefits greater than those that short-term mining of resources can achieve. This concept underpins all the activities that COMPASS II undertakes.

The driver for conservation of natural resources in Malawi must be **financial or at least economic benefits accruing** to people from sustainable management and utilization of the resources. In addition, these benefits must be tangible and direct, rather than amorphous or indirect benefits such as “a better environment.” The potential for long-term benefits must be seen clearly to outweigh short-term profits by a critical mass of households in an area. It is the **users** of natural resources who can influence their management. And it must be local users, who have more of a vested interest in maintaining or improving their local resources who are given charge of resource management and guarantees of access.

### INTEGRATING GEOGRAPHICALLY AND TECHNICALLY

**Integration of all activities** is the primary strategy for COMPASS, already adopted from inception, now strengthened as key locations and user groups for support in CBNRM are identified. Integration means that for each potential natural resource-based enterprise opportunity identified, COMPASS provides widespread publicity to create awareness of the product; followed by support to the development of community-level institutions that can provide the necessary legal framework to permit utilization, ensure good management and protect user rights; and then strengthening the skills of both technical service providers and users on a wide range of pertinent issues related to use and management of the resources.

COMPASS is focusing its activities in those locations where the potential for the development of natural resource-based enterprise is most promising. The **development pathways approach** (Occasional Paper #1) identified areas with high biodiversity and the most potential for conservation-based development. Key areas for fisheries development, aquaculture and honey production have been or are currently being identified. An integrated spatial planning framework is being introduced to support each district in targeting their CBNRM support where opportunities are greatest.

Encouraging the district staff to look not just at their own sector is another part of this integration strategy, in a context where the need for District Environmental Subcommittees (DESCs) to meet on a regular basis is not widely perceived as a priority by either the national agencies, or their district staff.

### STRENGTHENING DECENTRALIZED INSTITUTIONS

A further focus is on **identifying natural resource user groups** rather than on the “community”. Within a village or group of villages, there will be several user groups with interests in different natural resources. These interests may conflict and, at best, there will need to be compromise in the management

regime of the resource to accommodate different requirements by different users. Different skills also are needed by the various groups. A “one-size-fits-all” approach to VNRMC development is inappropriate.

Direct technical support for CBNRM continues to be provided through **partner agencies**. Locally-based NGOs and CBOs have an important role to play. However, more emphasis is being placed on supporting and building the capacity of **district assemblies** to support CBNRM. In 2006 and beyond, COMPASS is emphasizing the need to bring CBNRM into the mainstream of district planning and development, rather than being relegated to the sidelines as part of environmental action planning.

Using an integrated spatial planning framework may assist district-level staff from fisheries, forestry, land resources conservation, water, and environmental affairs to begin convincing the District Commissioners and the District Planning and Development officers that managing natural resources is no different than farming, it is simply part of what people do, and is as deserving of budgetary support.

Assemblies need an incentive, however, to prioritize CBNRM within the district planning, budgeting and development process. One incentive may be increased revenues accruing to the districts as a result of decentralization of management and budgetary authority, and widespread adoption of CBNRM. A study is planned this year to recommend how best such revenue streams can be generated.

## **ENCOURAGING SOUND BUSINESS MODELS**

**Enhancing income from natural resource based products** (and providing opportunities for earning revenue alternative to liquidation of natural resource assets) focuses on continuing assessment of a range of potential products, their markets and value chains. Best practice information packs are being prepared using a variety of print, video, and audio media bundled as Malawi Gold Standard Production Systems. COMPASS is assisting the development of a market-oriented business mentality by helping to broker deals between producers, processors, and purchasers. Private sector financial institutions are being encouraged to provide loans at commercial rates to natural resource-based enterprises, while COMPASS supports new products enterprise start-ups with “risk capital” of up to 50% of start-up costs for well-developed business ideas that are ready for real-world market testing, or up to 65% of the costs for feasibility studies to prepare a product for market testing.

## **BUILDING AWARENESS, SKILLS, AND KNOWLEDGE**

There will always be some spontaneous exchange of ideas and success stories as enterprises begin to make serious money; nevertheless, Malawi’s communication infrastructure and culture is not yet well developed. COMPASS’ strategy continues to be to make **better information more widely available** about the potential of CBNRM for income generation and livelihood improvement. Crucially, a variety of media are being used and awareness materials adapted to different audiences, be they village-level producers, urban consumers, district technical staff, central government policy makers, and so on. **Radio** reaches the broadest range of the population but is non-specific and ephemeral in that once the broadcast is over there is nothing to remind the audience of its content. **Print media** in various forms – newsletters, policy briefs, extension materials, Malawi Gold Standard packs - will continue to be a primary focus. The Malawi Gold Standard Production System packages also contain video material to be used by private business service providers to educate resource users on best practice. **Video media** also are being used for production of television broadcasts targeting various audiences, particularly the consumer of natural resource-based products.

**Strong community-level institutions** are required that can provide guarantees to natural resources users that their rights will be respected and their investment protected, while their responsibilities are clearly defined. As mentioned above, the focus is on user groups as the basic institutional unit. Development of clear **constitutions and byelaws** for appropriate community-based organizations that govern how resources are to be managed and identify rights and responsibilities is a priority along with the preparation of management plans detailing technical arrangements.

With regard to **management plan** preparation, two key activities are identified. The first is to ensure that the community resource mapping training is implemented as widely as possible. GPS units are being provided to districts that have developed a CBNRM action plan and whose assemblies have committed to

supporting the efforts. The second relates to the need in fisheries, forestry, and parks and wildlife sectors for accurate assessments of the potential of the relevant natural resources to generate incomes and revenues. COMPASS will engage short-term technical assistance to investigate these issues of resource valuation, the need for which was also identified by a team from USAID/Washington.

To ensure legal protection of user rights, management agreements must be signed between bodies (usually representative committees) representing users and government. Current legislation specifies that in all sectors the relevant government official with authority to sign **management agreements** is the Director of the relevant department. This hinders the process of encouraging CBNRM as a development strategy by centralizing decision making. COMPASS will continue lobbying for changes in the legislation to permit district assemblies authority for concluding resource management agreements, while pushing for the delegation of authority as an interim measure until revised legislation is passed.

Many of those involved in CBNRM whether practitioners, service providers, policy makers and others need **skills enhancement** in order to fully understand and correctly implement what is a relatively new approach to rural development within Malawi. Key areas are developing capacity of service providers to support CBNRM; improving planning capabilities to promote mainstreaming of CBNRM into district planning; upgrading and teaching new skills of CBNRM practitioners in order that they can manage and utilize natural resources sustainably; and providing business related training to enable development of successful natural resources-based enterprise opportunities.

## HIGHLIGHTS OF PROGRESS THIS QUARTER

This subsection of the Quarterly Report briefly summarizes progress by the COMPASS II field team toward completing the tasks listed in Table 2. Highlights from 1<sup>st</sup> Quarter 2006 include:

1. Minister of Mines, Natural Resources and Environment, Hon. Chimunthu Banda MP, approved and signed the Standards & Guidelines for Participatory Forest Management.
2. Mission Director Mary Llewellyn and other USAID officials visit Chabigza VNRMC to deliver final version of community map that documents 8-fold increase in Village Forest Area to 153 ha.
3. Integrated spatial planning framework in launched at a large technical workshop aimed at standardizing data collection and sharing protocols for better service to District Planners.
4. Launched in the first three districts a year-long effort to train district-level technical staff on Participatory Forest Resource Assessment, conducted by Malawi College of Forestry & Wildlife.
5. Initiated efforts to review the present status of the Nyika-Vwaza Association to support their desire to become more effective; support will include strategic planning and new elections.
6. Produced 50<sup>th</sup> anniversary of *Chuma Chobisika* radio program with an hour-long special edition featuring interviews of department directors, private sector enterprises, and other stakeholders.
7. Hosted 2005 Traditional Authority conference on roles of traditional leaders in CBNRM, with 13 resolutions from the conference to be presented to appropriate institutions for further action.
8. Completed demand analysis of honey, including survey of consumers and traders; also concluded technical content of Malawi Gold Standard Honey Production System (except Business Plan).
9. Conducted study tour to Zimbabwe by collaborating organization staff involved in field trials of agroforestry home gardens using drip irrigation; also distributed materials for living fences.
10. Launched Natural Resource-Based Products Enterprise Fund through both RFA to banks and microfinance institutions for loans supporting existing products, and APS to commercial entities for co-financing pilot commercialization of new natural resource-based products.

Also this quarter, the COMPASS II implementation team began to implement the recommendations from the USAID/EGAT team to have more integrated fieldwork across results modules, through identifying “impact areas” within each target district where efforts can be concentrated to achieve measurable results in terms of management agreements, enterprise sales contracts, etc.

## **SPECIFIC HIGHLIGHTS FOR MORE DECENTRALIZED NRM**

Three Tasks guide efforts to achieve Results Module #1: More Decentralized Management of Natural Resources in Malawi. These Tasks, and noteworthy progress attained this Quarter, are as follows:

### **PROMOTE GREATER DECENTRALIZATION OF KEY NATURAL RESOURCE DECISION-MAKING**

1. Minister of Mines, Natural Resources and Environment, Hon. Chimunthu Banda MP, approved and signed the Standards & Guidelines for Participatory Forest Management.
2. Activities on devolution of authority to sign natural resources management agreements ongoing in 13 of 15 target districts, while Dir. of Forestry commits in principle to delegation of authority.
3. Mission Director Mary Llewellyn and other USAID officials visit Chabigza VNRMC to deliver final version of community map that documents 8-fold increase in Village Forest Area to 153 ha.
4. Lake Chilwa fishers, processors and traders registered 45 BVCs and RVCs composed of 1,470 members, with elections held in 10 so far; process continuing on schedule toward an Association.

### **INCREASE DISTRICT-LEVEL CAPACITY TO SUPPORT CBNRM**

1. Review of progress and results shows that NICE para-civic educators are very effective in the field; policy briefs and other materials need slight revision to be more accessible (simplified text).
2. Field manual on participatory monitoring & evaluation under adaptive management frameworks "Measuring Progress for Adaptive CBNRM" is completed in draft for validation and revision.
3. Technical discussions involving 50+ key stakeholders in spatial information analysis includes preliminary testing of enterprise suitability mapping for honey and aquaculture.

### **IMPROVE CBNRM STAKEHOLDER COORDINATION**

1. Integrated spatial planning framework in launched at a large technical workshop aimed at standardizing data collection and sharing protocols for better service to District Planners.
2. DESC meetings held in Nkhotakota on a regular basis, while rotating District Commissioners results in backsliding in other districts that had been holding meetings.

Key actions expected in the 2<sup>nd</sup> Quarter 2006 include the following:

- Completion of policy briefs in revised formats more appropriate to the target audiences;
- Preparation of draft extension and other materials for forestry and fisheries;
- Promotion of *delegation* of authority for signing of management agreements in the forestry and fisheries sector to district level;
- Expansion of community resource mapping as a key element of resource management planning;
- Intensive work with district technical staff, District Commissioners and district planning staff to promote tight coordination across sectors and prioritize CBNRM action planning;
- Considerable technical support to all districts to work with willing communities and user groups to develop resource management plans and management agreements;
- Focus on institutional development for participatory fisheries management and improved fisheries governance at Lake Chilwa and the Nkhotakota lakeshore;
- Further emphasis on awareness raising at district and community level through NICE and with the use of more appropriate media, including cartoons and drama;
- Integration of participatory monitoring and evaluation as a tool for adaptive management into the resource management planning process;

- Recruitment of two STTA, one to recommend procedures for revenue generation and sharing from CBNRM and natural resource-based enterprise and one to assist the Department of National Parks and Wildlife in developing a mechanism for revenue sharing with local communities.

Details of these actions are provided in Section 2 of this report.

### **SPECIFIC HIGHLIGHTS FOR ENHANCED COMMUNITY CAPACITY**

Four Tasks guide efforts to achieve Results Module #2: Enhance Community Capacity for Managing of Natural Resources in a Sustainable Manner. These Tasks, and noteworthy progress attained this Quarter, are as follows:

#### **INCREASE CAPACITY FOR NATURAL RESOURCES MANAGEMENT AT THE COMMUNITY LEVEL**

1. Completed one-week short course on Participatory Forestry Resources Assessment in Chikwawa and Mulanje districts, with Phalombe district forestry staff also attending the latter course.
2. Initiated a performance audit of BERDO and IFSP to determine extent of application of skills obtained during courses sponsored during 2005; further fieldwork in coming quarter.

#### **STRENGTHEN THE CAPACITY OF CBNRM SERVICE PROVIDERS**

1. Malawi College of Forestry & Wildlife engaged to conduct PFRA training cited above; this provides districts with better access to skills while improving field applicability of course content.
2. Continued technical support on appreciative Inquiry to district-level agencies and NGOs.
3. Initiated efforts to review the present status of the Nyika-Vwaza Association to support their desire to become more effective; support will include strategic planning and new elections.

#### **INCREASE PUBLIC AWARENESS AND UNDERSTANDING OF CBNRM ROLES AND OPPORTUNITIES**

1. Continued work on producing print and video extension materials under the Malawi Gold Standard Honey Production System title; launch expected by late January 2006.
2. Launched CBNRM Occasional Papers series of titles, with an initial release of 10 papers.
3. Produced 50<sup>th</sup> anniversary of *Chuma Chobisika* radio program with an hour-long special edition featuring interviews of department directors, private sector enterprises, and other stakeholders.

#### **STRENGTHEN KNOWLEDGE AND ACCOUNTABILITY OF TRADITIONAL LEADERS AND RELATED OFFICIALS IN CBNRM**

1. Hosted 2005 Traditional Authority conference on roles of traditional leaders in CBNRM, with 13 resolutions from the conference to be presented to appropriate institutions for further action.

Key actions expected in the 2<sup>nd</sup> Quarter 2006 include the following:

- Continue supporting training of district-level frontline staff on Participatory Forest Resource Assessment conducted by Malawi College of Forestry & Wildlife.
- Continue providing technical support to Appreciative Inquiry practitioners at field level.
- Launch beta version of Malawi Gold Standard Honey Production System for field testing.
- Conduct training needs assessment in fisheries sector to design appropriate curricula for extension training on Participatory Fisheries Management by Malawi College of Fisheries.

Details of these actions are provided in Section 2 of this report.

## **SPECIFIC HIGHLIGHTS FOR SALES OF NATURAL RESOURCE-BASED PRODUCTS**

Three Tasks guide efforts to achieve Results Module #3: Increased Sales of Natural Resource-Based Products by Households. These Tasks, and noteworthy progress attained this Quarter, are as follows:

### **ENHANCE MARKET ACCESS BY ENTREPRENEURS, HOUSEHOLDS, AND COMMUNITY GROUPS THAT PRODUCE NATURAL PRODUCTS**

1. Concluded technical content of Malawi Gold Standard Honey Production System (except Business Plan); launch tentatively scheduled for February.
2. Completed compilation of technical material and financial analysis for Malawi Gold Standard Aquaculture Production System; invited by Dept. of Fisheries to participate in Presidential Initiative on Aquaculture Development to be launched in February.
3. Conducted study tour to Zimbabwe by collaborating organization staff involved in field trials of agroforestry home gardens using drip irrigation; also distributed materials for living fences.
4. Co-sponsored training on Environmental Assessment and Environmentally Sound Design for Small-scale Activities conducted by Cadmus Group under the ENCAP program of AFR/SD.
5. Initiated biodiversity threats and opportunities analysis of critical ecosystems in Malawi.
6. Launched a spatial planning framework to support district-level planning & budgeting processes.
7. Continued economic valuation study of Mulanje Mountain ecosystem goods and services.

### **IDENTIFY PRODUCTION AND HARVESTING OPPORTUNITIES FOR NEW NATURAL RESOURCE-BASED PRODUCTS AND EXPLOIT THEM ON A SUSTAINABLE BASIS**

1. Completed demand analysis of honey, including survey of consumers and traders; results to be disseminated at February stakeholder event gathering industry, government, and beekeepers.
2. Completed study of Calumba root supply base: more widespread and plentiful than expected.

### **DEVELOP AND STRENGTHEN PARTNERSHIPS BETWEEN COMMUNITIES AND THE PRIVATE SECTOR**

1. Brokered an additional 5 metric tons of honey sales worth MK750,000 (US\$6,000).
2. Launched the Enterprise Fund through RFA to banks and microfinance institutions for loans supporting existing products, and APS to commercial entities for co-financing new products.

Key actions expected in the 2<sup>nd</sup> Quarter 2006 include the following:

- Roll-out the Malawi Gold Standard Honey Production System package of materials
- Continue preparation of the Malawi Gold Standard Aquaculture Production System
- Screening of 2<sup>nd</sup>-tier natural resource-based products for market and production potential
- Presidential Initiative on Aquaculture Development launch in February
- Design an accreditation system for private extensionists and other Gold Standard trainers
- Develop a simplified classification system of miombo woodlands and (eventually) bee pasture
- Conclude biodiversity threats and opportunities analysis of critical ecosystems
- Conclude economic valuation study of Mulanje Mountain ecosystem goods and services
- Convene discussions with the honey industry on quality control issues and Gold Standard
- Award capital grants to banks and MFIs; also review APS responses for possible awards

Details of these actions are provided in Section 2 of this report.

# DETAILED QUARTERLY PERFORMANCE AND TASK UPDATES

This section of the Quarterly Progress Report provides a detailed description of actions taken and tasks completed during the reporting period. In addition to reporting on accomplishments, a narrative of progress as well as problems encountered and resolutions (actual or proposed) is provided. Section 2 also details planned actions, person(s) responsible, expected timelines, and resource requirements for the next quarter.

Section 2 is organized according to the COMPASS II results modules, with each module subdivided into specific Tasks necessary for COMPASS to contribute toward achieving the Strategic Objective. The Tasks are in turn broken down into sub-tasks identified in the Annual Work Plan. A table summarizing progress toward the Performance Indicators in the Annual Work Plan forms Annex B.

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

In order to achieve success, conservation of natural resources by local communities must lead to improved livelihoods and enhanced income for them. For local governments to support CBNRM, it must provide them with an increase in revenue that can be used to support technical assistance and extension services to communities practicing CBNRM.

COMPASS, therefore, places emphasis on increasing demand for CBNRM by providing clear evidence of the potential for better incomes and livelihoods from sustainably managed natural resources. We are accelerating efforts to enhance widespread understanding amongst all stakeholders of the opportunities offered through CBNRM. Resource users at community level are being targeted with messages about the potential for economic and financial benefits that can be obtained through CBNRM. At the level of local government, the potential for increased revenue as a result of participatory resource management is being emphasized – essential if CBNM is to be supported by the district assemblies.

In broad terms, increased decentralized natural resources management entails a dual approach. It is necessary to encourage, through a range of means, increased and accelerated transfer of authority from central government to districts. However, there are few incentives and several disincentives for sector agencies in central government to hasten and deepen the decentralization process. Therefore, it is also necessary to develop strong grass-roots pressure for change through the democratic political system.

The process of decentralization is well advanced and, despite some problems, financial devolution to local government is moving forward incrementally during this Government Fiscal Year. Although there are still lingering doubts amongst some senior civil servants in the sectoral department headquarters, it can now be said that the key departments are committed to the decentralization process, although issues such as staff and asset transfer still need clarification.

