



QUARTERLY PROGRESS REPORT—3RD QUARTER 2006

COMMUNITY PARTNERSHIPS FOR SUSTAINABLE
RESOURCE MANAGEMENT (COMPASS II)

COVERING PERIOD: 1ST APRIL-30TH JUNE 2006

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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.

APS	Annual Program Statement
BVC	Beach Village Committee
CBNRM	Community-Based Natural Resources Management
CBO	Community-Based Organization(s)
COMPASS	Community Partnerships for Sustainable Resource Management
DAI	Development Alternatives, Inc.
DEC	District Executive Committee
DESC	District Environmental Sub-Committee
DVD	Digital Video Disk
EAD	Environmental Affairs Department
EDO	Environmental District Officer
ELDS	Evangelical Lutheran Development Services
EPA	Extension Planning Area
EPL	Eco-products Limited
ESHUR	Environmentally Sustainable Harvest or Utilization Review
FGLG	Forest Governance Learning Group
FHI	Family Health International
FRIM	Forest Research Institute of Malawi
FY	Fiscal Year
GDA	Global Development Alliance
GPS	Global Positioning System
GVH	Group Village Headman
Ha.	Hectare
HIV/AIDS	Human Immunodeficiency Virus / Acquired Immunodeficiency Syndrome
IFMSLP	Improved Forest Management for Sustainable Livelihoods programme
IFSP	Info Centre for Fuel and Food Security Promotion
LT*TA	Long-term Technical Assistance
MAFRI	Malawi Fisheries Research Institute
MBS	Malawi Bureau of Standards
MCFW	Malawi College of Forestry and Wildlife

MFI	Microfinance Institution(s)
MMCT	Mulanje Mountain Conservation Trust
MoU	Memorandum of Understanding
NASFAM	National Smallholder Farmers' Association of Malawi
NGO	Nongovernmental Organization(s)
NICE	National Initiative for Civic Education
NP&W	National Parks and Wildlife
NRBE	Natural Resource Based Enterprise(s)
NRM	Natural Resource Management
ODC	Other Direct Costs
PFRA	Participatory Forest Resource Assessment
RUFA	Rural Foundation for Afforestation
SCF	Save the Children Federation
SCFT	Smallholder Coffee Farmers' Trust
SME	Small to Medium Enterprises
STTA	Short-term Technical Assistance
TA	Traditional Authority
TAMIS	Technical and Administrative Management Information System
TLC	Total Land Care
TVM	Television Malawi
USAID	United States Agency for International Development
VNRMC	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 partners¹ 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 3rd Quarterly Progress Report for 2006, covering the period 01st April through 30th June 2006, the 3rd 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 2nd section details the specific activities undertaken between 1st April and 30th June 2006 and planned activities by the field team for the fourth quarter (1st July to 30th September 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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15 July 2006

¹ Wildlife & Environmental Society of Malawi and Spectrum Media

COMPASS ACTIVITY OVERVIEW AND RESULTS

This document is the 3rd 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 April through 30 June 2006.

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 capital assets.

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 towards 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 2006

The following table (next page) 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 for FY2006 is on going and preliminary results at the mid-point are reported in this quarter; USAID /Malawi officials plan to conduct a data quality assessment on FY2005-2006 during 2006.

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

INDICATOR	BASE LINE		2002	2003	2004	2005	2006 ²	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	310587	
NUMBER OF COMMUNITIES ADOPTING CBNRM PRACTICES	315 (2001)	TARGET	300	350	500	650	900	1,000
		ACTUAL	457	599	642	714	894	
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	47775	

² The figures are estimates; final figures will be collected in August and September 2006

INDICATOR	BASE LINE	2002	2003	2004	2005	2006 ²	2007
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	6,144 M 3,066 F 3,083	

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:

“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.

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.

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.

These elements of sustainability may be summed up in the phrase that USAID/Washington devised: *transformational development*³, meaning economic development efforts seek to support the transformation of a country toward “**graduation**” from donor support. COMPASS is working toward the graduation of natural resources management from its current dependency, toward the day when conservation can pay its own way. No one can yet predict when graduation will be; preparations must continue nevertheless.

DIVERSITY

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

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

³ 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.

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

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:

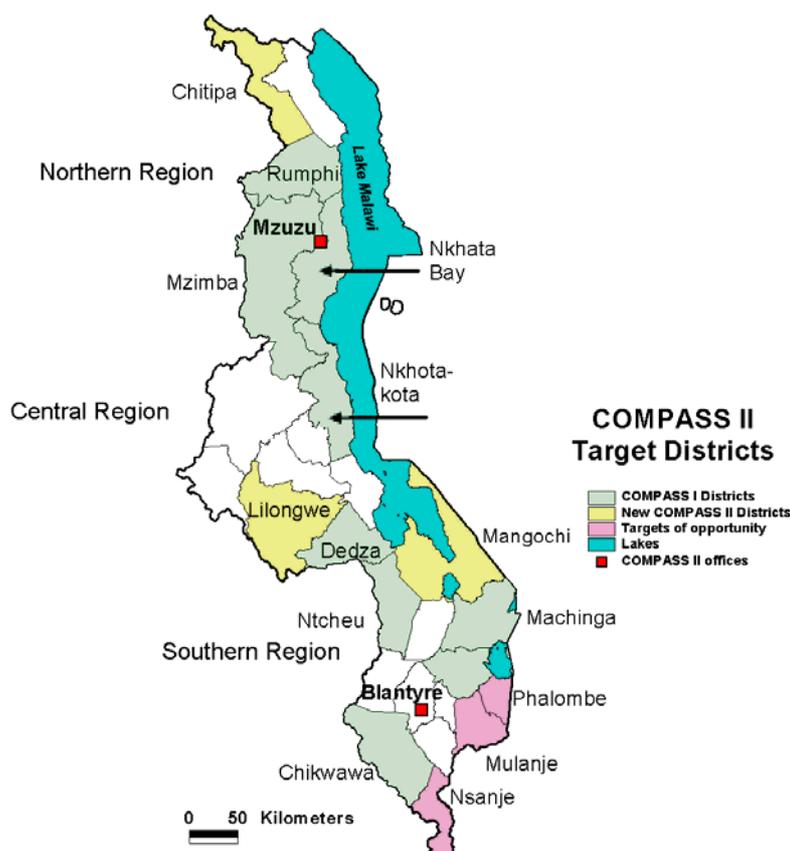
- 15 districts in which NRM devolution plans are adopted and fully implemented;
- 1,000 communities adopting CBNRM practices;
- 80,000 households participating in CBNRM activities; and
- \$750,000 in total revenue households receive from participating in CBNRM activities.

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, Nkhatakota 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 recently included for field concentration are Rumpfi, Mzimba, Lilongwe, Dedza, and Nsanje. However, during the COMPASS II 2nd Quarterly Planning and Review Meeting for 2006, it was agreed that for certain activities related to the development of forest management plans and agreements for community management and co-management, focus would again be narrowed to Chikwawa, Lilongwe, Nkhatakota, Nkhata Bay and Mzimba Districts. In these districts the combination of good potential for enterprise and significant progress towards management plan development promises rapid completion of management agreements, which will serve as models for other districts.

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 (DESC) 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 resource management institutions development is inappropriate.

Direct technical support for CBNRM continues to be provided through **partner agencies**. Locally-based NGOs and community-based organizations (CBO) 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 Directors of Planning and Development 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 3rd Quarter 2006 include:

1. Mulanje Mountain Community-Watershed Partnership Project (MMCWPP) has been launched funded through Global Development Alliance small grant fund;
2. Standards & Guidelines for Participatory Forestry in Malawi have been completed and distribution is well advanced;
3. Cartoon-based series on forest policy for front-line forestry staff has been distributed, in combination with orientation on the policy jointly organized by COMPASS and Improved Forest Management for Sustainable Livelihoods programme (IFMSLP) of the Government of Malawi and well received;
4. The report on “Biodiversity Threats and Opportunities in Malawi” by Spike Millington and Madalitso Kaferawanthu (WESM Lilongwe) was circulated;
5. Community resource mapping is now being undertaken by district technical staff and other service providers in 5 districts with only backup support from COMPASS. Some 4420 Ha. of forest on customary land and in forest reserves and protected areas have been mapped jointly with 7423 households and 15 district officials;
6. Completed Nyika-Vwaza situation analysis report, ready for dissemination in 4th quarter.
7. Registration and elections for beach village committees in the Lake Chilwa basin has been completed; the process of association formation is well advanced;
8. Facilitated elections of sub-committees among 22 beach village committees around the Bua River, Lake Chikukutu and the Nkhotakota Lakeshore. Lake Chikukutu Fishermen’s Association formed and applying for registration;
9. A Grant Agreement was signed by DAI-COMPASS and Tree Crops Limited involving co-financing of US \$97,449 for pilot commercialization of new natural resource-based products (baobab oil & powder); disbursement of funds under this grant was agreed to be on a reimbursement basis and has commenced;
10. A Grant Agreement was signed by DAI-COMPASS and NBS Bank Limited involving a capital grant of US \$300,000 to cover investment loans of US \$50,000 or less to small and medium scale natural resources-based enterprises (NRBE);

11. Another Grant Agreement was signed by DAI-COMPASS and National Bank of Malawi involving a capital grant of \$50,000 to cover microfinance loans of \$2,500 or less to community-based enterprises;
12. Over 35 bankers (managers and credit officers) from National Bank of Malawi were trained in the handling of loan applications submitted by natural resource-based enterprises;
13. Finished editing and production of Beekeepers' Handbook, Beekeeping Trainer's Guide document and DVD set from the Malawi Gold Standard Honey Production System materials (both English and Chichewa); are being distributed;
14. The Malawi Gold Standard Honey production System was launched on TVM in the presence of the Deputy Minister for Mines, Natural Resources and Environment;
15. Training of first "intake" of 16 private sector extension service providers for the Gold Standard Production System completed in Rumphi;
16. Produced and broadcast the 59th through 80th editions of *Chuma Chobisika* radio programs on six stations; three editions of the newsletter have also been published and distributed;
17. Eleven and half hours of TVM broadcasting to promote sustainable economic utilization and conservation of natural resources have been carried out during the quarter;
18. Broadcast one and a half hours of programming on HIV/AIDS and children on TVM, through the documentary film, "Living with Slim";
19. Cleared and distributed 1000 drip irrigation kits to farmers participating in field trials supported by NASFAM, TLC, SCF(US), GOAL International and FHI. Trials are in progress;
20. Completed procurement processes for operation of the NRBE Investment commercial loan window and Community NRBE Development microfinance loan window of Enterprise Fund.

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. The Standards and Guidelines for Participatory Forestry in Malawi were finalized, printed and distributed;
2. Community forestry management plan development well advanced in Chikwawa, Lilongwe and Mzimba Districts and progressing well in four more; Table 4 (pg. 19) provides update of status by district;
3. Distribution field equipment – GPS units and computers – completed for eight district assemblies, with training on community mapping & land-use planning under an integrated spatial planning framework; district sector staff implementing framework as key planning tool; Table 6 provides detail. To date over 6,000 Ha. of forest land on customary land and in forest reserves and protected areas have been mapped;
4. A map and spatial database of the Lake Chilwa basin fisheries has been completed;
5. All beach village committees around Lake Chilwa, Bua basin and Mpoti Lagoon are now registered with elected sub-committees; formation of area associations well advanced;
6. An addendum to the MoU with the Rural Foundation for Afforestation (RUFA) has been signed for funding their support to Mzimba District Department of Forestry in the Eswazeni area for the development of community-based forest management in 35 villages;
7. Preparation of collaborative management plans for three group village headmen in Nkhotakota District supported by the Department of National parks and wildlife well advanced.

INCREASE DISTRICT-LEVEL CAPACITY TO SUPPORT CBNRM

1. Assessment of National Initiative for Civic Education (NICE) drama groups' capacity and abilities completed;
2. The field manual on participatory monitoring & evaluation under adaptive management frameworks, "Measuring Progress for Adaptive CBNRM", has begun to be disseminated.
3. 13 new and 104 repeat editions of *Chuma Chobisika* have been broadcast, and three print editions have been published and disseminated;
4. The Malawi Gold Standard Honey production System has been launched on TVM;

5. Reprints have been made and distributed to district offices of the current forestry, fisheries and wildlife legislation.

IMPROVE CBNRM STAKEHOLDER COORDINATION

1. Active collaboration with the Government of Malawi Improved Forest Management for Sustainable Livelihoods Project has continued.

Key actions expected in the 3rd Quarter 2006 include the following:

- All policy briefs for forestry, fisheries and wildlife sectors will be completed and distributed;
- Drama for public awareness on business opportunities from natural resources will be initiated;
- Full support will be provided to the Department of Forestry's strategy for decentralisation;
- Integration of the formation of producer groups and CBNRM institutions will be initiated;
- Suitability criteria and maps for key natural resources will be prepared;
- Lake Chilwa Fishermen's' Associations will be registered and management plans prepared. In Nkhhotakota District at least 2 associations will be registered and management plans prepared;
- Approximately 75 village forest management plans for forest on customary land will be prepared;
- Three collaborative management agreements for community involvement in protected area management and resource sharing will be prepared;
- Integration of participatory monitoring and evaluation as a tool for adaptive management into the resource management planning process. Field-based training will be provided to district personnel and communities;
- Evaluation of the COMPASS/NICE partnership will be undertaken;
- Fact sheets on the business opportunities from mushrooms, honey and aquaculture (both pond and cage culture) will be prepared;
- Natural resources maps will be prepared for 6 districts;
- A spatial database for the Nkhhotakota fisheries will be prepared;
- Finalization of planning for, and initiation of fieldwork on, a study of the charcoal market to be conducted jointly with Forest Governance Learning Group and Improved Forest Management for Sustainable Livelihoods Project;
- Three exchange visits related to fisheries (1) and cultural tourism (2) will be arranged.

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 courses on Appreciative Inquiry in Mzimba district, and provided follow-up technical support to those districts previously trained.

STRENGTHEN THE CAPACITY OF CBNRM SERVICE PROVIDERS

1. Malawi College of Forestry & Wildlife is conducting Participatory Forest Resource Assessment training in all 15 districts over the next 12 months;
2. 50 Forestry certificate students at the Malawi College of Forestry and Wildlife trained in Appreciative enquiry;
3. Continued technical support on Appreciative Inquiry to district-level agencies and NGOs;
4. Provided training on Appreciative Enquiry to 35 lending officers from National bank of Malawi;
5. Concluded a review of 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. Completed production of print and video extension materials under the Malawi Gold Standard Honey Production System title;
2. Published an additional three titles in the CBNRM Occasional Papers series, the quarterly issue of *Nantchengwa* magazine, the 2006 Fisheries calendar, and Dr. Alfred Nyasulu's dissertation titled "Decentralization, Rural Livelihoods and Poverty Reduction in Malawi";
3. Produced and broadcast 58th through 80th editions of *Chuma Chobisika* radio program, and two issues of *Chuma Chobisika* newsletter for distribution both electronically and in print to district audiences.

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

1. Involved traditional leaders in various training events on community-based forest management, participatory forest resource assessment, community mapping & land-use planning, appreciative inquiry, and adaptive management using participatory monitoring & evaluation techniques.

Key actions expected in the 4th 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 (MCFW);
- Continue providing technical support to Appreciative Inquiry practitioners at field level;
- Launch Malawi Gold Standard Honey Production System for field testing by beekeepers in central and southern regions and conduct accreditation short courses for private and public sector extension service providers;
- 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. Completed participating farmer identification, baseline data gathering, living fence establishment, and training for field trials of agroforestry home gardens using drip irrigation;
2. Assessed potential for value-added processing of wild mushrooms gathered by communities in and around Nkhotakota Wildlife Reserve and possible linkages with export processors;
3. Conducted a series of meetings to identify potential candidates to become accredited Malawi Gold Standard Honey Production System extension service providers, and prepared short course design;
4. Preparation of biodiversity threats and opportunities analysis of critical ecosystems in Malawi;
5. Dissemination of economic valuation study of Mulanje Mountain ecosystem goods and services;
6. COMPASS Enterprise Specialists - in partnership with Fisheries Department staff - conducted a Rapid Market Appraisal in Blantyre, Lilongwe and Mzuzu for Farmed *Chambo* (*Oreochromis karongae*) to reveal consumer preferences and other required marketing information;
7. In April Spectrum Media assisted filming of fish farming activities by the Public Awareness team for the DVD package;
8. The mobilization of aquaculture trials on ten sites for *Gold Standard* corroboration purposes was delayed due to funding problems in the Fisheries Department and, with stocking mostly expected in July, results will not come until November;
9. The Calumba Root preliminary resource and the edited report on Traditional Use Plant Products were presented to the Chairman of the panel of experts from the National Research Council;
10. Discussions with the Forest Governance Learning Group resulted in agreement with the Department of Forestry that COMPASS would draft a Scope of Work and sponsor a formal investigation and report by two local consultants on the charcoal supply chain;

11. A decision on whether to organize a National CBNRM Conference and Trade Fair as a trial run for an inter-regional event in 2007 will be made when program funding questions are resolved;
12. Communications with Malawi Fisheries Research Institute (MAFRI) and Forest Research Institute of Malawi (FRIM) on resource assessment questions need to be reopened;
13. Together with the Innovative Partnerships Design Specialist, discussions were held with relevant representatives of some of the players in the food industry.

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

1. Disseminated results of demand analysis of honey, including survey of consumers and traders;
2. Continue conducting preliminary investigation of potential for rubber wood furniture manufacturing in Nkhata Bay, perhaps with interest in developing a public-private-community partnership;
3. The Agroforestry Home Garden drip irrigation trial moved into full field collaboration with distribution of 93% of the kits; GOAL Malawi signed up;
4. Draft quality standards for honey which were reported in the last report as being in draft form are yet to be finalized by the Malawi Bureau of Standards;
5. A Grant Agreement was signed by DAI-COMPASS and National Bank of Malawi following the award of a \$300,000 capital grant to the Bank.

DEVELOP AND STRENGTHEN PARTNERSHIPS BETWEEN COMMUNITIES AND THE PRIVATE SECTOR

1. Training of National Bank and New Building Society staff in NRBEs;
2. Initiated the 2nd scheduled input from the Innovative Partnerships Design Specialist, with focus on leverage points in the honey, aquaculture, and mushroom value chains; report expected April.

Key actions expected in the 4th Quarter 2006 include the following:

- Begin production of the Malawi Gold Standard Aquaculture Production System, with target of August completion of all materials and launch of the Aquaculture standard for fish ponds;
- Continue developing a simplified classification system of miombo woodlands and (eventually) bee pasture;
- Disseminate report from biodiversity threats and opportunities analysis of critical ecosystems;
- Disseminate report from economic valuation study of Mulanje Mountain ecosystem;
- Provide disbursements of capital grants to banks and MFIs for commercial and microfinance loan products; implement approved baobab co-financing award; review APS responses;
- Develop implementation plan for MMCWMP.

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 an increase in revenue that can be used to support technical assistance and extension services to communities practicing CBNRM. The creation of natural resources-related business opportunities based on commercial but sustainable harvesting of resources clearly has more potential as a long term revenue earner for district government than simply improving resource management for subsistence activities.

However, all this requires devolution of authority to local government to collect and use licence fees as well as the checks and balances provided by an elected assembly. In addition, resource users need both the institutions that will regulate the utilization of natural resources to ensure sustainability and the *legal right* to harvest natural resources for commercial purposes.

COMPASS, therefore, places emphasis on increasing demand for CBNRM amongst rural households 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 livelihood and business 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 stressed – essential if CBNRM is to be supported by the district assemblies.

It has now become very clear that a decade of efforts to develop natural resources management institutions at village level, lacking a clear focus on the financial benefits and the opportunities to develop enterprise based on natural resources, has failed to raise widespread enthusiasm amongst rural communities for sustainable resource management. COMPASS' efforts to establish clear opportunities for individuals, households, groups and communities to substantially profit from sustainable management and use of their natural resources must be redoubled. *Demonstration* of *real* financial benefits to households is essential to convince households of the need to conserve natural resources.

To this end, this module will integrate fully with the Enterprise Development Module to encourage natural resources user groups' formation, at village or group village level and to strongly link the concept of natural resource-based enterprise with development of regulatory institutions including management plans, constitutions and regulations governing the use of the resources. The roll-out of the Malawi Gold Standard Honey Production System offers real opportunities to broker strong linkages between producers and buyers, at the same time demonstrating the link between conservation of natural resources and income generation. The development of producer group enterprises promises adding value to smallholder

natural resources-based production systems that will provide compelling reasons for creating institutions to safeguard natural resources for the economic and financial benefits they bring.

The process of decentralisation in Malawi has stalled. Neither the Forestry Department nor the Fisheries Department have yet devolved authority for signing management agreements to their district offices or the district assemblies and, while the Department of National Parks and Wildlife has devolved some authority to its divisional offices, individual protected areas still lack any level of financial independence. Revenue sharing schemes with local communities are in place only in the Nyika Vwaza Association area. Fiscal devolution for the Departments of Fisheries and Forestry has also not been implemented and nor, it appears, will it be during the next budget year. Local government elections have not yet been held, local government being managed by a District Action Committee, made up of personnel from the executive. **This situation is impacting negatively on several of COMPASS' targets for this FY. As a result, some of the annual targets have been adjusted to reflect this reality.**

Lacking effective local governance structures, the development of community-based natural resources management institutions that link through village and area development committees to district assemblies becomes difficult. Better, these institutions are geared towards proper management of natural resources for economic and financial reasons. The end result will be the same, that is regulations governing how the resources may be used, legally recognized entities able to function as forestry, fisheries or wildlife management authorities, as required by the respective acts, and able to sign management agreements with the departments' directors. In fact it is potentially more effective, since these institutions will be based on the *use* of natural resources for enhancing incomes, rather than the conservation of those resources for environmental purposes, which are not of primary importance to struggling rural households.

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. However, it is emphasized here that, given the lack of momentum, even reversal (given the lack of ward councilors) of the decentralisation process, preparation of natural resources management devolution plans at districts becomes a serious challenge.

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

In order for decentralisation of natural resource management to take place, three prerequisites must be in place: a willingness for central government to implement decentralisation to local government; effective local government institutions and; *demand from natural resource users* for the rights to manage *and legally utilise* the resources they depend on. COMPASS has only very limited ability to influence the first, no capacity nor mandate to deliver the second, so must concentrate on the third.

The first task 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 personnel are receiving their payroll and their operational funds from district government, their full engagement as decentralized managers providing effective support to CBNRM is hampered. This situation has still not been realized and, it appears, may not be in the near future.

Thus, COMPASS will concentrate on the development of a thriving natural resource-based enterprise sector, supported by private investment and utilizing multiple service providers from both government and the private sector. This should create the necessary demand for management and utilization rights amongst rural households, which central government must respond to through signing management agreements as required in the various legislation or through delegating responsibility to district personnel.

As households, groups and communities begin to benefit from management and use of resources, the necessity for regulatory institutions such as committees, constitutions and management plans and regulations will become clear. Thus the development of decentralised natural resource management institutions will be driven by grass-roots demand rather than government or project interventions.

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.

We will continue to lobby for the delegation of authority for natural resource management agreements review and signature to local government level. This should become easier as management plans are completed and can be used to leverage delegation.

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. The development of successful enterprise based on the use of natural resources, not to mention accurate management planning, requires knowledge about the location, distribution and health of those resources. We will therefore focus more on equipping communities and district technical personnel with the skills to map and assess the key resources required.

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

Action this reporting period and Sub-Task update

Fisheries: The draft handbook for participatory fisheries management institutional development has been further developed.

Publication of the final version of the Legal Toolbox for Participatory Fisheries Management is still pending final agreements on the contents from Department of Fisheries as is finalization of the brief on the legal aspects of participatory fisheries management for district magistrates.

Forestry: Dissemination of the Standards and Guidelines for Participatory Forest Management in Malawi has begun. A series of cartoon-based stories aimed at forest assistant, forest guard and patrolman level that explain the community-based forest management policy have been completed and are being distributed concurrently with orientation courses for front-line forestry personnel, jointly by COMPASS and the Government of Malawi IFMSLP funded by the EU.

Briefs describing the functions of the Standards & Guidelines, targeting four key audiences: headquarters forest policy makers, field practitioners from government and NGOs, district assembly members and communities, have been completed and dissemination has commenced.

Problems encountered and actual or proposed resolution

The Standards and Guidelines were to be launched at a ceremony with the Minister of Mines, Natural Resources and Environment. This launch ceremony was postponed and a new date has not set. While not a precondition for distribution of the document to field practitioners, nevertheless the impact of the document and awareness of its existence and purpose have been affected. It is hoped that the proposed, lower key regional launches will be organized by the Department of Forestry during the next three months.

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 in various formats appropriate for different stakeholders completed in **fisheries** (Participatory Fisheries Management Handbook, briefs and cartoon-based information), **forestry** (Standards & Guidelines for Participatory Forest Management, revised participatory forest management handbook, briefs, posters), and **wildlife** (briefs and revenue sharing guidelines), and that these are being disseminated to interested parties in nine districts.

The emphasis for this quarter will continue using new media especially drama for public awareness on legislation and policy and finalizing preparation of extension materials for participatory fisheries management. Briefs on the legislation governing the three main natural resources sectors will be disseminated to ensure that legal processes at district follow the legislation and incorporate the laws on community-based resource management.

A further emphasis will be on disseminating information through multiple channels – radio, fact sheets and drama - on the potential for the development of natural resources-based enterprise for increasing rural incomes as well as district economies.

Table 3: Sub-Task 1.1.1: actions for period July to September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Ensure that all briefs and distributed widely with appropriate back-up	J. Dickinson, P. Munthali, L. Manda	July to August	LTTA time, printing, illustrator
Prepare poster in local languages for use by front-line staff assisting with participatory forestry management development.	P. Munthali, L. Manda	August - September	LTTA time, printing
Agree with appropriate drama group(s) for preparation of test drama on participatory forest and fisheries management and role out in key districts	J. Dickinson, P. Munthali, L. Manda	July to September	LTTA time, drama group
Fisheries Sector: <ul style="list-style-type: none"> • Finalise and disseminate briefs on fisheries legislation and policy for: <ul style="list-style-type: none"> ▪ fishermen ▪ district assemblies ▪ magistrates; • Finalise preparation of materials on participatory fisheries management: <ul style="list-style-type: none"> ▪ Print and disseminate legal toolbox 	J. Dickinson, L. Manda	July to August	LTTA time, STTA time translator, illustrator, printing, meetings, and workshops
Forestry Sector: <ul style="list-style-type: none"> • Complete dissemination of Standards & Guidelines on Participatory Forest Management • Disseminate briefs on forestry legislation and policy for district magistrates • Continue with revision of participatory forest management planning extension handbook in collaboration with IFMSLP. 	J. Dickinson, P. Munthali, N. Chimzukila L. Manda, B. Sosola	July to September	LTTA time, ODC time translator, illustrator, printing, meetings, and workshops

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Parks & Wildlife Sector: <ul style="list-style-type: none"> Prepare, disseminate briefs on parks & wildlife legislation and policy for district magistrates 	J. Dickinson, L. Manda	July to August	LTTA 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).

The development of community-based enterprise strongly linked through commercial companies to local and even international markets will benefit district assemblies, since collection of revenue from small numbers of commercial organizations will be significantly more effective than from many small, isolated groups and individuals.

Within the fisheries sector, it is likely that several management agreements will be ready for signature during this quarter. COMPASS will work with the Department of Fisheries to ensure that District Commissioners and District Fisheries Officers are closely involved in the process of management agreement signing.

Action this reporting period and Sub-Task update

Visits to all districts continue to be made and district staff, Directors of Planning and Development and District Commissioners engaged in discussion on CBNRM planning and budgeting, financing support to CBNRM, and activities required in promoting CBNRM within the districts. Much more emphasis has been placed on the enterprise opportunities available from good resource management.