The key 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. Within the 2006 Work Plan period, the target is that at least nine districts have begun the process of developing devolution plans.

Three tasks support this results module: (1) promote greater decentralization of key natural resource decision-making, (2) increase district-level capacity to support CBNRM, and (3) improve CBNRM stakeholder coordination.

## **TASK 1.1: PROMOTE GREATER DECENTRALIZATION OF KEY NATURAL RESOURCE DECISION-MAKING**

The first task under toward Decentralized NRM is to facilitate a process of engagement by the key natural resource sector agencies with district-level government, resulting in the latter obtaining responsibility—and accountability—for certain aspects of natural resources management, including but not limited to the fiscal devolution mentioned above. COMPASS recognizes that until sector staff are receiving their payroll from District government, their full engagement as decentralized managers providing effective support to CBNRM is hampered.

In order to increase central government confidence in the ability of district-based staff to implement national policy and legislation consistently, COMPASS is supporting the development and dissemination of guidelines for each key natural resource sector. These are tailored to the different audiences.

We are also engaged in advocacy for devolution of authority to approving management agreements from central to local government. Absent the fully devolved authority from central to district agencies, COMPASS is encouraging the delegation of authority to undertake routine tasks such as review and approval of management agreements.

Concurrent with these efforts at moving decision making to the districts, interventions designed to provide resource users with usufruct rights to manage and utilize natural resources are being stepped up. This means management agreements are being signed between a properly constituted and representative community-based agency and the relevant government department.

Two important steps toward management agreements are a written and agreed constitution and a clear management plan for the resources in question. Basic formats for constitutions exist. What remains is to ensure that community-based organizations interested in managing natural resources agree and prepare their own constitutions and register their organization to acquire a legal identity.

Management planning requires resource assessment and mapping of the resources. COMPASS has already successfully tested an approach for community resource mapping that has proved to be in great demand. The process is being applied more widely throughout 2006.

Finally, COMPASS is encouraging efforts by government, particularly in the forestry and fisheries sectors, to review and revise the relevant policy and legislation in order to provide better legal support for the rights of natural resources users.

Four sub-tasks contribute to facilitation of the process. These sub-tasks are: (1) develop guidelines for community management of natural resources; (2) promote devolution of authority to approve natural resource management agreement; (3) facilitate natural resource agreements between communities and district authorities; and (4) support efforts to review and revise legislation governing core natural resource sectors, to more closely harmonize laws and policies. These are detailed below.

### **Sub-task 1.1.1: Develop guidelines for community management of natural resources**

It is becoming clear that the format of the guidelines on participatory forestry and wildlife management so far produced is inappropriate for communities, front line extension staff and the NICE para-civic educators who are the main medium for creating public awareness on natural resources legislation and policies. During this quarter COMPASS will work with an illustrator to produce and test serialized cartoon based messages highlighting key elements of fisheries, forestry and wildlife policies as they relate to participatory resource management.

The apparently good potential of drama will also be explored as a medium for transmitting messages about rights and responsibilities for resource management by communities and user groups.

Extension Briefs on the Standards & Guidelines for Participatory Forest Management have been drafted and will be finalized, printed and circulated widely, probably in conjunction with district-level launching of the Standards and Guidelines.

Fisheries Department will be encouraged to make a decision, early in this quarter on what action they wish to take over the legal toolbox for participatory fisheries management, the revision of the fisheries

extension handbook and the production of a Standards & Guidelines for Participatory Fisheries Management.

#### **Action this reporting period and Sub-Task update**

*Environmental Affairs:* Work is well advanced on the development of a draft brief describing the key areas of the National Environmental Policy that relate to community empowerment in the management of natural resources and that emphasizes the need for financial and economic incentives to drive environmental management and protection.

*Fisheries:* A brief describing the key elements of the Fisheries Management and Conservation Act, the Fisheries and Aquaculture Policy and the Fisheries Management and Conservation Regulations, particularly the Local Community Participation Rules is in preparation.

*Forestry:* The Participatory Forest Management Standards and Guidelines have been completed and signed by the Director of Forestry and the Minister for Mines, Natural Resources and Environmental Affairs. Karen Edwards has worked with the Department of Forestry and DAI to produce the final proofs for printing, launching and dissemination during the second quarter.

Briefs describing the functions of the Standards & Guidelines were drafted, targeting four key audiences: headquarters forest policy makers, field practitioners from government and NGOs, district assembly members and communities.

A translation into Chichewa of the 2003 Forest Policy Supplement on community-based forest management was produced but not yet circulated, awaiting final approvals from Forestry Department.

#### **Problems encountered and actual or proposed resolution**

There has been no feedback to date from Department of Fisheries regarding preparation of either a participatory fisheries management extension handbook or the legal toolbox for participatory fisheries management. During the second quarter COMPASS will produce drafts or outlines of the various documents to initiate the process of dialogue with the Department.

Translation of legal documents and briefs into Chichewa has proved complicated, with significantly different versions of the same document being produced by different translators. In future, translations of briefs will be extensively field tested – probably through NICE PCEs – before final publication.

The format of briefs needs more consideration in relation to the audience. It is considered that cartoon series and drama may be a more appropriate and effective method for reaching rural communities with complex messages. We will explore options along this line in the coming quarter.

#### **Performance indicator and planned actions for the next quarter**

In the overall COMPASS II Performance Monitoring Plan, the indicator and target for this sub-task is “to complete guidelines for all sectors and to ensure that the information is disseminated to all districts and all interested communities and support services.”

The 2006 target is to have sector guidelines completed in **fisheries** (Participatory Fisheries Management Handbook), **forestry** (Standards & Guidelines for Participatory Forest Management), and **wildlife** (revenue sharing guidelines), and that these are being disseminated to interested parties in nine districts.

The emphasis for this quarter will be on testing new media for public awareness on legislation and policy and beginning preparation of extension materials for participatory fisheries management. Recruitment of an STIA to work with the Department of National Parks and Wildlife to design a collaborative management and revenue sharing system for Malawi’s protected areas will proceed.

**Table 3: Sub-Task 1.1.1: actions for period January—March 2006**

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Review all existing briefs for content, format and appropriateness and distribute widely	J. Dickinson, P. Munthali, L. Manda	January to February	LTTA time, printing, illustrator
Agree with appropriate drama group(s) for preparation of test drama on participatory forest management	J. Dickinson, P. Munthali, L. Manda	February to March	LTTA time, drama group
<b>Fisheries Sector:</b> <ul style="list-style-type: none"> <li>• Prepare, disseminate briefs on fisheries legislation and policy for: <ul style="list-style-type: none"> <li>▪ fishermen</li> <li>▪ district assemblies</li> <li>▪ magistrates</li> </ul> </li> <li>• Support preparation of materials on participatory fisheries management:</li> <li>• Prepare and test draft briefs for fishers</li> <li>• Obtain departmental agreement on <ul style="list-style-type: none"> <li>▪ standards and guidelines for Dept personnel</li> <li>▪ extension handbook</li> <li>▪ finalization, printing and dissemination of legal toolbox</li> </ul> </li> </ul>	J. Dickinson, L. Manda, Greenwigs (briefs for assemblies & magistrates)	January to March	LTTA time, STTA time translator, illustrator, printing, meetings, and workshops
<b>Forestry Sector:</b> <ul style="list-style-type: none"> <li>• Support launch and dissemination of Standards &amp; Guidelines on Participatory Forest Management</li> <li>• Prepare, disseminate briefs on forestry legislation and policy for: <ul style="list-style-type: none"> <li>▪ district assemblies</li> <li>▪ magistrates</li> </ul> </li> <li>• Support revision of participatory forest management planning extension handbook:</li> </ul>	J. Dickinson, P. Munthali, N. Chimzukila L. Manda, Greenwigs & WESM (briefs for assemblies & magistrates)	January to March	LTTA time, STTA time translator, illustrator, printing, meetings, and workshops
Prepare and disseminate brief of National Environmental Policy in relation to CBNRM	J. Dickinson, L. Manda, WESM	February	LTTA time, printing
<b>Parks &amp; Wildlife Sector:</b> <ul style="list-style-type: none"> <li>• Prepare, disseminate briefs on parks &amp; wildlife legislation and policy for: <ul style="list-style-type: none"> <li>▪ district assemblies</li> <li>▪ magistrates</li> </ul> </li> <li>• Initiate development of practical guidelines on implementation of collaborative management and revenue sharing in protected areas</li> </ul>	J. Dickinson, L. Manda, T. Johnson (revenue sharing guidelines) Greenwigs & WESM (briefs for assemblies & magistrates)	January to February  March	LTTA time, STTA time translators, printing, meetings, and workshops

**Sub-task 1.1.2: Promote devolution of authority to approve NRM agreements**

The challenge to completing this sub-task is the fact that devolution requires the release of some degree of authority by the directors of the relevant central government departments, over which COMPASS has only limited leverage. The aim of this sub-task will be to foster and maintain dialogue between the various stakeholders that will lead to agreed procedures and time frames for devolution. One key issue being explored is revenue generation and allocation, currently a constraint to devolution.

For district governments, the opportunity to gather increased revenue should act as a catalyst for increasing pressure on central government to devolve at least some authority, while central government increases its overall revenue from improved collection as a result of devolution and the implementation of CBNRM, even while it is reducing its proportional share of revenue (e.g., from licenses and fines).

#### Action this reporting period and Sub-Task update

Visits to all districts continue to be made and district staff, Directors of Planning and Development (DPD) and District Commissioners (DC) engaged in discussion on CBNRM planning and budgeting, financing support to CBNRM, and activities required in promoting CBNRM within the districts.

Discussions have been held with the Director of Forestry towards delegating authority for signing forest management agreements to the district forestry officers and district commissioners. The Director promised to take up the issue with the Ministry of Justice.

**Table 4: Progress update on devolved district authority**

DISTRICT	STATUS ON 31 DECEMBER 2005
Chikwawa	<p>Separate discussions with the various heads of technical departments and the DPD on the importance of resuming DESC meetings. Agreed to do so but have not yet invited COMPASS to any of its meetings and have not heard from them about any such meetings being held.</p> <p>Discussed with the DPD on the mainstreaming CBNRM in the village action planning during the process of training VDCs and ADCs</p> <p>Meeting with DPNW to hasten finalization of constitution development, facilitating the registration process of the CBOs who have constitutions following the template of the attested versions.</p> <p>Capacity building on resource assessment for Forestry staff was conducted</p>
Chitipa	Meetings held with DPD and DC.
Dedza	<p>Introductory discussions with the district forest officer to have follow-up activities in the areas where social forestry project initiated some activities on management plans.</p> <p>Discussed with the EDO, DPD during the introductory visit on the importance of DEC and DESC meetings. COMPASS was invited to the DEC meeting to make a presentation of its activities and how it collaborates with the district.</p>
Machinga	Initial contacts with Greenline Movement to find out on its capability to do Participatory Forest Management Planning in the district in collaboration with the DFO.
Mangochi	<p>Detailed discussions with the DFO on follow up activities to the community mapping exercise. No feed back yet on the consolidated plan of activity for follow-up activities.</p> <p>Discussed with the DC, DPD, DFO, and Fisheries Officer who is Acting EDO on them holding DEC/DESC meetings. The DEC/ DESC not meeting and they promised that they would meet and invite COMPASS to their meeting but no feed back up to now.</p>
Mulanje	<p>Resumed the discussions on the scaling up of Co management activities of Mulanje Mountain with DFO and MMCT</p> <p>Charted the way forward for co management activities with Mulanje DFO, MMCT.</p> <p>Additional capacity building on resource assessment for district forestry staff and partners to enable them continue with activities on co management was conducted.</p>
Mzimba	Meeting held with DC
Nkhata Bay	Met the EDO, DFO, and DCEO and discussed the resumption of DESC meetings. The EDO saw the need but was non committal
Nkhotakota	DESC meetings are held regularly
Nsanje	Met DESC members on the introductory visit to the district. Have not heard anything on their subsequent meetings.
Ntcheu	<p>Discussions with BERDO on consolidating the activities towards finalizing the management plans and to have management agreements</p> <p>Discussions with the DFO on supporting the efforts in BERDO</p> <p>Discussed with the DPD on the district holding regular DEC/DESC meetings. COMPASS was invited to attend their December meeting. However due to an adhoc programme from central government, the meeting never took place and up to now no reschedule has been communicated to us.</p>
Phalombe	Discussed with the DPD on the district holding DEC/DESC meetings. The DPD promised that DEC/DESC meetings will be resumed but no feed back up to now of such meetings taking place.
Zomba	Participatory Fisheries Management process for Lake Chilwa continues with full involvement of district fisheries staff and traditional leadership

### Problems encountered and actual or proposed resolution

All the discussions with the district technical staff show that the district staff realize and appreciate the importance of DEC/DESC meetings. However, they are not committed to holding them and in all the field visits to all the target districts, they have just indicated that they will hold such meetings and would invite us. Very few have given feedback on their failure to hold such meetings. The districts are very non-committal after discussing such issues.

The other challenge is the constraint of funds to hold such meetings. Whether such meeting requires huge amounts of resources nobody knows. But it seems that the allowance syndrome is the major set back for the districts to hold regular DEC/DESC meetings.

A delay in GPS equipment distribution stalled the progress of community mapping activity in the some districts e.g. in Ntcheu, one of the major activities remaining in the production of management plans is the community mapping

Still the financial constraint of the district will hinder the progress at which we have some the district seriously think of conduct any planning and review meetings in the district in order to mainstream CBNRM.

### Performance indicator and planned actions for the next quarter

In the overall COMPASS II Performance Monitoring Plan, “success [for this sub-task] will be measured in terms of the number of district assemblies that have the authority to sign CBNRM plans.”

Dissolution of district assemblies this past year has delayed progress toward this indicator. For 2006, the target is to have the process of devolution of authority demonstrably started in nine districts.

The quarter will see a major effort in all districts to emphasize the necessity of mainstreaming CBNRM planning through revitalized DESCs and DEC meetings, funded from the districts budget.

**Table 5: Sub-Task 1.1.2: actions for period January—March 2006**

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Conduct study on district revenue generation and revenue allocation from CBNRM activities	J. Dickinson, T. Johnson, N. Chimzukila	March	STTA time, some LTTA time, workshops
Broker meetings of DEC / DESC on devolution of natural resource decision-making authority	P. Munthali, N. Chimzukila J. Dickinson WESM (branches)	January to March	LTTA time, meetings
Broker meetings between central and local government on devolution issues including licensing and revenue allotments	J. Dickinson, T. Johnson, P. Munthali, Greenwigs, WESM	January to March	LTTA time, meetings
Provide technical support to identifying and documenting mechanisms for collaborative management and revenue sharing in protected areas	J. Dickinson, T. Johnson	March	STTA time, some LTTA time, meetings
Use media and work with the Forest Governance Learning Group to widely publicize issues relating to devolution of CBNRM authority	P. Munthali, N. Chimzukila, Forestry Advisor, P. Mphaka, L. Manda, WESM	January to March	LTTA time, some STTA time, meetings

### Sub-task 1.1.3: Facilitate NRM agreements between communities and district authorities

In order for the development of natural resource-based enterprise and livelihood improvement to emerge from improved management of natural resources, it is essential that users have guaranteed rights of access to those resources and the ability to restrict access to only those who have been granted such rights. In addition, the potential for increased revenue generation from CBNRM can only be realized when users are ensured access and clear, agreed by-laws are in place. These issues predicate the need for legally binding management agreements between communities (users) and government.

#### **Action this reporting period and Sub-Task update**

Training in community resource mapping has been completed for field extension staff from Forestry Department in Mangochi District.

A service contract has been prepared for a local GIS specialist to prepare maps and spatial databases of the institutional development of participatory fisheries management on Lake Chilwa. This activity is in support of the tri-district effort being undertaken with the district fisheries offices in Zomba, Phalombe, and Machinga Districts for revitalization of participatory fisheries management institutions on Lake Chilwa and Mpototo Lagoon as well as the rivers feeding the lake, which provide refuge for lake fish during times of low lake levels.

By the end of December, 22 of a total of 45 BVCs and RVCs, comprising some 1,470 fishers, fish processors and fish traders had been registered and elections for BVC sub-committees had been held in 10 BVCs.

Technical assistance has been provided to BERDO on constitution development. A constitution for one CBO comprising some 55 villages has been drafted. Two constitutions for CBOs on the boundaries of Lengwe National Park have been attested. These CBOs are ready for registration, which is the last stage prior to signing collaborative management agreements with the Dept. of National Parks and Wildlife.

#### **Problems encountered and actual or proposed resolution**

Without doubt, the biggest obstacle to achieving targets in this sub-task is the lack of resources at district level to undertake the field work essential for effective resource management planning and agreement development. Although this year the forestry and fisheries departments were supposed to have fiscal decentralization, in fact funding is still being channeled from the departments' headquarters through the regional offices. The amounts reaching these offices, not including funds from other projects, which are earmarked for specific activities, are very small. DAI is preparing a request for contract modification to seek approval to provide Limited Scope grants to district assemblies who have already developed a comprehensive CBNRM action plan and committed a portion of their own funds to its implementation.

A second constraint relates to institutional issues of the existing natural resource management structures (VNRMCs, VNRCs, BVCs and RVCs). Most are either not functioning, not representative of the communities, or acting more like an exclusive club than a management committee. This is often coupled with a general lack of understanding by the broader community, not to mention field extension staff and in some cases senior district staff, of the purpose of participatory resource management. The problem is complex and deep rooted and will, in many locations, require that the participatory process is restarted with registration and elections, together with an intensive awareness campaign.

Finally, poor early rains combined with the early cessation of the 2004/2005 rainy season have led to Lake Chilwa drying considerably, with the possibility of complete drying during this year.

#### **Performance indicator and planned actions for the next quarter**

In the overall COMPASS II Performance Monitoring Plan, "success [for this sub-task] shall be measured in terms of the number of formal natural resource management agreements that are approved and implemented. In the 15 target districts, the goal shall be to have at least 250 agreements approved and [being] implemented by the end of 2006 and; by the end of COMPASS II, the goal shall be to have at

least 500 agreements under implementation in the target districts.” For 2006, the target therefore is to have 250 agreements signed and [being] implemented.

The community resource mapping activity will be scaled up by the provision of equipment and further training to district staff, and broadened by expanding coverage to other natural resources, apart from forests (fisheries, land resources, water resources). District resource mapping and landscape scale mapping will form the basis of integrated spatial planning at district level. For Lake Chilwa, maps and spatial databases will be produced to produce a planning tool for the three district fisheries officers.

The work on development of management plans, community level regulations, byelaws and constitutions also will be accelerated.