Table 4: Progress update on devolved district authority⁴

DISTRICT	STATUS ON 31 DECEMBER 2005
<i>Chikwawa</i>	The participatory forest management process is now in an advanced stage for four villages under GVH Joseph.
<i>Chitipa</i>	A situation analysis on the institutional arrangements of the Nyika Vwaza Association has been completed and presented to the Department of National Parks and Wildlife.
<i>Dedza</i>	No action this quarter
<i>Lilongwe</i>	Preparation of management agreements in 5 locations has proceeded. Management agreement for Sendwe VFA is complete and will soon be submitted to the Director of Forestry for signature.
<i>Machinga</i>	Registration of members of and elections for office bearers of BVC and RVCs on and around Lake Chilwa almost complete. Management planning process initiated. Preparations for association formation and registration on Lake Chiuta almost complete.
<i>Mangochi</i>	No action this quarter
<i>Mulanje</i>	Approval received for the Mulanje Mountain CWPP budget. Implementation will start immediately next quarter.

⁴ It should be noted that COMPASS has made a strategic decision at the beginning of this third quarter to temporarily focus more attention in those nine districts (italics in the table) where the process of management agreement preparation is most advanced.

DISTRICT	STATUS ON 31 DECEMBER 2005
<i>Mzimba</i>	RUFA has signed an addendum to the MoU with COMPASS to facilitate the participatory forest management process in Eswazeni EPA. So far work is well advanced in 8 villages and has commenced in 12 more.
<i>Nkhata Bay</i>	Field visits have been made to all district priority area villages and meetings held to initiate PFM process.
<i>Nkhotakota</i>	For GVH Mbewa (TANAREMA Association) a draft constitution and management plan has been prepared and preparations for registration of the association are being made; institutional development for the Bua fisheries, Lake Chikukutu and the Kambindingu Fishermen's Association are well advanced. The participatory forest management process is well advanced in GVH Mbewa and has been initiated in GVH Pendwe.
<i>Nsanje</i>	No action this quarter
<i>Ntcheu</i>	Discussions are ongoing with district personnel and the regional forestry office to finalize management plans for 36 villages in the Bwanje area.
<i>Phalombe</i>	Registration of members of and elections for office bearers of BVC and RVCs on and around Lake Chilwa almost complete. Management planning process initiated.
<i>Rumphi</i>	A situation analysis on the institutional arrangements of the Nyika Vwaza Association has been completed and presented to the Department of National Parks and Wildlife.
<i>Zomba</i>	Registration of members of and elections for office bearers of BVC and RVCs on and around Lake Chilwa almost complete. Management planning process initiated.

Problems encountered and actual or proposed resolution

As for the previous quarter, the major constraint is the apparent stalling of the decentralisation process. District assembly elections have still not been held. Except in very few cases, Village and Area Development Committees are not functioning. Hence not only is there is no route for communities to influence the local government but also the district executives are not held accountable for their activities.

Almost universally, the District Executive Committee (DEC) and DESC only meet when a specific government- or donor-funded activity requires it. Discussion at these meetings tends to be related only to the funded activity and other issues, including those related to natural resources, are ignored.

Forestry and fisheries officers are still responding largely to directives from headquarters and project-linked activities, rather than to district plans. This situation hampers attempts to integrate district-level natural resources management planning across the various sectors.

Financial resources for the forestry, fisheries and parks and wildlife offices have not been decentralised. Funds are still sent from the departmental headquarters either directly from the departmental headquarters or through the divisional offices and are inadequate for more than very limited field work.

A lack of continuity resulting from frequent re-posting of district commissioners (and other key local government personnel) is also a constraint.

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."

The failure to hold local government elections for 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 continue the effort in all districts to emphasize the necessity of mainstreaming CBNRM planning through revitalized DESC and DEC meetings, funded from the districts budget. However, much more emphasis will be placed henceforward on the potential for good natural resources management by the rural population to contribute to district revenues.

Forestry Department has prepared a draft strategic plan for decentralisation of forestry roles. It clearly identifies the functions of the district forestry office. Implementation of this strategy by the department

will greatly facilitate COMPASS' activities related to devolution. COMPASS' role will be to foster, support and actively encourage implementation in the field.

In addition, it is expected that a number of management agreements will be completed and ready for signing during this quarter. This being the case, it will be a major test of departmental directors' willingness to at least delegate authority to district authorities.

Table 5: Sub-Task 1.1.2: actions for period July to September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Continue with frequent engagement with district technical personnel and district executive members to encourage further integration	J. Dickinson, P. Munthali, B. Sosola, N. Chimzukia	Ongoing	LTTA time, ODC time
Continue engagement with senior personnel at departmental headquarters to encourage delegation of authority	T. Johnson, J. Dickinson P. Munthali	Ongoing	LTTA time
Provide active support to the field implementation of Department of Forestry's decentralisation strategy.	P. Munthali, N. Chimzukila, B. Sosola, J. Dickinson	Ongoing	LTTA time, ODC time

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 and legally binding 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 bye-laws are in place. More particularly, in order for households, groups and communities to enter *commercial* harvesting of forest products – a prerequisite for the development of natural resources-based enterprise, a licence from the Department of Forestry is required. These licences cannot be issued without a legally binding management agreement based on an agreed management plan. These issues predicate the need for legally binding management agreements between communities (users) and government.

In order that a realistic assessment of the potential for natural resource-based enterprise, the availability of those resources in terms of quantity, location and sustainable extraction rates must be known, which requires mapping and resource assessment activities.

Action this reporting period and Sub-Task update

Training in community resource mapping has been completed for field extension staff from Forestry Department in Lilongwe and Mzimba Districts. Follow up training sessions have taken place in Chikwawa, Mangochi, Ntcheu, Phalombe, Mulanje, Nkhata Bay and Nkhotakota where both forestry and especially parks and wildlife staff have begun the process of demarcating community management areas. The training activity covered GPS data processing into resources maps using GIS as a mapping tool.

Equipment to facilitate community resource mapping, namely GPS units and computers have been provided to selected districts, as per the list on the next page:

In support of VFA boundary demarcation, participatory forest resource assessment training has been carried out by the Malawi College of Forestry and Wildlife in Nkhotakota District for forestry front line extension staff. In all districts where resource assessment training has been completed, forestry department personnel are now involved in mapping of forest on village land, with only back-up support from COMPASS technical personnel. To date, some 6,500 Ha. of woodland on customary land, co-management blocks in forest reserves and collaborative management blocks in protected areas have been mapped.

Table 6: Distribution of Field Equipment

DISTRICT ASSEMBLY	DESKTOP COMPUTER	GPS	OFFICE LOCATION OF THE EQUIPMENT	NUMBER OF PARTICIPANTS
Ntcheu	1	3	Forestry Office (PC&3GPS)	6
Chikwawa	1	3	Forestry (2GPS), Parks and Wildlife Lengwe (1GPS)	10
Nkhata Bay	1	3	Forestry(PC& 2GPS) Fisheries (1GPS) Fisheries	6
Mulanje		3	Forestry (2) EDO(1)	7
Phalombe	1	3	Fisheries(PC&1GPS) Forestry (2GPS)	5
Nkhotakota	1	4	Forestry(PC&1GPS) EDO(1GPS), Fisheries (1GPS) Parks and Wildlife (1GPS)	9
Mangochi		3	Forestry (2GPS) Fisheries(1GPS)	5
Mzimba	1	2	Forestry (2GPS)	
TOTAL	6	24		48

The local GIS technician has completed the mapping and database development for the Lake Chilwa basin fisheries. 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 Lakes Chilwa and Chiuta and Mpoti Lagoon as well as the rivers feeding the lake, which provide refuge for lake fish during times of low lake levels. The spatial databases are populated with data related to beach village committee (BVC) and river village committee (RVC) membership and with data from the frame surveys carried out by the MAFRI. It is intended that this database will be an initial stage in the development of a landscape scale resource management plan for the Lake Chilwa basin.

By the end of March, all 48 BVCs and RVCs in the Lake Chilwa and Chiuta areas, comprising over 3,600 fishers, fish processors and fish traders had been registered and elections for BVC sub-committees had been held in 46. The formation of five fishermen's associations is well advanced with election planned within the next two months.

A similar process has now been initiated on the Nkhotakota District lake shore, Lake Chikukutu and the Bua River where a total of 60 BVCs and RVCs will eventually be registered and hold elections and 7 fishermen's associations will be formed. At Lake Chikukutu, the process of association formation is almost completed and the Kambindingu Association in the north of the district is also well advanced in developing constitutions, bye-laws and a management plan. Sixteen BVCs and RVCs have now held elections.

Also in Nkhotakota District, the Department of National Parks and Wildlife have initiated collaborative management programmes with three GVH bordering the Nkhotakota Wildlife Reserve. In one GVH constitution development is almost complete and a draft management plan has been completed. Within the area covered by the Chia Lagoon Watershed Management Project, some 2000 Ha. of the reserve has been mapped and demarcated as a co-management block for GVH Bamba, using the skills and equipment provided by the COMPASS community resource mapping training.

In Lilongwe District, management plans and agreements have been completed or are near completion for five forest areas.

In Mzimba District, the Department of Forestry, supported by RUFA, a local NGO, based in Mzuzu, has begun work to develop management plans and management agreements for at least 33 villages associated with the Hora Mountain Environmental Rehabilitation Organization (HOMERO), a locally-based CBO.

In Chikwawa District, meanwhile, a group of four villages is being supported by the district forestry office, with direct technical assistance from COMPASS to develop management plans for their village forest area.

Problems encountered and actual or proposed resolution

Without doubt, the biggest obstacle to achieving targets in this sub-task remains the lack of resources at district level to undertake the field work essential for effective resource management planning and agreement development. In many districts, forestry, fisheries and parks and wildlife staff are keen to begin work on community resource management planning and are even finding ways of utilizing the very small amounts of money they receive from their divisional offices to make field visits. But the level of effort they are able to provide is still inadequate.

It must also be added, however, that in the *perceived* absence of clear and proven enterprise options, there is little incentive to rural households to participate in the development of resource management plans, particularly for forest on customary land. Enforcement of existing laws on the utilization of forest products is lax. Households can harvest with little hindrance most commodities that they need for day-to-day living and to earn cash when required. It is this area that COMPASS must tackle now that the potential benefits from at least aquaculture and honey production are clear.

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 slow down of the decentralisation process, already described, significantly increases the challenges in achieving of this target.

We will this quarter achieve full integration of the development of enterprise with the institution building necessary for acquisition of management agreements by communities. User group formation at village and supra-village level will be a priority, to be undertaken concurrently with the development of participatory resource management institutions. The Producer Group Enterprise approach will be adapted to the prevailing conditions and emphasis will be place on honey production, mushroom harvesting and processing, aquaculture (pond and cage) and small-scale drip irrigation (See Module 3 for details).

This is a new activity and a period of learning must be factored in. COMPASS will begin this integrated approach in a maximum of four districts selected from Chitipa and Rumphi (concentrating on honey producers within the Nyika National Park, and aquaculture); Nkhata Bay (focusing on honey and mushrooms from the forests on the lakeshore escarpment, and aquaculture); Nkhotakota (focusing on mushrooms and aquaculture and perhaps honey), Mzimba (focusing on honey, mushrooms and perhaps aquaculture) and Mangochi (cage culture).

Scaling up of the community resource mapping activity will continue in support of natural resource enterprise development. Its focus will be turned to more accurate mapping of resources, rather than simple forest area boundary mapping, although this activity, essential if districts are to understand the extent of forest and community managed forest, will continue and be accelerated. In support of this, work will continue this quarter on the development of suitability maps at the highest scale that existing data permits for the main natural resources-based enterprises so far identified – aquaculture, honey production and wild mushrooms.

Table 7: Sub-Task 1.1.3: actions for period July to September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Fisheries Sector: <ul style="list-style-type: none"> • Finalise institutional development, management planning and technical assistance in Lake Chilwa basin with management agreements for 37 BVCs and six association. • Facilitate institutional development, management planning and technical assistance for participatory fisheries mgmt. along Nkhotakota lake shore and Bua River with management agreements for 37 BVCs and 4 associations. • Commence institutional development for participatory fisheries management in the southern lake shore of Nkhata Bay. 	W. Kafakalawa, J. Dickinson M. Mpezeni,	Ongoing	LTTA time, STTA time, meetings, workshops, District Development Fund (limited scope grants)
Forestry Sector: <ul style="list-style-type: none"> • Consolidate and facilitate the broad adoption of community resource mapping including forest resource assessment in six districts (Mzimba, Nkhata Bay, Nkhotakota, Lilongwe, Dedza and Chikwawa) • Facilitate participatory forestry management implementation in 12 districts and integrated resource management plans in two districts • Support Department of Forestry to finalize 75 forest management agreements in preparation for signing 	P. Munthali, J. Dickinson, N. Chimzukila, W. Kafakalawa, M. Mpezeni	Ongoing	LTTA time, ODC time, STTA time, meetings, workshops, motorcycles, computers, District Development Fund (limited scope grants)
Wildlife Sector: <ul style="list-style-type: none"> • Support efforts in Nkhotakota to develop collaborative management agreements and resource sharing with near-reserve communities and fishing communities on lower Bua River, leading to 3 collaborative management agreements. 	J. Dickinson, W. Kafakalawa	July to September	LTTA time, meetings
Develop user group concept and introduce in selected communities in a maximum of four districts	J. Dickinson P. Munthali J. Lwanda	July to September	LTTA time, ODC time STTA time, workshop
Support and facilitate constitution and byelaw development and registration for participatory fisheries, forestry and wildlife organizations	J. Dickinson P. Munthali, N. Chimzukila	Ongoing	LTTA time, ODC time, some STTA time
Agree criteria and prepare suitability maps for specific commodities – aquaculture and honey	W. Kafakalawa, T. Johnson, J. Dickinson	July to September	LTTA time, STTA time, meetings, printing

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

A meeting was held with staff of the Department of Forestry to discuss issues related to the revision of the Forestry Act.

Problems encountered and actual or proposed resolution

Those issues highlighted in the previous quarters report remain unresolved. The planned preparation of district fisheries byelaws in Nkhotakota District was postponed by the Fisheries Department

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. The 2006 target is to make substantive progress toward review and revision of both the Forestry Act and the Fisheries Conservation and Management Act.

However, given the current hiatus in the decentralisation programme nationally, COMPASS will focus less on this sub-task this quarter, unless specific requests are received from the concerned departments.

Table 8: Sub-Task 1.1.4: actions for period July to September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Continue to engage with Departmental personnel to encourage review of the legislation.	J. Dickinson P. Munthali, T. Johnson	July to September	LTTA time

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.

COMPASS has shown that there is potential for the development of private sector, fee-based service provision related to enterprise opportunities available from natural resources harvesting and processing. The development of this concept into actual practice will greatly assist government service providers, not only by increasing the manpower available in each district but also by creating a *demand* for business-oriented services that resource-users will be prepared to pay for.

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

COMPASS' partnership 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.

NICE's recent restructuring may impact on this partnership. Hence COMPASS will explore new routes for raising awareness amongst rural households. New media are being developed including drama (both

live, village-based and radio) and cartoons to reach a wider illiterate and semi-literate audience in a more appropriate way.

This quarter raising awareness on business opportunities and the link to strong community level institutions will be intensified, through much the same media and including “fact sheets” to publicise these opportunities.

Action this reporting period and Sub-Task update

Thirteen new and 104 repeat *Chuma Chobisika* radio programs were broadcast on five community radio stations and three bi-monthly print editions of *Chuma Chobisika* were published. The latter were distributed to approximately 150 recipients. The Malawi Gold Standard Honey Production System video material was launched on 8th April 2006 on TVM in the presence of the Deputy Minister of Mines, natural Resources and Environment. A total of 4.5 hours of video materials were broadcast in eight segments. In addition a Chichewa voice-over of Sam Kaufman’s film about the impact of HIV/AIDS, *Living with Slim*, was broadcast.

Five fact sheets presenting issues related to the charcoal industry, appreciative inquiry, secret ballots for natural resource management committees, decentralisation and natural resources-based enterprise have been produced and await printing and dissemination to stakeholders and the public.

An assessment has been made of the skills available within the NICE drama groups nationwide. It appears that they have the necessary skills and do not require further training.

Since many field personnel at district level have little knowledge of current legislation, reprints of forestry, fisheries and wildlife legislation, including rules and regulations, were printed and distributed

Problems encountered and actual or proposed resolution

No significant problems were encountered during this quarter.

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.”

Depending on the effects of NICE’s restructuring, NICE may continue to act as a primary 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 is being 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.

More “fact sheets” will be developed that emphasize the potential for real financial benefits of natural resource management. These will be complementary with the already developed briefs on the legislation supportive of community management of natural resources.

The potential for developing enterprise, based on the sustainable harvesting of natural resources and for adding value to them by primary processing will be emphasized through fact sheets, radio and television, as will the benefits of self-organization of individual resource harvesters into groups. The target audiences will not only be the communities and resource harvesters themselves but also the district technical personnel and the DEC as well as processors, consolidators and buyers who are already involved in natural resources –related business or have an interest to become involved. The potential revenue opportunity for the assembly from the development of small-scale natural resources-based businesses and the ancillary industries will be highlighted through meetings and possibly workshops.

Table 9: Sub-Task 1.2.1: actions for period July to September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Continue broadcasting <i>Chuma Chobisika</i> with emphasis on the strong linkage between natural resources management and the development of business opportunities.	P. Mphaka, J. Dickinson, L. Manda,	Ongoing	LTTA time, airtime
Begin the use of drama, both live and radio, to promote awareness of communities' rights and responsibilities and the enterprise opportunities that are available through good natural resources management.	P. Munthali, L. Manda, J. Dickinson, N. Chimzukila	July to September	LTTA time, ODC time, drama groups, airtime
Carry out an evaluation of the effectiveness of the COMPASS/NICE partnership in terms of raising awareness of CBNRM.	P. Munthali, N. Chimzukila	August to September	LTTA time, ODC time
Continue publishing <i>Chuma Chobisika</i> newsletter with content geared towards natural resources-based enterprise and expand its circulation.	L. Manda J. Dickinson P. Munthali	Ongoing	LTTA time, printing
Continue with periodic newspaper articles focusing on opportunities for income generation from natural resources management.	L. Manda	Ongoing	LTTA time
Prepare fact sheets on honey production, mushroom production, producer group enterprise.	L. Manda, J. Dickinson S. Munthali	July to September	LTTA time, some STTA time, translator, printing
Begin production of two TV programmes on the potential of wild mushrooms and cage culture of <i>Chambo</i>	P. Mphaka, L. Manda	August - September	LTTA time, airtime

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).

Highlighting CBNRM as a mainstream development strategy in the districts, rather than an activity relegated to the district's environmental action plan is crucial to the success of natural resource-based enterprise.

However, given the financial and manpower constraints facing district offices, their ability to continue to provide effective services widely will continue to be compromised. COMPASS will step up its efforts to promote fee- or contract-based service provision by the private sector for specific enterprise opportunities to supplement and complement the activities of government personnel at district level.

Action this reporting period and Sub-Task update

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

In all districts, agreement was reached last quarter with district staff to focus activities and resources in one or two district priority areas. In some districts these are relatively small and comprise only a few villages, whereas in others, true landscape scale priority areas have been selected.

Given the still limited capacity at district level in terms of financing and human resources, the concept of focusing scarce resources where they can produce the best "return on investment" is crucial. In discussion with district staff, the following areas were defined as district priority areas, where COMPASS will support the efforts of the districts to implement CBNRM to develop landscape scale resource

management plans. Those in italics are the areas where COMPASS has focused more resources during this past quarter and where focus will remain during the next.

Table 10: District Priority Areas

DISTRICT	PRIORITY AREA NAME	MAIN SECTORS INVOLVED
Nsanje	TA Ndamera & TA Tengani	Forestry
<i>Chikwawa</i>	<i>Masenjere Escarpment (initially East bank area)</i>	<i>Forestry</i>
<i>Mulanje</i>	<i>Ruo/Malosa Watershed (TA Laston Njema)</i>	<i>Forestry, EAD, (Water, Agriculture)</i>
<i>Phalombe</i>	<i>Lake Chilwa and Mpoto Lagoon and Lake Chilwa basin</i>	<i>Fisheries, Forestry (Agriculture, Water)</i>
<i>Zomba</i>	<i>Lake Chilwa</i>	<i>Fisheries</i>
<i>Machinga</i>	<i>Lake Chilwa and Lake Chiuta</i>	<i>Fisheries</i>
Mangochi	Namizimu/Mangochi FR (TA Jalasi), TA Nankhumba	Forestry
Ntcheu	Bwanje Valley	Forestry
Dedza	Dedza Escarpment	Forestry
Lilongwe	Dzalanyama Forest Reserve	Forestry
<i>Nkhotakota</i>	<i>Nkhotakota Game Reserve and environs south of Bua River</i>	<i>NP&W, Forestry, Fisheries, EAD</i>
<i>Nkhata Bay</i>	<i>Lake shore escarpment Dwambadzi to Kande Lakeshore</i>	<i>Forestry Fisheries</i>
<i>Mzimba</i>	<i>Eswazeni EPA, Mbalachanda EPA Vwaza Wildlife Reserve Boundary</i>	<i>Forestry NP&W</i>
<i>Rumphi</i>	<i>Nyika/Vwaza Association area</i>	<i>NP&W, Forestry</i>
<i>Chitipa</i>	<i>Nyika National Park boudanry area</i>	<i>NP&W, Forestry</i>

The manual for participatory monitoring and evaluation, an essential tool for adaptive management of resources is now complete, awaiting dissemination.

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. As mentioned above, the continued reliance of district technical personnel on funding from their central headquarters, which is, in any case, very limited and irregular, will adversely affect the achievement of this target.

The strategy of developing district capacity to plan for and monitor CBNRM activities will continue and be strengthened. Of particular importance is the continued promotion of participatory monitoring and evaluation as a tool for adaptive management of natural resources. Field personnel in the forestry, fisheries and wildlife sectors will be given practical, field-based training in the process for using participatory monitoring and evaluation for developing adaptive management plans.

Much more emphasis will now be placed on promoting enterprise and the potential rewards from it as the main driver for CBNRM amongst district technical personnel at all levels. COMPASS believes that fee-based services provided through the private sector and aimed at the development of natural resources-based enterprise amongst households, user groups and communities are crucial for sustainable expansion of business based on natural resources use. COMPASS will continue to explore and expand this avenue for improving service provision.

Table 11: Sub-Task 1.2.2: actions for period July to September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Carry out field-based skills transfer on participatory M&E and adaptive management planning for front-line extension staff.	M. Mpezeni, N. Chimzukila	ONGOING	LTTA time, ODC time
Explore the potential for widening the range of fee-based private sector service provision for natural resources-based enterprise.	J. Lwanda, S. Munthali J. Dickinson	July - September	LTTA time
Work with the Nyika-Vwaza Association to develop their capacity to provide high quality services to their members.	K. Sichinga J. Dickinson P. Munthali B. Sosola	August - September	LTTA time
Provide support to EAD to facilitate ecosystem level planning with all relevant departments at district level	P. Munthali, J. Dickinson W. Kafakalawa	ONGOING	LTTA time, some STTA time
Support skills acquisition for EDOs on participatory forest management planning and collaborative management.	P. Munthali, N. Moyo, B. Sosola N. Chimzukila	July - September	LTTA time, ODC time

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 at 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

The spatial database for Lake Chilwa has been completed. It now remains to equip district fisheries officers with the necessary skills to maintain and update the databases as a tool for management.

The use of participatory monitoring and evaluation as a tool for adaptive management of community managed natural resources is now being promoted amongst communities and district staff and other service providers.

Problems encountered and actual or proposed resolution

No noteworthy problems were encountered under this sub-task during the reporting period apart from the already-noted lack of resources for district staff to undertake data collection.

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.

There is a pressing need for district offices to gather and utilize information related to the status of natural resources and CBNRM in their districts. Not only is this of paramount importance for planning future developments for CBNRM and natural resources-based enterprise but also for central government in order that policies can be reviewed based on real information and changed, when necessary, to meet new circumstances. Currently, except in the fisheries sector, little data is gathered on a regular basis and still less is used for planning in all sectors. COMPASS will work with district personnel to build their capacity for data collection and analysis for planning.

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 12: Sub-Task 1.2.3: actions for period July to September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Integrate fisheries and forestry mapping into participatory M&E programmes and adaptive management procedures for 5 districts.	W. Kafakalawa, M. Mpezeni J. Dickinson, P. Munthali	August to September	LTTA time, meetings
Provide skills to district officers to enable them to collect and analyse spatial and statistical data related to natural resources management.	K. Sichinga, W. Kafakalawa J. Dickinson	July to September	LTTA time
Work with district technical and planning personnel to produce large scale natural resource maps for 6 districts.	W. Kafakalawa, J. Dickinson	July to September	LTTA time, some STTA time, printing
Prepare spatial database and map(s) of Nkhotakota lake, lagoon and river fisheries.	W. Kafakalawa, J. Dickinson	August to September	LTTA time, some STTA time, service contract, printing

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

COMPASS has continued to participate in meetings and activities of the Forest Governance Learning Group (FGLG), including latterly joint planning of a response to the charcoal issue in Malawi and, specifically, preparation of a radio debate on charcoal.

Problems encountered and actual or proposed resolution

The National CBNRM Forum has not met 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.”

COMPASS will collaborate with the Forest Governance Learning Group (FGLG) and the Department of Forestry to carry out a study of the market, trade and production of charcoal in Malawi, in order that the charcoal issue may be tackled in a pragmatic and informed manner, rather than through emotional debate. In support of this and in order to inform a wider audience of the issues related to charcoal production and consumption, a radio debate will be jointly organized by COMPASS, FGLG and the Department of Forestry.

For 2006, the target is to have a National CBNRM Forum established and nationally recognized by stakeholders. However, the current inactivity of the National CBNRM Forum suggests that this target will not be met.

Table 13: Sub-Task 1.3.1: actions for period July to September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Provide support to a National CBNRM Forum workshop.	N. Moyo, P. Munthali	August	LTTA time
Liaise with the Parliamentary Committee for Agriculture and Natural Resources for support to the development of enterprise for conservation.	P. Munthali	ONGOING	LTTA time
Work with the FGLG to implement a study on the supply and value chain for charcoal.	T. Johnson K. Sichinga P. Munthali	August to September	LTTA time, STTA time

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.

Problems encountered and actual or proposed resolution

As has been mentioned previously, the slow pace of fiscal devolution and the lack of district assemblies have led, in many districts, to technical personnel maintaining closer allegiance to their headquarters than to the local government structures. As a result of this and the tendency for DESCs to meet only when there is a specific activity to discuss, accompanied by funding, DESC meetings are rarely held.

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 14: Sub-Task 1.3.2: actions for period July to September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Maintain dialogue with the district technical personnel and district executive to encourage cooperation and integration in planning and implementation.	J. Dickinson, P. Munthali B. Sosola, M. Mpezeni, N. Chimzukila	Ongoing	LTTA time, ODC time

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.

Problems encountered and actual or proposed resolution

Successful examples in Malawi of CBNRM providing significant incomes to rural households are still rare. However, as Malawi Gold Standard Honey Production comes on stream, as the Malawi Gold Standard Aquaculture Production System starts to provide real benefits and when group formation and the development of producer group enterprises have begun to produce benefits for the members, then there will be clear examples of natural resources-based enterprise that will stimulate others and provide real opportunities for learning.

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.

COMPASS has received requests from two CBOs who are interested in developing cultural tourism to visit a village in Mzimba District where cultural tourism has been in operation for two years and money has begun to be generated. The Lake Chikukutu Fisheries Association has also requested an exchange visit with the Lake Chiuta Fishermen’s Association. COMPASS will facilitate visits during this quarter.