**Table 6: Sub-Task 1.1.3: actions for period January—March 2006**

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Distribute GPS equipment and provide additional community resource mapping training to 6-9 districts	W. Kafakalawa, M. Chawinga, N. Chimzukila, P. Munthali, J. Dickinson	January to March	LTTA time, training workshops, GPS units
<b>Fisheries Sector:</b> <ul style="list-style-type: none"> <li>Initiate community mapping for participatory fisheries management</li> <li>Facilitate institutional development, management planning and technical assistance in Lake Chilwa area</li> <li>Facilitate institutional development, management planning and technical assistance for participatory fisheries mgmt. along Nkhotakota lake shore</li> </ul>	W. Kafakalawa, M. Chawinga J. Dickinson M. Mpezeni, J. Wilson (Chilwa), WESM (Dwangwa)	January to March	LTTA time, STTA time, meetings, workshops, motorcycles, computers, District Development Fund (limited scope grants)
<b>Forestry Sector:</b> <ul style="list-style-type: none"> <li>Consolidate and facilitate the broad adoption of community resource mapping including forest resource assessment in six districts</li> <li>Facilitate participatory forestry management implementation in 12 districts and integrated resource management plans in two districts</li> <li>Support Department of Forestry to finalize signing of 60 existing forest management agreements</li> </ul>	P. Munthali, J. Dickinson N. Chimzukila, W. Kafakalawa, M. Chawinga M. Mpezeni	January to March	LTTA time, STTA time, meetings, workshops, motorcycles, computers, District Development Fund (limited scope grants)
Support and facilitate constitution and byelaw development and registration for participatory fisheries, forestry and wildlife organizations	P. Munthali, N. Chimzukila, Greenwigs	February to March	LTTA time

Sub-task 1.1.4: Support efforts to harmonize sector legislation with decentralization policy.

Although current policy in the fisheries and forestry sectors is supportive of decentralization and CBNRM, the relevant legislation requires revision to provide the legal basis of decentralized CBNRM. Furthermore, the content of current legislation and policy is generally not known or only slightly understood by rural communities and even by district assemblies, district technical support staff, police and magistrates. It needs to be much more widely circulated in appropriate formats.

**Action this reporting period and Sub-Task update**

No actions have taken place under this sub-task during this quarter other than a series of meetings with the Department Directors indicating that this remains a priority for them.

### Problems encountered and actual or proposed resolution

Most of the activities planned in this sub-task rely on willing cooperation and commitment of the relevant departments. Many other demands on their time have meant that in most cases, senior staff have been unable to provide the necessary inputs. COMPASS will therefore be more proactive and begin the process independently, in order to be able to provide drafts or outlines to the departments for comment, refinement and finalization.

### Performance indicator and planned actions for the next quarter

In the overall COMPASS II Performance Monitoring Plan, this sub-task is to “help Government reconcile current resource policies with the Local Government Act [and] ensure consistent devolution of functions related to the local governance of natural resources.” During 2005, it was agreed that revision of the Local Government Act (1998) was not the most appropriate target of opportunity for COMPASS II to explore; rather, harmonization of the natural resource sector legislation to the Local Government Act. Therefore, the 2006 target is to make substantive progress toward review and revision of both the Forestry Act and the Fisheries Conservation and Management Act.

Focus will be on helping the relevant departments and the districts to begin open dialogue on natural resources regulations.

**Table 7: Sub-Task 1.1.4: actions for period January—March 2006**

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Support fisheries and forestry core group on development and meetings to resolve outstanding policy and legislative issues	J. Dickinson, N. Chimzukila, P. Munthali, Greenwigs	February and March	LTTA time, workshops
Translate fisheries regulations and LCP rules for distribution prior to policy review and supplement preparation	L. Manda, J. Dickinson, Greenwigs	January to March	LTTA time, translator, printing
Support revision of fisheries regulations	J. Dickinson	January to March	LTTA time, some STTA time, printing
Prepare briefs and provide training on participatory resource management legislation for district magistrates (see also 1.1.1 above)	J. Dickinson, N. Chimzukila, P. Munthali, N. Moyo, WESM Greenwigs	January to March	LTTA time, training facilitator
Support technical assistance to policy and legislative review process in forestry, fisheries and wildlife sectors	J. Dickinson, N. Chimzukila, Greenwigs, WESM	February and March	LTTA time, some STTA time, workshops

### TASK 1.2: INCREASE DISTRICT-LEVEL CAPACITY TO SUPPORT CBNRM

Devolved authority to sign resource management agreements also means increased responsibility at local government level for provision of technical assistance. COMPASS will assist district assemblies to plan and budget for technical assistance to communities involved in participatory resource management as well as to identify potential revenue sources to finance this technical assistance. Major efforts are being made to ensure that district technical officers have the necessary skills and knowledge to impart technical assistance to their client communities.

Three sub-tasks contribute to the skills acquisition process. These are to: (1) build awareness of opportunities for CBNRM; (2) build district-level capacity to support and deliver natural resource management services; and (3) build a database of CBNRM best practice sites. These are detailed below.

### Sub-task 1.2.1: Build awareness of opportunities for CBNRM

Building awareness among rural communities regarding the opportunities for increasing income and improving livelihoods from sustainable use of natural resources has succeeded in creating a widespread demand for technical support. COMPASS' relationship with NICE has proved effective for spreading information widely about opportunities, rights and responsibilities. In addition, the use of radio, print media and video to disseminate selected messages about opportunities and, more importantly, examples of successful exploitation of opportunities by real people has shown that real money can be earned through careful stewardship and use of natural resources.

Efforts are being continued and intensified to disseminate more and better targeted information to as wide an audience as possible, through all media. In addition, fisheries and forestry department are being supported through technical advice and training to develop their own communication strategies and to take on the information provision role.

#### Action this reporting period and Sub-Task update

No further training workshops for NICE PCEs have been held during this quarter. However, COMPASS staff have participated in the NICE national annual review meetings and the three regional coordination meetings, which provided a valuable opportunity for feedback from the district staff.

The COMPASS Public Awareness unit has continued to produce radio and print media. Twelve new and two repeat *Chuma Chobisika* radio programs were broadcast and three monthly print editions of *Chuma Chobisika*. The latter were distributed to approximately 150 recipients.

#### Problems encountered and actual or proposed resolution

As mentioned under sub-task 1.1.1, problems with translation of documents and format for awareness creation with communities have been encountered and will be remedied this quarter. Although the use of NICE PCEs for disseminating messages relating to policy and legislation has been relatively successful, the process needs to be accelerated and scaled up. Discussions with NICE district and headquarters staff have pointed the way, with more training for NICE district staff (many of whom do not come from either the natural resources or agricultural sector), will enable them to work together with relevant district technical officers to hold training workshops for their PCEs with minimal support from COMPASS.

#### Performance indicator and planned actions for the next quarter

In the overall COMPASS II Performance Monitoring Plan, "success [for this sub-task] shall be measured in terms of the number of districts that receive and use natural resource policy materials in key local languages relevant to each district. The goal shall be to accomplish this task in all of the 15 districts by 2006."

NICE will continue to act as the main conduit for increasing communities' and user groups' awareness of rights and responsibilities and the opportunities related to natural resources legislation and policy. However, the activity's effectiveness will be improved by modifying the briefing materials, including drama and radio to broadcast messages and by increasing the levels of understanding of the issues for NICE district level staff. In this way, it is intended to scale up the awareness campaign to cover all relevant areas of each target district.

**Table 8: Sub-Task 1.2.1: actions for period January—March 2006**

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Conduct NICE PCE training workshops in Nsanje, Dedza and Mzimba Districts	P. Munthali, N. Chimzukila	February and March	LTTA time, workshops
Expand coverage of training for NICE PCEs in Mulanje, Chikwawa, Nkhatakota and Nkhata Bay districts	P. Munthali, N. Chimzukila	February and March	LTTA time, workshops

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Hold regular meetings with NICE district coordinators	P. Munthali, N. Chimzukila, J. Dickinson	Ongoing	LTTA time, workshops
Hold workshops with NICE PCEs in fishing areas in Nkhotakota focusing on fisheries legislation	P. Munthali, J. Dickinson, M. Mpezeni	Ongoing from February	LTTA time, workshops
Continue broadcasting <i>Chuma Chobisika</i> (see also 2.2.3) and provide material for <i>Usodzi wa Lero</i> (fisheries radio program)	P. Mphaka, P. Munthali, J. Dickinson	Ongoing	LTTA time, airtime
Produce Chuma Chobisika newsletter in large quantities and distribute widely e.g., through NICE offices	L. Manda, P. Munthali, J. Dickinson, N. Chimzukila	Ongoing	LTTA time, printing
Continue with periodic newspaper articles focusing on opportunities from natural resources	L. Manda, J. Dickinson, P. Munthali, N. Chimzukila	Ongoing from 1 <sup>st</sup> quarter	LTTA time, printing
Undertake Training Needs Assessment for fisheries sector	N. Moyo, J. Dickinson	Ongoing from 1 <sup>st</sup> quarter	LTTA time, STTA time, training facilitators

Sub-task 1.2.2: Build district level capacity to support and deliver natural resources management services

As demand grows in rural areas for technical support to practice CBNRM, so the capacity of the district assemblies and their technical staff must be enhanced to meet this demand. Specific training topics are included under the work plan for the Capacity Building Module of COMPASS II (see 2.1-2.4 below).

There is a need, however, to highlight CBNRM as a mainstream development strategy in the districts, rather than an activity relegated to the district's environmental action plan. To this end, COMPASS will redouble efforts to reinvigorate the district environmental sub-committees which should play the role of highlighting CBNRM at local government level and bringing it into mainstream planning and budgeting.

#### Action this reporting period and Sub-Task update

Training activities at district level are reported under Result Module 2.

A manual for participatory monitoring and evaluation has been prepared in final draft form. The strong and essential link between participatory monitoring & evaluation and adaptive management of natural resources has been stressed.

#### Problems encountered and actual or proposed resolution

As has been emphasized under sub-task 1.1.3, the lack of resources available to district staff seriously hinders their capacity to undertake field work. As a result the preparation of CBNRM action plans, which requires close participation of the communities, has been hampered. In addition, it is seriously difficult for district staff to put into practice the subjects learnt during training.

#### Performance indicator and planned actions for the next quarter

In the overall COMPASS II Performance Monitoring Plan, this sub-task was originally classified as two sub-tasks: one for district level capacity to support CBNRM, and the other on district-level capacity to deliver CBNRM services. As agreed during a quarterly revision to the 2005 work plan, these two sub-tasks were combined into the present one. Because of the contractual obligations, however, modification or alteration of the performance targets would require Contracting Officer approval. Rather than seek a

formal modification to the contract to effect this slight change, COMPASS II will continue to perform toward achieving the original targets for both sub-tasks. These are as follows:

1. For district-level capacity to support natural resources management, “success shall be measured in terms of the number of districts that have a formal process for integrating traditional authorities into natural resources management planning and decision-making. The goal will be to accomplish this in all of the target districts by 2006.” It must be noted, however, that formal processes for integration must be approved by the district assemblies, which have been disbanded due to the expiry of their terms of office, and the timing of new elections is uncertain.
2. For district-level capacity to deliver natural resource management services, “success shall be measured in terms of the number of communities receiving high-quality services from the districts. The goal shall be for at least 2,000 communities in the target districts to receive top-quality services by 2008.”

For 2006, the target for the latter of these is to have at least nine districts with capacity to support CBNRM with quality services, and at least 50 CBOs operating in support of CBNRM.

The strategy of developing district capacity to plan for and monitor CBNRM activities will continue and be strengthened. Of particular importance is the promotion of participatory monitoring and evaluation as a tool for adaptive management of natural resources.

**Table 9: Sub-Task 1.2.2: actions for period January—March 2006**

<b>ACTION</b>	<b>PERSON RESPONSIBLE</b>	<b>EXPECTED TIMELINE</b>	<b>RESOURCES REQUIRED</b>
<b>Support preparation of integrated CBNRM plans to be integrated into the district development plan</b>	<b>J. Dickinson, P. Munthali, N. Chimzukila, W. Kafakalawa, M. Mpezeni</b>	<b>January- March</b>	<b>LTTA time, meetings</b>
<b>Build district and NGO capacity in monitoring and evaluation and participatory monitoring &amp; evaluation</b>	<b>K. Sichinga, M. Mpezeni</b>	<b>January to March</b>	<b>LTTA time, training facilitators</b>
<b>Build district capacity to collect, manage, and utilize data (creation of information systems)</b>	<b>K. Sichinga, M. Mpezeni</b>	<b>February- March</b>	<b>LTTA time, training facilitators</b>
<b>Continue provision of training to district assembly staff on diverse topics (see Module 2)</b>	<b>N. Moyo, P. Munthali, N. Chimzukila, J. Dickinson M. Mpezeni, K. Sichinga</b>	<b>Ongoing</b>	<b>LTTA time, training facilitators</b>

#### Sub-task 1.2.3: Build database of CBNRM best practice sites

Good data relating to progress in CBNRM is essential for integrated and effective CBNRM planning at district level. COMPASS will support the development of a procedure for collection and management of data relating to the development of CBNRM district level (initially this data will be managed at central government level until sufficient district capacity is attained), and incorporating participatory monitoring and evaluation. COMPASS will support institutionalization of landscape scale mapping and monitoring of environmental change.

#### Action this reporting period and Sub-Task update

A procedure for mapping and database development for Lake Chilwa fisheries has been finalized and a service contract will be issued early in this quarter.

Bob Bouvier, Wellington Kafakalawa and Muwuso Chawinga have developed a computer-based methodology for integrated land use planning. A model for identifying suitable areas for commercial

aquaculture development has been developed in collaboration with World Fish Centre. A two-day workshop in Lilongwe focused on the use of integrated spatial planning in Malawi and resulted in a commitment from academic institutions, government and projects to work more closely to build spatial planning into the national planning framework.

#### Problems encountered and actual or proposed resolution

No noteworthy problems were encountered under this sub-task during the reporting period.

#### Performance indicator and planned actions for the next quarter

In the overall COMPASS II Performance Monitoring Plan, the target for this sub-task is to “expand the database of best practices to at least 70 sites.

For 2006, the target is to have at least 30 best practices sites identified, and at least five districts with an initial database in support of CBNRM.

**Table 10: Sub-Task 1.2.3: actions for period January—March 2006**

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Produce spatial database of Lake Chilwa and Nkhotakota lakeshore	W. Kafakalawa, M. Chawinga, J. Dickinson, M. Mpezeni	January to March	LTTA time, some STTA time, NSDC
Establish and implement procedure for district participatory forestry mapping and database development in four districts	J. Dickinson, W. Kafakalawa, M. Chawinga N. Chimzukila, M. Mpezeni	January to March	LTTA time, some STTA time, NSDC
Integrate fisheries and forestry mapping into participatory M&E program and adaptive management procedures in five districts	M. Mpezeni, J. Dickinson, W. Kafakalawa	March	LTTA time, local contract, NSDC
Set up procedures and undertake land cover assessment and change detection with Dept. of Forestry and Land Resources Conservation Dept.	W. Kafakalawa, M. Chawinga, J. Dickinson, K. Sichinga	March	LTTA time, some STTA time
With all departments, design procedure for landscape scale resource assessment	W. Kafakalawa, T. Johnson, J. Dickinson, M. Chawinga, K. Sichinga	February and March	LTTA time, some STTA time

#### TASK 1.3: IMPROVE CBNRM STAKEHOLDER COORDINATION

Having the authority to sign resource management agreements and the ability to exercise that authority well is enhanced by sharing of experiences between and among stakeholders at all levels. COMPASS is supporting and encouraging coordination of activities across sectors, and sharing of lessons across districts, partially as a means of institutionalizing CBNRM efforts.

Three sub-tasks contribute to improved coordination and lessons sharing. These are to: (1) strengthen national coordinating bodies; (2) strengthen district coordinating bodies; and (3) strengthen local coordinating bodies. These are detailed below.

### Sub-task 1.3.1: Strengthen national coordinating bodies

Two non-government agencies have recently or are currently being formed in Malawi: the National CBNRM Forum and the Forest Governance Learning Group. Malawi also was a founding member of the Regional CBNRM Forum during 2005. COMPASS will continue to support and work with these agencies with the objective of developing financially self-supporting national CBNRM coordination.

#### Action this reporting period and Sub-Task update

No action taken during this quarter.

#### Performance indicator and planned actions for the next quarter

In the overall COMPASS II Performance Monitoring Plan, the target for this sub-task is to “ensure that [quarterly meetings] become the focus of coordination efforts.”

For 2006, the target is to have a National CBNRM Forum established and nationally recognized by stakeholders.

**Table 11: Sub-Task 1.3.1: actions for period January—March 2006**

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Continue participation in Regional CBNRM Forum	N. Moyo, T. Johnson	Ongoing	LTTA time, workshops
Support establishment of National CBNRM Forum	N. Moyo, P. Munthali	Ongoing	LTTA time, workshops
Assist with sourcing sustainable funding	J. Dickinson, P. Munthali	Ongoing	LTTA time
Support development of Forest Governance Learning Group as advocacy body	P. Munthali, N. Chimzukila	Ongoing	LTTA time, workshops

### Sub-task 1.3.2: Strengthen district coordinating bodies

Support to strengthening the District Environmental Subcommittees to play a meaningful role in promoting and mainstreaming CBNRM, including the preparation of action plans for approving and implementing CBNRM plans that provide time-bound targets for signing management agreements with communities and providing support for their implementation.

#### Action this reporting period and Sub-Task update

The actions under this sub-task have already been reported under sub-task 1.1.2.

#### Performance indicator and planned actions for the next quarter

In the overall COMPASS II Performance Monitoring Plan, the “goal [for this sub-task] is to channel resources to the best performing districts and thereby achieve the long-term goal of having 500 natural resource management agreements under implementation by 2008.”

For 2006, the target is to have at least nine districts holding regular coordination meetings among DESC members, and have the district-level sectors working toward integration with District Planning efforts.

**Table 12: Sub-Task 1.3.2: actions for period January—March 2006**

<b>ACTION</b>	<b>PERSON RESPONSIBLE</b>	<b>EXPECTED TIMELINE</b>	<b>RESOURCES REQUIRED</b>
Broker and encourage revitalization of DESCs, including sustainable financing mechanisms, and stronger institutional links with DEC and A&NR Committee as well as ADC and VDC	P. Munthali, N. Chimzukila, J. Dickinson	Ongoing	LTTA time, meetings
Support preparation of district CBNRM plans integrated with District Development Plans	P. Munthali, N. Chimzukila, J. Dickinson	Ongoing	LTTA time, meetings
Coordinate and integrate CBNRM planning with village action planning	P. Munthali, N. Chimzukila, J. Dickinson	Ongoing	LTTA time, meetings

Sub-task 1.3.3: Strengthen local coordination bodies

COMPASS is promoting exchanges, to facilitate sharing of experiences among CBNRM practitioners.

**Action this reporting period and Sub-Task update**

No actions have taken place under this sub-task during this quarter.

**Performance indicator and planned actions for the next quarter**

In the overall COMPASS II Performance Monitoring Plan, the “goal [for this sub-task] is to expose at least 1,250 people to best practices in CBNRM and enterprise development.” For 2006, the target is to expose at least 500 people to best practices.