Table 15: Sub-Task 1.3.3: actions for period July to September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Support visits to Lake Chiuta Fishermen's Association by members of the Lake Chikukutu Association and Kambindingu Association.	J. Dickinson	August	LTTA time, some STTA time
Support visits by members of TANEREMA and HOMERO to a working "cultural" village in Mzimba.	B. Sosola	August	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 third quarter and those planned for the fourth 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 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.

COMPASS has finalized the training content in beekeeping/honey production for roll-out 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.

Action this reporting period and Sub-Task update

An assessment of the process and impact of training provided to village natural resources management committees (VNRMC) at TAs Nkanda and Mthiramanja in Mulanje district was carried out. The Info Centre for Food and Fuel Security promotion (IFSP) engaged an independent consultant to carry out this activity. The assessment focused on identifying the impact of the COMPASS-supported training on improved forest management by communities as well as the level of adoption of the biomass saving technologies promoted by IFSP. A sample of twelve villages was randomly selected from the 35 villages where training activities were conducted. The report on the findings is expected to be ready in the next quarter.

COMPASS has continued the development of participatory monitoring and evaluation and adaptive management, working with communities in developing the goals, objectives and indicators within the process of developing management plans. The coaching on the process leading to development of forest

management plans was done in a total of ten villages in Chikwawa, Nkhonkhotakota and Lilongwe Districts. Similar activities have been carried out in the fisheries sector involving 10 BVCs and 2 RVCs in Nkhonkhotakota, Zomba and Phalombe districts.

The Malawi Gold Standards Honey Production System roll-out has been initiated. Training of 16 bee keeping extension service providers was conducted in Bolero Rural Training Centre, Rumphi District. The training was focused on practical skills acquisition and covered technical issues on beekeeping; bee keeping as a business; and skills in training others. The technical skills training was facilitated by Alex Banda of Tsapa Bee Keeping Services, a very experienced trainer in bee keeping. The training was fee-based. Participants were either self-funding individual or NGO personnel paid for by their organization. COMPASS strongly believes that fee-based service provision focusing on skills acquisition is the only approach that has the potential for sustainability. The intention is that the trained extension service providers will provide bee keeping training services for a fee to producer groups and individuals in rural and urban areas.

COMPASS in collaboration with the Government of Malawi IFMSLP conducted forestry policy orientation sessions for 34 frontline staff (Guards and Patrolmen) in Machinga and Mzimba districts. The objective of the sessions was to orient and help field staff internalize the policy and its facilitation at community level. During this exercise, Forestry Guards and Patrolmen/ladies practiced facilitation of participatory forestry management sessions in the communities with 74 people (57women). The exercise aimed to build the confidence of forestry frontline staff in facilitating participatory forestry management activities with communities.

COMPASS has trained 28 personnel from the Departments of Forestry and National Parks and Wildlife in Nkhonkhotakota on Participatory Forest Resource Assessment. The Malawi College of Forestry and Wildlife facilitated the training. Trained personnel are now using the skills learnt to assist communities to undertake participatory forest resource assessment in several villages in the district.

Problems encountered and actual or proposed resolution

There was poor participation of community members during training sessions meetings mostly due to funerals, which affected the popular representation in developing goals and objectives for management plans.

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 training of fisheries association members in Nkhonkhotakota in participatory fisheries management; working with communities in Mzimba, Nkhata Bay, Nkhonkhotakota and Lilongwe in finalizing their forest management plans; conduct a training needs assessment in the fisheries sector to determine appropriate training curricula for district fisheries staff and BVCs, and provision of training to extension service providers from the public and private sectors and civil society on the Malawi Gold Standard Honey Production system.

Table 16: Sub-Task 2.1.1: actions for period July—September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCE REQUIRED
Facilitate training of bee keeping extension service providers on the Malawi Gold Standard Honey Production System.	S. Munthali, B. Sosola, J. Pratt, N. Moyo	July-September	LTTA time, Gold Standard printing, courses, training kits, DVDs, Service contract

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCE REQUIRED
Initiate training of VNRMCS in Participatory Forest Management on request from district forestry offices	N. Moyo, B. Sosola, N. Chimzukila, P. Munthali, M. Mpezeni	Ongoing	LTTA time; ODC time
Conduct policy orientation sessions for forestry frontline staff in Mangochi and PFRA in Nkhata Bay	N. Moyo, B. Sosola, N. Chimzukila	August-September	LTTA time, ODC time, service contract with MCFW
Conduct training needs assessment and support training of fisheries associations in Nkhotakota	B. Sosola, N. Moyo, J. Dickinson	July-August	LTTA time, some STTA time
Conduct fisheries training needs assessment and modules in line with the identified fisheries training needs	N. Moyo, B. Sosola	August-September	Service contract, slight LTTA time
Field test the 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	ongoing	ODC time 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 is periodically maintained and updated. 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.

Training of service providers and communities in Malawi has traditionally been financed through donor agencies, with training curricula based largely on those agencies' perception of the skills required to achieve a particular result. All costs are normally covered by the donor and, in many cases, participants are provided with free accommodation and food, sometimes even paid to attend the training. As a result, not only is the subject matter frequently of little practical benefit to the participants but also those attending are not always those who can benefit most.

COMPASS is working to develop a new training paradigm, in which practical skills to assist individuals, households, groups and whole communities are imparted, with at least a portion of the costs being borne by the trainees. Trainers will be provided (also at cost) the requisite skills and charge a fee for their services, creating a sustainable system, *providing they are providing skills that people value*,

Action this reporting period and Sub-Task update

COMPASS trained 35 lending officers of National Bank of Malawi in Appreciative Inquiry as an integral part of their orientation on the NRBE fund (see sub-task 3.3.2). Training in the Appreciative Inquiry approach is designed to instill a positive mindset amongst lending officers. The NRBE fund is a new venture for the bank and it is important that those providing the lending services do so with a view to the opportunities presented, rather than the potential problems.

In line with subtask 3.1.3, sixteen extension service providers from the private sector and NGOs were given instruction by a private sector honey producer to become Malawi Gold Standard Honey Production System trainers. The participants were drawn from Small Beekeepers Development and Research Association, Kawalazi estate, Kabunduli Bee Keepers Association, Smallholder Coffee Farmers Trust, Evangelical Lutheran Development Services and private individuals. The training covered technical issues, business plan and facilitation skills for adult learning. Through COMPASS facilitation and coordination, technical training services were provided by a private local firm, Tsapa Beeking Services. Participants paid the trainer's fees and met their own costs towards the training.

Problems encountered and actual or proposed resolution

Government extension personnel had no budget to meet the fees and to cover their own costs to attend this training.

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 next quarter include providing further training by Tsapa Beeking Services for the roll-out of the Malawi Gold Standard Honey Production System to private sector and NGO-based service providers in the central and southern regions. There will also be an orientation workshop for New Building Society lending officers on the management of the enterprise fund.

Table 17: Sub-Task 2.2.1: actions for period July—September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCE REQUIRED
Implement recommendations in the performance assessment of IFSP trained communities	N. Moyo, M. Mpezeni	August-September	Slight LTTA time, ODC time, IFSP support
Support training by Malawi College of Forestry & Wildlife of field staff in two districts on PFRA	N. Moyo, B. Sosola, N. Chimzukila	August—September	Slight LTTA time, service contract with MCFW
Conduct follow-up field visits to assess application of PFRA skills by trained staff	B. Sosola, N. Chimzukila, N. Moyo	Ongoing	LTTA time
Provide back-up services to government and NGO institutions 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	S. Munthali, N. Moyo, B. Sosola, B. Namale	Ongoing	LTTA time

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCE REQUIRED
Assess Organizational Development needs for HOMERO, TANAREMA & Nyika/Vwaza Association	B. Sosola, N. Moyo, K. Sichinga	August-September	LTTA time, Service Contract
Update and manage CBNRM service providers database	B. Namale, N. Moyo	Ongoing	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 Adaptive Management techniques.

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

COMPASS signed an addendum to the existing MoU with RUFA, providing for RUFA to support the Mzimba District Forestry Office in supporting communities in Eswazeni towards development and finalization of forest management agreements. COMPASS provided financial support to RUFA to enhance its capacity to co-ordinate the process in the communities. COMPASS is also considering avenues for collaborating with Evangelical Lutheran Development Service (ELDS) in the promotion of sustainable livelihoods for communities surrounding Majete Game Reserve. COMPASS was identified as a very important stakeholder in the implementation of such a project by ELDS.

Upon request by the MCFW in Dedza, COMPASS trained 50 Forestry Certificate students (18 women) in Appreciative Inquiry. The training was conducted in two phases: five days of theory and three days of field application in the villages of Mpalale, Fala and Jeremiah. The training helped to equip students with relevant participatory approaches that could enhance community mobilization work as well as overall community participation.

A full assessment of the organizational needs of the Nyika-Vwaza Association was conducted through consultations with various stakeholders around Nyika and Vwaza Wildlife reserves. The consultations were held with traditional leaders, natural resource committees, communities, DNPW staff and Nyika-Vwaza Association management team. The draft assessment report was presented to the Department of National Parks and Wildlife and recommendations will be implemented in the next quarter.

Problems encountered and actual or proposed resolution

There are very few truly local NGOs operating in the field of CBNRM in Malawi. Most NGOs in the country are national branches of multinational NGOs, which receive significant donor funding and whose development philosophies are often at odds with those of COMPASS.

Most, if not all, local NGOs receive funding through multinational and bilateral donors. This fact immediately endangers their sustainability. Their approach is often heavily influenced by that of their donors. Hence, there tends to be a paternalistic approach to development, a focus on subsistence level

“income generating activities”, free training and free materials, all of which conflict strongly with COMPASS’ policy.

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 training of Evangelical Lutheran Development Services personnel; the addendum to the MoU signed with RUFA for forestry activities in Eswazini; the agreement with the Mulanje Mountain Conservation Trust (MMCT) to assist in the implementation of the Mount Mulanje Community Watershed Partnership programme; and a proposed collaboration with TLC in the Nkhosakota District all contribute to this target.

Actions for this quarter include implementation of the recommendations from the assessment exercise of the Nyika-Vwaza Association; continued orientation training on Appreciative Inquiry for NGO and government staff members; and training extension service providers from the private sector, NGOs and government from Chitipa, the central and southern regions of Malawi in the Malawi Gold Standard Honey Production System.

Table 18: Sub-Task 2.2.2: actions for period July—September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCE REQUIRED
Conduct PFRA training to Forestry staff in Mangochi and Nkhata Bay	B. Sosola N. Moyo	September	LTTA time, service contract, with MCFW
Review the Nyika/Vwaza Association plans and assess areas for COMPASS facilitation	K. Sichinga B. Sosola J. Dickinson N. Moyo	July-September	LTTA time
Provide back-up support to RUFA in participatory forestry management processes in Eswazini, Mzimba	B. Sosola N. Chimzukila P. Munthali J. Dickinson	July - September	LTTA time
Conduct regional training of trainers (centre & south) on Malawi Gold Standard Honey Production System	B. Sosola N. Moyo S. Munthali J. Pratt	July-September	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 has been challenging. COMPASS remains committed to supporting WESM in this activity; efforts to find suitable candidates will be redoubled in this quarter until someone can be identified and the assignment conducted.

Problems encountered and actual or proposed resolution

No major problems were encountered.

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 4th Quarter include recruitment and engagement of a suitable candidate to conduct the assessment.

Table 19: Sub-Task 2.3.1: actions for period July-September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCE REQUIRED
Assess environmental education program and develop environmental education strategy	WESM, N. Moyo	July - September	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 programme 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 third quarter of this financial year, production of the Malawi Gold Standard Honey Production System was accorded highest priority. By the end of the reporting period, editing of the video content and the technical content of the Bee Keepers Handbook were completed. The technical content of the Trainers' Guide and Business Plan were finalized.

Also this quarter, work progressed on the design of the Malawi Gold Standard Aquaculture Production System, the *Chuma Chobisika* radio and print newsletter continued being produced (see sub-task 1.2.1). Dr Alfred Nyasulu's dissertation on rural livelihoods in Dedza and Zomba districts, "Decentralisation, Rural Livelihoods and Poverty Reduction in Malawi, has been printed.

Problems encountered and actual or proposed resolution

No major problems were encountered.

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 three to four 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 20: Sub-Task 2.3.2: actions for period July-September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCE REQUIRED
Produce <i>Nantchengwa</i> magazine and distribute to schools	WESM, N. Moyo	July - September	LTTA time
Produce a weekly <i>Chuma Chobisika</i> radio program	P. Mphaka, L. Manda	July - September	LTTA time
Produce bimonthly <i>Chuma Chobisika</i> newsletter	L. Manda, P. Mphaka	July - September	LTTA time
Release DVD and print materials for the Malawi Gold Standard Honey Production System	P Mphaka, L Manda Spectrum Media, J. Pratt, N. Moyo	July - September	LTTA time, STTA time
Support the implementation of the Fisheries Communication Strategy	L Manda, P Mphaka Spectrum Media	July - September	Slight STTA time, LTTA time
Co-ordinate result oriented media production from sectoral departments	L Manda, P Mphaka J. Dickinson	July - September	LTTA time
Initiate design of public awareness survey on perceptions and understanding of CBNRM efforts and advances	L. Manda, Spectrum Media WESM	July - September	STTA time, LTTA 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

No action was taken this quarter.

Problems encountered and actual or proposed resolution

No major problems encountered

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 21: Sub-Task 2.3.3: actions for period July-September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCE REQUIRED
Update TAMIS links with Best Practices database/website	A. Nganga M. Mpezeni	Ongoing	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

Traditional leaders are deliberately being included 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.

Traditional leaders are proactively involved in processes for developing constitutions, regulations and by-laws around Lake Chilwa and Nkhotakota. 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, participatory forestry resource assessment, community mapping exercises and participatory

activity monitoring. Follow-up visits continued in Matengambiri and Samu villages in Chikwawa district; GVHs Mbewa and Pendwe in Nkhotakota, Sendwe and Kasiya in Lilongwe; Eswazini in Mzimba- to discuss adaptive management tools for use in their VNRMCs.