**Table 13: Sub-Task 1.3.3: actions for period January—March 2006**

<b>ACTION</b>	<b>PERSON RESPONSIBLE</b>	<b>EXPECTED TIMELINE</b>	<b>RESOURCES REQUIRED</b>
Prepare strategy for exchange visits for fishermen and forest/wildlife resource users including identifying potential sites and criteria for participant selection	N. Moyo, N. Chimzukila, WESM	March	LTTA time, transport
Develop mechanisms for linking CBNRM-related groups to VDC/ADC system	P. Munthali, N. Chimzukila, J. Dickinson	March	LTTA time



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

The main aim of adopting CBNRM is to increase local communities' incentives to participate in long-term conservation, by conferring responsibilities and rights over the management of their resource base while increasing their incomes and livelihood support from the same resources. Stakeholders in the natural resource sectors—especially local communities—require adequate knowledge, skills, and tools for managing and utilizing natural resources in a sustainable manner.

This section of the Quarterly Report highlights actions carried out in the first quarter and those planned for the second quarter of 2006 towards achieving COMPASS II targets in the number of communities adopting CBNRM practices, and the number of households participating in CBNRM activities.

Four activities are required to accomplish the enhancement of community capacity for managing natural resources in a sustainable manner and these are: 1) increase capacity for natural resource management at the community level; 2) strengthen capacity of CBNRM service providers; 3) increase public awareness and understanding of CBNRM roles and responsibilities; and 4) strengthen knowledge and accountability of traditional leaders and related officials in CBNRM.

### **TASK 2.1: INCREASE CAPACITY FOR NATURAL RESOURCES MANAGEMENT AT COMMUNITY LEVEL**

#### **Sub-task 2.1.1: Train community representatives participating in VNRMCs and BVCs**

The new sectoral policies of forestry, fisheries and the parks and wildlife sectors advocate for participatory management of natural resources with active involvement of rural community members (resource users). Local institutions such as village natural resource management committees, natural resource committees, beach village committees, and any other constituted group provide community leadership and mobilization in natural resource sectors and hence need appropriate knowledge and skills to better deliver their services. Because COMPASS does not have the human or financial resources to train all of the many hundreds or thousands of community organizations involved in managing natural resources, field efforts are focused on two leveraging mechanisms: district-level staff of sector agencies, and locally-based NGOs with demonstrated competence in providing CBNRM support services.

Following a demand-driven approach to identifying the training content, technical skills in beekeeping and fish farming—two of the most widely-requested enterprises during 2005—are being finalized for roll-out during early 2006, as a Malawi Gold Standard Production Systems series of publications. Each title in the series consists of (1) a trainers' guide appropriate for use by public or private sector extension agents and consisting of both print and DVD video material, (2) a practitioners' handbook for each person trained to keep as a reference for applying the Gold Standard production model, and (3) a business plan showing the financial viability of the production system in a way that loan officers of banks or micro-finance institutions may use to assess whether or not to loan the start-up capital to a beekeeping or fish farming club.

#### **Action this reporting period and Sub-Task update**

An initial brief assessment of the quality of training being provided to VNRMCs by BERDO and IFSP revealed mixed results. While the training activities have been highly successful in getting the target numbers of community members trained, the amount of learning being applied by those trained is less than optimal. COMPASS will undertake a more in-depth assessment of the level of understanding being gained by those undergoing training and recommend appropriate adjustments to the training curricula.

Also this quarter, two training events were held in Chikwawa and Mulanje districts on Participatory Forest Resource Assessment for field staff from the Department of Forestry and local NGOs. The Mulanje event also included staff from the Phalombe district forestry office. Malawi College of Forestry & Wildlife conducted these as the first of an eventual 15 training week-long sessions (also see 2.2.1 below).

### Problems encountered and actual or proposed resolution

BERDO will undergo additional financial management and reporting training by COMPASS Finance staff to improve their transparency and auditable recordkeeping skills. A performance audit of the trainings conducted so far will follow immediately thereafter so that the training can result in management plans and agreements rather than simply a tally of the numbers of people trained.

### Performance indicator and planned actions for the next quarter

In the overall COMPASS II Performance Monitoring Plan, the target for this sub-task is “to serve at least 500 communities in both sectors—at least 350 VNRMCs and 150 BVCs.” For 2006, the target is to train at least 100 communities.

Actions expected in the coming quarter include three additional districts undergoing Participatory Forest Resource Assessment training by the Malawi college of Forestry & Wildlife (see below), a training needs assessment in the fisheries sector to determine appropriate training curricula for district fisheries staff and BVCs, and roll-out of the Malawi Gold Standard Honey Production system to public, private, and civil society extension agents. The BERDO and IFSP performance audits will also be conducted.

**Table 14: Sub-Task 2.1.1: actions for period January—March 2006**

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCE REQUIRED
Review the Malawi Gold Standard Honey Production System Trainers Guide	N. Moyo J. Pratt L. Manda	January	Slight LTTA time
Facilitate roll-out of Malawi Gold Standard Honey Production System materials to training service providers	N. Moyo, B. Sosola, J. Pratt, S. Munthali, L Manda, P Mphaka	February—March	LTTA time, Gold Standard printing, workshops, training kits, DVDs
Initiate training of VNRMCs in Participatory Forest Management on request from district forestry offices	N. Moyo, B. Sosola, N. Chimzukila, P. Munthali	Ongoing	LTTA time; RUFA; IFSP; BERDO; workshops.
Assess prior-year training by BERDO and IFSP to determine application of material	N. Moyo N. Chimzukila	January	LTTA time
Support preparation of training modules and materials from PFM Standards and Guidelines	K. Edwards N. Moyo, B. Sosola, N. Chimzukila	January—March	STTA time; slight LTTA time, illustrator, printing costs
Conduct training needs assessment for fisheries district staff and stakeholders.	N. Moyo, B. Sosola	Upon approval of consultants	LTTA time; STTA time
Develop training modules in line with the identified fisheries training needs	N. Moyo, B. Sosola	Upon completion of needs assessment	LTTA time; STTA time
Train facilitators on development of fisheries management plans	N. Moyo, B. Sosola	Ongoing	LTTA time; STTA time; Malawi College of Fisheries
Field test Participatory Monitoring & Evaluation procedures	M. Mpezeni, N. Chimzukila	Ongoing	ODC time
Orient frontline staff and Natural Resource Committees on participatory M & E techniques and use of manual	M. Mpezeni, K. Sichinga, N. Moyo, B. Sosola	January—March	LTTA time

### TASK 2.2: STRENGTHEN THE CAPACITY OF CBNRM SERVICE PROVIDERS

The second task under CBNRM Capacity Building is to build the ability of Malawian service providers to continue supporting CBNRM beyond COMPASS II or other donor programs. The objective of this task

is to build a critical mass of local organizations and institutions at district level that can provide ongoing organizational strengthening, technical expertise, or business support services at market-based (i.e., not donor-priced) rates. The goal of this is that community-based organizations and natural resource-based enterprises have access to local services of good or better quality at prices they can afford and are willing to pay.

Two sub-tasks contribute to strengthening CBNRM service providers: (1) promote participation of qualified local firms and organizations; and (2) strengthen and support local NGOs.

#### Sub-task 2.2.1: Promote participation of qualified local firms and organizations

COMPASS has developed a database of local firms and organizations that can provide verifiable quality services and the database will be maintained and updated periodically. The main purpose for maintaining the database is that requests for specific service provision from CBNRM groups, NGOs and other stakeholders are linked to qualified providers in a specific district or region.

In compliance with USAID procurement regulations, selection of CBNRM capacity building service providers is done in a transparent manner through bids (when appropriate) to encourage competition and promote quality service delivery. The criteria include: experience in working with community groups, education and expertise of team members, cost effectiveness, general experience, evidence of previous achievements in doing a similar work for other organizations and gender sensitivity.

By internal agreement, the sub-task of promoting sustainable business development services (sub-task 3.1.3) is included in the same roster of CBNRM service providers

#### Action this reporting period and Sub-Task update

Malawi College of Forestry & Wildlife conducted two training events in Chikwawa and Mulanje districts on Participatory Forest Resource Assessment for field staff from the Department of Forestry and local NGOs. The Mulanje event also included staff from the Phalombe district forestry office. These are seen as the first two of an eventual 15 training week-long sessions. Feedback from the College personnel involved, as well as from the participants, was that it was a very useful training.

Also this quarter, Appreciative Inquiry training was scheduled for Chitipa in December, but postponed due to inability of some participants to travel due to heavy rains in their areas making roads impassable. The training was rescheduled for mid-January.

#### Problems encountered and actual or proposed resolution

None of note during the reporting period.

#### Performance indicator and planned actions for the next quarter

In the overall COMPASS II Performance Monitoring Plan, the target for this sub-task is to “make preferential use of local organizations for training and targeted technical assistance at the community and district levels.” This is being done on an ongoing basis.

Actions planned for the 2<sup>nd</sup> Quarter include providing follow-up support to organizations that have undergone Appreciative Inquiry training, to assess how they are applying the skills obtained, at least three additional districts undergoing Participatory Forest Resource Assessment training by the Malawi College of Forestry and Wildlife, and performance audits of BERDO and IFSP mentioned under 2.1.1 above. COMPASS also has been supporting attendance by district staff to short courses offered by the College.

**Table 15: Sub-Task 2.2.1: actions for period January—March 2006**

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCE REQUIRED
Continue working with IFSP, RUFA and BERDO	N. Moyo, B. Sosola, B. Namale	January—March	LTTA time

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCE REQUIRED
Support training by Malawi College of Forestry & Wildlife of field staff in four districts on participatory forest resource assessment (PFRA)	N. Moyo B. Sosola MCFW	January—March	Slight LTTA time Service Contract
Conduct follow-up field visits to assess application of PFRA skills by trained staff in Chikwawa, Phalombe, and Mulanje	N. Moyo N. Chimzukila	February—March	LTTA time
Provide back-up services to NGOs on applying Appreciative Inquiry approach	N. Moyo, B. Sosola	Ongoing	LTTA time
Link community-based organizations and enterprise groups to service providers at district level	N. Moyo, B. Sosola, B. Namale	January—March	LTTA time
Update and manage CBNRM service providers database	B. Namale, N. Moyo	Ongoing	Slight LTTA time
Develop database parameters for brokering contracts	W. Kafakalawa; J. Dickinson	January—March	Slight LTTA time

#### Sub-task 2.2.2: Strengthen and support local NGOs

Despite general limitations from weak governance, meager funding, unclear strategies and contradicting approaches, some NGOs in Malawi are very effective in working with communities on CBNRM. COMPASS II will continue working with NGOs involved in CBNRM activities to enhance service delivery to the rural communities and push them toward more professional service delivery to the communities they are serving.

We will continue identifying local NGOs involved in CBNRM activities in each target district, then providing skills acquisition exercises that will enhance their level of interaction and service delivery, such as training in Appreciative Inquiry and Training for Transformation.

However, not all districts where COMPASS is working during 2006 Work Plan implementation have local NGOs. In these cases, we will be partnering with qualified national NGOs that don't have field presence but are able to provide CBNRM support services on a realistic fee-for-service basis.

Alternatively, COMPASS will strive to build capacity of government staff at district level and assist them with resources that will enable them to effectively provide services to rural communities.

#### Action this reporting period and Sub-Task update

During the reporting period, COMPASS conducted training of trainers in Appreciative Inquiry in Mzimba district targeting districts as well as district-level staff from government and NGO sectors. In total, twenty five district staff were trained.

COMPASS discussed with the Chairperson of the Nyika/Vwaza Association and the DNPW Divisional Manager on possible areas of collaboration between COMPASS and the Association. Among others, the Association presented the following issues for consideration by COMPASS for support: developing a strategic plan; review of the Association's constitution; training members of newly formed VNRCs; and exchange visits for VNRC members. Follow-ups of these issues will be done in the next quarter.

A follow-up field assessment on the application of the trainings in Appreciative Inquiry, NICE para-civic educators and CBFM was conducted in Nkhata Bay and Nkhotakota. In general, AI participants reported their change in mindset, i.e. having a positive and assets-based approach as opposed to problem-focused approach. The application in the field with communities has been constrained by the lack of resources. Participants hinted that with continued coaching by the facilitators, more confidence will be gained in the use of appreciative inquiry approach.

The oriented PCEs in Nkhata Bay and Nkhotakota shared CBFM information in their communities. Some PCEs in Nkhata Bay went to the extent of trying to facilitate participatory forestry resource management, an exercise that is expected to be done by the district forestry staff. This anomaly was later discussed and clarified between the DCEO and the DFO on the limits of each party's involvement in the field on CBFM issues. Consultation visits on existing CBNRM initiatives were conducted in Mzimba districts.

#### Problems encountered and actual or proposed resolution

No new problems to report.

#### Performance indicator and planned actions for the next quarter

The 2006 performance indicator for this sub-task is that at least five NGOs working in target districts have been identified and are undergoing capacity-building activities. The contacts with Greenline Movement add up to seven NGOs that COMPASS is collaborating with in the delivery of CBNRM services in the districts.

Actions planned for the 2<sup>nd</sup> Quarter include a full assessment of the organizational needs of the Nyika-Vwaza Association, continued training on Appreciative Inquiry for NGO staff members, and initiating the roll-out of the Malawi Gold Standard Honey Production System by training extensionists on the materials and their application.

**Table 16: Sub-Task 2.2.2: actions for period January—March 2006**

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCE REQUIRED
Provide Appreciative Inquiry training to NGOs and DESCs in Phalombe, Dedza, Chitipa and Mzimba	N. Moyo, B. Sosola	January—March	LTTA time, workshops
Introduce Appreciative Inquiry Approach to DNPW staff from Lower Shire, Southern & Northern Divisions	N. Moyo, B. Sosola	January—March	LTTA time
Support organization development initiatives for selected CBOs/trusts/associations	N. Moyo, B. Sosola	Ongoing	LTTA time; STTA time
Facilitate the CBNRM training services delivery with RUFA in Mzimba	B. Sosola	February—March	LTTA time
Review the Nyika/Vwaza Association plans and assess areas for COMPASS facilitation	B. Sosola J. Dickinson N. Moyo	January-March	LTTA time
Organize regional training of trainers on Malawi Gold Standard Honey Production System	N. Moyo B. Sosola S. Munthali J. Pratt	March	LTTA time Service Contract

### TASK 2.3: INCREASE PUBLIC AWARENESS AND UNDERSTANDING OF CBNRM ROLES AND OPPORTUNITIES

The third task under CBNRM Capacity Building is to support an effective, broad-based public awareness program using a wide variety of communication tools, targeted at all levels of Malawian government and population, with special emphasis on rural audiences. The overall objective is to promote a transformational shift in the way people at all levels understand Community-Based Natural Resource Management. We expect to demonstrate CBNRM as a viable strategy for rural development and poverty alleviation, rather than a donor-driven adjunct to mainstream government priorities.

We are developing a range of messages for delivery to a variety of target audiences at different levels – from farmers, villagers and CBOs, to district-level leaders and government extension agents, up to senior Ministers and top political leadership – using the most appropriate medium for each message and audience. We will employ a suite of communication tools, from low-tech resources, e.g. a poster or pamphlet or a troupe of entertainers that travel from village to village using music and skits to inform people about CBNRM, to workshops and trainings using PowerPoint presentations, to high-tech presentations on DVD incorporating video and graphic elements as well as nationally broadcast radio and television programs.

The fundamental pieces of the design are to: (1) identify information deficits; (2) craft messages that will support the target audience(s) in overcoming deficits; (3) design communications products to deliver the messages using the tools described above; and (4) identify and develop synergies with partner organizations to leverage effectiveness of message delivery.

Three sub-tasks contribute to increasing public awareness about CBNRM: (1) expand environmental education program through school clubs; (2) develop a public relations outreach program in TV and radio; and (3) establish a website for environment and CBNRM activities.

#### Sub-task 2.3.1: Expand the environmental education program through school clubs

A common justification for encouraging sustainable management of natural resources is that these resources must be conserved for future generations. However, children are commonly excluded from discussion and decision-making regarding resource management. By working through schools and encouraging the formation of environmental clubs, schoolchildren can gain skills and knowledge that will enable them to understand the potential benefits to them of proper resource management and may allow them to influence decisions made by their parents.

COMPASS may support a variety of media related to environmental and CBNRM issues to reach and educate Malawian youth. Working with schools within the areas selected for priority attention this year, COMPASS could support the formation of clubs with print and some video materials.

#### Action this reporting period and Sub-Task update

During 2005, it was decided that the idea of simply increasing the number of school clubs was not the most efficient use of COMPASS resources. Rather, WESM requested that an assessment be made of the effectiveness of existing school clubs, and the media materials used to support them. While a draft Scope of Work has been prepared, identification of suitable candidates was challenging (see 3<sup>rd</sup> Quarter 2005 report). COMPASS remains committed to supporting WESM in this activity; efforts to find suitable candidates will be redoubled until someone can be identified and the assignment conducted.

#### Problems encountered and actual or proposed resolution

No new problems to report. See above.

#### Performance indicator and planned actions for the next quarter

In the overall COMPASS II Performance Monitoring Plan, the target for this sub-task is to “support an expanded effort in primary and secondary school environmental education and various other clubs.” This will be guided by the action plan produced after assessing the effectiveness of existing school clubs.

Actions planned for the 2<sup>nd</sup> Quarter include recruitment and engagement of a suitable candidate to conduct the assessment.

**Table 17: Sub-Task 2.3.1: actions for period January—March 2006**

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCE REQUIRED
Assess environmental education program and develop environmental education strategy	WESM	January—March	STTA time

### Sub-task 2.3.2: Develop a public relations outreach program in TV and radio for Malawi

The core elements of the public outreach by COMPASS are the successful weekly radio program *Chuma Chobisika* or Hidden Treasure and its print version distributed to NICE PCEs and others. COMPASS is also using TV programs and video materials, as well as print materials including briefs, brochures, and calendars with various conservation messages.

This successful approach is being continued and expanded, including the conduct of a public awareness survey on perceptions and understanding of environmental, natural resource management and CBNRM efforts and advances in Malawi. More efforts are being made to coordinate the outreach program with CBNRM institutional development and enterprises, by focusing on the specific areas of COMPASS support and those natural resource-based products that show most promise. A key activity now is the compilation of the Malawi Gold Standard package of materials including both print and video material.

#### Action this reporting period and Sub-Task update

During the 1<sup>st</sup> Quarter, production of the Malawi Gold Standard Honey Production System was the highest priority. By the end of the reporting period, videography had been completed and editing of the DVD was nearly complete. The technical content of the Trainers' Guide was being finalized, and work on the illustrated Beekeepers' Handbook was approximately 50% complete. By the end of the quarter, the Business Plan was the only element lacking. Launch is on track for late January release of a beta version for field testing by extension agents, beekeeping trainers, and Peace Corps Volunteers.

Also this quarter, the CBNRM Occasional Papers series was launched, with 10 initial titles, the Fisheries Dept. requested a 2006 calendar to be produced, work was progressing on the design of the Malawi Gold Standard Aquaculture Production System, the 50<sup>th</sup> anniversary of *Chuma Chobisika* was produced in a special hour-long edition, and a training program for the public awareness staff at the Malawi College of Fisheries was under discussion.

#### Problems encountered and actual or proposed resolution

Delay from the printers postponed publication of Dr. Alfred Nyasulu's dissertation on rural livelihoods in Dedza and Zomba districts. We have rescinded the purchase order and reissued it to another printer.