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 22: Sub-Task 2.4.1: actions for period July-September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCE REQUIRED
Involve traditional leaders in participatory forestry and fisheries management processes and adaptive management.	N. Moyo B. Sosola P. Munthali N. Chimzukila M. Mpezeni	July - August	LTTA time, ODC time
Include traditional leaders in COMPASS supported training sessions	N. Moyo, B. Sosola M. Mpezeni P. Munthali W. Kafakalawa	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

Traditional Authorities have raised several issues discussed during the conference in the media channels (newspapers, television and radio) that have helped to draw the attention of the relevant authorities on issues related to role of traditional authorities in management of natural resources in Malawi. The Departments of National Parks and Wildlife and of Fisheries gave feedback to the resolutions developed during the conference and made some recommendations on the way forward.

The issues raised during the conference have further been debated by Traditional Authorities in other fora organized by government and other institutions and have been aired through radio and television.

Problems encountered and actual or proposed resolution

No major problems were encountered.

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. The planning and organization of the conference will be done in coordination with the IFMSLP.

Table 23: Sub-Task: 2.4.2: actions for period July-September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCE REQUIRED
Liase and plan jointly the 2006 conference with the IFMSLP	N. Moyo Karen Edwards T. Johnson P. McArtur	August-September	LTTA time, support from IFMSLP

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 US \$400,000 in cumulative revenues requires cumulative household revenue from CBNRM to double from the 2005 total of US \$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 has proposed establishing a local full-time position to provide leadership of the market analyses and develop greater understanding of market dynamics for natural resource-based products. Creation of this position is dependent on funding levels for the Fiscal Year.

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 and Malawi Gold Standard Aquaculture Production System, 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 Calumba root conducted demonstrating sufficient volume of product available to sustain expansion. If resources permit, the first-round analysis of *ncheni* fish in Nkhatakota and Nkhata Bay needs to be followed by comprehensive market analyses on the elasticity of price and demand for this species and other fresh, dried, 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 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 to undergo screening in the 4th quarter of 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 Department of National Parks and Wildlife 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;
- 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.

Depending on the further position adopted by a Forestry Department Task Force, charcoal may also be included. It will benefit considerably from a separate study described below and which shall probably precede the screening process.

Action this reporting period and sub-task update

HONEY

Roll out of the Malawi Gold Standard Honey Production System was initiated with training of 16 private extension service providers from the northern region, lasting 11 days, by Mr. Alex Banda, a commercial beekeeper, in Bolero, Rumphu District. Participants were required to meet all overhead costs related to attending the course, approximately MK 3,500 per head, besides tuition fees of MK 6,500 per participant. (Trainer remarked that this MK 10,000/head self-financing attendance was unprecedented in this industry – that is used to generous donor sponsorship of technical (but not business) training costs.)

The criteria for selection to attend the course were beekeeping (technical and training/communication) skills as well as ability to pay tuition fees. In total, 26 potential participants showed interest to participate.

These had been identified during the *business service providers* identification which was conducted in the districts during the previous quarter.

Among the potential beekeeping extension workers coming forward were eight from Chitipa who were to be sponsored by Eco Products Limited (EPL). EPL later negotiated with the trainer to conduct a separate course in Chitipa so that they could save on overhead costs.

Of the 16 participants, 14, including two affiliated with World Vision, paid cash for tuition fees while two used embedded transactions - to supply an equivalent quantity of honey to the trainer in future. COMPASS staff supplemented the Malawi Gold Standard Trainer's program with three days devoted to imparting training skills and an understanding of the financial/business aspects of beekeeping. It is anticipated this pattern of delivery will continue in future courses.

The set of training materials (Guide, Handbook, DVD set and Gold Standard book bag) are being offered for sale to professional, certificated trainers as a package at cost, at just under MK 8,000.

Since the report of Spike Millington and Madalitso Kaferawanthu of WESM, "Biodiversity Assessment for Malawi", identified three small forest reserves of the Misuku Hills as priority sites for biodiversity conservation, the Malawi Gold Standard Honey Production System training sessions to be sponsored by EPL in Chitipa could provide a foundation for expanding beekeeping in these reserves. Propagation of the Gold Standard practices is expected both through partners, notably the IFMSLP and spontaneous private initiative. This business opportunity could provide an entry point with communities to support COMPASS II facilitation of management plan development with program partners in these forests.

AQUACULTURE

To bridge gaps in the Malawi Gold Standard Aquaculture Production System market assessment and strengthen formulation of a marketing strategy, during April the two COMPASS Enterprise Specialists, in partnership with Fisheries Department personnel, conducted a Rapid Market Appraisal in Blantyre, Lilongwe and Mzuzu for farmed *Chambo* (*Oreochromis karongae*) which included consultation with numerous fisherfolk and traders along Lake Malawi's western coast. This enabled:

- the *Chambo* supply chain, traditional auction system and its players to be fully understood and trade interest in handling farmed *Chambo* to be elicited
- the preferred size of fish for the mass market to be determined and seasonal demand and price fluctuations to be known
- forecasting of the costs of re-fridgerated transport of farmed *Chambo* and of the price that could be expected for such fish of various sizes, and
- identification of the potential for value addition through direct dealing between producer groups and 'retail' fish packers

This exercise significantly boosted confidence in the ability of farmed *Chambo* to compete in the marketplace.

The expert team from World Fish Center and Department of Fisheries monitored the growth rate of *Chambo* in the Gold Standard stocked ponds of the Kanyema family in Chingale, Zomba District and of Mr. Friday Nikoloma in Thyolo District. By late June, there were signs of problems: sampling at the Kanyema ponds revealed a lot of small fish and disturbingly high mortality, needing scientific explanation, was evident at Mr. Nikoloma's pond. The team also provided revised financial projections for the production system so that certain investment costs, including initial fingerling stocking, were capitalized, easing the forecast of potential for investment debt servicing and generally improving the projected cash flow pattern.

Following agreement in early April of a forum of scientists convened by Director of Fisheries on the basic technical assumptions of the Gold Standard model, drafting by WorldFish of a technical text for the Malawi Gold Standard Aquaculture Production System Handbook and Trainer's Guide was substantially completed by the WorldFish team so that Spectrum Media could start on preparation and formatting work in early July. In April, Spectrum Media personnel assisted filming of fish farming activities by the Public Awareness team for the Gold Standard DVD package.

World Vision and COMPASS commenced discussions on how they might work together in promoting adoption by small farmers of a commercial approach to fish farming and possibly by group enterprise; World Vision have many years' experience of supporting the sector and have learned the necessity of a business approach by experience. ELDS expressed similar interest.

The Innovative Partnerships Design Specialist contacted MALDECO to assess their willingness to form commercial links with small-scale cage culture operators. Initial reactions were encouraging. Previous discussions with WorldFish Centre and the Department of Fisheries about possibilities for small-scale cage culture of *Chambo* were followed up. WorldFish Centre commenced a trawl of its technical databases for background information and also collected information on cage culture in Zambia during a visit there. Joint meetings to assess the information gathered will be held in July with a view to piloting cage culture in one or more sites. Nkhotakota is considered to be a district that should be targeted for trials due to its diversity of water bodies (the lake shore, Chia Lagoon, Lake Chikukutu and the Bua River mouth).
Mangochi

CAPTURE FISHERIES

There were no new developments. Capture of information about consumer substitution of different species and products (fresh, smoked, dried, and frozen) requires a market study including the full range of commercially-traded species rather than focusing solely on *ncheni* as initiated during 2005. Experience in April of investigating the *Chambo* market sheds light on how to proceed and where to gather opinion. The design for such a study was completed in the 2nd quarter and will probably be considered towards the end of 2006. This would still be with a view to identifying opportunities for higher rates of return per unit of catch effort (without encouraging over-exploitation of the resource base) [See also fisheries governance under 1.1.3, specifically byelaws development in Nkhotakota.]

AGROFORESTRY HOME GARDENS

The Agroforestry Home Garden drip irrigation trial moved into full field implementation, in collaboration with the partners: NASFAM, SCF (USA), FHI and TLC. (In order to diversify the geography of the trial, an MoU was signed with GOAL Malawi, while site verification, data collection and technical training were completed. Trials in Nsanje District under their supervision will commence soon. Farmers received the technical training in drip irrigation from the trial's partners at drip irrigation plots that had already been set up. Although the roll out phase came some six weeks behind schedule, the high motivation of partner farmers suggests that all 1,000 designated trial farms will be fully participating during the 4th Quarter.

Highlights of the trial during this quarter were as follows:

- Clearing of 600 and 400 drip irrigation kits from two suppliers, Plastro-Israel and IDE-India, for all 10m x 10m plots was completed and cutting and packing of 600 Plastro kits was finished.
- 930 kits have been distributed to partners (NASFAM, TLC, FHI, and SCF (USA)) representing 93% completion and 93% data collection done
- Data entry and analysis is under way and due to finish late July.
- Training on drip irrigation technology and setting up of on-farm demonstration plots has been undertaken and completed in the quarter to all collaborative and implementing partners (NASFAM, TLC, SCF (USA), FHI and Goal Malawi).
- Monitoring setting up of drip irrigation plots by farmers started in the quarter with SCF (USA) in Balaka; NASFAM, in Mzimba; Lilongwe and Mchinji; and FHI in Nsanje and Chikwawa.
- The process of developing the Agroforestry Home Garden Drip Irrigation Extension Manual started in the quarter and editing and insertion of pictures for illustration is underway.
- A fact sheet/brochure on Agroforestry Home Garden drip irrigation trial was drafted and submitted for editing.

MUSHROOMS

This being the dormancy season, there were no new developments on the ground.

TRADITIONAL USE PLANT PRODUCTS

The Calumba Root preliminary resource assessment by Yesetsani Kambewankako (Occasional Paper #12) and the edited and formatted final report from Don Greenberg and Bronwyn Irwin (Traditional Use Plant Products: Pre-feasibility Analysis) were presented to the chairman of the panel of experts from the National Research Council in May for review towards determining next steps in possible promotion of wild plant utilization/cultivation.

CHARCOAL

Our intent remains to look at this as a product with a large market demand that is currently not produced sustainably, and identify ways to reduce demand and increase supply of more sustainable production.

Earlier discussions with the FGLG resulted in agreement with the Department of Forestry that COMPASS would draft a Scope of Work and sponsor a formal investigation, including rigorous assessment of the charcoal trade in key urban centers, and report by two local consultants on the charcoal supply chain. This would reveal the geography and nature of production and supply and demand for charcoal, as well as the respective price formation. Based on this information, decision-makers will be better able to influence the conduct of this important sector in the black economy. It should also act as a guide to how Malawi might at last commence a process of transition of domestic energy sourcing away from charcoal. COMPASS will also provide statistical design expertise and support joint dissemination of results to senior decision makers.

OTHER NATURAL RESOURCE-BASED PRODUCTS

The screening process may take place in 2006 if funding is assured.

Problems encountered and actual or proposed resolution

HONEY

No significant problems were encountered.

AQUACULTURE

Unforeseen shortages of *Chambo* fingerlings, required for stocking six Malawi Gold Standard Aquaculture Production System pilot ponds in the northern and central regions prompted a search by the WorldFish Centre scientists and Fisheries HQ personnel for suitable 'on-station' and commercial sources. COMPASS assisted this process by participating in stock monitoring in the Fisheries Department's ponds at Nchenachena, Rumphu and Mzuzu. Unfortunately, there was insufficient stock to supply even one Gold Standard farmer. WorldFish Centre and the Fisheries Department then made a decision to stock from a *common blood line* in ponds at the National Aquaculture Centre, Zomba. Action was awaited at the end of the quarter.

There is some concern that the proprietary fish feed procured by COMPASS in mid-February may be unfit for use due to humidity and pests after six months of storage.

AGROFORESTRY HOME GARDENS

The only significant setback was the withdrawal of intended 'scientific control' partner, Bunda College of Agriculture, which reverted to a position that it would only participate on condition of all their consumables being fully funded; Natural Resources College and ICRISAT were similarly approached and although both were very interested in principle, they withdrew for the same reasons as Bunda.

Some partners failed to mobilize according to plan and COMPASS had to make representations in each case to their management for.

On the technical side, the sensitivity of the IDE kit to pressure was noted at many sites during training; the deployment of the pipes has to be totally flat for the system to work, otherwise some tubes do not receive water. The PLASTRO kit is altogether more versatile and also tougher.

Agroforestry trees have not been established in all the plot boundaries and some established in the crop boundaries have died for lack of water. Family Health International, and to some extent NASFAM, have generally done a good job in supporting establishment and maintenance of the agroforestry cordons. The attention of other partners to this key woody component is a disappointment and, to comply with commitments made, will need to be rectified in the next rainy season.

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 five additional commodities have been identified for further analysis and support from among the ten identified for market characterization screening.

Actions planned for the 4th Quarter include:

HONEY

Further courses of professional, certificated training to beekeeping extension service providers (priced at around MK 6,500/participant for 11 days of training) as follows:

- Central region : 14 to 25 August, 2006 in Mchinji
- Southern region: 4 to 15 September, 2006 in Liwonde

These will precede the training in Chitipa. More courses will be organized according to demand and payment capacity.

AQUACULTURE

- Testing of the findings in the *Chambo* Rapid Market Appraisal by harvesting, trial logistics and marketing through auction of fish from Chingale in July.
- Aquaculture piloting on the other Gold Standard ponds in the Centre and North, with most pilot ponds being stocked in July and expected to give yield results and the opportunity for tracking marketing around November.
- Filming in July of *Chambo* marketing/logistics activities and of interviews of the players,
- Review of the performance of pilot ponds,
- Development of extension materials, and
- Support to the initiation of cage culture pilots in Nkhotakota and/or elsewhere.

AGROFORESTRY HOME GARDENS

COMPASS will carry on systematic field based monitoring of adoption to make sure that the program becomes fully operational.

MUSHROOMS

The Regional Enterprise Specialist will make further investigations during August among mushroom-picking communities on the eastern fringe of Nkhotakota Wildlife Reserve and in and around Viphya. The Supervisory Community Extension Officer will be included in this activity, so that he can play a part in future engagement of communities, deal brokering and widening the catchments, such as in Machinga and Ntcheu, for both export processing and marketing in urban centres.

TRADITIONAL USE PLANT PRODUCTS

Meeting with the National Research Council Biotechnology and Genetic Resources Committee to review recommendations for the traditional use plant products sector.

CHARCOAL

Conduct the charcoal investigation and related statistical analysis.

Table 24: Sub-task 3.1.1: actions for period July – September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
<i>Honey sub-sector:</i>			
Sales of Malawi Gold Standard Honey Production System materials	S. Luwenda , D. Nkamanga	Ongoing	ODC time
Continue roll out of the Malawi Gold Standard (honey production) in Mchinji, Liwonde and Chitipa	S Munthali N Moyo B Sosola	Ongoing	LTTA time
<i>Aquaculture sub-sector:</i>			
Testing of findings in the <i>Chambo</i> Rapid Market Appraisal by trial logistics and marketing through auction of fish from Chingale.	J. Pratt, L. Manda, P. Mphaka	July - August	LTTA time, WorldFish and Department of Fisheries research staff
Aquaculture piloting on the other Gold Standard ponds in the Centre and North and their monitoring.	J. Pratt, S. Munthali	July - September	LTTA time with WorldFish, Department of Fisheries research staff
Filming of <i>Chambo</i> marketing/logistics activities and of interviews of the players.	P. Mphaka J. Pratt	July	LTTA time
Development of extension materials: Handbook, Trainer's Guide and DVDs	Spectrum Media,	July – August	Some LTTA time, STTA time with WorldFish
Investigation and possible planning for cage culture trials	J. Dickinson S. Munthali J. Pratt	July onwards	LTTA time, STTA time with WorldFish and Department of Fisheries research staff
<i>Agroforestry home gardens:</i>			
Distribution of drip kits to GOAL and setting of drip irrigation plots by participating farmers Conduct field trials of drip irrigation	J. Lwanda	July	ODC time, STTA time, field cost of trials
Facilitate 12 district based field days	J. Lwanda T. Manoto	July	ODC time, STTA time
Finish baseline data entry, analysis and produce baseline report	K. Sichinga J. Lwanda	July	ODC time, LTTA time
Conduct bi-monthly progress review meeting with collaborative partners	J.Lwanda	July	ODC time
Mid term assessment of trial	J. Lwanda J. Pratt	July	ODC time, LTTA time
Develop extension guide/ manual	J. Lwanda	July – September	ODC time with NASFAM, FHI, TLC, SCF (US), GOAL

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Field based monitoring of trial implementation and adoption of drip technology with all collaborating partners	J. Lwanda	July – September	ODC time with NASFAM, FHI, TLC, SCF (US), GOAL
Prepare for dissemination/ presentation of final results of field trial to stakeholders and interested parties	J. Lwanda, L. Manda, P. Mphaka	August	ODC time, LTTA time
Facilitate linkage of potential importers to drip markers and select service providers to participate in the on going dissemination of Agroforestry Home Garden drip irrigation technology	J. Lwanda L. Manda, P. Mphaka	September	ODC time, LTTA time
<i>Mushrooms</i> Field induction of SCEO	S. Munthali J. Lwanda	August	ODC time, LTTA time
<i>Traditional-use Plant Products:</i> Meeting of Biotechnology and Genetic Resources Committee of National Research Council to review Greenberg & Irwin study and Calumba Root resource assessment before consultation with other relevant stakeholders	J. Pratt S. Munthali	August	LTTA time; workshop if necessary
<i>Charcoal</i> Design and commissioning of supply chain study in partnership with IFMSLP and FGLG	T. Johnson K. Sichinga, J. Pratt	August - September	LTTA time, STTA time, field expenses

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

COMPASS proposed to the government 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.

Action this reporting period and sub-task update

None

Problems encountered and actual or proposed resolution

There has been no conclusive response from government. If this trade fare and conference is to go ahead, it must be led by government and the private sector, rather than COMPASS.

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 planed for the 4th Quarter are limited to a possible follow-up meeting with National Research Council on traditional-use plant products.

Table 25: Sub-task 3.1.2: actions for period July - September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Oversight agencies for traditional-use plants deliberate on recommendations from Greenberg, Irwin, Kambewankako	J. Pratt S. Munthali	August	LTTA time, STTA 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 is being 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 time 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 and/or through commission/linkage to transactions (e.g. honey or fish sales) 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

The Malawi Gold Standard Honey Production System roll out started with extension service providers' training in Bolero, Rumphu, as reported above. The trainees were drawn from the localities with greatest biological potential for quality honey production. The aim is that beekeepers in these high potential areas have easy and affordable access to these beekeeping extension services.

The request from EPL to hold a Malawi Gold Standard training course in Chitipa is a clear indication of their willingness to embed business and technical services to beekeepers within their operation. The Smallholder Coffee Farmers' Trust (SCFI) has also expressed their intention to further provide extension services on honey production and to their member.

Dissemination of Malawi Gold Standard packages (Beekeepers Handbook, Trainers Guide and DVDs) is underway. There are possibilities that some personnel from the public sector may also be able to buy the packages. Beekeeping extension service providers who are undergoing training are encouraged to buy the packages, as is the general public, so that the methodology for high quality honey production can reach as many people throughout the country as possible.

Problems encountered and actual or proposed resolution

None: interest of beekeeping extension agents in becoming accredited was not significantly diminished by having to pay their own costs of training, subsistence, etc.

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 4th Quarter focus on provision of three further training courses as previously described and establishing an accreditation mechanism for private or public extension agents to deliver the Malawi Gold Standard Honey Production System. Loan officers from interested financial institutions will also be trained so that they understand the production system and its profit potential.

A major Malawian company engaged in large scale cage culture of *Chambo* has expressed interest in providing business and technical services to small scale cage operators, probably initially in the Mangochi and Nkhotakota areas. COMPAS will work with this company and local fishing communities in these areas to assist in linking the two together.

Table 26: Sub-task 3.1.3: actions for period July – September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Select and facilitate training of district-based service providers in first round of Gold Standard Honey Production System roll-out	S. Munthali, B. Sosola, J. Pratt	Ongoing	LTTA time
Complete design and apply accreditation criteria and operating system for Honey Gold Standard technical extensionists	J. Pratt S. Munthali B. Namale N. Moyo B. Sosola	Ongoing	LTTA time, STTA time
Train loan/credit officers from banks and microfinance institutions on honey Gold Standard production and business plan	S. Munthali B. Namale	Ongoing	LTTA time, workshops
Select candidate district-based financial management service providers	S. Munthali B. Namale	Beginning September	LTTA time
Complete manual and other materials for agroforestry home gardens training of NGO service providers & distribute	J. Lwanda	August	ODC time, printing costs
Develop and deliver training to potential financial management service providers	S. Munthali B. Namale	Ongoing	LTTA
Work with private sector and artisanal fishermen to develop cage culture	J. Lwanda, J. Pratt J. Dickinson	August – September	LTTA time, STTA time, ODC time

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 3):

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-signatories information to both adaptively improve resource management and ensure progress toward the



Figure 2. COMPASS monitoring pyramid

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 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

The report of Spike Millington and Madalitso Kaferawanthu (WESM Lilongwe), “Biodiversity Assessment for Malawi”, was circulated. Their key recommendations, besides identifying sites demonstrating the points raised, include:

- Critical elements of Malawi’s biodiversity are found in defined but mostly threatened localities, militating for a **‘local’ approach to identifying and addressing threats and opportunities** in which a matrix of criteria might be applied as follows: Biodiversity importance; Degree and type of threat; Opportunities for improved management; Existence of community-based groups; Demonstrated capacity for improved conservation; and Presence of ongoing or proposed activities.
- At priority sites, COMPASS can play a pivotal role to help build and support partnerships to develop and implement participatory management plans; the Africa Parks/Department of National Parks and Wildlife initiative at Majete provides an example.
- Identify key interventions promoting biodiversity conservation to either support and enhance existing initiatives, or to initiate activities favoring biodiversity conservation
- Set up and support participatory biodiversity monitoring systems at key sites

- Improve cooperation and coordination between ongoing and planned projects and programs to enhance biodiversity conservation
- Improve communication and education on biodiversity conservation issues

In terms of sector-based progress this reporting period, there was no change to the previous Malawi Fisheries Research Institute report that it was continuing developing specific improvements in their data capture and analysis systems. COMPASS is ready to provide relevant technical expertise as appropriate depending on identified needs.

There was insufficient progress in negotiations with the FRIM to develop a classification system for miombo woodlands from published reports that could be used by field extension workers and frontline staff to describe forest condition as called for under Standards & Guidelines for Participatory Forest Management in Malawi discussed earlier. Once completed, adaptation of this methodology to characterizing bee pasture will follow.

Problems encountered and actual or proposed resolution

Communications with MAFRI and FRIM were stalled and will need to be reopened.

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.

Table 27: Sub-task 3.1.4: actions for period July – September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Consider and apply recommendations related to biodiversity threats in identified selected ecosystems, and pursue promotion of the enterprise opportunities presented by those ecosystems	T. Johnson, J. Dickinson WESM S. Munthali	August - September	LTTA time
Disseminate results of economic study of resources in the Mt. Mulanje ecosystem, toward valuation of goods and services under different management options and brief Charcoal supply chain consultants on statistics and analysis conducted for fuelwood.	T. Johnson, J. Pratt	August and ongoing	LTTA time
Build participatory monitoring of fish population dynamics into management plan for Lake Chilwa	M. Mpezeni	Ongoing (see 1.1.3 above)	STTA time, ODC time
Support Dept. of Fisheries review and revision of monitoring and analysis systems, including expansion of species and gear covered by existing systems	J. Pratt, K. Sickinga	Pending Dept of Fisheries action	LTTA time
Complete revision of ESHUR in line with Reg. 216 updates, and apply to enterprises supported by Enterprise Fund	T. Johnson, B. Namale, T. Munkhuwa	Ongoing	Slight LTTA time, ODC time
Develop a simple classification system for miombo woodland/forest condition	T. Johnson, K. Sickinga	Pending Forestry Research Institute action	LTTA time, STTA time
Develop suitability criteria and maps to identify best sites for honey and wild mushroom production in Malawi	W. Kafakalawa, T. Johnson	August - September	LTTA time, STTA time, printing

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Develop and apply an integrated spatial planning framework for directing CBNRM & NRBE development efforts toward an ecosystem-based approach to verify overall CBNRM impacts	W. Kafakalawa, K. Sichinga	Ongoing throughout 2006	LTTA time, STTA time, workshops

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

COMPASS was involved in assessment of the prevalence and distribution of *phunga* (*Aeschynomene origofera*) in Nyika National Park when one of the major players in the honey processing industry had shown interest in having a *monofloral* brand of honey that is associated with this bee pasture. It is a plant that quickly establishes as the rains start and which is in flower when most other pasture in the vicinity is still in the pre-flowering stage. This feature is good for labeling purposes since it can be shown that the bees are collecting nectar exclusively from the *phunga* flowers.

The processor requested COMPASS to assist them do the following:

- Contact the DNPW to explore possibilities of the processor, through the local beekeeping clubs, to have access to the national park for honey production.
- Assess the potential of the area for production of honey in large enough volumes to justify having a brand for the area's honey.

The area under *phunga* bee pasture is approximately 100-150 Km². Currently two beekeeping clubs have some 300 beehives in the area producing at least five tonnes of the *phunga* honey per year. The beekeepers mix this honey with honey from other bee pastures since there has been no indication from the market monofloral honey brands are in demand.

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 28: Sub-task 3.2.1: actions for period July - September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Identify beekeeping clubs in Nyika to engage in negotiations with SCFT for <i>phunga</i> monofloral honey	S. Munthali	July	LTTA time
Provide technical support to the conduct of natural products inventories by NRBES or producers associations working in existing natural resource-based products	J. Pratt	Upon request by enterprises	LTTA time, STTA time, workshops
Conduct inventory of other traditional-use plants either in parallel or within market characterization	J. Pratt	Pending National Research Council 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

The market analysis conducted for *Chambo* in April (see 3.1.1.) provides information that could be of wide interest to *Chambo* fisherfolk, besides *Chambo* farmers for whom it was primarily intended but dialogue with respective wild fishing interests remains subject to previous resolution of catch monitoring questions discussed under sub-task 3.1.4.

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 held over from the last quarter and to be undertaken in the 4th Quarter include exploring the markets for irrigated crops together with the Malawi Small-scale Irrigation and Marketing Initiative (MASIMI).

Table 29: Sub-task 3.2.2: actions for period April—June 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
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, S. Munthali, L. Manda	Ongoing	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: see roll-out of Honey Gold Standard	LTTA time, production costs, airtime
Provide ongoing technical support on market analysis methods to producers, investors, associations, and entrepreneurs	S. Munthali J. Pratt	Ongoing	LTTA time

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.

Furthermore, the institutions developed for management and regulation of use of the natural resources will become far more relevant to local communities if they are developed to protect the interests of the various user groups, rather than being identified as regulations for “conservation” of resources for their own sake.

This club structure of user groups could also benefit the tricky issues surrounding licenses for forest access.

Action this reporting period and sub-task update

During the month of April, consultations were made jointly with the STTA Innovative Partnerships Design Specialist involving Tambala Foods, EPL, Tsapa Beekeeping Services and SCFT on issues affecting honey quality, product branding and improving marketing and distribution of honey through establishment of producer group enterprises. Discussions were also held with MALDECO regarding their interest to develop small-scale cage culture of *Chambo* along the lake shore, through provision of business and technical services and possibly inputs on credit.

Producer group enterprises can fit very well into the small-scale natural resources-based products industry, which is currently very fragmented and adds little or no value to the products at the producer level. Formation of groups and development of low technology processing could move many at the producer level from subsistence production to production and processing as a business.