#### Performance indicator and planned actions for the next quarter

In the overall COMPASS II Performance Monitoring Plan, "the target [for this sub-task] is to raise the production of Nantchengwa to 10,000 per issue and work toward placing one hour of natural resource management and conservation programming per month on TV and four hours per month on radio."

The targets for 2006 are 3-4 hours of radio programming monthly, quarterly print runs of 10,000 copies of Nantchengwa magazine, at least 30 minutes of TV programming average per month, and at least four Malawi Gold Standard Production Systems titles in the publication series. In addition, COMPASS will publish at least six CBNRM Occasional Papers during the year for wide distribution.

**Table 18: Sub-Task 2.3.2: actions for period January—March 2006**

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCE REQUIRED
Produce <i>Nantchengwa</i> magazine and distribute to schools	WESM	January—March	LTTA time
Produce a weekly <i>Chuma Chobisika</i> radio program	P. Mphaka, L. Manda	January—March	LTTA time
Produce bimonthly <i>Chuma Chobisika</i> newsletter	L. Manda, P. Mphaka	January—March	LTTA time

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCE REQUIRED
Release DVD and print materials for the Malawi Gold Standard Honey Production System	P Mphaka, L Manda Spectrum Media, J. Pratt, N. Moyo	February	LTTA time
Support the implementation of the Fisheries Communication Strategy	L Manda, P Mphaka Spectrum Media	February—March	Slight STTA time, LTTA time
Co-ordinate result oriented media production from sectoral departments	L Manda, P Mphaka J. Dickinson	Ongoing	LTTA time
Initiate design of public awareness survey on perceptions and understanding of CBNRM efforts and advances	Spectrum Media WESM	January—March	STTA time

### Sub-task 2.3.3: Establish a web-site for Malawi environmental and CBNRM activities

The use of the world-wide web to disseminate information and encourage and facilitate discussion is expanding exponentially. COMPASS believes that a web-site that provides a forum for information sharing and debate on issues related to environment, biodiversity and CBNRM in Malawi would be of significant benefit. A portal was designed during 2005 to facilitate access by both those having good connection speeds, and a low-graphics version for those with limited access to broadband connections.

The web-site location and long-term management must be agreed at the outset. There is little point for COMPASS to establish its own web-site that, at the end of the project, either disappears or remains static. Possible locations for such a site are WESM, the soon-to-be-formed National CBNRM Forum or the Environmental Affairs Department.

#### Action this reporting period and Sub-Task update

None.

#### Problems encountered and actual or proposed resolution

None.

#### Performance indicator and planned actions for the next quarter

In the COMPASS II Performance Monitoring Plan, the indicator for this sub-task is that a website is up and running and accessible by various stakeholders.

**Table 19: Sub-Task 2.3.3: actions for period January—March 2006**

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCE REQUIRED
Update TAMIS links with Best Practices database/website	A. Nganga M. Mpezeni	2 <sup>nd</sup> quarter	Slight STTA time, slight LTTA time
Continue developing content for the COMPASS website	COMPASS Team	Ongoing	Slight LTTA time

## TASK 2.4: STRENGTHEN KNOWLEDGE AND ACCOUNTABILITY OF TRADITIONAL LEADERS AND RELATED OFFICIALS IN CBNRM

The sustainability of CBNRM efforts in Malawi requires active participation and support of traditional leadership. Traditional leaders form the key governance structure at local level over customary land and its resources. It is important therefore that traditional leaders are engaged in collaborative discussions on issues related CBNRM.

Two sub-tasks contribute to accomplishing this Task: (1) train traditional leaders in CBNRM; and (2) host the annual traditional authority conference.

**Sub-task 2.4.1: Train traditional leaders in CBNRM**

During 2005, traditional leaders were proactively encouraged to participate in training sessions on issues related to natural resources conservation and management. The topics that are of most interest to Traditional Authorities, Group Village Headmen, and Village Headmen include those related to the new sectoral policies, and the evolving roles of traditional leaders in land and resource tenure and allocation. In 2006, we will continue to seek ways to involve traditional leaders in a wide range of training events.

**Action this reporting period and Sub-Task update**

Traditional leaders have been included in training sessions such as community based forestry management (CBFM), participatory forestry resource assessment, community mapping exercises and participatory activity monitoring. Follow-up visits were made to GVHs Mbewa, Chilipula, Sesani I and Kanongola in Nkhosakota and they all showed indication that traditional leaders play a vital role in mobilizing their people in participatory forestry management.

**Problems encountered and actual or proposed resolution**

No problems during the reporting period.

**Performance indicator and planned actions for the next quarter**

In the COMPASS II Performance Monitoring Plan, the target for this sub-task is that 500 recognized traditional authorities have completed training “geared to helping traditional authorities monitor and track the effectiveness of CBNRM initiatives, along with associated enforcement systems, within their jurisdictions.” The target for 2006 is that at least 7 traditional leaders are trained from each district, totaling 105 leaders.

**Table 20: Sub-Task 2.4.1: actions for period January—March 2006**

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCE REQUIRED
Include traditional leaders in COMPASS supported training sessions	N. Moyo, B. Sosola	Ongoing	LTTA time

**Sub-task 2.4.2: Host the annual Traditional Authority conference**

Traditional Authorities are recognized custodians of natural resources on customary land. COMPASS will continue creating an enabling environment for traditional authorities to engage in active discussions on CBNRM implementation in Malawi through organizing an annual conference.

**Action this reporting period and Sub-Task update**

COMPASS organized a TAs conference in early October to accord them an opportunity to discuss and share experiences about community-based natural resources management (CBNRM) implementation in Malawi. The conference was designed to enlighten the TAs’ expected roles, responsibilities and accountability related to CBNRM implementation in Malawi. This conference built on issues raised during the two regional traditional leaders fora held in May, 2005.

The conference centered the discussions on five topics, namely:

- Role of chiefs in decentralization of natural resources;
- An analysis of ways to better integrate TAs into CBNRM activities;
- Enhancing economic opportunities in CBNRM;

- TAs' perspective in the implementation of CBNRM in Malawi; and
- Information and decision making at TA level.

The conference was attended by forty TAs as well as twenty five representatives from departments of Fisheries, Forestry, National Parks and Wildlife, Local Government and Land Resources Conservation participated in the conference, the Nyika/Vwaza Association and CURE. The conference generated 13 resolutions which will be shared with relevant bodies like the Parliamentary Committee on Agriculture, Natural Resources and Agriculture.

**Problems encountered and actual or proposed resolution**

None.

**Performance indicator and planned actions for the next quarter**

In the COMPASS II Performance Monitoring Plan, the target for this sub-task is to “facilitate an annual forum or conference of traditional authorities involved in CBNRM activities... [with]...specific focus on the key policy issues affecting CBNRM implementation.” Another event will be held later in 2006.

**Table 21: Sub-Task: 2.4.2: actions for period January—March 2006**

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCE REQUIRED
Share the resolutions with relevant bodies such as the Parliamentary Committee on Agriculture, Natural Resources and Environment	N. Moyo B. Sosola T. Johnson	February	Slight LTTA time

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

As noted before, the performance indicator for this Results Module is **total revenue households receive from participating in CBNRM activities**. The life-of-project target is US\$750,000. The revenue target for 2006 of at least \$400,000 in cumulative revenues requires cumulative household revenue from CBNRM to double from the 2005 total of \$200,587. COMPASS expects this increment to come primarily from four sources:

1. Increased quantity and quality mainly of honey and also of farmed fish products entering the market—due to the Malawi Gold Standard publications achieving mass replication of improved management in these production systems—and resulting in both expanded sales and profitability for individual producers.
2. Expanded natural resource-based product line through direct investments by COMPASS in co-financing (i.e., through the Enterprise Fund described below), as well as selecting new candidate products for the Malawi Gold Standard publications series after screening and analysis of the market, product, and harvest sustainability aspects of the candidate.
3. Greater number of communities and households participating in CBNRM activities—two of the other primary indicators of COMPASS success. The number of communities adopting CBNRM during 2006 is expected to be at least 186, with an additional 18,745 households engaged in CBNRM activities.
4. More comprehensive and systematic data gathering and reporting, so that the impact of fieldwork is being accurately documented, and that the overall scale of CBNRM in Malawi can be more widely appreciated as part of generating the political will to provide support beyond COMPASS.

COMPASS is proposing to establish a local full-time position to provide leadership of the market analyses and develop greater understanding of market dynamics for natural resource-based products.

Three tasks support increasing sales of natural 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 and actively exploit them on a sustainable basis; and (3) develop and strengthen partnerships between communities and the private sector.

### **TASK 3.1: ENHANCE MARKET ACCESS BY ENTREPRENEURS, HOUSEHOLDS, AND COMMUNITY GROUPS THAT PRODUCE NATURAL PRODUCTS**

The first Task toward increased sales of natural resource-based products is to enable producers of existing natural products to boost sales through increased production, processing, marketing or trade. In some cases, this might mean better business management, greater access to capital, more contacts with buyers, or similar information-based interventions that reduce inhibiting factors.

After desegregation from other products, each natural resource-based product undergoes an opportunity analysis to the extent that information is available. A specific focus in these analyses is to identify ways to expand the range of individuals able to become involved in various aspects of a sector; in other words, women, youth, illiterate, HIV-affected households, and other marginalized groups' limitations on entry will be identified and where possible mitigated.

In the 2006 Annual Work Plan, four sub-tasks are required to enhance market access for existing products. These are: 1) identify clusters and complete sub-sector analyses for key natural products; 2) organize national and regional natural product conferences; 3) promote sustainable business development services; and 4) build capacity for monitoring and sustainable monitoring. A fifth sub-task from the 2005 work plan: “implement small grants program” has been combined under sub-task 3.3.2 “explore and promote sustainable financing strategies” reported below.

### Sub-task 3.1.1: Identify clusters and complete sub-sector analyses for key natural products

COMPASS has focused so far on those products considered by stakeholders to hold the greatest potential for increasing incomes by the largest margin for the largest number of rural Malawian households, while also contributing to a critical mass of households having strong incentives for resource conservation in areas of biodiversity importance. Products presenting the best opportunity for meeting these criteria were honey and farmed fish. Substantial progress has been made toward mass replication of improved production systems in honey and aquaculture. With the roll-out of the Malawi Gold Standard Honey Production System in January 2006, and Malawi Gold Standard Aquaculture Production System later in 2006, production volumes and quality are expected to increase for both products, resulting in both enhanced market access and increased household incomes for producers.

Other products analyzed include wild mushrooms and traditional-use plants that underwent pre-feasibility analyses, with an inventory assessment of one traditional-use plant (Calumba root) conducted. The first-round analysis of *ncheni* fish in Nkhotakota and Nkhata Bay needs to be followed by comprehensive market analyses on the elasticity of price and demand for this species and other fresh, frozen and smoked fish products. The next stages of decision for each of these products will be taken in 2006, including potential Gold Standard production systems for one or more traditional-use plants. For capture fisheries, improved governance is a prerequisite to increased production (see 1.1.3.).

A screening process is being undertaken to identify the 3-5 products that are the next-lowest-hanging fruit within the broad universe of possibilities. COMPASS focuses not on what can be produced; rather, what can be sold in a way that increases incomes of enough households to provide a critical mass of individuals with the financial incentive to conserve the resource base. The screening process, therefore, will consist of market characterization by size, location, dynamics, and likelihood of Malawian production gaining market share in a way that increases incomes of enough households to provide a critical mass of individuals with the financial incentive to conserve the resource base. Natural resource-based products being considered for screening in 2<sup>nd</sup> quarter 2006 include the following:

- Bamboo—for cane furniture and crafts production targeted to working-class domestic market;
- Crocodiles—focusing on Lower Shire production for export (indicated by DNPW staff);
- Curios—perhaps with specific, limited focus on FSC-certified production of Mulanje cedar;
- Fruits—including wild and semi-domesticated species processed for juices & concentrates, jams & jellies, or dried & packaged sales;
- Fuelwood/charcoal—likely to focus on woodlot production systems for possible certification;
- Guinea fowl—widely produced but having an uncertain market which first must be identified;
- Nature-based tourism—preliminary exploration for product development tied to market demand;
- Traditional-use plants—further screening from the pre-feasibility analysis conducted in 2005;
- Tree-seed products—including perhaps *Baobab*, *Jatropha*, *Moringa*, or others with real markets;
- Wildlife products—preliminary exploration for product development tied to market demand.

#### **Action this reporting period and sub-task update**

##### HONEY

An advisory team engaged through WESM completed analysis of technical and cost data on beekeeping collected for development of the Malawi Gold Standard Honey Production System package of training materials. Team members also served as presenters during filming of the video sequences for the DVD presentation of the material from the 'Trainers' Guide. See 2.3.3 for detail on progress toward completing the Gold Standard package. At the close of the quarter, the Business Plan remains the only portion not on track for completion on schedule. Also this quarter, a survey of retail and industrial honey markets and related honey quality was completed in Mzuzu, Lilongwe and Blantyre, and two resorts.

## AQUACULTURE

An expert team from World Fish Center and Department of Fisheries completed analysis of technical, cost and market data collected for development of the Malawi Gold Standard Aquaculture Production System. Analysis revealed that *Oreochromis karongae* should be the target for intensive fish farming and integrated fingerling production, using fertility-enriched, fully-drainable ponds and a supplementary feeding regime based on soya meal (10%) and maize bran (90%) – a commercial by-product normally used in animal rations. Also, COMPASS Public Awareness team and Spectrum Media conducted media development planning meetings with World Fish Center. The full Gold Standard package of materials will be developed during the 2<sup>nd</sup> and 3<sup>rd</sup> quarters.

## CAPTURE FISHERIES

Discussions were held with the Dept. of Fisheries about a comprehensive market analysis that will look at the dynamics of trade flows (both geographic and volumetric), prices and their elasticity, and other critical information that can highlight appropriate interventions on fisheries governance that may result in higher rates of return per unit of catch effort, without encouraging over-exploitation of the resource base. In order to adequately capture information about consumer substitution of different species and products (fresh, smoked, dried), the market study will include the full range of commercially-traded species rather than focusing solely on ncheni as initiated during 2005. The design of this study will be completed in the 2<sup>nd</sup> quarter. [See also fisheries governance under 1.1.3, specifically byelaws development in Nkhotakota.]

## AGROFORESTRY HOME GARDENS

Completed design work this quarter; signed agreements with four collaborating organizations: Family Health International (FHI), National Smallholder Farmers' Association of Malawi (NASFAM), Total Land Care (TLC), and Save the Children; and placed purchase orders for the 1,000 drip irrigation kits to be distributed for the field trials. Bunda College of Agriculture also agreed to conduct a "control group" trial using 20 of the 10x10 meter kits on station. Also, James Lwanda was recruited as the community extension officer to serve as principal liaison with the collaborating organizations and participating farmers, with particular emphasis on the hardware distribution, farmer training and operation of the drip irrigation kits, and quality control oversight on standardized data collection and analysis.

Field coordinators from the four collaborating organizations participated in a study tour to the successful drip irrigation program in Zimbabwe, hosted by design consultant Tonderai Manoto of the LEAD Trust. Finally, by the end of the quarter, a background data questionnaire was finalized and participating farmers had received agroforestry propagules of *Acacia polyacantha* (Mtete) to be used as living fences around the agroforestry home gardens. Total Land Care provided both the propagules and polythene tubes.

## TRADITIONAL USE PLANT PRODUCTS

The report on Calumba Root preliminary resource assessment by Yesetsani Kambewankako was accepted and made into CBNRM Occasional Paper #12 for distribution to stakeholders in January 2006. The panel of experts from the National Research Council will review this and the final report from Don Greenberg and Bronwyn Irwin to determine next steps in promotion of wild plant utilization.

## OTHER NATURAL RESOURCE-BASED PRODUCTS

Initial identification of institutional players and possible information sources is underway for fruits, bamboo, and others listed above. Also, design work commenced for the screening process described on page 40 of this report. The initial screening is expected to take place in the 2<sup>nd</sup> quarter.

### **Problems encountered and actual or proposed resolution**

Market demand analyses remain less than necessary to adequately assess both the size and dynamics of local, regional and international market potential of various natural resource-based products. A new local LTTA position is being contemplated for proposing to USAID under a contract modification and budget realignment exercise to be finalized in January or early February.

### Performance indicator and planned actions for the next quarter

In the COMPASS II Performance Monitoring Plan, the target for this sub-task is that at least 8 sub-sector analyses be completed for target commodities, on “constraints and opportunities in the way value chains are organized and operate (linkages), as well as the quality and availability of skills, knowledge, interests, policies, technologies, and supporting industries and institutions (microeconomic conditions).”

The target for 2006 is that at least 5 additional commodities have been identified for further analysis and support from among the 10 identified for market characterization screening.

Actions planned for the 2<sup>nd</sup> Quarter include initiating the roll-out of the Malawi Gold Standard Honey Production System, screening of the list of products above for those with the next-highest potential for increasing household income while providing conservation incentives, and completion of the design for a comprehensive market analysis in the fisheries sector.

Of special note is the request at the end of the reporting period by the Director of Fisheries that COMPASS support the Department involvement in launching a Presidential Initiative on Aquaculture Development, scheduled for sometime in February. This will involve production of a mini-DVD on aquaculture, as well as release of the final technical report from the World Fish Center team of experts.

**Table 22: Sub-task 3.1.1: actions for period January—March 2006**

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
<b>Honey sub-sector:</b> 1. Release of Malawi Gold Standard Honey Production System training materials 2. Disseminate results of market survey	S. Munthali N. Moyo (Gold Std.) B. Sosola (Gold Std.)	February	LTTA time, printing, training workshops
<b>Fisheries sub-sector:</b> 1. Complete design of market dynamics analysis among retailers, traders, and gear operators 2. Support Dept. Fisheries in launching Presidential Initiative on Aquaculture Development (PIAD)	J. Pratt (market study design) T. Johnson (PIAD)	February	LTTA time, STTA time, printing, workshops, consumer survey
<b>Agroforestry home gardens:</b> 1. Conduct field trials of drip irrigation	J. Lwanda T. Manoto T. Johnson J. Pratt NASFAM, FHI, TLC, Save the Children	Beginning February	LTTA time, STTA time, procurement of drip kits, field cost of trials
<b>Traditional-use Plant Products:</b> 1. Disseminate results of Calumba root study to National Research Council 2. Disseminate results of Greenberg & Irwin study to relevant stakeholders	J. Pratt	January—February	LTTA time, workshop
Design and conduct screening process of potential next-tier natural resource-based products to select 2006 target products	J. Pratt STTA (ECI & FRIM?)	January—February	LTTA time, STTA time
Strategic review of COMPASS involvement in fuelwood and charcoal sub-sector	T. Johnson J. Dickinson	January—February	Slight LTTA time
Fruit products market characterization; possible sub-sector analysis if warranted by market demand for specific products	S. Munthali J. Pratt STTA (ECI Africa?)	Beginning March pending outcome of screening process	LTTA time, STTA time, workshop, field costs

### Sub-task 3.1.2: Organize national and regional natural products conferences

COMPASS proposes to hold a National CBNRM Conference and Trade Fair in 2006 as a trial run for an inter-regional event possibly to be scheduled in 2007.

In addition to this national event, individual sub-sectors will hold smaller national-level workshops as precursors to a consolidated event involving the natural resource-based products sector.

#### Action this reporting period and sub-task update

Plans were laid for a honey industry consultation session at the first anniversary of the 2005 stakeholder meeting. In addition to participation by private sector members of the industry, the Malawi Bureau of Standards, Ministry of Trade & Private Sector Development, representatives of donors sponsoring bee-keeping businesses, and credit providers targeting beekeepers will be invited. The event will focus on launching of the Malawi Gold Standard Honey Production System and its likely effects on the industry, including the potential need to develop an export strategy if quantity and quality effects are realized; coupled with presentation of results and recommendations from the honey market study. The format will be open to all interested parties, with no DSAs paid; lunch and tea breaks will be provided.

#### Problems encountered and actual or proposed resolution

None during the reporting period.

#### Performance indicator and planned actions for the next quarter

In the COMPASS II Performance Monitoring Plan, the target for this sub-task is to “identify public and private sector partners to help organize and promote Natural Products Competitiveness and help to establish business relationships between the private sector and community groups, entrepreneurs and households that produce natural products.”

The 2006 performance indicator for this sub-task is to organize and conduct the first of these events, in conjunction with a national CBNRM conference hosted by an appropriate entity.

Actions planned for the 2<sup>nd</sup> Quarter include the launching event for the Malawi Gold Standard Honey Production System, and a follow-up meeting with National Research Council on traditional-use plant products.

**Table 23: Sub-task 3.1.2: actions for period January—March 2006**

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Oversight agencies for traditional-use plants deliberate on recommendations from Greenberg, Irwin, Kambewankako	J. Pratt Y. Kambewankako	February	LTTA time, STTA time
Honey industry consultation sessions completed in Mzuzu, Lilongwe, Blantyre including launch of Honey Gold Standard	S. Munthali	February—March	LTTA time, workshop
Conduct natural resource-based product screening workshops (with entry fee) for parties interested in following products: 1. Bamboo furniture and crafts 2. Crocodiles, guinea fowl and other wildlife products 3. Fruit processing and trade 4. Mulanje cedar curios (certification) 5. Nature-based tourism 6. Tree-seed products	J. Pratt S. Munthali B. Namale T. Johnson J. Dickinson P. Munthali N. Moyo B. Sosola (especially on bamboo)	Beginning 2 <sup>nd</sup> quarter and as analyses are completed	LTTA time, STTA time, workshops

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Begin organizing national natural resource-based products trade fair, exhibition and CBNRM conference	J. Pratt T. Johnson S. Munthali N. Moyo	Beginning March	Slight LTTA time

### Sub-task 3.1.3: Promote sustainable business development services

Strengthening of human resources to provide a range of support services in the honey and aquaculture sub-sectors will be assisted through roll-out of the *Malawi Gold Standard* extension materials on production systems that are profitable for mass replication by hundreds or thousands of households throughout the target districts.

Dissemination of the Malawi Gold Standard production system materials is hoped to encourage growth in private sector extension agents in a decentralized manner. That is, the target audience for 'Trainers' Guide is district-based entrepreneurs who both practice the Gold Standard system themselves and are able to provide ongoing support—on a fee-for-service basis—to nearby communities engaging in the particular production system. COMPASS believes that this cadre of private extension agents with a base of clients in their own community is a likely future method of breaking through the constraints that currently inhibit graduation of natural resource-based enterprises from donor sponsorship.

For this to happen, the demand for business development services must be increased by providing higher quality information to rural enterprises, while at the same increasing the ability and willingness for those enterprises to pay for the services. This implies that those who are providing high-quality technical and business advice are doing so at fee rates that are in line with the returns an individual producer receives as a result of applying the advice.

COMPASS is addressing the supply side of sustainable business service provision through the Gold Standard packages by improving the quality of information that service providers have at their disposal. We will use the Gold Standard as a way also to improve the capacity of those service providers to deliver high quality business services by accrediting interested entrepreneurs in the target districts.

#### Action this reporting period and sub-task update

Discussion continued with honey industry processors and traders on their interest and ability to embed business and technical services to beekeepers within their operations. In this regard Eco-Products Ltd decided to recruit two more field staff to improve its outreach in both Chitipa and in Nkhata Bay, to Kabunduli Honey Association. No other industry players are following this avenue.

No action has been taken toward identifying possible private extension agents who may apply to become accredited to deliver Malawi Gold Standard training without reducing the margins to processors such as Eco-Products by embedding these services. COMPASS believes that embedding alone is not sustainable.

#### Problems encountered and actual or proposed resolution

It is unclear whether the absence of applicants for accreditation is due to an incorrect approach to our outreach efforts, or a genuine lack of individuals interested and qualified to undergo accreditation. DAI will redouble efforts this quarter to sincerely seek out private extensionists to deliver the Gold Standard training to beekeepers within 4-hours travel by public transport from interested beekeeping clubs.

#### Performance indicator and planned actions for the next quarter

In the COMPASS II Performance Monitoring Plan, the contract target for this sub-task is to “develop sustainable mechanisms for providing basic business development and financial management training to entrepreneurs and local user groups” through “identifying a sustainable source of competent technical assistance which could be provided by strategic partners in the value chain (through embedded services), approved [accredited] business service providers, local government extension staff, and NGOs.”

The 2006 performance indicator is that at least 300 community-based enterprises (including producer associations) in the 15 target districts market their natural resource-based products in regional centers (either directly or through middlemen) by applying the skills learned from accredited service providers.

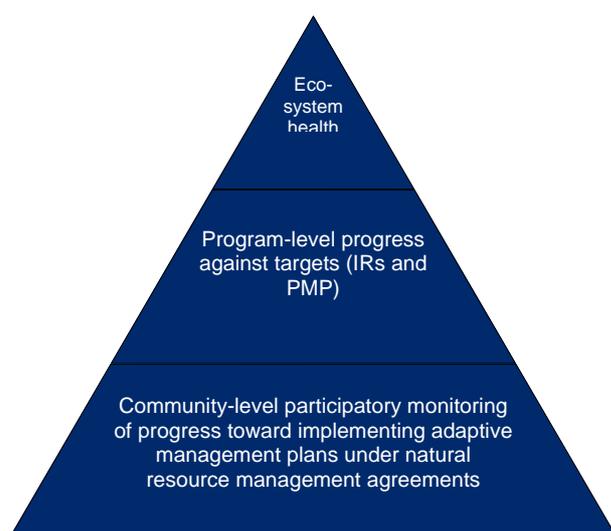
Actions planned for the 2<sup>nd</sup> Quarter focus on the design and establishment of an accreditation mechanism for trainers to deliver the Malawi Gold Standard Honey Production System, and the conduct of training to accredit qualified individuals on the Gold Standard. Loan officers from Enterprise Fund financing institutions will also be trained so that they understand the production system and its profit potential.

**Table 24: Sub-task 3.1.3: actions for period January—March 2006**

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Explore with honey industry processors and traders their interest and ability to embed, within their operations, business and technical services to beekeepers	S. Munthali	Ongoing	LTTA time and field costs
Solicit and select candidate district-based service providers to participate in first round of Gold Standard Honey Production System roll-out, for possible accreditation	S. Munthali B. Sosola	Beginning January	LTTA time and field costs
Train loan/credit officers from banks and microfinance institutions on honey Gold Standard production and business plan	S. Munthali B. Namale	Beginning upon award of Enterprise Fund capital grants	LTTA time, STTA time, workshops
Solicit and select candidate district-based financial management service providers	S. Munthali B. Namale	Beginning January	LTTA time and field costs
Develop and deliver training to potential financial management service providers	S. Munthali B. Namale STTA (if required)	Beginning March	LTTA time and field costs; possible STTA
Design and establish accreditation criteria and operating system for Gold Standard technical extensionists and financial management service providers	J. Pratt S. Munthali B. Namale N. Moyo B. Sosola STTA (ECI Africa)	January—February	LTTA time, STTA time, workshops, field costs

**Sub-task 3.1.4: Build capacity for monitoring and sustainable harvesting**

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



1. Landscape-scale monitoring of ecosystem health or natural resource condition,
2. Program-level monitoring of progress toward the various targets, and
3. Community-level participatory monitoring as part of the adaptive management plans that are the basis for natural resource management agreements (see 1.1.3).

This sub-task contributes to the community-level monitoring undertaken during *adaptive management* and implementation of natural resource management agreements, with specific focus on resource harvest rates where applicable under an Agreement to provide the VNRMC, BVC, RVC, or VNRC and government co-

**Figure 2. COMPASS monitoring pyramid**

signatories information to both adaptively improve resource management and ensure progress toward the management objectives identified in the Agreement. These objectives often include licensing user groups to harvest resources, and monitor rates of harvest against reproductive capacity. COMPASS is investing in developing the capacity for participatory monitoring as part of technical support to development of those agreements (cf. sub-task 1.1.3).

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. The Dept. of Fisheries has requested support toward improving their statistics on commercial fish harvests, to capture data on all commercially important species. Forestry statistics are much less well-developed, and do not include data on indigenous miombo forests and woodlands. Wildlife game counts—including birds—in national parks and reserves are fairly reliable, but little is known about wildlife outside of these areas.

In the 2006 Annual Work Plan, several efforts were identified under this sub-task. These include the following:

1. A simple classification system for condition of miombo woodlands and forests, as identified in the Standards & Guidelines for Participatory Forest Management, 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.
2. Water resource monitoring as a result of an ongoing economic valuation of Mulanje Mountain, producing a first approximation of the likely economic and resource implications of different management options for the Mulanje Forest Reserve. Water is widely viewed as perhaps the most important environmental service and resource provided by the Mt. Mulanje ecosystem.
3. An integrated spatial planning framework that builds on the Development Pathways mapping conducted in September/October 2004, to include 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.
4. Monitoring “top of the pyramid” ecosystem conditions using data generated from the spatial planning framework, including tracking threats to biodiversity and opportunities that biodiversity provides for economic growth activities.
5. Support to USAID/Malawi in building implementing partners’ capacity to understand and apply Regulation 216 guidelines on environmental review of development activities, and to gather data required for reporting on the environmental portions of the Foreign Assistance Act, especially FAA 118 and 119 (covering tropical forests and biodiversity, respectively).
6. For COMPASS-sponsored enterprises, the Environmentally Sustainable Harvest and Use Review (ESHUR) procedure will be updated and applied to enterprises receiving direct support through the Enterprise Fund.

#### **Action this reporting period and sub-task update**

Several of the above activities were initiated during this reporting period. COMPASS co-sponsored a training of USAID/Malawi implementing partners on environmental assessment and environmentally sound design for small-scale activities. This training was conducted in October by The Cadmus Group under a USAID/Africa Bureau activity entitled ENCAP – Environmental Capacity Building. Content delivery was supported by the Bureau Environment Officer and a Regional Environment Officer.

Biodiversity monitoring also was supported this quarter by two USAID/Washington staff members. A team from EGAT/NRM Biodiversity that conducted a TDY assignment in September submitted their reports in October. One of the highlights was a set of recommendations on improving biodiversity threats and opportunities analysis, and specific monitoring indicators related to these. COMPASS put these recommendations to immediate effect by engaging a two-person team of specialists to conduct a detailed analysis of biodiversity threats and opportunities in critical ecosystems. Spike Millington and Madalitso Kaferawanthu (WESM Lilongwe) will complete fieldwork and analysis this coming quarter.

The integrated spatial planning framework (cf. sub-task 1.2.3) was launched in November at a national workshop attended by 50+ technical specialists from relevant government agencies, academic institutions, and field practitioners. Testing of both the spatial planning concepts and the assessment of enterprise suitability will be introduced in selected districts during the 2<sup>nd</sup> quarter.

Economic valuation of the Mulanje Mountain ecosystem—and the goods and services it produces—was moved from design to implementation this quarter. Dr. Joy Hecht will return to Mulanje in the coming quarter to finish her evaluation and make recommendations about management options for the Reserve.

In terms of sector-based progress this reporting period, the Malawi Fisheries Research Institute began identifying specific improvements needed in their data capture and analysis systems. COMPASS will provide relevant technical expertise as appropriate depending on identified needs. Also in the fisheries sector, a successful effort by the Department to broker an agreement among relevant stakeholders in Mangochi district toward adoption of by-laws and implementing rules led to a request that COMPASS co-sponsor a similar effort in the 2<sup>nd</sup>-most commercially important fishery: the Nkhotakota lakeshore.

By the close of the quarter, the Chief of Party had opened negotiations with the Forest Research Institute of Malawi to develop from published reports a classification system for miombo woodlands that could be used by field extensionists and frontline staff in describing forest condition as called for under Standards & Guidelines discussed earlier. Adaptation of this methodology to characterizing bee pasture will follow.

#### **Problems encountered and actual or proposed resolution**

Identifying and obtaining reliable and current data for the many goods and services produced by the Mulanje Mountain ecosystem has been challenging. Data on water yields have been particularly difficult.

#### **Performance indicator and planned actions for the next quarter**

In the COMPASS II Performance Monitoring Plan, the contract target for this sub-task is to “work with producer organizations to ensure that a strategy for building capacity for sustainable production and harvest techniques is incorporated into each organization’s business development plan.”

The 2006 indicator is that revised ESHUR guidelines are available to producer associations or NRBEs in the 15 target districts, and being applied by NRBEs receiving direct support from COMPASS. Also, that suitability classifications are developed and disseminated for honey and aquaculture, targeting district and private extension efforts.

Actions planned for the 2<sup>nd</sup> Quarter include conclusion of the biodiversity threats and opportunities analysis, conclusion of the Mt. Mulanje valuation study, continuation of the integrated spatial framework application at district level, and initiation of the forest condition classification for miombo woodlands.

**Table 25: Sub-task 3.1.5: actions for period January—March 2006**

<b>ACTION</b>	<b>PERSON RESPONSIBLE</b>	<b>EXPECTED TIMELINE</b>	<b>RESOURCES REQUIRED</b>
<b>Conclude analysis of biodiversity threats in selected ecosystems, and identify the enterprise opportunities presented by that biodiversity</b>	<b>S. Millington M. Kaferwanthu (WESM)</b>	<b>March completion</b>	<b>STTA time, field costs, workshops</b>
<b>Conclude study to identify economic and commercial value of resources in the Mt. Mulanje ecosystem, toward an estimated valuation of goods and services under different management options</b>	<b>J. Hecht I. Bouvier MMCT</b>	<b>Completed by 31 March</b>	<b>STTA time, field costs</b>
<b>Build participatory monitoring of fish population dynamics into management plan for Lake Chilwa</b>	<b>J. Wilson</b>	<b>Beginning March if elections concluded (see 1.1.3 above)</b>	<b>STTA time, field costs</b>
<b>Support Dept. of Fisheries review and revision of monitoring and analysis systems, including expansion of species and gear covered by existing systems</b>	<b>J. Pratt K. Sichinga</b>	<b>February—March</b>	<b>LTTA time, field costs</b>

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Conduct review and revision of ESHUR in line with Reg. 216 updates, and apply to enterprises supported by Enterprise Fund	T. Johnson M. Mpezeni B. Namale	Ongoing from February	Slight LTTA time
Assemble a simple classification system for miombo woodlands and forests according to their condition	T. Johnson K. Sichinga STTA (FRIM)	February—March	LTTA time, STTA time
Develop and apply an integrated spatial planning framework for directing CBNRM & NRBE development efforts toward an ecosystem-based approach to optimize biodiversity opportunities, mitigate threats, and be monitored at a landscape scale to verify overall CBNRM impacts	B. Bouvier I. Bouvier W. Kafakalawa M. Chawinga K. Sichinga	Ongoing throughout 2006	LTTA time, STTA time, workshops, field costs

### **TASK 3.2: IDENTIFY PRODUCTION AND HARVESTING OPPORTUNITIES FOR NEW NATURAL RESOURCE-BASED PRODUCTS AND ACTIVELY EXPLOIT ON A SUSTAINABLE BASIS**

The purpose of this task is to encourage expansion of the range of natural resource-based products on the markets in Malawi and perhaps externally. Several tactics are being used to accomplish this expansion of the natural resource-based product line. One is the specific parts of the Enterprise Fund design that target new products for pre-commercial refinement of the product or better definition of its market (e.g., through a feasibility analysis) or pilot commercialization for a product that is ready to be tested in the marketplace. This pair of co-financing (matching grant) windows has been widely advertised throughout eastern and southern Africa, to solicit ideas and investments from neighboring countries.

Another tactic is to look at what can be produced, as exceptions to the more general rule adopted by COMPASS of exploring what can be sold not what can be produced. These exceptions are for specific products with known markets, but that are not yet being produced in Malawi. Examples include forest products that are certified as originating from a well-managed forest by one of the certifying organizations accredited to the Forest Stewardship Council principles and criteria (e.g., SmartWood). This option may be possible for products made from Mulanje cedar, for example.

Four sub-tasks contribute to accomplishing this task: (1) to provide technical assistance in performing natural products inventories and train local service providers in inventory techniques, (2) to provide market analysis and other information to entrepreneurs and associations, (3) to create and support producer associations, and (4) to establish quality standards and control procedures.

**Sub-task 3.2.1: Provide technical assistance in performing natural products inventories and train local service providers on inventory techniques**

Working within the targeted districts, COMPASS is tasked to help identify products and their quantities while building capacity about the conduct of inventories. Because the focus of this task and its sub-tasks is new natural resource-based products, well-established products such as fish, fruits, wild mushrooms, and most wood products will not be inventoried under this sub-task. The expectation is that NRBEs involved in producing these products have the capability to assess localized resource bases, although we may be asked to strengthen their existing inventory methodologies or analytical monitoring techniques (e.g., fisheries statistics, as mentioned above).

COMPASS is focusing its efforts on the products listed at sub-task 3.1.1 for which available information on the quantity of product and its locations is either not yet known, or are old data.

In each case, the screening process will be followed either before or concurrently, so that COMPASS is not expending resources to inventory products that have little or no defined market potential. This procedure of working both downstream from the product to the market and upstream from the market to the product worked very well during 2005 for rapid screening of the more than 600 possible species of traditional-use plants.

Another possibility for discussion is that the study valuing goods and services of Mt. Mulanje may be succeeded by investigations towards supporting Mulanje Mountain Conservation Trust's interests in the certification of Mulanje cedar management so that an eco-label may be placed on products made from the cedar extraction industry that caters to the aspirations of local communities. This may require an updated inventory of the resource base, linked to the spatial planning framework cited above (3.1.4).

**Action this reporting period and sub-task update**

Determined that an updated inventory of Mulanje cedar was not required, since MMCT conducted one in early 2004 that is considered current.

**Problems encountered and actual or proposed resolution**

None

**Performance indicator and planned actions for the next quarter**

In the COMPASS II Performance Monitoring Plan, the contract target for this sub-task is to “provide technical assistance in performing natural products inventories in the targeted districts to identify those products that exist and in what quantities and train local service providers in natural products inventory techniques to ensure that local capacity will exist even after the end of the activity.”

The 2006 performance indicator for this sub-task is that 7 natural products inventories are conducted in the 15 target districts, and that local service providers (private extensionists, local government personnel, or NGOs) are trained through joint conduct of such inventories.