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 4th quarter are focused on applying the resource user group principles in practice, especially with beekeeping clubs using the Honey Gold Standard and fish farming clubs of pond aquaculture practitioners.

The Innovative Partnerships Design Specialist will make an input of at least one month to begin work on development of producer group enterprises in the honey, mushroom and cage culture sectors and encouraging links between the enterprises and the commercial firms currently buying and processing the products. Group formation, potential primary processing activities, ancillary industries, marketing and input linkages will be investigated, piloted and documented as an action plan for implementation.

Table 30: Sub-task 3.2.3: actions for period July – September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Respond to honey processors' request to support/promote formation of a National Association	S. Munthali	Only upon request from stakeholders	Slight LTTA time
Pilot the concept of groups as both a unit of grassroots governance and producers' grouping toward PGE and association formation in the honey and aquaculture sectors	S. Munthali J. Pratt J. Lwanda	Ongoing	LTTA time, STTA 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.

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.

Action this reporting period and sub-task update

No new developments.

Problems encountered and actual or proposed resolution

The draft quality standards for honey, mentioned in the last quarterly report, are yet to be finalized by the Malawi Bureau of Standards (MBS). The honey industry and other stakeholders need to pressurize MBS for the finalization of these standards, without which the honey industry cannot move into the mainstream and begin planning for serious expansion into world markets. This is of particular importance to complement the Malawi Gold Standard Honey Production System, which is expected to lead to significant increase in honey production. With the current quality problems, it will be difficult to market Malawi honey internationally.

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.

Ongoing actions to be undertaken in the 4th Quarter include further involvement of the Malawi Bureau of Standards in discussions surrounding the roll-out and application of the Honey Gold Standard, and assisting further planning by the honey processing industry to improve quality control, and identify markets for wax and prepare to launch exports.

Table 31: Sub-task 3.2.4: actions for period July - September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Facilitate adoption of the honey standard for Malawi in collaboration with industry and Malawi Bureau of Standards	S. Munthali	Ongoing	LTTA time, workshop, STTA if needed
Initiate quality control procedures with honey processors to result in consistency of product for domestic and export sales	S. Munthali	Ongoing	LTTA time, workshop, meetings
Convene a series of district level workshops to highlight advantages of quality control and adherence to product standards for market access and stability	S. Munthali, J. Pratt	Ongoing	LTTA time, workshops

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 ECLAfrica 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

Together with the Innovative Partnerships Design Specialist who was in the country in April, 2006, discussions were held with relevant representatives of some of the key players in the honey industry, including Tambala Food Products, EPL, Alex Banda, a beekeeping expert and honey processor, Mama’s Foods and SCFT. The STTA emphasized on encouraging processors to provide embedded services to honey producers, as well as the need for producers to form producer group enterprises.

Similar discussions were held with Edulis Processors, one of the mushroom processors in Chikangawa that offer markets to local communities involved in mushroom collection and with MALDECO as described above.

Centre for Appropriate Technology, a Mzuzu based institution that aims at developing technologies for use by rural communities, was engaged in discussions on collaboration on use of solar drying for preservation of wild mushrooms to facilitate shelf life extension in the absence of the cold chain in rural areas.

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 four 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 4th Quarter include continued brokering of sales contracts and business linkages between producers of raw materials and processors or packagers of products.

Table 32: Sub-task 3.3.1: Actions for period July – September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Receive and apply recommendations for innovative partnerships and/or value chain interventions	J. Pratt, S. Munthali	July - September	LTTA time
Encourage commercial businesses to link with producer groups provide technical services, inputs and guaranteed markets	S. Munthali, J. Pratt,	August - September	LTTA time, STTA time
Continue brokering sales contracts between honey producers and buyers	S. Munthali	Ongoing	LTTA time
Facilitate communications linkages and sales contracts between wild mushroom pickers and processors for export	S. Munthali	Ongoing	LTTA time
Continuously identify producers and buyers of natural resource-based products and develop brokerage linkages	J. Pratt S. Munthali	Ongoing	LTTA time

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 US\$2,500 or less to community-based enterprises, and
 - b. Investment loans of US \$5,000 to US \$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 US \$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 US \$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

During the reporting period, a Grant Agreement was signed by DAI-COMPASS and National Bank of Malawi following the award of a US \$300,000 capital grant to the Bank. COMPASS also provided training to the Bank's lending officers who were drawn from the institution's head office and branches across the country in two weekend sessions in Blantyre and then Lilongwe respectively. The course was aimed at equipping the bankers with the necessary knowledge and skills to enable them to effectively design, market and roll-out investment loans of US \$5,000 to US \$50,000 to SME-scale NRBEs. Over 35 bankers (managers, credit analysts and officers) benefited from the training program.

Another Grant Agreement was signed by DAI-COMPASS and NBS Bank Limited involving a capital grant of US \$50,000 to cover microfinance loans of US \$2,500 or less to community-based enterprises.

In addition, a Grant Agreement was signed by DAI-COMPASS and Tree Crops Limited involving co-financing (matching grant) of US \$97,449. This grant was awarded through pilot commercialization of new natural resource-based products (baobab oil & powder) window as approved by the USAID in the previous quarter. Disbursement of funds under this grant was agreed to be on a reimbursement basis and commenced in June 2006.

Over 100 responses to the APS have since been received, with at least eight 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).

Problems encountered and actual or proposed resolution

No problems were encountered. The signing of grant agreements by National Bank, NBS Bank and Tree Crops Limited, as well as the responses to the 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 9 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 US \$5 million 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 to commence disbursement of loan capital to both NBS Bank and National Bank of Malawi; training to NBS Bank lending officers; ongoing review of APS applications for pilot commercialization and pre-commercial activities, and recommend qualified applicants for award; and conducting Recipient Control Environment Checklist analyses (of financial management and internal controls) and ESHUR of all recommended applicants.

Table 33: Sub-task 3.3.2: actions for period July—September 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Disburse capital grant (in tranches) to NBS Bank for microfinance loans to Community NRBEs.	B. Namale, T. Johnson, J. Dickinson	Ongoing with approved loan applications	LTTA time
Disburse capital grant (in tranches) to National Bank of Malawi for commercial loans to SME-scale NRBEs	B. Namale, T. Johnson, J. Dickinson	Ongoing with approved loan applications	LTTA time
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, J. Dickinson	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. Mafeni, B. Namale	Ongoing with award panel meetings	ODC time, 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 time, LTTA time
Disburse matching grants (co-financing support) to awardees upon USAID approval being granted	B. Namale, C. Mafeni, T. Johnson, M. Chibwana	Ongoing with awards	ODC time, 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, time
Publicize APS for the second time	B. Namale, L. Manda, T. Johnson, C. Mamen	July-August	LTTA time, ODC Support Staff time
Conduct training to NBS Bank lending officers in respect of microfinance loans to community-based enterprises	B. Namale, S. Munthali, N. Moyo, T. Johnson	July-Sept	LTTA 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

Presentation and discussion with professional beekeeping extension service providers of the marketing/business/financial aspects of the Honey Gold Standard production package highlighted the need to approach this group of themes with patience. These activities were highly appreciated by the participants and shall be given even more coverage (because of its complexity) in the development of materials for Aquaculture Gold Standard and in related training programs that result.

Listener responses to the *Chuma Chobisika* radio programming continue to demonstrate 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 4th 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 34: Sub-task 3.3.2: Actions for period July – September 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	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	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 may 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

During the reporting period, Bagie Sherchand, the Innovative Partnerships Design Specialist (DAI) completed her design fieldwork begun in 2005. Highlights of focus expected from the forthcoming report include leverage points in the honey, aquaculture, and mushrooms value chains. Elaboration of ideas on producer group enterprise is ongoing. Her conclusions for the coffee sub-sector are also awaited.

Problems encountered and actual or proposed resolution

None but report submission has been delayed.

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 35: Sub-task 3.3.3: Actions for period April-June 2006

ACTION	PERSON RESPONSIBLE	EXPECTED TIMELINE	RESOURCES REQUIRED
Act on the study of investor attitudes and challenges, to encourage greater investment in natural resource-based enterprises	S. Munthali, J. Pratt	August onwards	LTTA time
Initiate development of innovative partnerships between rural producer groups and larger-scale commercial enterprises in the honey, farmerd fish and mushroom sectors	S. Munthali, J. Lwanda, J. Pratt	August - September	LTTA time, STTA time

ANNEX B:2006 ANNUAL WORK PLAN PERFORMANCE MONITORING TABLE

Table 36: 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
Results Module #1: More Decentralized Management of Natural Resources in Malawi				
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 rd quarter Fisheries legal toolbox by end of 4 th quarter Forestry standard & guidelines – launched by Ministry 2 nd quarter Wildlife revenue guidelines – by end of 3 rd 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 nd 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 nd quarter; Forestry Governance Learning Group and Dept. review initiated 1 st 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 rd 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 nd 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 rd 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 rd 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
Results Module #2: Enhanced Community Capacity for Managing Natural Resources in a Sustainable Manner				
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 nd quarter; Aquaculture Production System launch 3 rd quarter Dept of National Parks & Wildlife staff training begins 4 th 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 nd 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 th quarter
Results Module #3: Increased Sales of Natural Resource-Based Products by Households				
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 nd 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 rd quarter
	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 nd quarter Honey suitability 3 rd quarter Aquaculture suitability 2 nd 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 nd 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 nd 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 rd quarter Mushroom season 1 st -2 nd 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 nd 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 nd quarter Market analyses beg. 2 nd quarter Radio drama on air 3 rd 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 nd quarter Water pricing beginning 3 rd quarter

ANNEX C: SUMMARY OF AGROFORESTRY HOME GARDEN DRIP IRRIGATION FIELD TRIALS

Partners	District	Field site	No. of participating farmers	Plastro	IDE	Tanks	Remarks
NASFAM	Mulanje	Zikometso	90	50	40	90	<ul style="list-style-type: none"> NASFAM have done the farmer training in all the areas. Distribution of kits to farmers not finished in all areas as they are depending on Farmers to collect the kits in some cases. Those farmers who have received have started laying out the drip plot and seem exciting for them. No crop have been grown yet (see picture) Most of the kits are home stead
	Mangochi	Namwera	100	50	50	100	
	Balaka	Balaka	60	30	30	60	
	Mchinji	Mchinji	70	70	-	70	
	Lilongwe	Lilongwe North	80	40	40	80	
	Mzimba	Mzimba	100	50	50	100	
			500	290	210	500	
Total Land Care	Dowa	Dowa	50	50		50	<ul style="list-style-type: none"> Just collected the kits in week beginning 18 June Farmer trainings in progress but not yet finished Kits distribution to farmers waiting for completion of training Few layout on ground those used for training and demonstration as well as those initiated by TLC themselves
	Lilongwe	Lilongwe North	64	64		64	
	Blantyre	Lunzu	36	36		36	
			150	150		150	
Save The Children	Balaka	Phalula (Nyanyala)	20	20		20	<ul style="list-style-type: none"> Farmer training completed Distribution of kits to the farmers done All 40 farmer plots have been laid out Crops have been grown on the plots ranging from emergence to vegetative growth 5 types of crops (maize, cabbage, mustard, onion & tomato) supported by STC 20 plots in each of the two areas are laid out on One place (see picture) Inspiring for other farmers and other local leaders
	Balaka	Chilipa (Mtumbwe)	20	20		20	
			500				

Partners	District	Field site	No. of participating farmers	Plastro	IDE	Tanks	Remarks
Family Health International	Nsanje	Fatima (east Bank)	60	20	40	60	<ul style="list-style-type: none"> ▪ Farmer training completed ▪ Distribution of kits to the farmers done ▪ Farmer plot lay out are in progress but more for those who received Plastro kits ▪ Crops have been grown on some of the plots ranging from emergence to vegetative growth ▪ Locally available vegetables being grown including seeds bought from market ▪ Plots are being laid out individually
	Chikwawa	Mchalo	30	20	10	30	
	Mangochi	Chimwala & Namwera	60	20	40	60	
	Blantyre	Bangwe/Mpemba/ & Chileka	60	30	30	60	
	Dowa	Dowa	30	30		30	
			240	120	120	240	
Partners	No. of participating farmers		Plastro	IDE	Tanks	Remarks	
NASFAM	500		290	210	500		
Total land care	150		82	68	150		
Family health International	240		120	120	240		
Save the children	40		40		40		
Total	930		532	398	930		

ANNEX D: NATURAL RESOURCE MANAGEMENT AREAS MAPPED WITH COMPASS SUPPORT

No.	Name of Site	Size in Hectares	No. of HH	District
1	Makolera Co-management block	87	88	Phalombe
2	Phunduma Co-management block	189	467	Phalombe
3	Chanasa Co-management block	348	496	Phalombe
4	Mangombo Co-management block	141	447	Mulanje
5	Nakhonyo Co-management block	70	480	Mulanje
6	Mbewa Co-management block	325	585	Mulanje
7	Munkhokwe VFA	120	220	Nkhata Bay
8	Chabigza VFA	153	80	Nkhata Bay
9	Sungusya VFA	73	unknown	Mangochi
10	Mbewa VFA	283	unknown	Nkhotakota
11	Ishalikira VFA	16	unknown	Chitipa
12	Izeki VFA	8	unknown	Mzimba
13	Chikomeni Thole VFA	64	478	Mzimba
14	Mawira VFA	91	unknown	Ntcheu
15	Sendwe VFA	73	600	Lilongwe
16	Sinyala VFA	35		Lilongwe
17	Mkanda VFA	9	185	Lilongwe
18	Phale VFA	3	13	Lilongwe
19	Wizimani VFA	6	21	Lilongwe
20	Kazizila VFA	49	unknown	Lilongwe
21	Gumbi VFA	8	unknown	Lilongwe
22	Monjezi VFA	7	25	Lilongwe
23	Samu VFA	95		Chikwawa
24	Mwazika VFA	41	unknown	Chikwawa
25	Champhutsi Co-management block	2096	487	Nkhotakota
26	Ndakwera Sanctuary	30		
	Total area	4420		