**Table 26: Sub-task 3.2.1: actions for period January—March 2006**

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Provide technical support to the conduct of natural products inventories by NRBEs or producers associations working in existing natural resource-based products	J. Pratt STTA (universities or other collaborators)	Upon request by enterprises	LTTA time, STTA time, field costs, workshops
Conduct inventory of other traditional-use plants either in parallel or within market characterization	J. Pratt STTA if required	Pending Nat'l Herbarium action on products to promote	LTTA time, STTA time, field costs, workshops

Sub-task 3.2.2: Provide market analysis and other product information to entrepreneurs, associations and other potential investors

As previously stated, COMPASS is focusing not on which products can be produced as much as which products can be sold. Knowledge about markets—especially for new natural resource-based products—presently is either unknown or unavailable. Under this sub-task, COMPASS is identifying the markets for products (concurrent with the screening process described above under 3.1.1), and gathering as much detail as can be determined regarding product specifications, quality, and other information. One of the aspects of this that is usually insufficient is demand analysis; i.e., understanding how large the potential market for a given product may be, and at what price point consumers or other buyers might shift to competing or otherwise comparable products. Once analyses are completed for a natural resource-based product, COMPASS will disseminate the results widely through publication of Occasional Papers.

**Action this reporting period and sub-task update**

As reported under 3.1.1 above, the screening process of natural resource-based products with potential to increase incomes while providing incentives for conservation will include market characterization. Other than work with ECI Africa on the design of this screening, no action on market analyses of new products was taken this reporting period. A market study of honey was completed in December, as reported above.

### Problems encountered and actual or proposed resolution

None

### Performance indicator and planned actions for the next quarter

In the COMPASS II Performance Monitoring Plan, the contract target for this sub-task is to “provide additional market analysis and information about potential products and their markets to entrepreneurs and associations interested in investing in these products.”

The 2006 performance indicator is that market analyses will be conducted for 4 new natural resource-based products potentially produced from within the 15 target districts, and that the results of these analyses (and those from existing products) is disseminated as widely as is practical through print and broadcast media.

Action to be undertaken in the 2<sup>nd</sup> Quarter include proposing a Market Analysis Specialist local LTTA position, and beginning to assess the demand for FSC-certified products made from Mulanje cedar.

**Table 27: Sub-task 3.2.2: actions for period January—March 2006**

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Design market demand analysis of certified products from Mulanje cedar	J. Pratt STTA & MMCT	February—March	LTTA time, STTA time, workshops, field costs
Support integration of information on natural resource-based products into one or more market update and market linkage or brokerage services presently serving agricultural producers	J. Pratt L. Manda	Ongoing as new product information becomes available	LTTA time, possible initial sponsorship of market information distribution if needed
Develop and broadcast programs for TV and radio to promote natural resource-based products and market orientation of producers	S. Munthali L. Manda P. Mphaka	Ongoing as information becomes available	LTTA time, production costs, airtime
Provide ongoing technical support on market analysis methods to producers, investors, associations, and entrepreneurs	Market Analysis Spec.	Pending approval to create position	LTTA time, possible STTA time if needed

### Sub-task 3.2.3: Create and support producer associations

Under this sub-task, COMPASS is working to strengthen existing associations and create new ones. The experience with producer associations in Malawi has been mixed, however, so we opted to work with individual producers and processors to strengthen their own businesses rather than impose groupings that may not last beyond COMPASS. Once production volumes (and economic muscle) are sufficiently large for individual producers to see the advantages of joint action, the industry itself will identify the need to form associations so they can influence policy, negotiate with larger players within and outside Malawi, and develop common marketing and branding campaigns that benefit all members.

Meanwhile, a grassroots approach is underway. Given current understanding of the challenges facing VNRMCs and BVCs related to them being viewed—often jealously—by fellow community members as exclusionary (see discussion under the decentralization results module), COMPASS is trying to shift the focus toward resource user groups that can be more broadly inclusive. For example, a beekeeping club may be formed among all honey producers within an area. This club may then negotiate with the forest land managers, whether Dept. of Forestry or legitimately representative VNRMC, for allocation of high-quality bee pasture in an area where fuelwood or other harvest activities are restricted. An advantage of this would be that formation of organizations at community level may provide both the impetus and membership of genuinely sustainable associations.

This club structure of user groups could also benefit the tricky issues surrounding licenses for forest access. One option being explored is whether NASFAM may be interested in diversifying their product lines into natural resource-based products with established markets and solid bases of producers.

### Action this reporting period and sub-task update

At the request of Livingstonia Beekeepers Association, COMPASS assisted them with business record keeping procedures.

### Problems encountered and actual or proposed resolution

None

### Performance indicator and actions planned for the next quarter

In the COMPASS II Performance Monitoring Plan, the 2006 target for this sub-task is that producers of at least 4 natural resource-based products within the 15 target districts have begun to organize into clubs or similar groupings to initiate processes that may lead to association formation to achieve economies of scale, including lower input costs, greater access to technical assistance and improved production and harvesting technologies and techniques, and improved access to markets and higher prices by increasing buyers' confidence in product quality and supply volume.

Actions to be undertaken in the 2<sup>nd</sup> Quarter are focused on applying the resource user group principles in practice, especially with beekeeping clubs using the Honey Gold Standard and wild mushroom pickers.

**Table 28: Sub-task 3.2.3: actions for period January—March 2006**

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Begin to "field test" the concept of user groups as both a unit of grassroots governance and producers' grouping toward possible association formation	S. Munthali J. Pratt	Beginning January	LTTA time, field costs
Discuss with NASFAM their interest in adding natural resource-based products to their portfolio; alternatively to provide association formation training to NR clubs	T. Johnson S. Munthali J. Dickinson	February	LTTA time

### Sub-task 3.2.4: Establish standards and quality control procedures

Although placed under the task for new natural resource-based products, standards and quality control procedures may be required with even more urgency among existing products such as honey, processed wild mushrooms, and fresh or processed fish products. While the respective industries should lead such efforts, they may need to be actively encouraged to do so, as part of preparation for possible export of products.

### Action this reporting period and sub-task update

For both wild mushrooms and honey, emphasis is being placed on adherence to quality standards at producer level, since once something has gone wrong from the raw material source the product quality won't improve no matter what the processor does. A major challenge is fragmentation of production which leads to consolidation of products with different quality attributes.

There are ongoing discussions with Malawi Bureau of Standards and honey processors. It has been observed that during times of honey scarcity quality standards are sometimes compromised by the processors. This is why there is no consistency in terms of product quality.

In wild mushrooms the processors regularly give guidance to the harvesters on quality issues, and those not meeting the standards have their mushrooms rejected.

Also this quarter, the Department of Fisheries requested that the fish products market study critically examine fish handling systems and the scope to develop and apply suitable standards, especially for farmed species.

### Problems encountered and actual or proposed resolution

None

### Performance indicator and actions planned for the next quarter

In the COMPASS II Performance Monitoring Plan, the original target for this sub-task was that at least one sub-sector working group has developed an action plan for quality control standards, and that at least one natural resource-based product cluster is in the process of developing standards. Fragmentation of even the most developed natural resource-base product industry (honey) indicates that a more proactive approach is necessary to encourage progress.

The 2006 performance indicator is that producers of at least 3 natural resource-based products within the 15 target districts—honey, wild mushrooms, and farmed fish—have begun to address serious quality control issues, with active facilitation by COMPASS toward broader understanding of the importance of consistently high quality of produce if market access and stability, including prices, is achievable.

Actions to be undertaken in the 2<sup>nd</sup> Quarter include involvement of the Malawi Bureau of Standards in discussions surrounding the launching events for the Honey Gold Standard.

**Table 29: Sub-task 3.2.4: actions for period January—March 2006**

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Facilitate development of honey standard for Malawi in collaboration with industry and Malawi Bureau of Standards	S. Munthali	February	LTTA time, workshop, STTA if needed
Initiate quality control procedures with wild mushroom pickers and processors to result in consistency of product for export	S. Munthali	January—March	LTTA time, field costs, workshops, meetings

### TASK 3.3: DEVELOP AND STRENGTHEN PARTNERSHIPS BETWEEN COMMUNITIES AND THE PRIVATE SECTOR

The purpose of this Task is to facilitate linkages between producers and buyers of natural resource-based products, with emphasis on preparing Malawian small-scale commercial entrepreneurs for entry into international markets. This task consolidates and replicates the individual success of the tasks above that concentrate on existing and new natural resource-base products. The basic strategy here is to facilitate and broker continued strengthening of linkages between and among various parts of the value chains for the different products.

Four sub-tasks are specified toward accomplishing this Task: (1) to broker partnerships, (2) to explore and promote sustainable financing strategies, (3) to increase understanding of the marketing chain among rural households, and (4) to encourage innovative partnerships between communities, entrepreneurs, and one or more potential partners.

#### Sub-task 3.3.1: Broker partnerships

This sub-task carried the mandate to “help link Malawian producers to international markets.” Yet, the low volumes of inconsistent quality of products place limitations on the present ability to consider export potential, except for the two locally-based international processors and exporters of wild mushrooms. The COMPASS team, therefore, is focusing first on improving the quality and quantity of products entering the local marketing chains. The Malawi Gold Standard series of titles will present consistently high quality materials of the best available information to all enterprises engaging in the production systems for those products.

Once local demand is being met, and consistent quantity and quality increase, exploration of export markets with relatively low barriers to entry will be explored. These are not likely to include European Union or North American markets in the near term (i.e., during this work plan period). A proactive role

of brokering sales contracts between producers and processors/consolidators will help to emphasize the need for producers to meet market demands, and for buyers to recognize producer constraints.

COMPASS expects to tap into the highly regarded expertise of Johannesburg-based ECI Africa to support the development of these linkages, using their detailed knowledge of the tourism industry and successes in increasing access to this industry by previously disadvantaged entrepreneurs in South Africa.

#### **Action this reporting period and sub-task update**

Business linkages progress was made in both honey and wild mushrooms during the quarter.

#### **HONEY**

COMPASS continued its efforts to link beekeeping clubs and/or associations to buyers and brokered deals amounting to just over K1 million. During the reporting period, Kabunduli Honey Association was linked to a new, Northern buyer in addition to the already established buyers. This culminated in the association selling 5 metric tons of honey worth K750,000.00 (US\$6,000) in November 2005.

The buyer Company is now planning to establish an office in Nkhata bay district, a move that is likely to further strengthen the relationship with not only Kabunduli Honey Association, but other beekeeping groups in the district as well. This will avail the beekeepers easier access to embedded services like supply of beekeeping equipment, training in beekeeping (including quality control and business management), in addition to providing ready market for their honey.

SBDARA has also been linked to another new entrant into the honey bottling business. This processor is based in Lilongwe and has over the last quarter already bought 2 metric tons of honey from SBDARA, earning the association just over MK 270,000.00 (US\$2,160). The intention of the processor is to enter into long term relationship with the association.

#### **WILD MUSHROOMS FOR EXPORT**

In December, 2005 two meetings were organized as a way of improving linkages, communication and harvesting coordination between mushroom processors for export and communities in Mzimba district. The first of these involved 4 villages in Traditional Authority Kampingo Sibande that surround Mtangatanga Forest Reserve which is one of the major catchment areas. The second was held with communities from 4 villages (Mjojo, Manunda, Gonamaso and Malambike) around Perekezi Forest Reserve. The area has abundant mushrooms which are sold along the Mzimba/Kasungu roadside. When mushrooms from the nearby Mtangatanga Forest Reserve are not adequate, one Company also buys *Cantharellus* species from the Perekezi area.

The company brings its own harvesters from Chikangawa which is seen as depriving local communities of participation in a potential income source. Local leaders are sometimes not aware of these operations. The other Company follows procedures of involving local communities and their leadership whenever they intend to collect mushrooms from the area. Unfortunately, the former company is well-established and processes more mushrooms than the latter. Facilitation of further discussions between this firm and the communities are planned for January 2006 to redress their exclusion.

It was further agreed that if mushrooms are ready/available, the harvesters relay messages through the Forestry Assistant who is based in the area and has a cell phone, or through the food security unit at the Mzimba Rural Development Project office. The Mzimba RDP is already working with the communities in vegetable and mushroom preservation activities. All these measures are expected to contribute both to rural community income enhancement and increasing community participation in monitoring and decision-making for sustainable harvesting.

#### **Problems encountered and actual or proposed resolution**

None

#### **Performance indicator and actions planned for the next quarter**

In the COMPASS II Performance Monitoring Plan, the target for this sub-task is to broker 500 producer-buyer sales contract agreements by 2009. The contract target, however, states simply that "success will be

measured by the value in US dollars of natural products marketed by Malawian producers and local communities through these linkages.”

The 2006 performance indicator for this sub-task is that producers of at least 4 natural resource-based products within the 15 target districts have negotiated at least 150 sales contracts with proactive brokering support from COMPASS.

Actions to be undertaken in the 2<sup>nd</sup> Quarter include continued brokering of sales contracts and business linkages between producers of raw materials and processors or packagers of products.

**Table 30: Sub-task 3.3.1: Actions for period January – March 2006**

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Continue brokering sales contracts between honey producers and buyers	S. Munthali	Ongoing (esp. during peak honey flows)	LTTA time
Facilitate communications linkages and sales contracts between wild mushroom pickers and processors for export	S. Munthali	Ongoing (esp. during peak season starting Dec.)	LTTA time
Continuously identify producers and buyers of natural resource-based products and develop brokerage linkages	J. Pratt S. Munthali	Ongoing throughout 2006	LTTA time, field costs

#### Sub-task 3.3.2: Explore and promote sustainable financing strategies

As noted in the Annual Work Plan for 2006, COMPASS engaged in an extended design process during 2005 of an innovative financing program to facilitate capital access for natural resource-based enterprise start-ups without replicating the disadvantages of counter-productive grants. The final approved design of the Enterprise Fund is a combination of four financial products in two categories:

1. Loan financing to producers, processors, or traders of natural resource products through two loan windows, capitalized through grants to commercial banks and microfinance institutions
  - a. Microfinance loans of \$2,500 or less to community-based enterprises, and
  - b. Investment loans of \$5,000 to \$50,000 to SME-scale NRBEs
2. Support for prospective producers of new natural resource-based products through co-financing (matching grants) to facilitate entry into the market
  - a. Pre-commercial feasibility analyses to finalize product specification, market analyses, etc., in amounts up to \$50,000 each with at least 35% applicant co-financing; and
  - b. Pilot commercialization of those new products that are ready to be tested in the marketplace, in amounts up to \$100,000 each with at least 50% applicant co-financing.

The intent of this design is that banks continue making loans to rural NRBEs once the viability of those enterprises has been demonstrated—effectively subsidizing through the capital grants the cost of lowering risk levels to the point that investing in NRBEs becomes attractive for the banks, while also subsidizing investors’ entry into production of new products.

Implementation of the Enterprise Fund may have other, indirect benefits to the natural products sector in line with the objectives of this sub-task. For example, other banks and MFIs that will not be awarded the capital grants, as well as other donors, may become keen to invest in Malawi Gold Standard production systems. In addition to the NRBE Fund having a leveraging effect on lenders, it also has potential for giving venture capitalists the confidence to invest in new natural resource-based products through co-financing support.

### **Action this reporting period and Sub-Task update**

USAID approved the Enterprise Fund design in the 4<sup>th</sup> quarter of 2005, and the Request for Applications (RFA) was issued immediately thereafter to all legally registered commercial banks and microfinance institutions in Malawi. Concurrently, an Annual Program Statement (APS) was publicized in newspapers in Malawi, South Africa, Kenya and Zimbabwe, with the Kenyan and South African newspapers selected for their wide readership in the eastern and southern African regions, respectively.

By the close of the quarter, seven institutions have submitted responses to the RFA, with some of these applying to operate both the Community NRBE Development microfinance loan product and the NRBE Investment commercial loan product.

In addition, a total of 92 responses have been received to the APS, with at least six of these passing the initial qualification stage regarding completeness of the application, proposing a new natural resource-based product, and demonstrating ability to provide counterpart capital to the matching grant requested. Of those responses not yet qualifying, the majority were requests for the full APS, while others provided business concepts that resulted in either a request for full application or an indication that their product is unlikely to qualify (e.g., agricultural crops such as tobacco, soybeans, or cotton)

Awards are expected to begin in the 2<sup>nd</sup> quarter 2006 following technical review committee deliberations and satisfactory findings on pre-award requirements regarding financial management capabilities.

### **Problems encountered and actual or proposed resolution**

None. The responses to both the RFA and APS indicate good levels of interest in expanding investments into natural resource-based products. Viability of the loan products will be tested in the next 12 months.

### **Performance indicator and actions planned for the next quarter**

In the COMPASS II Performance Monitoring Plan, the target for this sub-task is to implement 100 grants [or loans] by 2008, with 60% of grants [loans] attaining targets, 60% female beneficiaries, 80% of NRBEs remaining viable after one year, and \$5 M of household income generated.

The 2006 performance indicators are that at least two capital grants are awarded for lending to NRBEs benefiting the 15 target districts, and at least 30 loans or co-financing matching grants have been awarded.

Planned actions for the next quarter are as follows:

- Review RFA responses for microfinance of Community NRBE Development Fund and award at least one capital grant.
- Review RFA responses for commercial loans to NRBE Investment Fund and award at least one capital grant.
- Conduct technical appraisal of APS applications for pre-commercial and pilot commercialization activities and recommend qualified applicants for award.
- Conduct pre-award Recipient Control Environment Checklist analyses of all recommended applicants for financial management & internal controls.
- Conduct pre-award Environmentally Sustainable Harvest & Use Review of all recommended applicants for compliance with Reg. 216 & other environmental requirements.
- Review monthly loan portfolios of banks and microfinance institutions for tranche disbursement of capital grants.
- Publicize (for the second time) the APS in newspapers so that interested readers who missed the first announcement may be reached.

**Table 30: Sub-task 3.3.2: actions for period January—March 2006**

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Review RFA responses for microfinance of Community NRBE Development Fund and award at least one capital grant	B. Namale T. Johnson review panel	January 24 <sup>th</sup>	LTTA time, workshop
Review RFA responses for commercial loans to NRBE Investment Fund and award at least one capital grant	B. Namale T. Johnson review panel	January 24 <sup>th</sup>	LTTA time, workshop
Conduct technical appraisal of APS applications for pre-commercial and pilot commercialization activities and recommend qualified applicants for award	B. Namale J. Pratt S. Munthali T. Johnson	Ongoing with review meetings at least 6x per year	LTTA time
Conduct pre-award analyses of all recommended applicants for financial management & internal controls using Recipient Control Environment Checklist	C. Kommwa C. Mafeni B. Namale	Ongoing with award panel meetings	ODC Support Staff, LTTA time
Conduct pre-award Environmentally Sustainable Harvest & Use Review of all recommended applicants for compliance with Reg. 216 & other env. requirements	M. Mpezeni T. Johnson B. Namale	Ongoing with award panel meetings	ODC Support Staff, LTTA time
Review monthly loan portfolios of banks and microfinance institutions for tranche disbursement of capital grants	B. Namale C. Mafeni T. Johnson	Ongoing monthly	LTTA time, ODC Support Staff time

**Sub-task 3.3.3: Increase understanding of the marketing chain among rural households**

Many rural producers have limited understanding of how markets function, or of the roles and functions of other elements in a value chain. This leads to misunderstanding of prices paid to rural producers for raw materials or unprocessed products. Transport costs, packaging, marketing, losses from poor quality and spoilage, and the need for each member of a value chain (including the retailer) to make a fair profit are not widely understood as parts of an overall value chain that requires mid-level players to function efficiently. Please see the Annual Work Plan 2006 for further description of the challenges.

COMPASS is using the Malawi Gold Standard series of titles, as well as *Chuma Chobisika* radio and print materials, to proactively affect the levels of understanding among rural households about the market functions of all parts of a value chain. An equally important set of audiences for these messages are the policy makers, opinion leaders, journalists, and others who promote heavily subsidized solutions to “business development.” This sub-task is linked strongly to both 3.1.3 (decentralized business service provision) and 2.3.2 (public awareness campaigns).

**Action this reporting period and sub-task update**

Some beekeepers, notably those involved in film-shoots for the Malawi Gold Standard, are beginning to appreciate the roles of each stage of the value chain. While in the past there were hostilities between beekeepers and processors regarding payment for their honey, most of them now understand why the consolidators fail to pay cash or delay payment for the honey as they in turn do not normally get cash immediately upon supplying the outlets.

Much of the content of the Honey Gold Standard repeatedly draws the viewer back to the need to produce according to market requirements.

Numerous listener responses to the Chuma Chobisika radio programming throughout 2005 demonstrated the power of radio to communicate with audiences and its potential for use as medium for getting market-awareness messages across.

### Problems encountered and actual or proposed resolution

None

### Performance indicator and actions planned for the next quarter

In the COMPASS II Performance Monitoring Plan, no specific target for this sub-task was specified. The contract, however, states that COMPASS must “help rural households and others in the marketing chain gain a greater understanding of the quality demand of the global marketplace and position themselves to better respond to profit opportunities in CBNRM products.”

The 2006 performance indicator is that at least 30 accredited business service providers have undergone training on market functionalities, results of at least 4 demand analyses are disseminated in local languages throughout the 15 target districts, and at least 3 hours of radio drama have been produced and broadcast.

Actions to be undertaken in the 2<sup>nd</sup> Quarter include identifying and training business service providers in the districts on market chains, and disseminating results of market analyses through a variety of media.

**Table 31: Sub-task 3.3.2: Actions for period January – March 2006**

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Train accredited business service providers (see 3.1.3) on market chain players and their roles and functions	S. Munthali B. Namale	Ongoing beginning 2 <sup>nd</sup> quarter	LTTA time, workshops
Disseminate results of market demand analyses (see 3.2.2) in local languages through print and broadcast media	L. Manda P. Mphaka	Ongoing beginning 2 <sup>nd</sup> quarter	LTTA time, publication costs, airtime

### Sub-task 3.3.4: Encourage innovative partnerships among stakeholders

Partnership formation can be difficult in a context where trust of others is not widespread. Many rural producers would rather sit on the side of the road selling small quantities than pool their products with that of others for combined marketing in more urban centers. The challenge is to overcome suspicions of opportunistic behavior by those accompanying a shipment, so that all producers from a given area might obtain better prices and more stable markets. Addressing this challenge requires innovation and imagination. Neither trait is commonplace among rural subsistence farmers living on the edge of survival.

COMPASS initiated in 2005 a design process to identify the most viable and feasible ways to move forward in facilitating partnership formation, and additionally facilitating the establishment of conditions that might foster innovation and imagination in a public and private sector environment characterized more by dependency than inventiveness. One of the early ideas from that process was to work with affiliations of interdependent business entities that together form vertically and horizontally integrated business “units” that maintain the independence of ownership that many producers value. These ideas will be further elaborated during the follow-up conclusion of the design assignment that is also expected to contribute to greater understanding among the COMPASS team about investors and their specific needs and challenges.

Two industries where this might be possible to test are honey and fisheries—both capture and farmed—where the levels of understanding of more complex business organizations are greater. For products that do not yet have well-developed industries, a greater facilitative role may be needed to achieve partnership formation.

One product that has yet to be fully explored, yet may be the most valuable natural resource in Malawi, is water. As a follow-on to the valuation study begun conducted in the Mt. Mulanje ecosystem, COMPASS will begin examining issues of water pricing with the aim of perhaps brokering greater public-private-community partnerships around natural resources that can quickly elicit involvement by almost all members of a given community.

**Action this reporting period and sub-task update**

No actions undertaken during the reporting period.

**Problems encountered and actual or proposed resolution**

None

**Performance indicator and actions planned for the next quarter**

In the COMPASS II Performance Monitoring Plan, no specific target for this sub-task was specified. The contract, however, states that COMPASS must “encourage innovative partnerships between communities, entrepreneurs, and one or more of the following potential partners: nongovernmental business development organizations, government entities, local academic institutions, micro-credit institutions, donor-funded small enterprise development programs, and regional production and marketing organizations.”

The 2006 performance indicators are that at least 10 businesses have begun negotiations toward partnership formation, that at least 5 potential investors in NRBEs have been identified in the 15 target districts, and at least 2 preliminary workshops have been conducted around the issues of water pricing and “user-pays” principles.

**Table 32: Sub-task 3.3.3: Actions for period January – March 2006**

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Conclude study of investor attitudes and challenges, to determine how best to encourage greater investment in natural resource-based enterprises	B. Sherchand (STTA)	February–March	STTA time, field costs

# **ANNEX A: END-OF-QUARTER FINANCIAL SUMMARY TABLE**



# **ANNEX B: 2006 ANNUAL WORK PLAN PERFORMANCE MONITORING TABLE**

**Table 33: 2006 Annual Work Plan Performance Monitoring Table—results modules, tasks and sub-tasks, indicators**

WORK PLAN TASK	SUB-TASK	PERFORMANCE INDICATOR	TEAM MEMBER(S) RESPONSIBLE	APPROXIMATE TIME FRAME
<b>Results Module #1: More Decentralized Management of Natural Resources in Malawi</b>				
Task 1.1. <i>Promote greater decentralization of key natural resource decision-making</i>	Develop guidelines for community management of natural resources	Guidelines completed and disseminated in nine districts: 1. Fisheries sector – a. participatory fisheries extension handbook and b. fisheries legal toolbox 2. Forestry sector – standards & guidelines for participatory forest management 3. Wildlife sector – revenue sharing guidelines	NRM Decentralization Specialist Asst. Decentralization Specialist Forestry Governance Specialist Public Awareness Specialist Media Production Officer Field Forestry Advisor Sr. CBNRM Specialist STTA sector specialists as needed WESM & Greenwigs	Fisheries extension handbook – by end of 3 <sup>rd</sup> quarter Fisheries legal toolbox by end of 4 <sup>th</sup> quarter Forestry standard & guidelines – launched by Ministry 2 <sup>nd</sup> quarter Wildlife revenue guidelines – by end of 3 <sup>rd</sup> quarter District dissemination ongoing throughout 2006
	Promote devolution of authority to approve natural resource management agreements	9 target districts demonstrably started process of obtaining authority to sign agreements, and 5 of those districts have authority to sign agreements	NRM Decentralization Specialist Asst. Decentralization Specialist Forestry Governance Specialist Field Forestry Advisor Sr. CBNRM Specialist WESM & Greenwigs	Ongoing through 2006 (results depend on government progress with district assembly elections)
	Facilitate natural resource agreements between communities and district authorities	250 agreements approved and being implemented by end of 2006	NRM Decentralization Specialist Asst. Decentralization Specialist Forestry Governance Specialist GIS Specialist & Geographic Information Analysis Specialist Field Forestry Advisor STTA as needed	Ongoing through 2008 for total target of 500 agreements Progress on moving 60 forestry agreements through Dept. by end of 2 <sup>nd</sup> quarter 2006
	Support efforts to harmonize sector legislation with decentralization policy	Substantive progress on review and revision of Forestry Act and Fisheries Conservation and Management Act during 2006	NRM Decentralization Specialist Asst. Decentralization Specialist Forestry Governance Specialist Field Forestry Advisor STTA (legal review) WESM & Greenwigs	Review of Fisheries regulations and Fisheries Conservation and Management Act to commence 2 <sup>nd</sup> quarter; Forestry Governance Learning Group and Dept. review initiated 1 <sup>st</sup> quarter 2006

WORK PLAN TASK	SUB-TASK	PERFORMANCE INDICATOR	TEAM MEMBER(S) RESPONSIBLE	APPROXIMATE TIME FRAME
Task 1.2. <i>Increase district-level capacity to support CBNRM</i>	Build awareness of the opportunities for community-based management of natural resources	15 target districts have access to four key policy briefs in local languages by 2006	NRM Decentralization Specialist Asst. Decentralization Specialist Public Awareness Specialist Media Production Officer Participatory M&E Officer NICE and STTA as needed	Ongoing throughout 2006 Policy and legislation briefs translated and delivered by end of 3 <sup>rd</sup> quarter
	Build district capacity to support and deliver natural resources management services	9 target districts have capacity to support CBNRM with quality services (including integration of traditional authorities into DESC) by end of 2006; and At least 50 community-based organizations are operating in support of CBNRM in 9 districts	NRM Decentralization Specialist Asst. Decentralization Specialist Forestry Governance Specialist GIS Specialist & Geographic Information Analysis Specialist Field Forestry Advisor Monitoring & Evaluation Specialist Participatory M&E Officer	Ongoing throughout 2006 Integrated spatial planning framework roll-out to districts for data gathering, analysis, and management established by end 2 <sup>nd</sup> quarter
	Build a database of CBNRM Best Practice sites	30 Best Practice sites listed in database by end 2006	Asst. Decentralization Specialist CBNRM Training Specialist Regional Training Specialist GIS Specialist & Geographic Information Analysis Specialist NRM Decentralization Specialist Monitoring & Evaluation Specialist Sr. CBNRM Specialist Participatory M&E Officer	Ongoing throughout 2006 Criteria on defining Best Practice finalized with National CBNRM Forum by end 3 <sup>rd</sup> quarter
Task 1.3. <i>Improve CBNRM stakeholder coordination</i>	Strengthen national coordinating bodies	National CBNRM Forum established and recognized by stakeholders	Asst. Decentralization Specialist CBNRM Training Specialist Regional Training Specialist NRM Decentralization Specialist Sr. CBNRM Specialist	Nat'l CBNRM Forum established by end of 3 <sup>rd</sup> quarter Forest Governance Learning Group interactions ongoing
	Strengthen district coordinating bodies	9 districts hold regular DESC meetings to coordinate CBNRM and are working toward sector integration into District Development Plans	Asst. Decentralization Specialist NRM Decentralization Specialist Field Forestry Advisor	Ongoing throughout 2006

WORK PLAN TASK	SUB-TASK	PERFORMANCE INDICATOR	TEAM MEMBER(S) RESPONSIBLE	APPROXIMATE TIME FRAME
	Strengthen local coordinating bodies	500 people exposed to Best Practices through exchange visits	CBNRM Training Specialist Regional Training Specialist Asst. Decentralization Specialist NRM Decentralization Specialist Field Forestry Advisor WESM	Ongoing throughout 2006
<b>Results Module #2: Enhanced Community Capacity for Managing Natural Resources in a Sustainable Manner</b>				
Task 2.1. <i>Increase capacity for natural resources management at the community level</i>	Train community representatives participating in VNRMCs and BVCs	100 communities, comprising 70 VNRMCs and other forest sector stakeholders; and 35 BVCs, RVCs and other fisheries stakeholders in 15 target districts served during 2006	CBNRM Training Specialist Regional Training Specialist Enterprise Development Specialist Reg. Enterprise Devt. Specialist Enterprise Fund Manager Monitoring & Evaluation Specialist Field Forestry Advisor Participatory M&E Officer	Ongoing throughout 2006 Malawi Gold Standard Honey Production System launch 2 <sup>nd</sup> quarter; Aquaculture Production System launch 3 <sup>rd</sup> quarter Dept of National Parks & Wildlife staff training begins 4 <sup>th</sup> quarter
Task 2.2. <i>Strengthen the capacity of CBNRM service providers</i>	Promote participation of qualified local firms and organizations	Database of local CBNRM service providers established, updated annually with linkages to client communities and districts	CBNRM Training Specialist Regional Training Specialist Enterprise Fund Manager	Ongoing throughout 2006 Semi-annual advertisements expected to identify new potential service provider
	Strengthen and support local NGOs	"Preferential use of locally-based organizations for training and targeted technical assistance"	CBNRM Training Specialist Regional Training Specialist Reg. Enterprise Devt. Specialist Enterprise Fund Manager	Ongoing throughout 2006 Active involvement of current 12+ local organizations will continue; more to be engaged
Task 2.3. <i>Increase public awareness and understanding of CBNRM roles and opportunities</i>	Expand the environmental education program through school clubs	Assess effectiveness of current environmental education efforts and complete an action plan	WESM	2 <sup>nd</sup> quarter
	Develop a public relations outreach program in TV and radio for Malawi	10,000 copies distributed of <i>Nantchengwa</i> per issue One hour NRM/conservation programming per month on TV Four hours NRM/conservation programming per month on radio	WESM ( <i>Nantchengwa</i> ) Public Awareness Specialist Media Production Officer Document Production Assistant Spectrum Media (targeted STTA)	Ongoing throughout 2006

WORK PLAN TASK	SUB-TASK	PERFORMANCE INDICATOR	TEAM MEMBER(S) RESPONSIBLE	APPROXIMATE TIME FRAME
	Establish a website for Malawi environment and CBNRM activities	Updated website online (with portal for variable content) and accessible by stakeholders	IT Officer / Data Manager Public Awareness Specialist Document Production Assistant STTA as needed for website devt.	Ongoing throughout 2006
Task 2.4. <i>Strengthen knowledge and accountability of Traditional Authorities and related officials in CBNRM</i>	Train Traditional Authorities in CBNRM	At least 7 traditional leaders trained from each district (105 total)	CBNRM Training Specialist Regional Training Specialist Asst. Decentralization Specialist Field Forestry Advisor STTA as needed	Ongoing throughout 2006
	Host the annual Traditional Authority conference	One annual conference hosted for traditional leaders to discuss policy issues affecting CBNRM implementation in field	CBNRM Training Specialist Regional Training Specialist Other COMPASS staff as needed	Scheduled for 4 <sup>th</sup> quarter
<b>Results Module #3: Increased Sales of Natural Resource-Based Products by Households</b>				
Task 3.1. <i>Enhance market access by entrepreneurs, households, and community groups that produce natural products</i>	Identify clusters and complete sub-sector analyses for key natural products	At least 5 additional commodities have been identified for further analysis and support from among 10 identified for market characterization screening	NRBE Development Specialist Reg. NRBE Devt. Specialist Market Analysis Specialist Other team members and STTA as needed for specific products	Ongoing throughout 2006 Screening 2 <sup>nd</sup> quarter; product studies at appropriate times
	Organize national and regional natural product conferences	Organize and conduct the first natural resource-based products trade fair, exhibition, and CBNRM conference	NRBE Development Specialist Reg. NRBE Devt. Specialist Sr. CBNRM Specialist (COP) CBNRM Training Specialist	Event held July 2006
	Promote sustainable business development services	At least 300 community-based enterprises in 15 target districts market natural resource-based products in regional centers	NRBE Development Specialist Reg. NRBE Devt. Specialist Other team members and STTA as needed for specific products	Ongoing throughout 2006 Accreditation system for service providers targeted for 3 <sup>rd</sup> quarter
	Implement small grants program	n/a recommend combine with 3.3.2 below (see text)	n/a	n/a
	Build capacity for monitoring and sustainable harvesting	Revised ESHUR guidelines available to producers in 15 target districts Honey and aquaculture suitability	Enterprise Fund Manager Monitoring & Evaluation Specialist Other team members & STTA	ESHUR guideline 2 <sup>nd</sup> quarter Honey suitability 3 <sup>rd</sup> quarter Aquaculture suitability 2 <sup>nd</sup> quarter

WORK PLAN TASK	SUB-TASK	PERFORMANCE INDICATOR	TEAM MEMBER(S) RESPONSIBLE	APPROXIMATE TIME FRAME
<i>3.2. Identify production and harvesting opportunities for new natural resource-based products and actively exploit them on a sustainable basis</i>	Provide technical assistance in performing natural products inventories and train local service providers on inventory techniques	7 natural products inventories conducted in 15 target districts Local service providers trained through joint inventory conduct	NRBE Development Specialist Sr. CBNRM Specialist (COP) Other team members and STTA as needed for specific products	Ongoing throughout 2006 Training through joint inventory conduct as individual inventories completed
	Provide market analysis and other product information to entrepreneurs, associations and other potential investors	Market analyses conducted for 4 new NR-based products from 15 target districts Results of analyses disseminated	Market Analysis Specialist NRBE Development Specialist Reg. NRBE Devt. Specialist Other team members and STTA as needed for specific products	Ongoing throughout 2006 Dissemination by print and broadcast media as individual analyses completed
	Create and support producer associations	Producers of at least 4 natural resource-based products within 15 target districts organizing into appropriate groupings	Reg. NRBE Devt. Specialist NRBE Development Specialist Market Analysis Specialist	Ongoing from 2 <sup>nd</sup> quarter
	Establish standards and quality control procedures	Producers of at least 3 NR-based products in 15 target districts addressing quality control issues	Reg. NRBE Devt. Specialist Market Analysis Specialist NRBE Development Specialist	Ongoing throughout 2006 District-level workshops commence 2 <sup>nd</sup> quarter
<i>3.3. Develop and strengthen partnerships between communities and the private sector</i>	Broker partnerships	Producers of at least 4 NR-based products in 15 target districts negotiated 150 sales contracts	Reg. NRBE Devt. Specialist NRBE Development Specialist Market Analysis Specialist	Ongoing throughout 2006 Honey season 3 <sup>rd</sup> quarter Mushroom season 1 <sup>st</sup> -2 <sup>nd</sup> quarter
	Explore and promote sustainable financing strategies	At least 2 capital grants awarded At least 30 NRBE loans or grants	Enterprise Fund Manager Sr. CBNRM Specialist (COP)	Capital awards 2 <sup>nd</sup> quarter NRBE awards ongoing thru Sept.
	Increase understanding of the marketing chain among rural households	At least 30 accredited business service providers trained 4 market analyses disseminated in 15 districts 3 hours radio drama produced	Market Analysis Specialist Reg. NRBE Devt. Specialist Enterprise Fund Manager Other team members and STTA	Ongoing throughout 2006 Training beginning 2 <sup>nd</sup> quarter Market analyses beg. 2 <sup>nd</sup> quarter Radio drama on air 3 <sup>rd</sup> quarter
	Encourage innovative partnerships between communities, entrepreneurs, and one or more potential partner(s)	At least 10 businesses negotiate toward partnership formation At least 5 investors identified 2 water pricing workshops held	Sr. CBNRM Specialist (COP) NRM Decentralization Specialist NRBE Development Specialist Other team members & STTA	Sherchand study concluded 2 <sup>nd</sup> quarter Water pricing beginning 3 <sup>rd</sup> quarter

